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Customer Loyalty Programs And Customer Retention In Beverage Production Companies In Delta State

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ABSTRACT
This study examined customer loyalty programs on customer retention within Nigerian beverage production companies in Delta State. The specific objective examined the effect of point-based loyalty program, tiered based loyalty program and subscription-based loyalty programs on customer retention within Nigerian beverage companies. Relevant concepts, theoretical and empirical studies were reviewed and the study was anchored on relationship marketing theory. The study employed the cross sectional survey design method. Primary data were gathered from 124 employees across Abraka-based beverage firms, using a structured questionnaire with a 5 point Likert scale structure. The instrument measured point-based, tiered, and subscription-based loyalty programs, alongside retention outcomes of customers. Descriptive statistics established the demographic profile of respondents, who were predominantly young (18–35 years) and fairly evenly splited by gender. Reliability analyses (Cronbach's alpha) for key scales exceeded 0.80, confirming internal consistency. Correlation analyses tested three hypotheses regarding the relationships between loyalty program types and customer retention. Results indicate strong, positive associations for all three loyalty models: point-based programs ($r = 0.732$, $p < 0.001$), tiered programs ($r = 0.689$, $p < 0.001$), and subscription-based programs ($r = 0.654$, $p < 0.001$). These findings imply that each model independently contributes to enhanced retention and loyalty outcomes. Point-based programs are associated with clear, easily trackable rewards and meaningful redemption values, fostering repeat purchases. Tiered programs generate emotional attachment through status recognition and personalized offers, while subscription models promote habitual purchasing through convenience and transparent terms. The study contributes empirical evidence supporting the strategic role of loyalty programs in beverage marketing, highlights the differentiated motivational mechanisms (transactional, emotional, and habitual) that drive retention, and suggests that a blended approach may yield optimal retention outcomes.
Keywords: Point-Based Loyalty Program, Tiered Based Loyalty Program, Subscription-Based Loyalty programs, Customer Retention

INTRODUCTION

The modern business environment is characterized by intense competition, rapidly changing consumer behaviors, and increased expectations for value and personalized service. These challenges are

particularly prominent in the beverage production industry, where numerous brands and product options compete for consumer attention. In such a saturated market, firms must look beyond traditional marketing and focus on long-term customer engagement strategies. Among the most effective strategies employed today are customer loyalty programs and customer retention initiatives, which are increasingly recognized as critical tools for sustainable growth and profitability (Ali & Anwar, 2021). Customer loyalty programs are structured marketing efforts that reward, and thereby encourage, loyal buying behavior. In the beverage production industry, this may take the form of discounts, reward points, free products, or access to exclusive experiences (Igwebuike & Iyadi, 2021).

The beverage industry, especially in emerging economies such as Nigeria, faces unique dynamics. The combination of youthful demographics, increasing urbanization, and rising disposable incomes has led to greater demand for diverse beverage products carbonated drinks, fruit juices, energy drinks, and bottled water (Okoro and Ayinde, 2020). From a technological standpoint, the advent of digital marketing and data analytics has revolutionized loyalty program designs (Iyadi & Christopher, 2022). Beverage firms now use customer relationship management (CRM) systems to collect and analyze consumer data, tracking purchase behaviors, preferences, and engagement patterns. This intelligence enables highly personalized rewards and communication, which significantly improve customer satisfaction and loyalty (Alshurideh, 2022).

Customer retention itself is both a precursor and an outcome of loyalty. A satisfied customer is more likely to participate in loyalty programs, make repeat purchases, and recommend the brand to others (Iyadi & Egwuenu, 2017). Conversely, loyalty programs that fail to enhance customer satisfaction either due to poor rewards, difficult redemption processes, or inconsistent service can result in negative brand perceptions (Umeh & Mordi, 2020). It is thus critical for beverage producers to design loyalty systems that directly enhance the customer experience at every touch point. In addition, the role of feedback and performance measurement cannot be overlooked. Loyalty programs must be constantly monitored and evaluated using key performance indicators (KPIs) such as retention rate, frequency of purchase, customer lifetime value (CLV), and program participation rate. Feedback mechanisms such as surveys, focus groups, and social media sentiment analysis help companies identify gaps, redesign strategies, and adapt to changing customer expectations (Okoli & Ejim, 2022).

