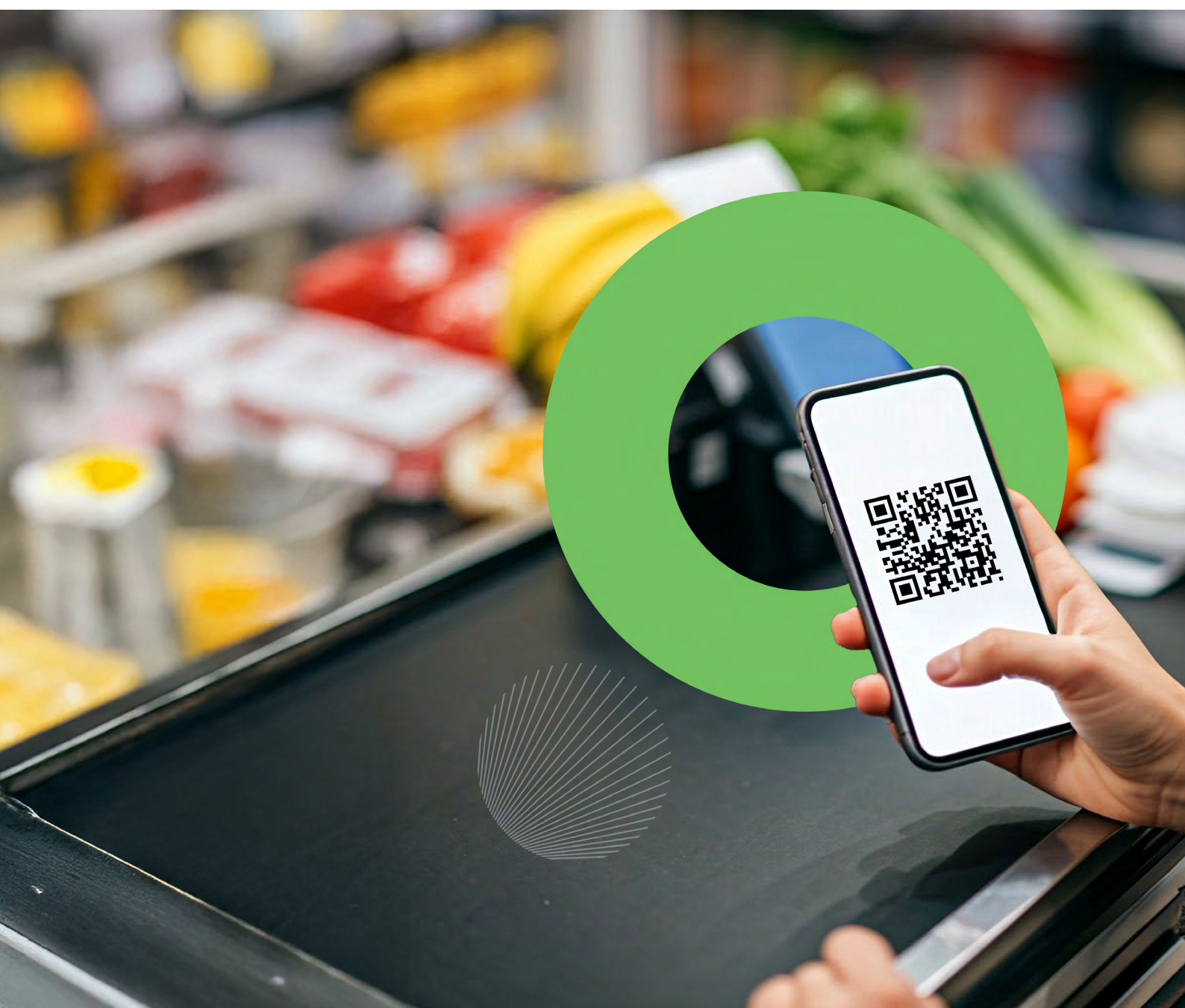


Integrating Loyalty Point Redemption into QR Code Payments for a Major Grocery Retailer



Client profile

The client is a leading global provider of retail and payment technology solutions serving some of the largest merchants across North America. The organization delivers mission-critical platforms that power in-store checkout, digital payments, loyalty programs, and transaction processing at scale. Its solutions are widely used by grocery, retail, and hospitality brands to manage high-volume payment environments while ensuring reliability, security, and operational efficiency.

