

5 Key Tips for Building a Successful Customer Loyalty Program



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Creating loyal customers is an essential part of relationship marketing. Among their many benefits, loyal customers are repeat customers, a pipeline for recommendations and more likely to spend more. In fact, according to a new consumer study from Marigold, 68% of consumers worldwide will pay more to shop with the brands they're loyal to.

However, maintaining loyalty in an increasingly competitive market has proven tricky, with 37% of consumers having switched away from or become less loyal to a brand they previously liked in the past year.

That's where loyalty programs come in. A successful loyalty

strategy offers customers tangible value and builds emotional connections through tailored messages. However, implementing a loyalty program can be daunting. Here's where to start:

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1. Define your goals

Take a moment to consider what you want to achieve. Ultimately, this comes down to aligning your loyalty program's goals with overall company objectives. Are you growing your customer base, retaining existing customers, boosting sales or driving repeat business? These are important factors to define upfront.

Mapping these goals includes understanding which customer segments you hope to engage, what rewards or benefits matter to them and which KPIs you need to track to measure success.

Having a clear view of these goals will help you decide which type of loyalty program you need.

2. Know your members

A critical consideration of any loyalty program is determining what type of rewards will attract the members you want. What benefits do they seek? Remember, it's not always about the biggest discounts but instead about recognizing individual needs and wants.

So don't guess ... ask! The acquisition of zero-party data through surveys, polls and other interactive experiences is becoming more and more valuable for relationship marketing. It takes the guesswork out of customer needs and wants so that loyalty offers can be personalized. Research found that 62% of consumers say their favorite brand treats them like an

individual, while 79% say they're likely to engage with a personalized email tailored to their interests.

The bottom line is that rewards are not a one-size-fits-all approach. Be sure what you're offering aligns with what customers actually want.

3. Select the proper program

Once you know your goals and understand your customers' needs, you can then find the right program to deliver both. Want to drive engagement and repeat purchases? Try a punch card program. Want to nurture long-term customer relationships and move new customers through the loyalty funnel? Try a tiered program where rewards and benefits increase the more they purchase or engage.

4. Be cross-channel minded

When introducing your loyalty program, ensure you do so with consistent, compelling and concise messaging across multiple channels. That includes your website, email lists, SMS and social media platforms, at minimum. If applicable, extend it to in-store materials and feature it in external channels like advertising.

No matter what channel, your messages should focus on the value, benefits and rewards of participating. Don't forget to get explicit opt-in permissions from your audience, both for the communications you'll send them about the program and for how you'll use the data gleaned from it. And, of course, have a welcome email in the hopper that's sent to each new member who joins, thanking them and providing additional information about the program and its value.

Related: [Customer Loyalty Is Your Holy Grail for Success. Here's How to Cultivate It.](#)

5. Grow. Optimize. Learn

Launching your loyalty program is not the end of the process; it's only the beginning. Now, it's time to monitor engagement, feedback, KPIs and more for signs that require action. Looking at internal indicators for success is important, but this may also mean being proactive with your audience with check-ins like surveys and feedback forms to ensure you're continuing to deliver value. This allows you to continually iterate and improve, as well as fix and adapt as needed.

And, of course, continue to promote the program to new members via all channels and opportunities.

With these tips, you'll be able to offer an engaging loyalty program that boosts customer retention and drives business ROI.

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