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Winning the loyalty of digital native travelers

Three golden rules for airlines, hotels, and travel brands to engage with Gen Z
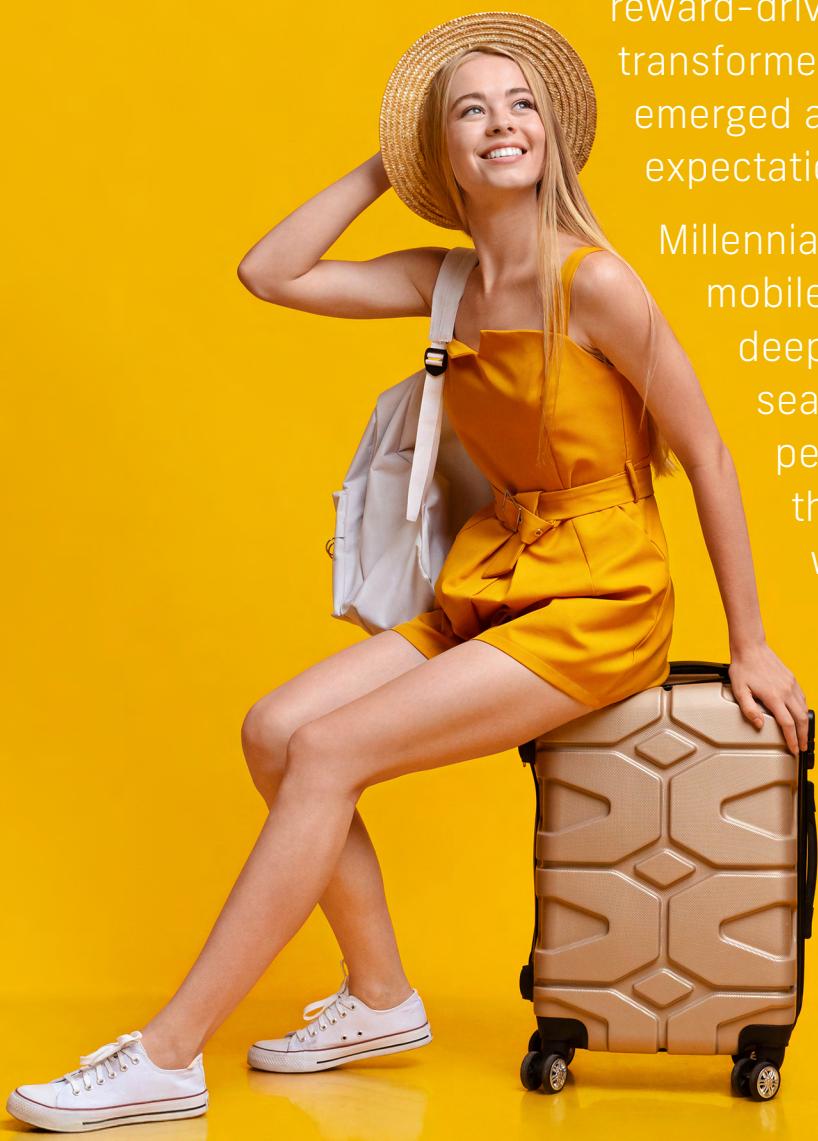
For decades, travel loyalty programs have centered around the frequent business traveler, typically older, status-focused, and reward-driven. But the travel landscape has transformed. The digital native traveler has emerged as the dominant force, reshaping expectations and redefining loyalty.

Millennials and tech-forward Gen Z are mobile-first, experience-led, and deeply value-driven. They want seamless engagement, meaningful personalization, and loyalty programs that fit their lifestyle (not the other way around!).

This guide explores how airlines, hotels, and travel brands can evolve loyalty strategies to resonate with this powerful new audience. From frictionless enrolment and gamified experiences to real-time personalization and value-based rewards, we share the tools and tactics to stay relevant and competitive with digital native travelers.

Building connections that matter

The new generation of travelers wants loyalty that feels personal, real, and instantly rewarding. No friction. No empty perks. No fake promises. To earn their trust (and repeat business), you must recognize who they are, what they care about, and how they want to engage.

