

Checklist: 5 steps to a successful loyalty programme

We reviewed several of our customers' loyalty programmes and identified 5 success factors for you. From our point of view, these requirements should be met in order for your loyalty programme to gain momentum and achieve the desired results.

1. collect & connect data

The technical setup on which the loyalty programme is built is crucial for collecting and providing relevant data. Salesforce Marketing Cloud, emarsys, HubSpot or other CRM systems which have loyalty functionalities are suitable for this purpose. Even when planning a loyalty programme, it must be clear where which data is (or can be) collected, how it is to be brought together and what technical requirements must be met. Without relevant and qualified data that can be segmented, your loyalty programme will quickly lose momentum and cause you more work than initially expected. Important parameters that provide information about the activity of a customer within a loyalty programme are the customer lifecycle value (CLV), the customer retention rate (CRR), but also email and web behaviour as well as product preferences and completed purchases.

| Takeaway:

The more relevant the data is, the more personalised and automated a loyalty programme can be built. You want your customers to be able to collect points, redeem or receive rewards? All that is only possible with a system that can collect and merge data, e.g. emarsys' loyalty wallet or even the marketing clouds from Salesforce and HubSpot.

✓ 2. easy access & reduced complexity

The word loyalty programme was also considered as such for a long time. An extra programme that customers had to specifically sign up for. In fact, successful loyalty programmes are characterised by the fact that there are as few hurdles as possible. Thus, the trend is towards a „flowing” programme. That means anyone who creates a customer account is automatically in the loyalty programme. According to our research, an easily accessible and transparent loyalty programme can also avoid or reduce comprehension questions in customer support. So the motivation could be „keep it simple”. Better to start simple and gradually expand the programme. The most important thing is to communicate all details as comprehensibly as possible. How does „registration” work? What are the points for and are there differences between them? What can clients expect and what benefits will they receive through the programme?

| Takeaway:

Make it as easy as possible for your customer to participate in your programme and communicate clearly what they can expect and how it works. This will also save you work and time in customer support.

✓ 3. define a tier system

As you might imagine, joining a loyalty programme is a bit like going on a journey. A customer who has just signed up is at a different point in their journey compared to a long-time, existing customer. Depending on where they are, customers receive different, individualised amenities or benefits. This is where the importance of appropriate data comes into play again. A promising approach to mapping such a journey in a loyalty programme, are tier systems. The design, including the language, should match the brand identity. At Contorion, for instance, customers can receive blue, bronze, silver or gold status. In Ava&May’s loyalty programme, customers work their way up from hiker to globetrotter. Points are collected through purchases and other additional activities such as signing up for the newsletter or recommendations. The number of points determines which level the customer is currently at and which benefits they receive through the programme.

I Takeaway:

Define the tier system of your loyalty programme in line with your brand identity. Create a variety of incentives that make it attractive for your customers to climb the VIP ladder, e.g. with certain services that are only available at a certain level.

✓ 4. establish an omni-channel mindset

Successful loyalty programmes rely on more than just emailing. They are preceded by an omni-channel strategy, which of course does not stop with existing customer marketing. On the contrary, the magic word here is „customer centricity“. Not the product, but the customer experience should be at the centre of your loyalty programme. The main thing here is to use different channels, linking them with each other and eliminating hurdles as extensively as possible. This is where communication channels that do not require an opt-in become interesting, such as print mailings. Thanks to digital targeting, they can be easily integrated into your media mix. Also, with conversion rates of 4-10% they outshine many emails.

I Takeaway:

Since the customer journey is no longer linear, but depends on the diverse communication preferences of customers, your loyalty programme must also follow an omni-channel approach.

✓ 5. communicate loyalty status & sense of membership

Imagine the good old stamp card. Every time you took it out, it revealed how often you had used a service or bought a product in the past. Today, loyalty and stamp cards no longer belong in the wallet, but in the customer account. In other words: the loyalty status should be visible to the customer at all times. Successful loyalty programmes communicate clearly and transparently where the customer is on their journey and how many points are still needed to get to the next level. This is the so-called loyalty-progress.

Information on how additional points can be collected, suitable product suggestions or redeemable rewards are also interesting to the customer. It is important that the loyalty status is presented in a graphically appealing and understandable way. This also gives your customer a sense of belonging, indicating that they are an important part of your community.

| Takeaway:

Create opportunities for your customer to view their loyalty status at any time, e.g. in their customer account, the app or regular updates by email. Also inform them when they are about to reach a „new” level and create incentives to reach it.

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