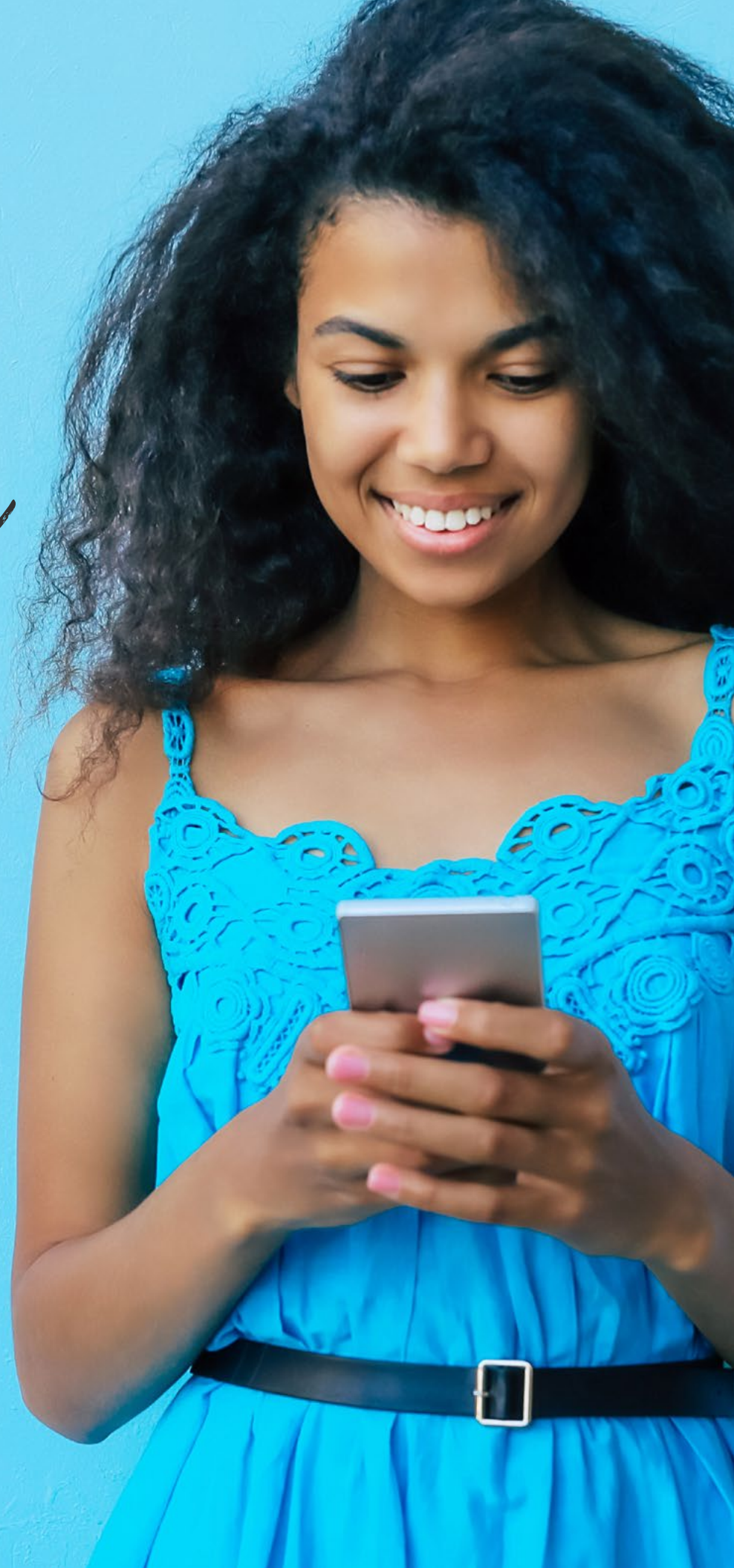


SMARTCONNECT

How To Create a

LOYALTY
PROGRAM

That Works



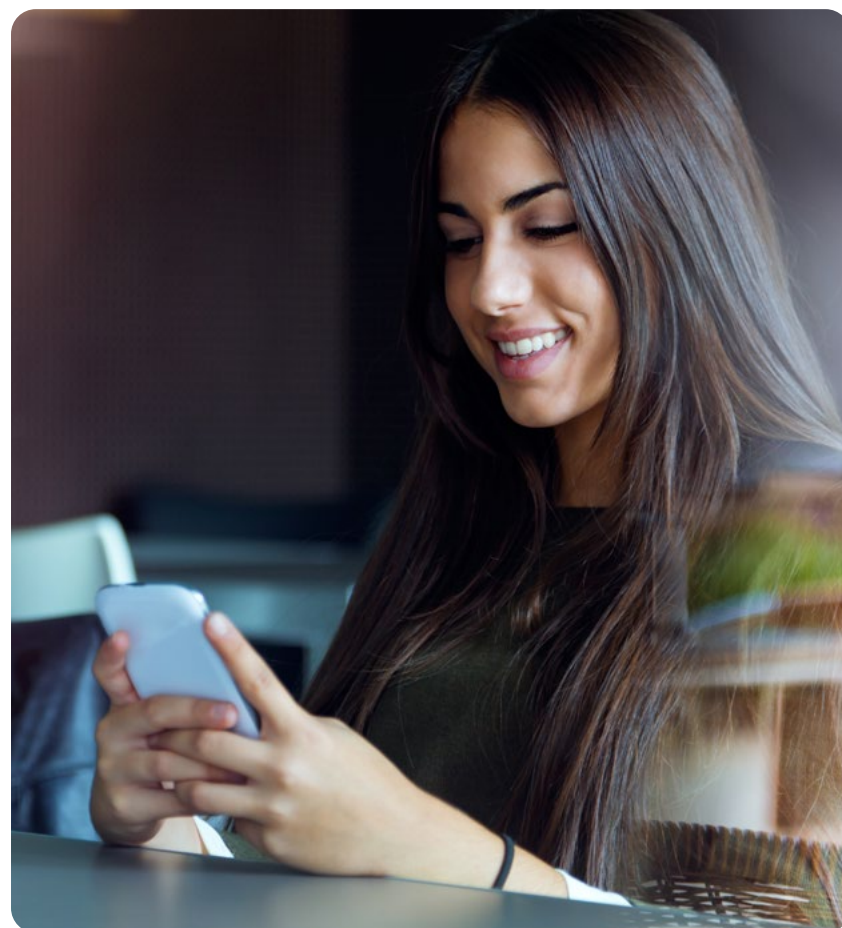
Loyal customers spend as much as 33% more than your other customers. They provide glowing recommendations and positive online reviews. Encouraging loyalty to your brand will increase revenue, as well as organically grow your customer base.

How To Keep Customers Coming Back

Loyalty programs are a great way to keep your customers coming back for more. Most programs rely heavily on rewards but neglect what really makes a customer loyal in the first place—**value**.

The goal of any loyalty program is to get your customers to see the value of your products and services.

This will make them loyal to your brand, and translates into trying out new products, purchasing from more categories, and providing valuable feedback that improves your customer service.



60% of customers will tell their friends and family about their favorite brands. And **71%** of consumers who are members of loyalty programs say membership is a meaningful part of their relationships with brands.