The good news? For brands that adapt quickly, the opportunity has never been greater.

With the right strategies, you can transform loyalty from a back-end program into a front-line driver of emotional connection, advocacy, and growth.

Three golden rules to build loyalty with digital native travelers

1 | **Make loyalty seamless from sign-up to reward**

2 | **Know your traveler**

3 | **Turn loyalty into play**

1 Make loyalty seamless from sign-up to reward

Loyalty today starts with one universal expectation: ease. Digital native travelers are accustomed to frictionless experiences in every part of their lives, from booking a ride to ordering coffee. They expect the same from loyalty programs. To win attention and long-term engagement, the entire journey - from enrolment to redemption - must feel effortless, intuitive, and valuable from the very first interaction.

Where to start:

Instant, embedded enrollment:

Instead of asking travelers to fill out lengthy forms, loyalty should be offered seamlessly at key moments, during booking, check-in, partner channels, or mobile interactions, with minimal required information. Social login options, one-click enrollments, or automatic membership through transactions can lower entry barriers, boosting join rates significantly.

Progressive profiling, not data overload:

Capture only basic details upfront (e.g., name and email), and use that information to incentivize future interactions and gradually enrich profiles. Every touchpoint, from booking preferences to in-app activity, can become an opportunity to personalize and deepen the loyalty relationship over time without overwhelming new members.

Unified customer journey:

Once enrolled, travelers should experience loyalty benefits woven naturally into every touchpoint: app notifications, travel booking engines, partner portals, and even inflight or in-stay services. Whether earning, redeeming, upgrading, utilizing a linked benefit, or managing rewards, the process should feel part of the overall travel experience, not a separate, complicated system.

Flexible, real-time redemption:

Redemption shouldn't require a long process. Instant, flexible redemption options across flights, upgrades, hotel stays, dining, wellness, or partner offers should be accessible from the traveler's device, whenever and wherever they want to engage.

Proactive service, not reactive troubleshooting:

Loyalty programs that anticipate needs, like reminding travelers of expiring points, offering dynamic upgrade opportunities, or pushing exclusive personalized rewards before travel, create a sense of partnership, not just membership.

Best practice examples

StarFlyer

A Fukuoka, Japan-based airline, brings instant gratification to the loyalty experience by allowing members to redeem points in real time directly through its mobile app. Members can convert points into digital partner vouchers that are immediately usable for airport restaurant meals, partner discounts, or exclusive StarFlyer merchandise, all without leaving the app interface. This seamless redemption journey turns points into usable value at the exact moment travelers want it, aligning perfectly with digital-native expectations for speed, ease, and relevance.

Luxury Escapes

A premium OTA known for curated travel packages, offers a seamless loyalty experience through its Société program. Members earn points and status credits across hotels, flights, cruises, and tours, while retaining airline or hotel loyalty benefits. The booking flow clearly shows how much members will earn, adding transparency and trust to the experience. Société delivers a loyalty model built for today's experience-driven traveler by rewarding across the full journey and offering instant visibility.

Pro Tip: Consider subscription loyalty models

Subscription-based loyalty programs, like those offering instant perks for a monthly or annual fee, are gaining traction with a new generation of travelers. They offer seamless access to core benefits (free bags, lounge entry, Wi-Fi, seat upgrades) without requiring elite status. For brands, they also unlock more predictable revenue and richer traveler profiles from day one, fueling better personalization, targeted offers, and early-stage engagement.

Subscription models' simplicity, transparency, and immediacy make them a natural extension of the frictionless experience digital native travelers expect.

2 Know your traveler

Digital native travelers expect brands to recognize not just their preferences, but their lifestyles, aspirations, and values. They demand loyalty programs that feel like they were designed personally for them, not mass-marketed to everyone.

True personalization now means much more than using a traveler's first name in an email. It means delivering dynamic, relevant experiences at every interaction, whether they're booking a flight, browsing a hotel app, or engaging with a partner brand.