Research Problem

Despite the increasing adoption of customer loyalty programs and retention strategies in the beverage industry, many companies still struggle to achieve consistent customer loyalty and long-term retention. In Nigeria's highly competitive beverage sector, where consumers are frequently exposed to multiple brands, promotions, and substitute products, loyalty appears to be shallow and highly transactional. Numerous beverage companies invest heavily in loyalty initiatives such as reward points, promotions, and digital campaigns, yet the rate of customer attrition remains high, and brand-switching behavior persists among consumers. This raises critical concerns about the actual effectiveness of these programs in cultivating emotional attachment, sustained engagement, and repeat patronage. Therefore, this study seeks to investigate the existing customer loyalty programs and their relationship with customer retention of beverage production companies in Nigeria, assess their effectiveness, and identify the key factors influencing their success or failure. By doing so, the study aims to provide evidence-based recommendations that can help beverage firms improve customer loyalty, reduce churn, and achieve sustainable competitive advantage in the Nigerian market.

Research Objectives

The general objective of this study is to examine the impact of customer loyalty programs and Customer Retention in Beverage Production Companies. The specific objectives include;

i. to examine the effect of point-based loyalty programs on customer retention in beverage companies.
ii. to determine the effect of tiered loyalty programs on customer retention in beverage companies.
iii. to establish the effect of subscription-based loyalty programs on customer retention in beverage companies.

REVIEW OF RELATED LITERATURE

Conceptual Review

Customer Loyalty Program

Customer loyalty is a multidimensional and long-term commitment demonstrated by consumers toward a brand, product, or service, often evidenced by repeated purchases, favorable attitudes, and resistance to switching despite availability of alternatives. It reflects a psychological attachment that is built through consistent positive experiences, satisfaction, and perceived value over time (Kotler & Keller, 2020). In practical terms, it entails more than just repeat buying; it encompasses a sense of allegiance and emotional connection to a brand. Customer loyalty has become a strategic asset in today's competitive business environment, where acquiring new customers is significantly costlier than retaining existing ones (Iyadi & Ojumude, 2023). The modern marketing landscape views loyalty as a composite of emotional, cognitive, and behavioral dimensions. As noted by Rahman and Zaman (2021), emotional loyalty is built through affective bonding and trust, while cognitive loyalty stems from a customer's belief that one brand is superior. Behavioral loyalty, often considered the most visible dimension, refers to the actual repeat purchase behavior. In the context of the beverage production industry, customer loyalty manifests when consumers consistently prefer a particular brand, such as Coca-Cola, Pepsi, or Chivita, even in the presence of other equally available or cheaper options. This behavior can result from satisfaction with taste, packaging, brand heritage, or marketing communication strategies. Furthermore, loyalty can be both passive and active. Passive loyalty occurs when customers continue to buy a product out of habit or lack of alternatives, while active loyalty is characterized by emotional engagement, brand advocacy, and willingness to defend the brand during crisis (Anyaegbunam & Oladele, 2020).

Customer Retention

Customer retention refers to the ability of a company to maintain its existing customers over a period of time and to encourage repeat purchases or continued usage of its products or services. According to Kotler and Keller (2020), customer retention is the set of activities and strategies a business undertakes to reduce customer defections and ensure long-term engagement. In other words, it measures how successful a company is at satisfying its current customer base to the point where they remain loyal and continue purchasing (Iyadi & Oruakpor, 2023). In the context of the beverage industry, retention entails ensuring that customers repeatedly purchase the same brand of beverages over time, despite the availability of numerous alternatives (Iyadi, 2023). It involves cultivating satisfaction, creating positive experiences, and meeting or exceeding expectations consistently. Rahman and Zaman (2021) noted that retention is not just about maintaining sales but about sustaining a relationship that increases the customer's lifetime value.

Theoretical Framework

The theoretical foundation for this study is anchored on Relationship Marketing Theory, a widely accepted paradigm in marketing that focuses on establishing, developing, and maintaining successful relational exchanges with customers over time (Morgan and Hunt, 1994). Unlike transactional marketing, which emphasizes single-point sales, relationship marketing seeks to build long-term engagement and loyalty by prioritizing customer satisfaction, trust, and mutual value creation. At the core of this theory lies the Commitment-Trust Model, which posits that two key factors are the central mediators that lead to successful relationship marketing outcomes. Trust refers to the belief that a company will fulfill its promises and act in the customer's best interest, while commitment reflects the customer's willingness to maintain a valued relationship. These elements are especially critical in the context of customer loyalty programs and retention strategies, as they form the emotional and psychological bonds that influence repeated patronage and brand allegiance (Morgan & Hunt, 1994; Ndubisi & Nataraajan, 2020).