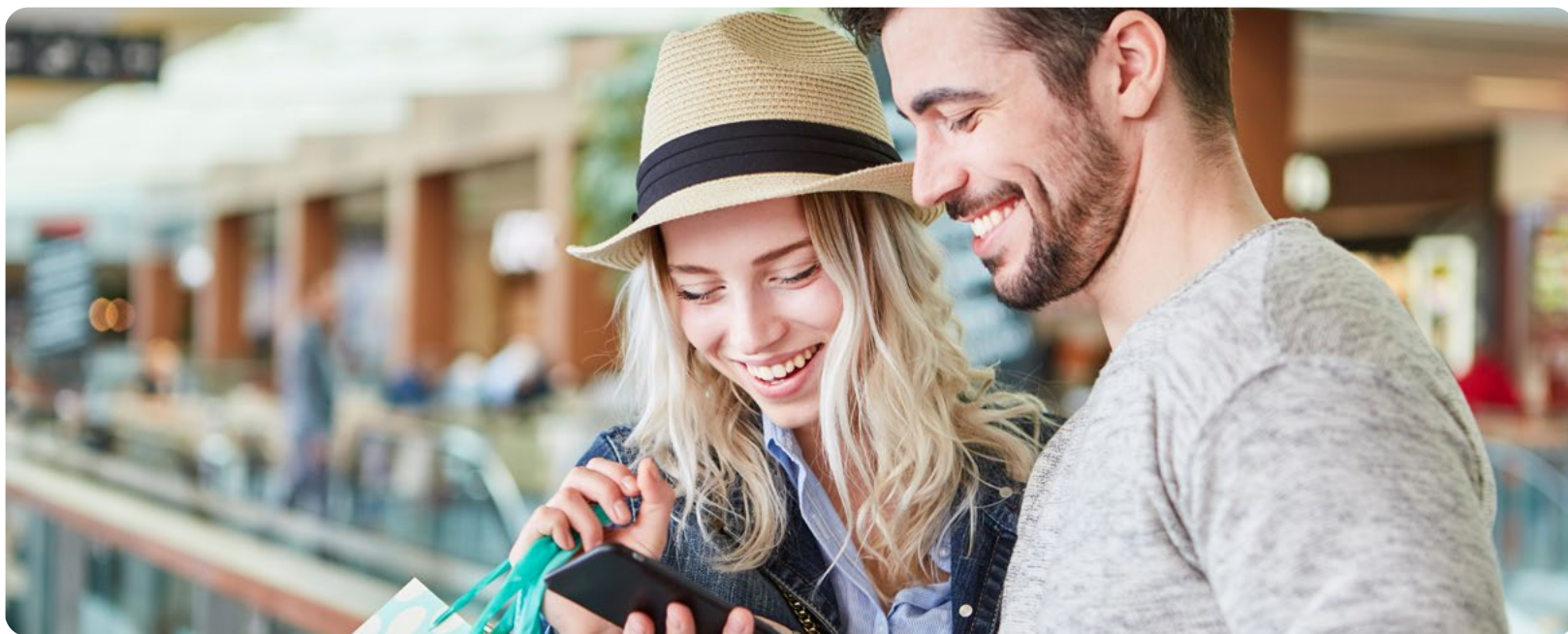
Creating Your Loyalty Program

To build a loyalty program that works, you need to begin with the basics. These 7 steps will get you started on the right foot.

1 Determine What Makes Customers Loyal

Many programs fail because they lack a good understanding of their customers and what makes them loyal. Yet, this is the easiest thing to figure out.

To design a program that works, the first thing you need to do is ask loyal customers what makes them loyal. Some of their answers may surprise you. This is good business intelligence and can be carried out in the store, online, or through email and text.



Whether it's ten or a hundred responses, this will take the guesswork out of creating your plan. You'll know exactly how to retain the customers you have and how to convert new ones.

2 Choose a Name

Separate yourself from the competition with an excellent name for your program. This is where you get to be creative and explore all of the possibilities. Start with a good brainstorming session that includes at least two other people. Brainstorming should be open to all suggestions, so set aside your critiques for later.



Try to include your brand name, but it doesn't have to be the focus.

You'll also want to think outside the box and have some ideas that don't involve the words 'discounts' or 'rewards.'

Then, whittle down your list to the top three. These names should be short, three words or less, and memorable.

Pass the list of three around to your employees and a handful of loyal customers and find out what they think.