To create loyalty that matters, travel programs must unlock deeper layers of personalization through three key levers:

1 *Move beyond "frequent vs. infrequent"*

Traditional loyalty programs often segment travelers simply by spend or frequency. But today's travelers are more nuanced and demanding, for example:

- A high-value customer might travel infrequently but invest heavily in premium services when they do.

- A frequent traveler might prioritize budget options yet engage consistently with lifestyle and brand partners.

- A leisure-first traveler might prioritize unique local experiences or flexible redemption options over traditional upgrades.

- An infrequent traveler may directly influence the travel decisions of a community or an organization.

Modern loyalty segmentation must account for behavior, intent, values, and context, not just transaction volume. Successful programs now run multiple targeted loyalty propositions simultaneously: corporate vs. leisure, sustainability-driven vs. luxury-seeking, subscription-based vs. pay-per-use, etc.
The goal: engage each traveler based on who they are today and who they will be tomorrow, not just what they spent yesterday.

2 *Anticipate, don't just react*

Data-driven personalization should make loyalty feel effortless and rewarding, not intrusive.
Using real-time customer data, loyalty programs can:

- Seamlessly apply the optimal benefits as they move through the purchase journey

- Recommend the right rewards at the right moment (e.g., a local experience bundle for a leisure traveler).

- Suggest offers based on current location, trip purpose, or even weather conditions.

- Dynamically adjust promotions as traveler behavior evolves.

The most successful programs are adaptive, not static - continuously learning from traveler actions and preferences to stay relevant without overwhelming.

3 *Partnership-driven personalization*

No loyalty program can stand alone anymore. Strategic partnerships allow brands to personalize experiences across broader aspects of a traveler's life. Case in point:

- Dining, retail, entertainment, wellness, and transportation partners deepen everyday engagement.

- Regional and lifestyle partners help tailor offers to cultural and geographic preferences.

- Co-branding with aligned causes or brands creates shared loyalty ecosystems that travelers want to join.

The right partnerships help loyalty feel holistic, not transactional - seamlessly blending into the traveler's real-world needs and desires.

Best practice examples

Aeroplan

Air Canada's loyalty program, has redefined member-centric design by integrating meaningful choice and flexible progression into its Elite Status experience. Members can accelerate their Elite Status by earning qualifying miles and segments through co-branded credit card spend, bringing status within reach even without frequent flying. Once status is achieved, Aeroplan's Select Benefits allow members to personalize their rewards, choosing from bonus points, lounge passes, eUpgrade credits, or Wi-Fi access.

Emirates Skywards

Brings personalization to life through its Skywards Everyday platform, a mobile app that lets members earn miles in real time across a wide network of local lifestyle brands. Whether grabbing a coffee at Costa or shopping at neighborhood retail outlets, members instantly accrue rewards by linking their payment cards. This model turns everyday activities into loyalty touchpoints, extends engagement beyond the airport, and ensures that Skywards remains relevant long after the trip ends.

LATAM Pass

Demonstrates the power of strategic partnerships by combining local relevance with global reach. In key markets like Brazil and Chile, LATAM partners with regional retailers and service providers, allowing members to earn and redeem miles daily. At the same time, LATAM maintains global alliances with major airlines and hospitality brands, enabling high-frequency and international travelers to benefit from extended travel networks and premium redemption options. LATAM Pass effectively targets diverse customer segments by balancing localized engagement with global aspirational value, delivering relevance whether members fly across continents or earn miles around the corner.

3 Turn loyalty into play

In a world where attention is the ultimate currency, loyalty must be engaging, dynamic, and fun. Today's digital native travelers grew up on interactive platforms, instant feedback loops, and reward systems embedded in everyday apps, from fitness trackers to mobile games. They expect their loyalty programs to be just as stimulating, rewarding, and easy to engage with.

Ultimately, true loyalty is about keeping every member engaged, excited, and progressing, whether they're frequent travelers or occasional explorers.

How to bring loyalty to life through gamification:

Celebrate milestones and micro-wins

- Recognize achievements for all members, not just elite travelers.

