Cross-channel marketing

You’ve worked hard to win your customers’ business, but after the initial transaction, how do you ensure that they keep coming back and become loyal brand advocates?

As ways in which brands can connect and engage with customers grow, so too do customer expectations. It is no longer enough to simply offer customers a loyalty program that consists solely of rewards based on transactional points. To gain consumers’ allegiance, brands must strive to understand their customers’ unique needs, wants and motivations to continually deliver highly customized experiences and relevant offers. By integrating a customer-centric strategy (customer centricity puts the customer at the center of all marketing efforts) into their loyalty programs, brands can boost customer retention, keep customers involved with their brand and gain valuable customer intelligence that can be integrated into any cross-channel marketing program.

Every brand should have a customer loyalty strategy

Loyalty programs focus on continually engaging and keeping existing customers. Existing customers often account for nearly half of a company’s revenue, and according the Adobe®, repeat purchasers spend close to five times more than average shoppers.

<table>
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<tr>
<th>US Online Shipping Metrics, by Shopper Segment, Q2 2012</th>
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<tr>
<td>Visitors per segment</td>
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<td>Revenues per visitor</td>
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<td>Items per order</td>
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<td>Average order value</td>
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<td>Conversion rate</td>
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eMarketer.com
Out of these existing customers, the ones who are truly loyal to your brand carry significantly more value than non-brand loyal customers. Not only do they usually buy more and eliminate competing products from purchase considerations, but they also tell their friends, family and social followers about their positive experiences with your brand, spreading the word and your brand’s reach organically.

Because of the high value of both existing customers and brand-loyal customers, every brand should have a customer loyalty strategy that seeks to engage existing customers, identifies brand-loyal customers and aims to keep best customers committed to the brand.

Who are the brand loyalists?
A recent study by Experian Marketing Services found that 34 percent of the U.S. population consider themselves to be loyal to at least one brand. The study also revealed that loyalists are more likely to respond to mobile campaigns and to purchase products that are advertised on social media sites, highlighting the importance for marketers to create loyalty programs that span the customer journey, across all channels.

**Brand loyalist mobile and social network attitudes**

- I am likely to purchase products I see advertised on my cell phone: 39%
- I would be interested in receiving advertisements on my cell phone: 33%
- My cell phone is an expression of who I am: 28%
- I would be interested in a service that would let me use my cell phone to make purchases in a store: 22%
- Tablet (non pc/laptop) — brands owned: iPad (Apple): 21%
- I am more likely to purchase products I see advertised on a social sharing/networking Website: 37%
- I trust product information that I get from social sharing/networking Websites more than other sources: 23%
- I like to follow my favorite brands or companies on social sharing/networking Websites: 11%

Percent more likely to express than average U.S. adult

Source: Experian Marketing Services Spring, 2012 NHCS Adult 12-month Survey
Building brand loyalty

Taking a deeper look into the attitudes, beliefs and behaviors of brand loyalists, there are some key ways that brand loyalists differ from the overall adult U.S. population. Unsurprisingly, brand loyalists are not as interested in “saving money” and price is less important in purchase decisions. They also look out for special offers more and like to share their knowledge with others. Thus, marketers should take note that loyalty campaigns consisting merely of “discounts” or “rewards” that are not focused on giving loyalists “exactly what they want” may not resonate with this key segment.

### Brand loyalist mobile and social network attitudes

- **I do not buy unknown brands merely to save money**
  - 80% of loyalists
  - 76% of U.S. adults

- **I usually only shop at my favorite stores because I know they have brands I like**
  - 76% of loyalists
  - 69% of U.S. adults

- **I like to share my knowledge with others**
  - 75% of loyalists
  - 63% of U.S. adults

- **I enjoy owning good quality things**
  - 75% of loyalists
  - 63% of U.S. adults

- **I usually read the information on product labels**
  - 70% of loyalists
  - 63% of U.S. adults

- **I always look out for special offers**
  - 69% of loyalists
  - 57% of U.S. adults

- **I'm always looking for new ideas to improve my home**
  - 60% of loyalists
  - 52% of U.S. adults

- **When buying toiletries, the brand I choose is very important to me**
  - 59% of loyalists
  - 44% of U.S. adults

- **I ask people for advice before buying new things**
  - 55% of loyalists
  - 43% of U.S. adults

