

The \$1.5 Trillion Market Hiding in Plain Sight

There's a massive economic system operating in plain view. Most people just don't call it by its real name.

By Brad Harvey, Founder & Chairman, Project Loyalty

A hand holding a credit card over a payment terminal. The terminal has a glowing blue circle on its surface. The background is a blurred indoor setting with a laptop on a desk.

There's \$60 Trillion Reasons to Pay Attention.

Global consumer spending is roughly \$60 trillion per year. In developed markets, 80–90% of that spending is tied to a loyalty program in some form — airlines, hotels, grocery chains, fuel networks, credit cards, retail apps, e-commerce ecosystems.

Consumers earn roughly 2–3% back in value. At 3%, that's \$1.8 trillion in loyalty value issued annually.

Loyalty is not just a promotional tool. It is a structured issuance of economic value. And once you understand that, you can't unsee it.

Scale doesn't just change the math. It changes the category.

This Isn't a New Idea — It's Already Proving Itself

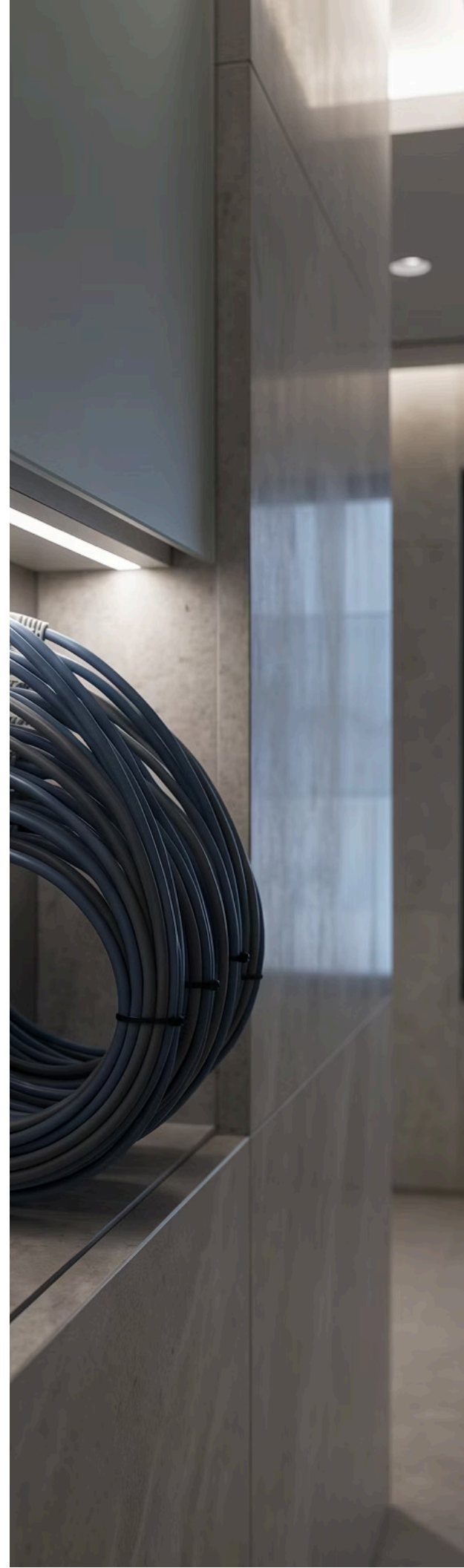
Interoperability is not theoretical. We already see what happens when value can move across systems.

Credit card networks allow points to be redeemed across travel, retail, and cash equivalents — expanding utility far beyond a single brand. Airline alliances let miles move across carriers — turning isolated currency into a broadly accepted medium of exchange. Hotel groups unify brands under a shared rewards currency — creating a single, coherent value proposition across dozens of properties.

In every one of those examples, limited interoperability increased perceived value. Not because more points were issued. Because utility expanded.

*Utility increases engagement. Engagement increases velocity.
Velocity increases enterprise value.*

The market has already shown us the direction. What's been missing is infrastructure that works at a broader, cross-brand level. For the first time, blockchain technology gives us that capability — shared, auditable, settlement-grade rails that can sit beneath existing systems without replacing them.





The Structural Problem: Fragmentation

Today, loyalty value lives in silos. Airlines. Grocery chains. Retail credits. Card issuers. Each operating independently. No shared rails. No settlement layer. No interoperability.

Consumers end up with value scattered across dozens of accounts. They can't combine it easily. They can't transparently price it. They can't move it freely.

From a financial standpoint, most loyalty behaves like isolated store credit — non-transferable and non-liquid.

Corporate balance sheets globally carry \$3-5 trillion in outstanding loyalty liabilities. That's real economic obligation — sitting inside disconnected ledgers built for an analog era.

What Happens Next (Because This Is Inevitable)

