

WHY YOUR MARKETING STRATEGY NEEDS A LOYALTY PROGRAM

WHITEPAPER



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A good loyalty program can drive employee engagement and boost customer and channel loyalty. In a time where markets are saturated with competitors and the economic climate is less than brilliant, a loyalty program can help you stand out from the crowd and gain a competitive edge.

It should be created with the audience in mind, giving them a good user experience and rewards that match their expectations. A loyalty program is an essential pillar of your marketing strategy - giving you invaluable insights into behaviours and data that can help refine your business processes while rewarding staff, customers and partners.

As it's more than five times more expensive to get a new customer than it is to keep an existing one, your marketing dollars will go further if you focus on retaining customers, and an effective loyalty program is a proven way to do this.

A survey of 1,007 Fujitsu customers from across Australia found that customers are generally dissatisfied with loyalty programs, less than 1 in 4 agreed that current customer loyalty programs offered good value.

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To create loyal customers, or even happy customers for that matter, you need to be nailing the customer experience. Without that, a loyalty program is unlikely to do you any good, particularly as unhappy customers now like to vent their anger over social media channels - damaging your reputation with existing and potential customers.

Once you've won over a customer with superior service, that's when your loyalty program steps in to maintain that positive experience with your brand. It can help you keep the lines of communication open, update them on new products or features and increase the overall perceived value of your organisation to a customer. The higher the perceived value, the greater the loyalty capacity. And the more likely they are to look at messages from you.

INCREASING LOYALTY SHOULD BE A BUSINESS OBJECTIVE

Loyal customers increase endorsements and build a brand's profile with a reputation for valuing its customers. Therefore, engaging and building loyalty with existing customers will maximise revenue through their repeat business, and revenue from the people they refer.

The loyalty factor: 80% of Australians buy more from companies whose programs they are a member of.



KNOWLEDGE IS POWER

To really get the most value from your loyalty program, it needs to be feeding you up to date data on your customers' likes and interests, conversations they've engaged with and what they have to say. So you know who they are, and can tailor your approach accordingly.

The loyalty platform we developed for NEC not only gives managers insights into who resellers are, it also gives them information on recent activity so they can celebrate successes with resellers as they occur, helping strengthen their relationship and keep NEC top of mind.

THINGS TO CONSIDER WHEN IMPLEMENTING A LOYALTY PROGRAM

- **Keep it simple:** Provide a clear and easy way to earn points or rewards. Add in extra promotions or bonus elements to drive participation – but ensure that the underlying principle is extremely simple, so that the user can clearly see the brand's value proposition.
- **Listen to the customers:** Use data to influence content and marketing strategies – loyal customers are more receptive to content than the average customer, particularly if it concerns products or services that they have already purchased.
- **Speak to them:** An effective loyalty program can help you have more meaningful conversations with customers, and engage with them more often. Unresponsiveness is one of the biggest reasons customers give for a break in loyalty.
- **Put yourself in their shoes:** Remember the importance of customer experience.



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ABOUT POWER 2 MOTIVATE

THE PERFORMANCE IMPROVEMENT PEOPLE

Power2Motivate is the global leader for all things performance improvement. We develop and manage some of the worlds biggest and best customer loyalty and employee recognition programmes and have offices covering all four corners of the globe including Australia, Asia, North America, South America, Europe and Africa.

Our programmes are available across 144 countries and in 17 languages. We're proud to say we have over 750 clients, in excess of 2.5 million users, and we're still growing.

With a combination of smart technology, passionate people and excellent partners, we offer our clients a straightforward yet powerful solution at an affordable price.

This in turn enables organisations to foster stronger relationships with their customers and employees.