- **Price isn't the most important factor – it is getting exactly what I want**
  - 50% of loyalists
  - 38% of U.S. adults

**Source:** Experian Marketing Services Spring, 2012 NHCS Adult 12-month Survey

### Four quick facts about brand loyalists

- Thirty-four percent of the U.S. population can be defined as brand loyalists

- Eighty percent of brand loyalists claim they don’t purchase unknown brands merely to save money

- Loyalists welcome new ideas and respond with double the transaction rates on campaigns highlighting new loyalty program benefits

- Loyalists provide significantly higher click rates on surveys and review requests, as well as invitations to become a fan of a brand on social media sites
Marketers’ top challenges to creating a customer-centric brand loyalty program

Customer centricity is all about putting the customer at the center of your marketing efforts — focusing more on the customer and how he or she wants to interact with you, than on the specific channels themselves. However, marketers face numerous challenges when it comes to understanding their customers on a more meaningful level and keeping them engaged in their loyalty programs.

Big data, big challenge

Some of the biggest challenges that today’s marketers face with loyalty programs involve data. With customers interacting in a more dynamic environment, and seamlessly moving in and out of marketing channels, it has become increasingly difficult for marketers to tie together and make sense of all the data that is available to them. Successful loyalty programs require access to, and understanding of, cross-channel customer data to properly segment customers, identify the most highly engaged and target incremental spenders (those customers who have the potential to spend more with your brand).

Taking this one step further, to create truly meaningful and relevant interactions with loyal customers, marketers must have a clear understanding of unique customer preferences and how each customer wants to be interacted with across channels. In addition to knowing who their best customers are, marketers need to understand where they are, how they shop, what they want and what channels they prefer. This is a big challenge for any in-house marketing team, but new cross-channel marketing platforms can help integrate, in real-time, first-party and third-party data, along with consumer insights and campaign response data, to gain a true panoramic view of the customer.

Maintaining focus

Unfocused loyalty programs that do not properly align with marketing and business goals ultimately will be very costly to the organization. While the focus should always be on the customer, it is critical for program economics to be established on the front end and measured throughout the program life cycle to ensure that program objectives are being met and that strong return on investment is achieved.
Program measurement

Tracking, reporting and analytics are critical components to loyal programs. However, many marketers fail to establish key performance metrics and benchmarks to track their performance against.

Forrester Research, Inc.'s September 2012 report, Measuring Loyalty Program Effectiveness, provides an excellent methodology for establishing metrics across the enterprise.

Three categories of loyalty metrics

1. **Operational metrics appraise program health**
   - **Category:** Operational
   - **Data sources:** Loyalty platform, point of sale (POS) systems, web analytics, etc.
   - **Sample metrics:** Enrollment rates, reward redemption, offer response rate, loyalty program management costs

2. **Engagement metrics examine customer relationships**
   - **Category:** Engagement
   - **Data sources:** Loyalty platform, POS systems, surveys, social media platforms, store traffic reports, eCommerce platforms, etc.
   - **Sample metrics:** Time spent on-site or in-store, influence, online and social sentiment, satisfaction, recency

3. **Corporate metrics assess program value**
   - **Category:** Corporate
   - **Data sources:** Loyalty platform, CRM, financial/accounting data, marketing research
   - **Sample metrics:** Retention, Net Promoter Score (NPS), total points liability, revenue, profitability, CLV, share of wallet, average order value, margin

Forrester proposes a structure of dividing the reporting on customer loyalty into three main categories. Since loyalty is a combination of quantitative and qualitative gains, several sets of indicators are required to fully capture loyalty results.

- **Operational:** The first category measures the operational success of the loyalty tactics. How did customers respond to the different initiatives that were implemented? This is how organizations will measure campaign success, as each indicator is tied to an initiative (campaign level).

- **Engagement:** The second category is individual-based, as it shows how customers and segments adhered to the loyalty strategy. Results report on engagement scores, viral dimensions and the quality of each interaction a customer had with the brand.
• **Corporate:** Finally, macroindicators are influenced by the two report types we just described. Thus, it is critical to monitor how higher operational results and better individual engagement take financial performance to the next level. Eventually, this is about how the loyalty strategy contributes to the overarching business goals.