Moreover, the Relationship Marketing Theory provides a useful lens for understanding how businesses can segment their market and tailor their offerings to meet the unique needs of different customer clusters. In doing so, loyalty and retention strategies become more effective because they align with customer preferences, behaviors, and expectations—core principles of relational thinking (Okocha and Chukwuma, 2021). For example, premium-tiered loyalty programs can be designed for high-frequency customers, while value-based rewards may be offered to occasional buyers to encourage repeat patronage. A critical

implication of the theory is the mutual value exchange it promotes. Unlike traditional marketing where value is one-directional from seller to buyer relationship marketing sees value as co-created through continued interaction. This is particularly relevant in the Nigerian beverage market, where consumer tastes, brand preferences, and purchasing patterns are rapidly evolving. Companies that engage in two-way communication, seek feedback, and respond proactively are more likely to generate enduring loyalty

METHODOLOGY

This study adopted a cross sectional survey research design method. The survey method supports the study's objective to evaluate these relationships based on respondents' experiences, perceptions, and organizational practices within beverage companies operating in Abraka. The target population for this study comprises employees in the marketing, customer relations, and sales departments of beverage production and distribution companies located in Abraka. Given the manageable population size, the formula cited in Taro Yamane Book (1967) was applied to determine the appropriate sample size of 124 respondents using a 95% confidence level and 5% margin of error: The research instrument was a self-designed structured five point Likert scaled questionnaire developed with reference to validated constructs in prior studies on customer loyalty and customer retention. A pilot study was conducted using 20 respondents from beverage businesses in Agbor (a nearby community not part of the main study area). The internal consistency of the instrument was tested using Cronbach's Alpha: Point-based Loyalty programs Items: 0.82. Data collected were coded and analyzed using the Statistical Package for the Social Sciences (SPSS) version 26.0. Descriptive statistics (frequency, percentage, mean, standard deviation) were used to summarize respondents' demographic data and provide an overview of loyalty practices.

RESULTS AND DISCUSSION

Data Presentation

Demographic Characteristics of Respondents

The demographic profile shows that slightly more than half of the respondents are male, accounting for 52.4%, while females make up 47.6%. The age distribution reveals that the majority of participants are within the 18–25 age range, comprising 44.4% of the sample, indicating a predominantly youthful respondent base. The next significant age group is 26–35 years, representing 36.3%, with participants aged 36–45 constituting 13.7%. Those aged 46 and above are the smallest group, at 5.6%.

Table 1: Demographic Characteristics of Respondents

Variable	Category	Frequency	Percentage (%)
Gender			
	Male	65	52.4%
	Female	59	47.6%
Age			
	18–25	55	44.4%
	26–35	45	36.3%
	36–45	17	13.7%
	46 and above	7	5.6%

Source: Field Survey Analysis (2026)

Point-Based Loyalty Programs and Customer Retention

The responses demonstrate a generally favorable perception of point-based loyalty programs. A high percentage of respondents agreed or strongly agreed that points earned from purchases are easy to understand and track (72.6%), with only 9.7% disagreeing. Similarly, 75.8% of respondents agreed that rewards offered good value for points redeemed, showing that customers perceive tangible benefits from

participating. Motivation to make repeat purchases through earning points was supported by 72.6% of respondents, indicating that such programs positively influence buying behavior. Ease of redeeming points was also rated positively, with 74.9% agreement, implying low friction in the redemption process. Finally, 75.8% agreed that point-based programs increase their likelihood of continuing with the same brand.

The mean scores, ranging from 4.02 to 4.09, with relatively low standard deviations (0.82–0.87), reflect consistent agreement across respondents. Overall, point-based loyalty programs are seen as effective in enhancing retention through value, motivation, and ease of use.