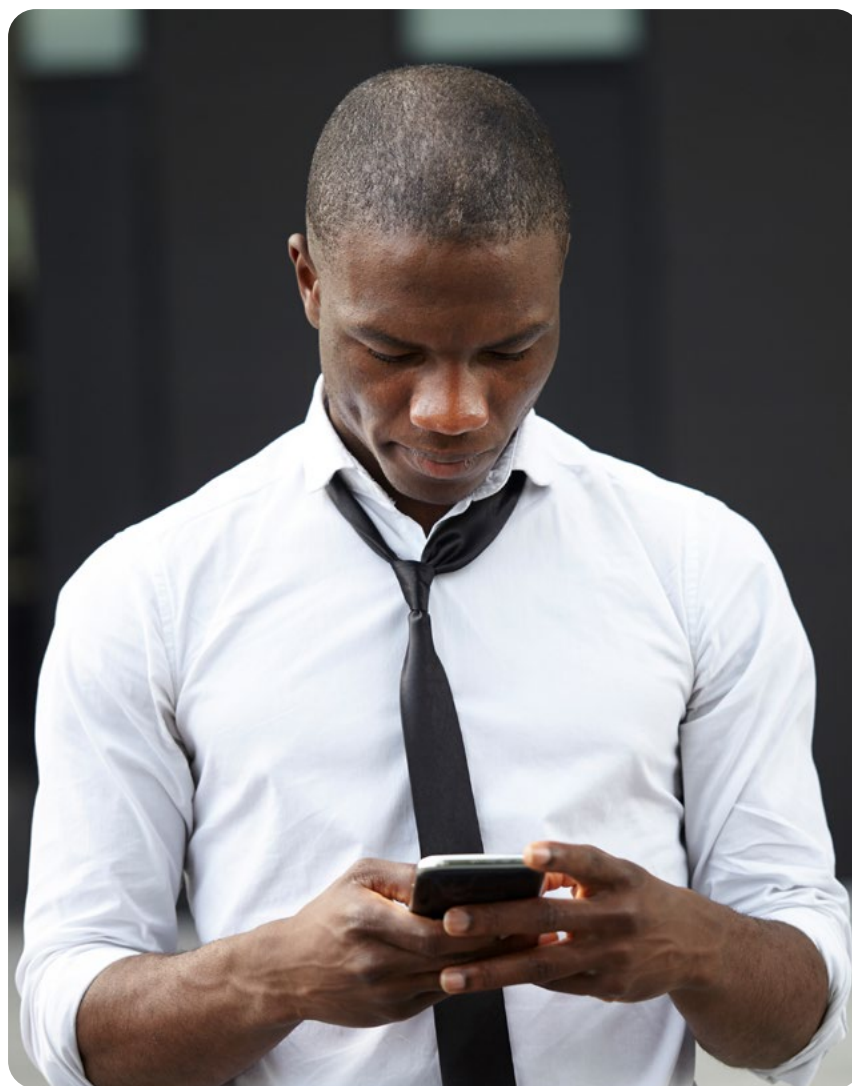
This should give you enough feedback to confidently move forward with the right name for your loyalty program.

3 Find a Good Software Solution

The customer loyalty software you choose is essential because it needs to be easy for you and your customers to use. It should also include a variety of functions that allow you to grow your program and improve your services.

For example, with [SmartConnect](#) you get:

- Rewards Program
- Digital Punch Cards
- Mobile Coupons
- Birthday Club
- Contests
- Polls
- Loyalty Kiosk (for opt-in & check-in)
- Two-Way Texting
- Bulk SMS
- Easy List Management and Segmentation
- Automation and Autoresponders
- Splash Page Builders
- Review Requests
- Analytics



Taking advantage of the best technology has to offer will make it easier for you to run an effective loyalty program. Plus, because you're just starting, you only pay for what you need, which makes it cost-effective, too.

4 Offer Rewards That Are Worth It

Over the years, those running successful rewards and points programs have learned that people won't redeem their rewards if there is no value.

Rewards should be fun, easy to redeem, and worth it. Your rewards need to offer attractive discounts, and collecting points has to be easy.

This works best in a tiered program, where each tier gives a different reward. Not always a better reward, however, because you need to be aware of your margins.

All of this should be done digitally. Your customers will be able to automatically redeem their points, while you save time and resources.



You should reward your customers for performing a variety of actions. Here are just a handful of good ideas:

- Purchases
- Follow on Social Media
- Recommendations
- Online Reviews
- Attend an Event
- Donate to a Favorite Charity

Customers want to earn and redeem points as quickly as possible, so giving them more options is a great way to keep them active within your program.