**Keeping it fresh**

It is always important to ensure that your loyalty program continues to engage your customers. With customers easily able to broadcast online their pleasure or disappointment in your program, a stale or disengaging loyalty program can sometimes hurt your brand more than it helps.

If you are just starting a loyalty program or already have one in place, be sure to continually evaluate your loyalty program and ask yourself these key questions:

- Does the program strategy meet today’s business needs?
- Is the program driving the customer behavior you need to sustain and grow your business?
- How appealing is your program to your target customers?
- How different is your program compared with the competition’s strategy?
- Are you motivating incremental customer behavior or rewarding existing customer behavior (i.e., increasing your share of wallet)?
- How granular are you in recognizing loyalists based upon their actual contribution to your results?

**Creating a framework for a brand loyalty program**

**The customer journey as your guide**

A customer journey is the set of experiences and interactions consumers have with a brand as they travel through the sales funnel. These interactions may or may not lead to a transaction and long-term brand loyalty, but for a consumer, the customer journey is an indication of the degree to which the brand values his or her business. For the marketer, the customer journey is a guide that can aid in evaluating and improving the overall brand experience.

Mapping a customer journey is a key step in determining loyalty strategy, as it will help organizations improve customer interactions and the overall customer experience.

- Are there redundancies in the current communications practices that tend to overwhelm the customer with information that might not even be consistent?
• Are there missed opportunities to actually touch base with a customer who is requesting contact with the brand but is not presently being helped?

Every customer journey should consist of the following phases:

**Awareness:** Brand awareness covers discovery and initial perception of the brand. It comprises the ways in which a customer can hear about your brand, products and services and the context in which these ways are presented to a contact. Brand awareness implies a strong branding factor to get exposure and to convey a positive feeling toward your products and services. The awareness phase should impact your customers’ opinion and therefore their intent to be loyal to your brand.

**Connection:** The connection phase is a critical step during which the contact takes a direct action in connection with your brand or organization. Perhaps the customer visited your store, signed up for your emails or asked for a quote. In this phase, it is important that contact processes be easy, smooth and pleasant in order to take the customer into the next phase of the customer journey. This phase sets the foundation for the relationship, so the more satisfactory the initial connection, the higher the probability of developing a positive attitude toward your brand.

**Engagement:** In the engagement phase, the customer relationship is in the process of developing. The engagement phase can include conversion (initial and consecutive) as well as additional retention efforts. The key to this phase is nurturing customers in order to create loyalty and brand advocacy.

**Re-engagement:** Whether you attempt re-engagement because of customer inactivity, disruption or attrition, there are proven tactics to detect, prevent or win back disengaged customers. When the relationship is disrupted, it is important to recognize the issue and recapture contacts by handling each situation appropriately and effectively. Using different channels and different messaging tactics, as well as offering new benefits or reminding the recipient about lost benefits, are all tactics for re-engaging the customer. This re-engagement, or “win back,” phase may require additional investment (both time and money) but may be worth considering, especially when run in conjunction with new member acquisition.

Mapping a customer journey is also a key step in improving efficacy and efficiency of customer interactions. It can help to pinpoint redundancies in current communications practices that may overwhelm the customer or to identify information that may not be consistent across channels. It also can highlight missed opportunities to connect with a customer who is signaling for contact with the brand at certain points in the journey but is not presently being helped.
Example: Cross-channel customer journey

**Awareness**
- In-store ad
- Banner on Website

**Connection**
- Signs up for email
- Signs up for mobile loyalty program

**Engagement**
- Conversions and repeat purchases
- Rating and reviews
- Likes you on Facebook
- Receives a thank you email with offer
- Starts collecting points in-store

**Re-Engagement**
- Reads fan comments, visits other social sites and hears about your competitor’s loyalty program
- Signs up to competitor’s loyalty program online
- Gets emails from your brand, your program and the competition
- Email survey sent: “What did you think of product ABC?”
- Influenced by SMS, customer makes purchase at local store. SMS sends “Welcome back! Status achieved”
- Anniversary, free points and “almost there” notifications
Loyalty communication framework

Once the customer journey is designed, the organization can decide on the communication tied to each interaction. For example, the marketer should ask the following questions:

- Which channel is the best to engage the customer at this point?
- What content should be presented?
- How customized should the message be?
- What cadence can we develop?

