

# Insights from The Binary Summit 2025: Improving Customer Engagement, Retention & ARPU With Tokenized Loyalty

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*Rethinking Telecom Loyalty: Insights from The Binary Summit 2025*

BANGKOK, THAILAND, May 27, 2025 /EINPresswire.com/ -- The telecommunications industry faces a loyalty crisis. As customer churn rises and engagement drops, telcos must confront the reality that traditional loyalty programs are no longer fit for purpose. At The Binary Summit 2025, leaders in telecom and Web3 agreed: the current points-based systems are inefficient, siloed, and disengaging.

Siddharth Sahi captured the scale of the problem by citing data from 2018—30 trillion airline miles expired globally due to poor expiration policies and weak consumer communication. The same dynamics plague telcos, where loyalty points often expire unused, losing both customer trust and engagement.

As Bhawnish Malhotra, Board Advisor and COO of The Binary Holdings, highlighted, over 51% of telecom loyalty points go unused, even as companies face flat ARPU and fierce competition. The loyalty industry may be worth billions, but telcos are leaving massive value on the table.

## Why Telecom Loyalty Programs Fail

Traditional loyalty models in telecom suffer from fragmentation, lack of transparency, and unclear purpose. “Many telcos are doing it on their own,” Malhotra noted. “There is no synergy among them, and that is a big problem.” Without collaboration, customers are locked into isolated ecosystems where their loyalty points hold little value outside a single provider.

On top of that, complex redemption processes and weak communication lead to customer apathy. This isn’t a problem unique to telecom—loyalty programs across industries see similar challenges—but in a sector with high churn and low switching costs, the stakes are higher. Leslie Falvey, Founder of Armidale, pointed out another key issue: telcos often launch loyalty programs without clear objectives. Without a strategic focus, these initiatives become costly distractions rather than tools for retention and growth.

## Tokenization as a Lifeline

The Binary Summit emphasized tokenization as a promising solution. By converting loyalty points into blockchain-based digital tokens, telcos can build systems that are unified, gamified, and inherently more valuable.

## 1. Unified Loyalty Ecosystems

Tokenization enables interoperability—allowing loyalty tokens to be used across multiple partners, not just one telco. Malhotra pointed to Asia as a region already seeing success, citing Indosat Ooredoo and Globe Telecom as examples of operators embracing flexible, collaborative models. A unified token system increases point utility and minimizes the chances of them expiring unused.

## 2. Gamified Engagement

Beyond value, engagement is key. Tokenized systems make it easier to gamify loyalty, turning passive programs into dynamic, interactive platforms. “Play games, watch videos, get more points,” Malhotra explained—simple actions that drive higher participation and retention. When customers are engaged, they’re less likely to churn.

## 3. Transparency and Ownership

Tokens, unlike traditional points, offer transparency. Their value and rules are embedded in blockchain smart contracts, which customers can verify. This creates trust and gives users a true sense of ownership over their rewards.

## Beyond Rewards: The Future of Tokenized Loyalty

Tokenized loyalty isn’t just about better points—it’s about transforming engagement into a growth engine. Three trends are reshaping what’s possible:

**Loyalty meets finance:** Tokens could soon be staked for yield, used as collateral for device purchases, or auto-invested. This evolution turns loyalty programs from marketing expenses into revenue-generating assets.

**AI-powered personalization:** Loyalty systems will increasingly use AI to tailor token rewards based on individual user behavior. This dynamic approach boosts engagement and Net Promoter Scores by ensuring rewards align with customer habits.

**DAO-style governance:** Some telcos are exploring customer-led loyalty programs where token holders vote on changes and new features. This increases customer investment and yields better feedback loops.

## Strategic Steps for Telcos

Implementing tokenized loyalty requires more than tech. As Falvey emphasized, telcos must first clarify their goals—whether it's boosting ARPU, reducing churn, or increasing active users. From there, success depends on:

**Launching in phases:** Start small—reward data top-ups or app usage—then expand based on real-time performance.

**Collaborating with partners:** Break out of silos and build ecosystems where points have real-world value.

**Investing in UX and education:** Design intuitive systems that don’t require users to understand

blockchain—just the benefits.

#### The Takeaway from The Binary Summit

The takeaway from The Binary Summit is clear: loyalty in telecom is broken—but it can be fixed. By embracing tokenization, telcos can rebuild trust, deepen engagement, and extract real value from loyalty programs.

As Malhotra put it, tokenization isn't just a technical upgrade—it's a "potential way of solving" a multi-billion-dollar issue. But transformation won't happen by accident. It will require telcos to rethink their approach, collaborate more openly, and focus on creating experiences that customers actually value.

In a market where retaining a customer is far cheaper than acquiring a new one, tokenized loyalty isn't just a nice-to-have. It's a strategic imperative.

#### About The Binary Holdings

The Binary Holdings (TBH) provides Web3 infrastructure solutions for telecommunication companies and banks in emerging economies. With over 169 million current users, TBH offers indispensable scalable, cost-effective, and efficient infrastructure services crucial for driving adoption of tokenized and Web3 solutions, facilitated by its native utility token, \$BNRY, which powers all transactions and interactions within The Binary Holdings Ecosystem.

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