Table 2 Point-Based Loyalty Programs and Customer Retention

Item	SD (f/%)	D (f/%)	N (f/%)	A (f/%)	SA (f/%)	Mean	Std. Dev
The points earned from purchases are easy to understand and track.	4 (3.2%)	8 (6.5%)	22 (17.7%)	56 (45.2%)	34 (27.4%)	4.02	0.86
The rewards from the point-based program offer good value for the points required.	3 (2.4%)	7 (5.6%)	20 (16.1%)	58 (46.8%)	36 (29.0%)	4.08	0.83
Earning points is motivating enough to influence my repeat purchases.	5 (4.0%)	9 (7.3%)	20 (16.1%)	55 (44.4%)	35 (28.2%)	4.03	0.87
Redeeming points is quick and straightforward (low friction).	4 (3.2%)	6 (4.8%)	21 (16.9%)	57 (45.9%)	36 (29.0%)	4.09	0.84
The point-based program increases my likelihood of continuing to buy from the same brand.	3 (2.4%)	7 (5.6%)	20 (16.1%)	59 (47.6%)	35 (28.2%)	4.07	0.82

Source: Field Survey Analysis (2026)

Tiered Loyalty Programs and Customer Retention

The tiered loyalty program dimension was evaluated very positively. Respondents strongly endorsed the idea that reaching higher tiers provides meaningful additional benefits, with 83.9% agreeing or strongly agreeing. Similarly, 81.4% agreed that the process of moving to higher tiers is clear and attainable, showing that the structure is transparent. Recognition and a sense of value were emphasized, with 81.5% confirming that tier status enhances feelings of being valued by the brand. Personalized offers and experiences following higher-tier achievements were also widely acknowledged (83.1%). Importantly, 86.3% of respondents agreed that tier progression positively influences their overall loyalty to the brand, the highest endorsement. The mean scores, which ranged from 4.28 to 4.36 with standard deviations between 0.70 and 0.78, reflect strong consistency in responses. These results suggest that tiered loyalty programs effectively foster stronger emotional attachment, recognition, and sustained loyalty.

Table 3: Tiered Loyalty Programs and Customer Retention

Item	SD (f/%)	D (f/%)	N (f/%)	A (f/%)	SA (f/%)	Mean	Std. Dev
Reaching higher tiers provides meaningful additional benefits.	2 (1.6%)	3 (2.4%)	15 (12.1%)	65 (52.4%)	39 (31.5%)	4.30	0.76
The process to move to a higher tier is clear and attainable.	3 (2.4%)	4 (3.2%)	16 (12.9%)	63 (50.8%)	38 (30.6%)	4.28	0.78
Tier status makes me feel more recognized and valued by the brand.	2 (1.6%)	3 (2.4%)	18 (14.5%)	60 (48.4%)	41 (33.1%)	4.32	0.74

I receive personalized offers or experiences after reaching a higher tier.	2 (1.6%)	2 (1.6%)	17 (13.7%)	62 (50.0%)	41 (33.1%)	4.33	0.73
Tier progression positively influences my overall loyalty to the brand	1 (0.8%)	2 (1.6%)	14 (11.3%)	60 (48.4%)	47 (37.9%)	4.36	0.70

Source: Field Survey Analysis (2026)

Subscription-Based Loyalty Programs and Customer Retention

Responses regarding subscription-based loyalty programs highlight that convenience and fit with consumption patterns were highly recognized by 79.8% of respondents. Transparency of pricing and terms also scored well, with 79.9% agreement, indicating that clarity contributes to customer trust. In terms of value, 82.3% believed that subscriptions offered better value compared to ad hoc purchases, making this a compelling retention factor. Flexibility was another strong point, with 81.5% acknowledging ease in modifying, pausing, or canceling subscriptions. Lastly, the quality and variety of products met expectations for 83.1% of respondents, further strengthening satisfaction. The mean scores (4.20–4.27) with standard deviations between 0.72 and 0.77 highlight strong uniformity in responses. Overall, subscription-based loyalty programs were perceived as highly convenient, transparent, flexible, and valuable, making them a powerful driver of retention.

Table 4: Subscription-Based Loyalty Programs and Customer Retention

Item	SD (f/%)	D (f/%)	N (f/%)	A (f/%)	SA (f/%)	Mean	Std. Dev
A beverage subscription program is convenient and fits my consumption pattern.	4 (3.2%)	6 (4.8%)	15 (12.1%)	61 (49.2%)	38 (30.6%)	4.21	0.75
The pricing and terms of the subscription are transparent and easy to understand.	3 (2.4%)	5 (4.0%)	17 (13.7%)	60 (48.4%)	39 (31.5%)	4.20	0.77
The subscription offers good value relative to purchasing beverages ad hoc.	2 (1.6%)	4 (3.2%)	16 (12.9%)	63 (50.8%)	39 (31.5%)	4.25	0.72
I find it easy to modify, pause, or cancel my subscription without penalties.	3 (2.4%)	6 (4.8%)	14 (11.3%)	62 (50.0%)	39 (31.5%)	4.20	0.76
The quality and variety of products in the subscription meet my expectations.	2 (1.6%)	4 (3.2%)	15 (12.1%)	60 (48.4%)	43 (34.7%)	4.27	0.73