The answers to these questions will depend upon the phase the customer is in, as well as the customer’s profile and needs. Therefore, it is essential to implement a robust customer segmentation strategy, utilizing internal data, customer insights and third-party data to articulate the communication framework at each step of the customer journey. Internal data can first be used to determine engagement scores that measure the customer’s involvement with your brand, products and services. You then can create separate customer segments based on where customers are on the engagement spectrum. The ultimate goal is to move customers into higher engagement score levels. Thus, it is also important to monitor the rate at which you can consistently move customers through the engagement spectrum.

Loyalty messaging tactics

While data helps in segmenting customers, it also drives the messaging tactics. Brands must gain insight into the psychographics and attitudinal aspects of their customer database. Such visibility is used to determine actual message, channel and tone.

For example, a customer may be highly engaged, interacting through in-store visits and purchases. This loyalty should be recognized by the brand through special treatment. Knowing the individual customer’s preferences and values is beneficial to proposing a VIP service, gift or discount offer. For example, some customers may value quality above everything, others may prefer to be the first to know about an innovation, and some may support Green initiatives and would like to be made aware of Green-friendly services. The key takeaway here is to ensure that the loyal customer is recognized and receives special treatment that is aligned with his or her values.
Loyalty campaigns

In general, campaigns that focus on building customer loyalty exhibit higher-than-average response, emphasizing the importance of a customer-centric strategy focused on delivering relevant and timely messages. Experian Marketing Services examined various types of loyalty email campaigns based on offer type and campaign type. Key findings were:

- **Make a good first impression:** Results of the study showed that interactions in initial stages of the customer relationship, such as welcome emails, exhibited the highest levels of customer engagement. Marketers should take advantage of initial communications to collect preferences about each customer and also ensure that benefits of customer loyalty are clearly communicated.

- **Make it interactive:** Ongoing communications that required involvement or interactivity from members, such as surveys, also exhibited higher response rates. Remember to keep your customers engaged and active but show them that you are listening by utilizing valuable information that they disclose about themselves for more relevant communications.

- **Make them feel special:** Points-based messages, statements and, of course, rewards arrival/rewards earned are critical communications to continuously tie customers back to your loyalty program and deliver on promised benefits. Rewards arrival emails rank among the highest in opens and clicks, so use this opportunity to make your customers feel special and appreciated.
Welcome mailings have the highest open rates and reward arrival mailings have the highest click rates.

Loyalty mail types: Transacation rates and revenue per email.
Putting it together

The chart below is a helpful guide to structuring communications, utilizing insights from the customer journey as a framework, and messaging tactics derived from customer insights.

<table>
<thead>
<tr>
<th>Loyalty audience</th>
<th>Segment description</th>
<th>Revenue impact</th>
<th>Integration and profiling</th>
<th>Engagement</th>
<th>Optimization</th>
</tr>
</thead>
<tbody>
<tr>
<td>New members</td>
<td>Just joined the database and loyalty program</td>
<td>• $</td>
<td>• Acquisition source tracking</td>
<td>• Early stage connection</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Customer demographics and preferences</td>
<td>• Introduction</td>
<td>• Introduction</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>• Education</td>
<td></td>
<td></td>
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<tr>
<td>Highly engaged</td>
<td>• Small segment</td>
<td>• $60</td>
<td>• Customer insights</td>
<td>• Appreciation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Actively respond to marketing campaigns</td>
<td></td>
<td>• Cross-channel behavior</td>
<td>• Recognition</td>
<td></td>
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<tr>
<td></td>
<td>• Active loyalty member</td>
<td></td>
<td></td>
<td>• Ratings and reviews</td>
<td></td>
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<tr>
<td></td>
<td>• Multi-channel purchasers</td>
<td></td>
<td></td>
<td>• Social media tactics (share your opinion)</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Early access (sneak peek)</td>
<td></td>
</tr>
<tr>
<td>Active</td>
<td>• Regularly engage with the brand through at least two channels</td>
<td>• $</td>
<td>• Customer insights</td>
<td>• Near reward or tier-threshold incentive</td>
<td></td>
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<tr>
<td></td>
<td>• Regular loyalty member</td>
<td></td>
<td>• Real-time responses</td>
<td>• Price sensitivity</td>
<td></td>
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<tr>
<td></td>
<td>• Regularly engage with the brand through at least two channels</td>
<td></td>
<td>• Cross-channel behavior</td>
<td>(as they might not be expecting offers)</td>
<td></td>
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<tr>
<td></td>
<td>• Regular loyalty member</td>
<td></td>
<td></td>
<td>• Cross-channel conversation</td>
<td></td>
</tr>
<tr>
<td>Less active</td>
<td>• Low engagement</td>
<td>• $</td>
<td>• Data validation</td>
<td>• Offers</td>
<td></td>
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<tr>
<td></td>
<td>• Infrequent interactions</td>
<td></td>
<td>• Customer insights</td>
<td>• Channel propensity tests</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>• Community influence</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>• Immediate benefit</td>
<td></td>
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<tr>
<td>Re-activated</td>
<td>• Small segment</td>
<td>• $</td>
<td>• Data validation</td>
<td>• Controlled content and contact management</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Just re-engaged with the brand</td>
<td></td>
<td>• Customer insights</td>
<td>• Re-education or re-enrollment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Used to be inactive</td>
<td></td>
<td></td>
<td>• Surveys</td>
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(creative, copy, tone based on the loyalist’s profile)