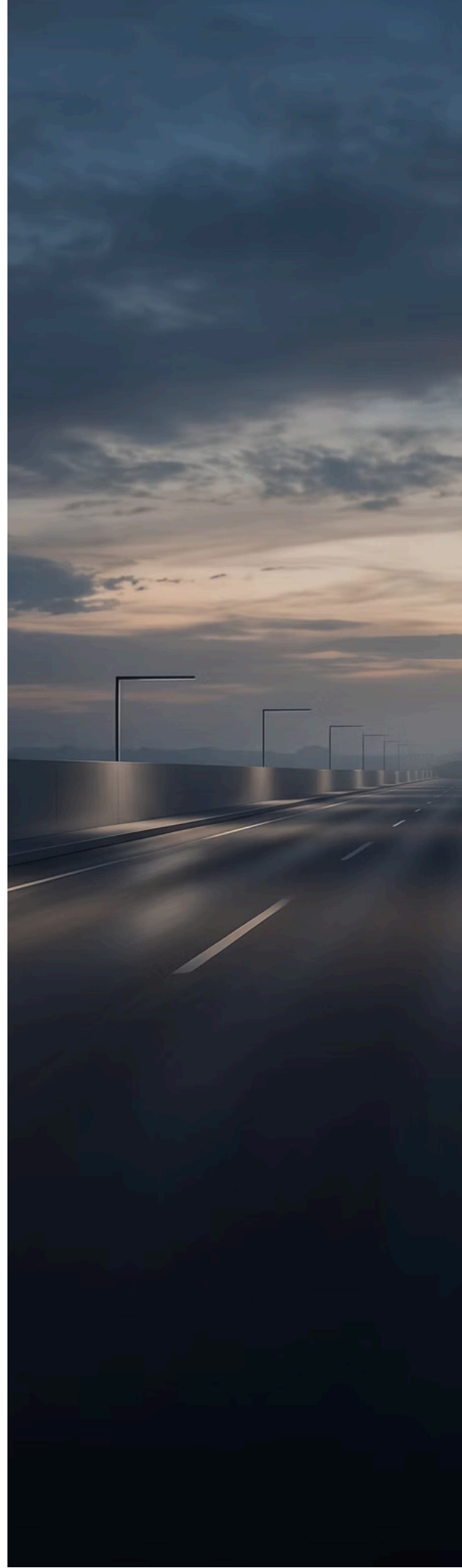
This isn't a "what if" conversation. Markets don't stay fragmented forever when infrastructure becomes available.

Payments consolidated fragmented settlement systems into global networks. Capital markets unified isolated exchanges under shared clearing rails. Telecommunications made incompatible networks interoperable through shared standards.

When shared rails emerge, fragmentation collapses into networks. The same thing will happen here.

No one has to change consumer behavior. Consumers already earn rewards. They already expect digital settlement. The shift happens at the infrastructure layer.

As loyalty value becomes interoperable at scale, consumer purchasing power becomes more transparent and portable. Breakage decreases. Trust compounds. Brands gain capital efficiency. CFOs gain real-time visibility into obligations.



Why Breakage Is a Symptom, Not a Strategy

Let's address the uncomfortable truth. A meaningful percentage of loyalty value expires or goes unused. On paper, that reduces liability. But structurally, breakage is friction inside a closed loop.

Roughly 40–50% of loyalty value is never redeemed across industries. If loyalty were purely a marketing expense, that number would be considered a catastrophic failure of engagement. Instead, it functions as a financial offset. Unredeemed value improves projected margins. In effect, it behaves like yield on unused liabilities.

Breakage assumptions are built into earnings models. Future payout obligations are reduced accordingly. That's not a branding conversation. That's treasury modeling.

Roughly 40–50% of loyalty value is never redeemed. That's not a marketing failure. That's yield.

From a consumer standpoint, expiration erodes trust. The financial optimization and the consumer experience are often misaligned. That tension is not a marketing problem. It's a structural one.



The Bigger Economic Shift

If \$1.5+ trillion per year in structured rewards issuance gains interoperability, what emerges is not a feature upgrade.

What emerges is a **Consumer Liquidity Layer** — a measurable, portable layer of consumer purchasing power sitting directly on top of commerce. A **Capital Efficiency Engine** — a new mechanism for brands to generate value without increasing issuance costs. A **Transparent Asset Class** — structured, auditable economic value sitting directly on top of global commerce.

And this shift doesn't require new behavior. It requires better rails.

This isn't about inventing a new economy. It's about modernizing an existing one.

For the first time, blockchain gives us the technical capability to provide shared settlement infrastructure, full auditability, portability across brands and categories, and compliance-aware transparency — without replacing what already exists.

The Leadership Question

When loyalty is viewed correctly, the conversation changes — for everyone.

Loyalty has already reached functional saturation. Brands cannot simply issue more points to create more value. That increases cost without increasing utility. The next evolution is infrastructure.

The brands, operators, and regulators who recognize the category — who invest in shared rails early — will define it. Design loyalty systems that can connect, not just accumulate. Utility is the new issuance.

I don't see this as a speculative idea. I see it as structural inevitability.

Because loyalty is already a multi-trillion-dollar economic system. It has simply been under-architected. And when infrastructure catches up to behavior, markets reorganize. This one will too.



The \$1.5 Trillion Market. Already Here.

Loyalty is already a market at scale.

\$60 trillion in annual global consumer spending. 90% tied to a loyalty program in developed markets. \$1.8 trillion in loyalty value issued annually. \$5 trillion in outstanding liabilities on corporate balance sheets.

Markets require infrastructure. At trillion-dollar scale, siloed systems cannot sustain the weight of the economic layer they represent. Shared rails, settlement clarity, and interoperability unlock the latent value trapped in fragmented systems. When value can move, value grows.

These figures are not projections. They represent the current state of a market that has been operating at scale for decades — without the infrastructure to match its economic weight.

And financial instruments, at scale, inevitably evolve toward financial-grade infrastructure. That evolution is not speculative. It is already underway.

By Brad Harvey, Founder & Chairman, Project Loyalty

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About Project Loyalty

Project Loyalty is an independent research and advisory initiative focused on the structural evolution of loyalty economics, rewards infrastructure, and consumer value systems. Our work sits at the intersection of financial architecture, consumer behavior, and emerging technology — with a particular focus on the interoperability of loyalty value at scale.

This article reflects the independent analysis and perspective of the author. It is intended for informational and thought leadership purposes only.

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