5 Create More Value

With all of the loyalty programs out there, people have become cynical about what's really in it for them.

You can turn this into an opportunity by showing the value of your program.



Each member should receive VIP status, which gives them access to more things than a typical customer.

This can be free products, deeper discounts, or early-bird shopping during sales.

You can also provide them with valuable information about their purchases, such as proper care and alternative uses.

The key to creating more value comes from non-monetary benefits.

Consumers are more willing to spend money on brands that engage with them--especially when it's something that sparks their interest. You see this in companies that are environmentally conscious or promote community awareness.

When you show customers that you care about what matters to them, you connect with them on a personal level. Building a deeper and meaningful connection is a key to developing loyal customers.

6 Make It Easy to Enroll

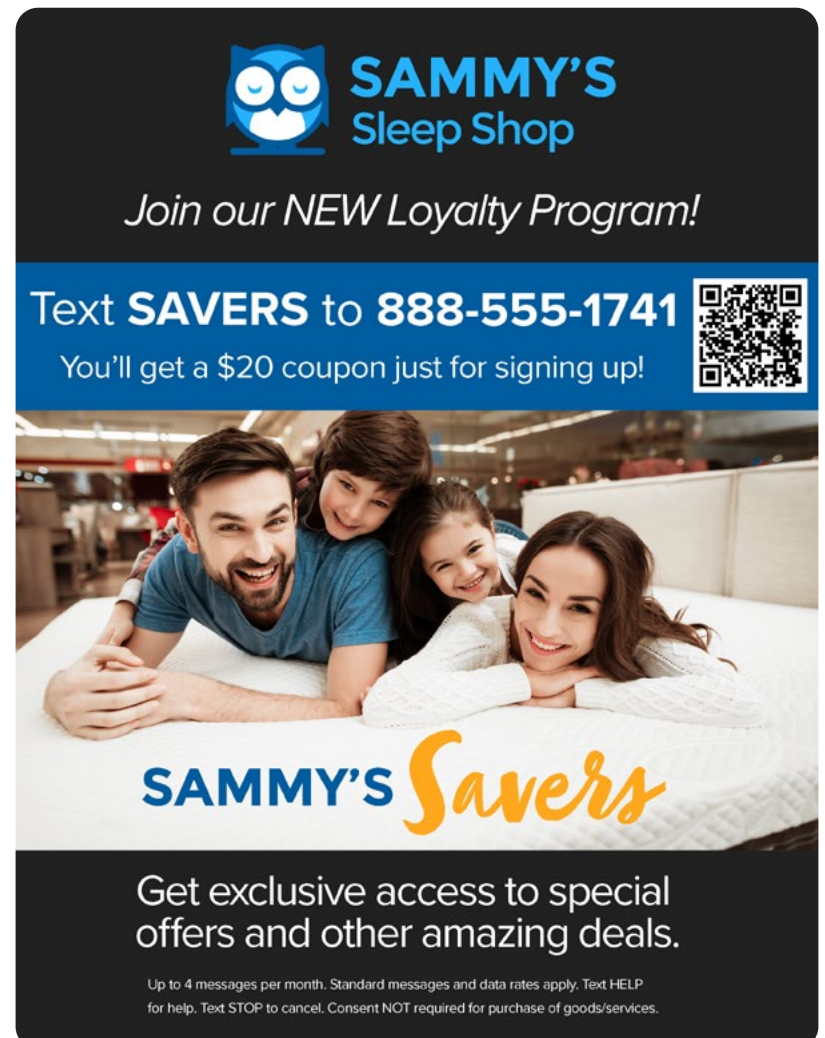
In the past, enrolling in a loyalty program was a chore.

First, you had to fill out an extensive form asking for all of your personal information.

Then you had to answer a bunch of questions that no one has time for.

To have success with your loyalty program, you need several ways for customers to enroll, and each one must be quick and easy.

With keywords and QR codes, your customers can sign up in less than a minute.