Continues use of data.
Best practices examples — strategy and execution
Below are some best-in-class examples of loyalty tactics that can help your organization improve interactions at specific touch-points along the customer journey.

American Eagle Outfitters
Connection
New member series

Strategy
A special life cycle campaign is created to educate loyalty members about the program and to drive conversion.

Execution
• Start with welcoming new members
• Breakdown and reiterate the program value proposition in the welcome series
• Ask members to complete their online profiles/preferences to enable relevant messaging in future emails
Engagement
Aerie Club — Thank you

Strategy
• Immediate recognition after the first purchase
• Reminder of program benefits to support future purchases

Execution
• Trigger message based on the member’s first purchase
• Clear copy valuing the recent purchase and the membership
• Incentive to remind the customer of the program’s key benefit

Engagement Statements

Strategy
• Provide regular information about point levels
• Motivate and educate members to get to the next status

Execution
• Ultrapersonalized communication
• Give details to remind customers about their recent activity and present the benefits they earned
• Link statements to the benefits of the customer’s status and point level
• Link the statement to tips on how customers can reach the next level
• Enable customers to update the information you have about them or to complete their profile
Engagement
Bazaarvoice product review test

Strategy
• Test to assess how displaying customer reviews or both ratings and reviews actually influences performance and response
• Leverage other customers' voices to promote the benefits of a service by product
• Social communities are strong influencers, creating a “viral” effect
• Asking customers to review is a form of customer recognition, showing that the brand values customers' feedback

Execution
• Ratings and reviews were powered by Bazaarvoice
• Experian Marketing Services deployed the email test

Results
• Ratings and reviews email received the best results
• Revenue per email: 16 percent increase
• Open rate: 3 percent increase
Engagement
Local events

Strategy
• Involve loyalty members in in-store window decorations, turning the relationship collaborative
• Tie mobile SMS to stores

Execution
• Use SMS to drive members to local stores
• Provide customers with an opportunity to have a voice through their stores (Valentine’s Day). The message mostly focuses on the possibility of having a personalized heart in the store window.

Engagement
Birthday and anniversary

Strategy
• Create a deeper relationship through rewarding members with special offers

Execution
• Sent on the day of the member’s birthday or anniversary (membership date)
• Engaging copy and imagery celebrating the recipient and the special date
**Re-engagement**

Re-activation message — Aerie

*Subject line: Even Better! Your 15% Rewards Is Now 25% + Pick Up $10 Off In Stores.*

**Strategy**
- Test the impact of a stronger offer to re-engage inactive members
- Combine online and store strategy to generate a stronger reaction and response (online and store visit)

**Execution**
- Different levels of percentage off, based upon the phase of reactivation
- Offer is for a limited time
- Additional incentive for store pickup

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**Re-engagement**

Re-activation message — American Eagle Outfitters

*Subject line: Hey First Name! Your AMOUNT % OFF Reward Expires Soon.*

**Strategy**
- Using an urgent tone, remind customers that their reward is about to expire

**Execution**
- Personalization/Customization in the subject line
- Imagery reflecting the potential risk of wasting a 40 percent reward
- Clear copy proposing two alternatives in the opener: “Use it or lose it”