Source: Field Survey Analysis (2026)

4.1.5 Perceived Retention and Loyalty Outcomes

The overall loyalty and retention outcomes of loyalty programs were rated very positively. A striking 87.9% of respondents agreed that loyalty programs increased their overall loyalty to beverage brands, with only 3.2% expressing disagreement. Similarly, 88.7% indicated that loyalty programs influence the frequency of purchase from the same brand. The perceived value of loyalty programs as a factor in decision-making was strongly confirmed by 87.1% of respondents. Additionally, changes in loyalty programs were found to significantly affect intentions to remain loyal, with 86.3% concurring. Finally, 88.7% reported that they are more likely to choose a brand with a loyalty program than one without, highlighting the competitive advantage these programs create. Mean values (4.33–4.36) and very low standard deviations (0.63–0.67) show strong agreement and consistency among respondents. These

findings confirm that loyalty programs significantly enhance retention, purchasing frequency, and brand preference.

Table 5: Perceived Retention and Loyalty Outcomes

Item	SD (f/%)	D (f/%)	N (f/%)	A (f/%)	SA (f/%)	Mean	Std. Dev
My overall loyalty to beverage brands is higher due to loyalty programs.	1 (0.8%)	3 (2.4%)	11 (8.9%)	55 (44.4%)	54 (43.5%)	4.33	0.65
Loyalty programs influence how often I purchase beverages from the same brand.	2 (1.6%)	2 (1.6%)	10 (8.1%)	54 (43.5%)	56 (45.2%)	4.36	0.63
The perceived value of loyalty programs is a key factor in my decision to remain loyal.	1 (0.8%)	3 (2.4%)	12 (9.7%)	53 (42.7%)	55 (44.4%)	4.33	0.66
When a loyalty program changes, my intention to remain loyal to the brand is affected.	2 (1.6%)	3 (2.4%)	12 (9.7%)	52 (41.9%)	55 (44.4%)	4.33	0.67
I am more likely to choose a brand with a loyalty program over one without.	1 (0.8%)	2 (1.6%)	11 (8.9%)	53 (42.7%)	57 (46.0%)	4.36	0.64

Source: Field Survey Analysis (2026)

Test of Hypotheses

To analyze the relationships between these variables, Pearson correlation was used at a significance level of 0.05 (5%).

Hypothesis One

H_{01}: There is no significant relationship between Point based Loyalty Programs and customer retention in beverage companies.

Table 6: Test Statistic: Pearson Correlation

Variables	N	Pearson r	Sig. (2-tailed)	Decision
Point-based Loyalty programs and customer retention	124	0.732	0.000	Reject H_0

Source: Field Survey Analysis (2026)

The Pearson correlation analysis revealed a correlation coefficient (r) of 0.732, which indicates a strong positive relationship between point based loyalty programs and customer retention. The significance value (p) is 0.000, which is less than the threshold of 0.05, indicating that the relationship is statistically significant. Consequently, the null hypothesis (H_{01}) is rejected, suggesting that as point based loyalty programs increases, customer retention also tends to increase significantly.

Hypothesis Two

H_{02}: Tiered based loyalty program does not significantly affect customer retention in beverage companies.

Table 7: Test Statistic: Pearson Correlation

Variables	N	Pearson r	Sig. (2-tailed)	Decision
Tiered loyalty programs and customer retention	124	0.689	0.000	Reject H_0

Source: Field Survey Analysis (2026)

The analysis demonstrated a Pearson correlation coefficient of 0.689, signifying a strong positive correlation between tiered loyalty programs and customer retention. The p-value associated with this correlation is 0.000, which confirms the statistical significance of the relationship. Therefore, H_{02} is rejected, indicating that higher sales volumes are significantly associated with better customer retention.

Hypothesis Three

H_{03}: subscription-based loyalty programs does not significantly relate to customer retention in beverage companies.

