

LOYALTY UNPACKED

by the NORTH AMERICAN LOYALTY ASSOCIATION





THE BRAND

KFC is a fast food restaurant chain that specializes in fried chicken, built on Colonel Sanders' Original Recipe of 11 herbs and spices, served since 1952. Part of Yum! Brands since 2002, it runs more than 29,000 restaurants across roughly 150 countries, with most of its business historically flowing through the counter and the drive-thru.



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THE PROGRAM

KFC Rewards is a free, points-based program, launched in the U.S. in February 2024, and by design it is digital-only:

- Earn on digital orders only: 10 points per \$1 on the KFC app or KFC.com
- Redeem in the Secret Recipe Vault, a rotating catalog of free food, from 250 to 1,000 points
- Flat structure: no tiers and no paid membership, every member earns the same rate
- Personalized offers and rotating challenges that award bonus points for specific orders
- Points expire after 12 months of account inactivity



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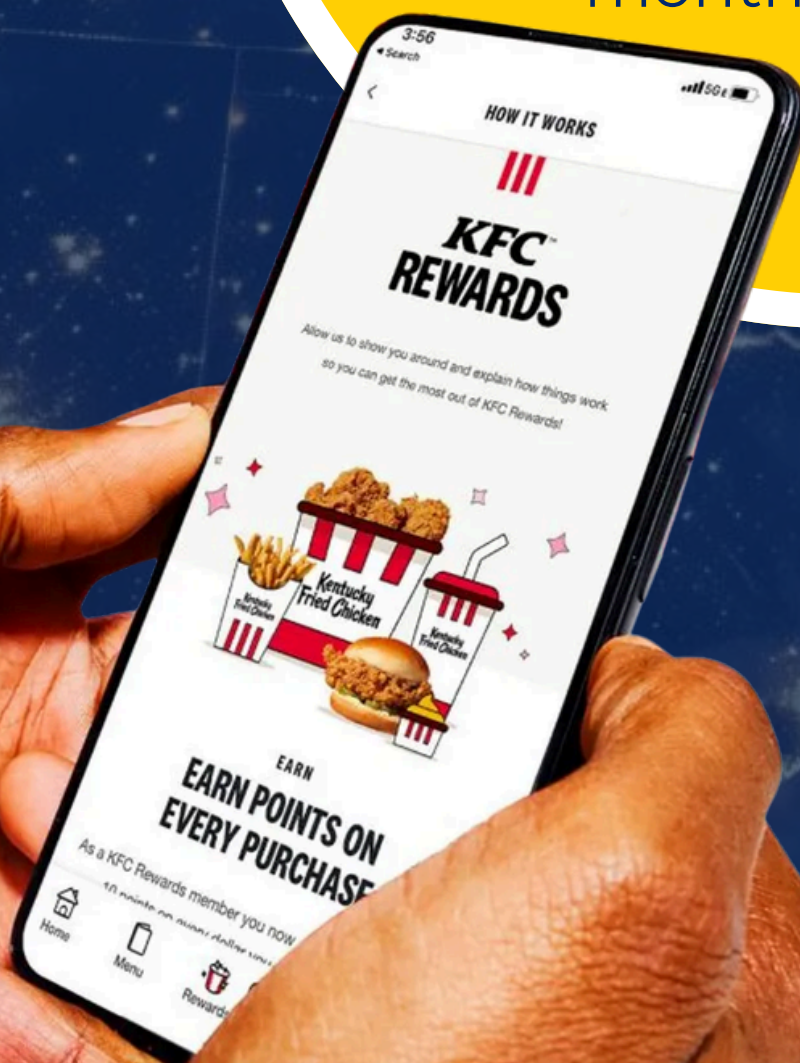
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THE NUMBER

**1 million +
sign-ups**

in the program's first
month in the US



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THE IMPACT



KFC digital sales are up more than 20% year over year.

Yet points accrue on digital orders only, so the counter and drive-thru majority earns nothing.

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THE BIG IDEA



Loyalty as a digital on-ramp

KFC came to modern loyalty late and built the program to do the one job the drive-thru never could. Points accrue only on the app and KFC.com, so every reward is an incentive to move a customer off the counter and into a logged-in order KFC can see, target, and personalize.



THE NALA™ INSIGHT

The **reward** is the price of the data

KFC has joined the loyalty race late and has chosen to restrict it to digital orders. It looks like retention might have been a secondary goal. For a brand whose sales ran through anonymous counter and drive-thru orders, the program's first job is to trade a free sandwich for a logged-in identity.

What KFC is really buying is data. Every reward pulls a transaction into a channel it can see, target, and personalize, which makes the free food an acquisition cost for first-party data more than a loyalty perk. That cost pays back only if KFC converts the data into visits the drive-thru would not have won on its own, and does it without falling back on the discounts the program was built to avoid.



OUR CHALLENGE

KFC has not yet shared US membership numbers, and it came to loyalty later than established QSR programs. How long does a later entrant need to build a comparable base of **engaged members**?

Digital-only earning captures valuable first-party data, though it does not yet reach counter and drive-thru customers. Is the program drawing new members into loyalty, or mainly **deepening engagement** with those who already order online?

With the parent company aiming for fully digital sales, how much of the program's role is **building loyalty**, and how much is helping guide customers toward digital channels?



THE BIG QUESTION

“Is your loyalty program built to retain customers, or to capture the data you never had?”

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NALA™ is a community for people doing the real work of loyalty, CRM and customer engagement inside brands and retailers.

We create space for real brand stories like this, open debate, practical exchange and celebrate success.



Meet us at **The BIG Handshake Loyalty™**
event in Chicago on November 10
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