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**Results**
- Birthday/Anniversary email performance highly exceeds bulk messages
- 250 percent lift in transaction rates
Walgreens
Connection
Online sign-up

Strategy
• Enable enrollment through in store and online
• Educate and engage in the early stages of the relationship

Execution
• One data capture page that includes email and mobile sign-up
• Welcome message is personalized with the member’s first name
• Key program benefits are presented as the primary message of the welcome email

Engagement
Mobile members — Balance Rewards, In-store and mobile

Strategy
• Engage with members while they are in store or about to visit a store
• Capture a broad audience by presenting several product categories
• Develop the brand as engaging, recognizable and fun

Execution
• Towers, posters, and magazines promote the Balance Rewards program so it becomes familiar to in-store customers

• Mobile application developed to propose offers currently available across several product categories
• Bar code automatic generation to be used in store
Engagement
Point special offer

Strategy
- Make sure members are aware of the current promotions that enable them to earn program points
- Create a sense of expectation — get customers used to receiving the ad each week

Execution
- Weekly email displaying featured products and their associated earned points
- The same campaign is sent to members and non-members so it is personalized based upon the recipient’s status

Strategy
- Propose exceptional point bonuses
- Capture members’ attention through strong point offers
- Create a sense of urgency with limited-time offers

Execution
- Large coverage: email and social tweets
- Simple primary message presenting the bonus and the expiration of the offer
- Call to action: Shop online or find a store earned points
Engagement
Apple® Passbook

Strategy
• Present an “Add to Passbook” application option so customers can store their reward card on their mobile devices
• Expand the ways to access and thus redeem rewards
• Take advantage of mobile as an “on-the-go” coupon wallet

Execution
• Application development
• Members store walgreens coupons on their phone
• Members redeem the coupons in stores
Famous footwear

Awareness
In addition to email communications and online pages for rewards
In-store signage • Social media • Mobile

Strategy
• Increase exposure of the Rewards program to optimize its visibility and awareness

Execution
• Victory media campaign launched in 2012 to position the brand on the Famous Brands, Famously Easy promise; each member gets a feeling of victory when buying through Famous footwear
• 1,110 stores presenting in-store signage promoting Rewards program
• Facebook page sign-up for Rewards
• Mobile Website enabling Rewards program sign-up
Connection
360-degree sign-up process (email, mobile, Web and in store)

Mobile

Strategy
• Take advantage of mobile usage growth to enable customers to enroll through their mobile phone
• Immediate enrollment through a quick, easy and convenient experience

Execution
• Text keyword to a short code
• Confirmation message contains a link that takes members to a form
• Data capture facilitated with mobile phone number prepopulated
• Mobile confirmation page
• Real-time double opt-in process finalizes the subscription by sending the member his or her rewards number
Connection
360-degree sign-up process (email, mobile, Web and in store) —
Online account registration and welcome email message

Strategy
• Convert online customers to loyal members
• Educate customers and set up a positive foundation for the new relationship

Execution
• Online data capture through one-page form
• Email, mobile and in-store subscription options made available
• Demographics and “golden” questions to gain insight on his or her shoe interests and channel preferences
• Real-time welcome email with a consistent voice, leveraging the brand’s “victory” campaign
• Immediate benefit: $10 off coupon can be used in stores or online
Engagement
Mobile

Strategy
• Ongoing relationship through SMS messages to remind customers about an offer

Execution
• SMS message sent reminding the customer about the offer and the offer’s expiration date
• Coupon code used to track redemption

Engagement
Birthday campaign

Strategy
• Build loyalty through recognition of customer’s birthday

Execution
• Date of birth data leveraged
• Engaging copy and creative
• Money to spend offer sent to the member for his or her birthday
Engagement
Reward status notifications

A. Almost there;
   – **Subject Line: You’re almost to Gold status!**

B. Reward arrival

C. Gold status
   – **Subject line: Victory just got sweeter - you’ve reached Gold status!**

Strategy

- Ongoing customized conversation with members with content based upon a member’s status
- Journey to take each member to the next engagement level
Execution