With deep expertise across point-of-sale systems, payment gateways, and consumer engagement platforms, the client plays a central role in enabling retailers to evolve their commerce experiences. This engagement was delivered as part of a long-standing partnership, under which more than 45 merchant-funded enhancements have been successfully implemented on the client's payment gateway.



Business Goal

The client sought to customize the in-store payment experience for one of its largest North American retail clients, with the goal of increasing wallet share through enhanced loyalty program utilization. This initiative aimed to enable the retailer to strengthen its in-store payment experience by allowing customers to redeem loyalty points accumulated through the retailer's parent organization.



The objective was to deliver this **'Shop with Points'** capability through the retailer's existing QR code-based payment system.

However, the initiative needed technology intervention to overcome several **architectural challenges**, including:



The existing payment platform was designed to operate on traditional credit rails and did not support sub-tenders or mixed payment types.



The retailer required that the new capability be introduced with minimal changes to point-of-sale (POS) systems and existing transaction flows.



The solution also needed to be scalable to support future payment options, including gift cards.



Additionally, it was necessary to address any potential latency issues that might arise from this enhancement.

Solution

The ThoughtFocus team partnered with its client to work with the retailer's point-of-sale and payment technology providers to design a solution that integrated seamlessly with the existing infrastructure while minimizing operational impact.

The solution design incorporated key elements, including:

- ✓ A new JSON-based data structure was introduced to carry sub-tender information within the existing payment transaction payload.
- ✓ A configuration flag was implemented to allow the POS system to identify and enable the 'Shop with Points' functionality when applicable.
- ✓ Enhancements were implemented to support three types of payment responses: QR Code only, Shop with Points only, and a mixed tender response combining both.
- ✓ All modifications were designed to operate within the current transaction flow, ensuring compatibility with legacy systems such as the transaction log (Tlog) and receipt generation
- ✓ To resolve latency issues, the team proposed architectural changes to eliminate unnecessary flows for QR code transactions. They conducted POCs and shared statistics with clients and stakeholders to confirm acceptable latency levels.
- ✓ To further ensure a smooth rollout, the team conducted extensive integration testing and collaborated closely with point of sales team to validate the end-to-end process.

This approach enabled the retailer to introduce new functionality without disrupting the existing payment framework.



Strategic Value

This initiative enabled the client to extend its payment ecosystem without disrupting existing transaction flows or point-of-sale systems. By embedding loyalty redemption directly into the QR code payment experience, the solution strengthened customer engagement while preserving platform stability and performance. The architecture was designed to scale, creating a foundation for future tender types and payment innovations. Beyond immediate functionality, the engagement reinforced the client's ability to deliver differentiated, loyalty-led experiences at enterprise scale.

Business Outcome

100K+ Transactions

Exceeded initial adoption expectations within six weeks of launch. Actual usage reached more than five times the original forecast of 22,000 transactions, indicating strong early-market validation of the Shop with Points capability.

\$6.5M Sales

Enabled \$6.5 million in total sales through the QR code payment channel. Shop with Points achieved more than 6 percent penetration across all in-store QR code transactions.

26% Spend from Points

Demonstrated strong loyalty engagement, with points redemption contributing 26 percent of total transaction spend. Customers redeemed an average of \$15.70 in points per transaction.

94% Satisfaction

Recorded 94 percent customer satisfaction in a post-launch survey of 150 Shop with Points users, reinforcing confidence in the end-to-end payment experience.

81% (Co-Branded Credit Card) CBCC Usage

Observed expected transaction mix behavior, with co-branded credit card transactions accounting for 81 percent of Shop with Points usage, compared to 19 percent from private label credit cards.

\$1.7M Redeemed

Supported \$1.7 million in loyalty points redemption through Shop with Points, representing approximately 2 percent penetration within QR code payment transactions.

0 Complaints

Maintained a positive customer experience, with no payment-related complaints reported through retailer or parent organization customer care channels during the post-launch period.

44K Customers

Drove rapid customer adoption, with 44,000 unique users engaging with Shop with Points during the initial post-launch period, demonstrating broad appeal across the customer base.



New features and capabilities



In-store points redemption option without modifying the existing checkout process.



Extended payment capabilities to support different types of tenders inspite of certain architectural constraints ensuring system stability



Operational continuity across POS systems and existing transaction workflows.



A scalable foundation for future payment options, including gift cards.



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