Table 8: Test Statistic: Pearson Correlation

Variables	N	Pearson r	Sig. (2-tailed)	Decision
Subscription-based loyalty programs and customer retention	124	0.654	0.000	Reject H_0

Source: Field Survey Analysis (2026)

The correlation coefficient for subscription-based loyalty programs and customer retention was found to be 0.654, also indicating a strong positive relationship. The p-value of 0.000 affirms the statistical significance, leading to the rejection of H_{03}. This result suggests that subscription-based loyalty programs rates, significantly contributes to enhancing customer retention.

DISCUSSION OF FINDINGS

The findings of this study highlight the significant role that loyalty programs play in shaping customer retention in the beverage industry. The demographic profile revealed that most of the respondents were young adults within the ages of 18 to 35, with a relatively balanced gender distribution. This reflects a consumer segment that is both youthful and highly engaged with modern retail practices, making them more responsive to structured loyalty initiatives. Younger customers, particularly those within the 18–35 range, tend to show stronger interest in incentive-driven programs

The analysis of point-based loyalty programs demonstrated a strong positive relationship with customer retention ($r = 0.732$, $p < 0.05$). Respondents affirmed that earning and redeeming points was clear, motivating, and added value to their purchases. Similarly, the perception of value associated with the points system appears to enhance customers' intention to continue patronizing the same beverage brands. Organizations typically generate most of their revenue from existing customers, which requires less overhead than revenue from new customers. Loyalty can strengthen relationships because people are more honest and forthcoming when they know the other person is loyal.

Tiered loyalty programs also showed a significant relationship with customer retention ($r = 0.689$, $p < 0.05$). Customers valued tier progression because it provided meaningful benefits, recognition, and personalized offers. This demonstrates that beyond transactional rewards, the psychological value of recognition and exclusivity has a powerful influence on loyalty. Prior studies confirm that tiered structures cultivate a sense of belonging and achievement, which motivates customers to sustain higher spending levels to maintain or elevate their tier status. These findings suggest that beverage companies can strengthen retention by designing tiered systems that are transparent, attainable, and provide differentiated experiences

Subscription-based loyalty programs also proved to be significantly related to customer retention ($r = 0.654$, $p < 0.05$). Respondents highlighted the convenience, value, and flexibility of subscription services, noting that they fit consumption patterns while ensuring predictability in product quality. This is consistent with the work of McCarthy et al. (2020), which emphasizes that subscription models enhance habitual purchasing and reduce switching behavior by embedding brand consumption into customers'

daily routines. The finding further suggests that transparency in pricing and ease of cancellation are crucial for maintaining trust and preventing dissatisfaction, thereby sustaining long-term loyalty.

Across the three models, point-based, tiered, and subscription, the results confirm that loyalty programs significantly contribute to perceived customer retention and loyalty outcomes. Respondents consistently indicated that their overall loyalty was higher because of such programs, that purchase frequency was influenced, and that the perceived value of the program was a decisive factor in their continued association with the brand. The implications of these results are twofold. First, beverage companies must recognize that customer retention is no longer solely dependent on product quality and pricing but increasingly shaped by the perceived value of loyalty programs. Second, each type of loyalty program appeals to different motivational drivers: point-based systems reinforce transactional satisfaction, tiered systems emphasize recognition and exclusivity, while subscription programs focus on convenience and value stability. Together, these findings underscore that a blended approach, incorporating features from all three models, may deliver the most robust retention outcomes.

CONCLUSION AND RECOMMENDATIONS

The study concludes that loyalty programs are critical drivers of customer retention in beverage companies. Point-based systems appeal to customers' transactional motivations, tiered systems build emotional attachment through recognition and exclusivity, and subscription-based models foster habitual purchasing through convenience and value assurance. Together, these loyalty structures significantly increase customers' likelihood of remaining loyal to beverage brands.

It is also evident that younger consumers are more responsive to loyalty initiatives, suggesting that the future of customer retention strategies lies in designing programs that are transparent, flexible, and capable of meeting the dual needs of value and recognition. Based on the findings, the following recommendations are proposed:

i. Strengthen point-based systems by ensuring that rewards are transparent, attainable, and provide meaningful value for points earned.
ii. Enhance tiered loyalty programs by offering clearly defined progression paths, unique benefits at each level, and consistent recognition of loyal customers.
iii. Optimize subscription-based models by ensuring flexible terms, variety in product offerings, and transparent pricing to encourage long-term commitment.
iv. Beverage companies should adopt a blended approach, integrating the strengths of all three models to provide customers with both tangible and psychological benefits.

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