The advertisement features the SAMMY'S Sleep Shop logo at the top, which includes a stylized owl icon. Below the logo, the text reads "Join our NEW Loyalty Program!". A blue banner contains the text "Text SAVERS to 888-555-1741" and "You'll get a \$20 coupon just for signing up!", accompanied by a QR code. The central image shows a family of four (a man, a woman, and two children) smiling and lying on a bed. At the bottom of the image, the text "SAMMY'S Savers" is displayed in a blue and orange font. Below this, it says "Get exclusive access to special offers and other amazing deals." and includes a small disclaimer: "Up to 4 messages per month. Standard messages and data rates apply. Text HELP for help. Text STOP to cancel. Consent NOT required for purchase of goods/services."

A keyword is texted to a special phone number, known as a long code.

According to a large survey,
64% of consumers are willing to provide personal information if they are rewarded with coupons or loyalty points.

The system recognizes the phone number and signs them up to the program automatically.

Your customers can also scan a QR Code that composes a text message with the keyword.

They just need to approve the message, and click send.

There are other ways to sign people up for your program. If you already have a list of emails, you can send everyone an invitation to sign up.

You can also dedicate a page on your website to your loyalty program that describes the benefits and how to enroll.



7 Partnerships

Your loyalty program becomes more compelling when you have a variety of partnerships involved. It's called co-branding, and it increases exposure while promoting a partner business that complements your brand.

Promoting a partnership is one of the best ways to reach a broader audience.

It incentivizes loyalty by providing members with access to a greater range of products and services because you've built a community of like-minded people.



You can also learn a lot through collaborating with a partner. This type of business networking can be invaluable, especially if you want to expand your business locally or regionally.

However, there are some things you should be aware of:

- Make sure you communicate well with your partners.
- Be open and honest about your goals for the program.
- Share information on new or existing opportunities.
- Schedule co-branded promotions frequently.

You don't have to share everything, such as your customer lists, but you need to make sure that everything is equal. Like any good relationship, a partnership requires that everyone is on the same page.

Measuring Your Success

Once you get your program in place, you'll need to analyze how well it's working. Over time, your program will have different goals or milestones to reach. Your first goal is to get as many people to sign up for your program as possible. But, the amount of members does not indicate a successful program. It's only the first step. There are several ways to measure the success of your program.

Customer Retention

Calculating customer retention is a great way to see if your program is working. Typically, this calculation focuses on a specific period, one month, or a full quarter. To calculate customer retention, you'll need to know:

- The total number of customers from the previous period
- The number of customers at the end of the specified period
- The number of new customers during that same period



Example:

March = 100 total customers

April = 125 total customers

New Customers = 25

Retained Customers = 100%

You simply subtract March from April's total number, leaving you with 25 new customers.

Next, you divide the total for March with the total from April (equals 1), then multiply by 100 to get your percentage rate of retained customers. In this example, you have 100% retention.

Member Activity

Active membership is more important than just having a lot of members. To measure the number of active members, you'll need to gather all of the data you have on people taking advantage of rewards, discounts, and coupons.



Remember that the average rate of redemption for a non-loyalty program coupon is a paltry 1%. Loyalty coupons average about 15%, but you should aim for 20% - 25%.

Customer Surveys

Gathering feedback is a big step in understanding the customer experience. What you do with that feedback will determine the type of relationship you want with your customers. Whether it's positive or negative, it's what they expect, so don't disappoint them. To become more engaged with your customers, you need to let them know that you're listening and that you care.

Summary

Loyal customers are your most important ones. They purchase more and cost less to attract and retain. They want to be engaged with your brand, so building the right program for them should follow their lead. A successful loyalty program is easy to implement and takes into consideration what loyal customers want. Don't be afraid to ask their opinion and make sure you include them every step of the way. A loyalty program is more than offering discounts and coupons. It's about building deeper connections and longer-lasting relationships.

SmartConnect has all of the tools you need to create a great customer loyalty program. To learn more, please watch our [Demo Video](#). Or, request an [Online Demo](#) with one of our experts. You can also call or text us at 727-463-9987.

We look forward to learning more about your company!



SmartConnect by Smartwerks
4625 East Bay Dr. Suite 201
Clearwater, FL 33764
727-463-9987