- Reward everyday actions like completing a profile, trying a partner service, hitting travel streaks, or sharing feedback.

☑ *Micro-wins create constant momentum and satisfaction.*

Create meta-tiers, secret levels, and continuous journeys

- Don't design loyalty as a race to the top but an ongoing exploration.

- Offer hidden badges, personalized pathways, and surprise unlocks that reward consistency, curiosity, and participation, not just high spend.

☑ *Every traveler should feel they have a next step they can realistically achieve.*

Play with promotions and challenges across the partner network

- Launch dynamic seasonal campaigns, missions, and multi-brand challenges that encourage travelers to explore your partner ecosystem.

- Earn bonus points, limited-time badges, or exclusive rewards by completing diverse activities - from stays and flights to dining, wellness, or entertainment.

☑ *Test and learn how to augment the everyday value your program offers members.*

Power loyalty with community and collective momentum

- Gamify referrals, reviews, group travel, or event participation with community challenges, team rewards, and leaderboard spotlights.

- Let families or groups combine points across accounts to unlock bigger rewards faster.

☑ *Travel is personal, but loyalty becomes more powerful when it feels shared!*

Best practice examples

Qantas

Brings gamification beyond the travel experience with its Wellbeing app, which rewards members for healthy behaviors in their daily lives. Users earn Qantas Points for completing challenges such as walking, cycling, getting enough sleep, or even performing regular car check-ups. Additionally, Qantas' Green Tier rewards members for completing lifestyle challenges, like offsetting flights or choosing eco-friendly products. Once achieved, members select a reward: points, Status Credits, or a carbon offset. This gamified model turns loyalty into a value-based journey, appealing to travelers motivated by impact over status.

Aeroplan

Adds dynamism to its status journey through threshold benefits, offering members tangible rewards as they cross specific mileage or segment milestones. Rather than waiting to unlock benefits at the next elite tier, members earn perks like bonus eUpgrade credits, rollover miles, or extra points throughout the year as they hit predefined progress markers. This structure delivers a steady sense of achievement, keeps members motivated between tiers, and creates more opportunities for engagement.

Solaseed Air

Not just family pooling: a Japanese regional airline, is reimagining loyalty for Gen Z with its innovative Mile Pooling feature, allowing friends (not just family) to combine their miles into a shared account. To spark engagement, Solaseed launched a campaign where newly formed mile pools were entered into a lottery for a chance to win bonus miles, adding an element of play and reward to the process. This approach taps into Gen Z's social mindset by transforming loyalty into a shared experience.

Evolving loyalty for a new generation

The loyalty programs that will win tomorrow are those that deliver relevance, flexibility, and real engagement, not just rewards. Meeting the expectations of emerging traveler segments requires a shift: from frequent flyer programs to dynamic, customer-first engagement ecosystems.

Technology is critical. Success depends on a modern loyalty stack built for configuration, not customization, enabling faster launches, real-time personalization, and constant innovation without the burden of heavy IT rebuilds.

To grow loyalty in a digital-native world, brands must stop thinking about transactions and start thinking about relationships. The future of travel loyalty will belong to those who adapt, personalize, and evolve at the speed of their customers.

iLoyal by IBS Software

IBS Software provides mission-critical SaaS solutions to the global travel and logistics industries. iLoyal empowers leading travel brands to elevate member engagement and drive success across multiple B2C and B2B loyalty programs simultaneously. With precise segmentation and tailored rewards, brands can deliver meaningful, value-driven experiences to diverse audiences.

Cloud-native & Flexible

Built on a highly configurable SaaS platform, iLoyal enables rapid, flexible deployment of new products and services, bringing innovation to life. Its cloud-native design streamlines partner integrations, expanding and accelerating value delivery to enhance loyalty program experiences.

Intelligent & Secure

Harness the power of advanced data and analytics to create a 360-degree customer view, delivering personalized offers that maximize lifetime value. From seamless real-time transactions to robust fraud prevention, iLoyal powers program growth through secure and rich member interactions—all within one platform.

Find out more at **http://www.ibsplc.com/iloyal** ➡

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