• “Almost there” message: conveys to the customer that he or she can easily achieve the next status level
  – Motivation through the presentation of the next status benefits
  – Guidance from the information on the remaining steps to achieve the next status
  – Easy status distinction from the matrix comparing the advantages

• “Reward arrival” message: conveys that the customer can easily achieve the next status
  – Motivation through the presentation of the next status benefits
  – Guidance provided through information on the remaining steps necessary to achieve the next status
  – Easy status distinction from the matrix comparing the advantages

• “Status achieved” message: announces that the customer has achieved gold status and presents the new benefits earned through copy and a comparative matrix
  – Guidance provided through information on the remaining steps necessary to achieve the next status
  – Easy status distinction thanks to the matrix comparing the advantages

Engagement
Rewards reminders

Subject line: ONLY 3 DAYS LEFT To Use Your Holiday Reward!

Strategy

• Gold members are the most engaged in the loyalty programs; remind them about their rewards

Execution

• Urgent tone in email message
• Gold status is displayed to recognize the recipient
• Clear primary message
• Bar code to visually reward the customer with an immediate offer
• In-store and online bar codes enable members to choose their purchase channel
Top 10 qualities of a successful cross-channel loyalty strategy

Regardless of which type of loyalty programs a brand chooses to execute, a successful loyalty strategy will consist of the following common elements:

1. Drives marketing and business strategy — The loyalty program must be an integral part of marketing efforts driving business goals. A program that simply functions as an “email list” will not stand up to scrutiny and will be unsuccessful.

2. Is customer-centric — The brand’s loyalty strategy puts the customer at the center of all marketing efforts. This includes mining of customer data to understand customers’ needs and then leveraging this knowledge to communicate with more relevant and meaningful messaging.

3. Carries customers seamlessly across channels — Any modern customer experience usually spans multiple channels at varying points in time. Brands can build stronger customer loyalty by ensuring a consistent experience across channels and leveraging the most appropriate channel and customer data aligning with the appropriate customer’s stage in the life cycle.

4. Truly leverages customer intelligence (collected and learned data) — Successful loyalty programs utilize customer data to create a holistic view of their customers: who they are, what they are buying, and how and when they want a brand to interact with them. Without this view, programs are detached from the overall customer experience and life cycle and thus cannot effectively speak to the customer in a relevant fashion.

5. Leverages customer segmentation to differentiate loyalty thresholds — All customers are not alike, but many customer loyalty programs treat them this way, sending the same email with the same creative and content to everyone. Creating customer segments based on customer behavior and demographics enables marketers to create a customer dialogue that is personalized, is appropriate and leads to a significant increase in marketing performance.
In this new cross-channel world, marketers must ensure that their loyalty programs evolve to meet their customers’ needs and expectations. Keeping these top 10 qualities in mind at all times will help guide you to building an effective loyalty program that is mutually beneficial to your brand and your customers.

6. Optimizes customers’ interaction with your brand — A conversation is the exchange of information, both ways. Successful loyalty strategies enable the customer to easily communicate with the brand and hear from the brand via his or her preferred channels. Each touch-point is an opportunity for the brand to capture information and to respond appropriately and efficiently.

7. Drives customers to the next level of engagement, including disruption management and re-engagement — Well-planned loyalty programs acknowledge that value potential is found in customer segments just below “best” customer and design a mixture of rewards and benefits to move them up the spending ladder.

8. Tracks, measures and refines — Loyalty programs can easily get stale and lose their luster, even with the best customers. To meet consumers’ constantly changing cross-channel needs, programs should be regularly measured against goals, with an annual loyalty “checkup” to determine what is working or not working.

9. Makes it a mutual value proposition — Design a program with rewards that have high value to the customer but also have the lowest cost for your organization. In this situation, the brand and the customer benefit. This requires brands to identify valued benefits that do not involve discounts. Discounts often can interfere with a brand’s value proposition and are easily imitated by competitors.

10. Differentiates from competitors (exposure, tactic, tone, rules, etc.) — A winning loyalty program ensures that the program is special, with experiential rewards that are valued and not easily duplicated. Optimizes customers’ interaction with your brand — A conversation is the exchange of information, both ways. Successful loyalty strategies enable the customer to easily communicate with the brand and hear from the brand via his or her preferred channels. Each touch-point is an opportunity for the brand to capture information and to respond appropriately and efficiently.