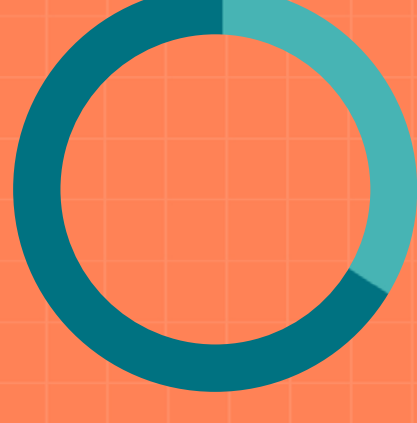


5 Strategies for Creating Actual Loyalty

Is it time to refresh your loyalty program or reinvigorate your customer base? Here are **5 STRATEGIES** to help you reimagine what's possible for increasing retention rates, brand advocacy, and profitable customer behavior.



71%

of consumers are frustrated to some degree when their shopping experience is impersonal.



1. SHOW SOME UNDERSTANDING

Despite the abundance of information consumers are willing to share about themselves, most brands fail to take advantage to put readily available data to good use. Utilize this data to show understanding with personalized rewards, timely engagements, and relevant offers specific to each customer's preferences and interests. Avoid being generic and reap the rewards of more active loyalty members.

6.7

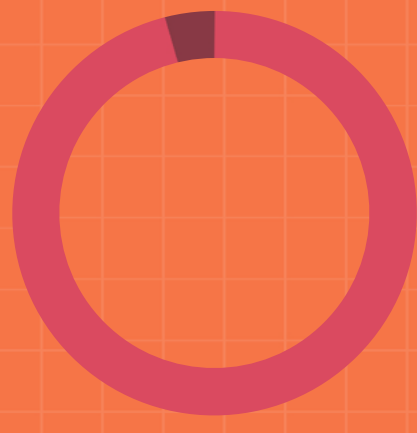
On average, US consumers belong to over 14 loyalty programs, but actively participate in fewer than half.



2. MOTIVATE THE OUTCOMES YOU SEEK

While most loyalty programs offer incentives to purchase - great for increasing enrollment - this purchase quid pro quo tactic is easily replicated across competitors and will fail to motivate desired outcomes consistently over time. Better programs do more to motivate their customers, incorporating tiers and badges to encourage and reward desired behavior. More advanced programs look at consumer behavior and create offers in response to specific actions (or inaction) from the member. In other words, **ADVANCED PROGRAMS PERSONALIZE THE INCENTIVES** and reap the benefits of more active members.

Dunkin' Donuts jumped on the personalization bandwagon years ago when it rolled out custom gift cards, which can now be linked to their mobile app for added convenience when ordering and paying.



96%

of US internet users prefer loyalty communications via a channel other than email.



3. KEEP CUSTOMERS ENGAGED THROUGH GOOD COMMUNICATION

In conjunction with personalized incentives and timely communications, knowing how and where to connect with loyalty members is critical for optimizing customer journeys that keep them engaged and strengthen their relationship with your brand.

With most folks preferring **TEXT, PUSH, APP, WALLET, AND VIRTUAL ASSISTANT NOTIFICATIONS** over email, your loyalty program should be ready to accommodate all channels.

8x

According to Forrester, "negative brand experiences" that lead consumers to feel "disgust, anger, or neglect" are eight times more likely not to forgive the offending brand.



4. SHOW APPRECIATION AND BANK SOME GOODWILL

Negative experiences cost money due to decreased purchases and customers who never come back. To offset this, **GOOD LOYALTY PROGRAMS INCLUDE A CUSTOMER APPRECIATION COMPONENT** to facilitate an emotional connection.

IKEA nailed this with their IKEA FAMILY program, offering in-store extended playtime for kids to allow parents more time for distraction-free shopping. Including customer appreciation is typically easier than other program success factors and best of all it will help make your program stand out from the crowd.



62%

of shoppers won't sign up for a loyalty program if it's inconvenient.



5. KEEP IT EASY

It's hard to make it easy. There is always temptation to add one more rule, to be satisfied with systems that aren't quite synchronized, to ask the customer to take an extra step to participate in the program. It's tempting, but it's wrong. **GOOD PROGRAMS FOCUS RELENTLESSLY ON THE MEMBER EXPERIENCE** and work from the (accurate) premise that if it's not easy for the member, it will not be done.

Do Your Loyalty Efforts Need a Boost?

You've invested too much in customer acquisition to risk losing them to the temptation of checking out the competition. If you're struggling with:

- Flat or declining customer retention rates
- Unsatisfactory ROI needed to justify continued investment
- Lethargic consumer advocacy

89 Degrees has the strategic leadership and industry expertise to turn it around. We've helped world famous brands launch high-performing loyalty programs that drive profitable customer behavior and create actual loyalty.

Want more? Check out our brief case study on effective customer loyalty that seeks to create an emotional connection in a retail or consumer services environment.

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