



3 Rs to improving customer loyalty ROI

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1 Relationship

the key to true customer loyalty

Recently I read that the average American household is enrolled in 29 customer loyalty programs but only active in about 4 or 5 of them. So, why do you think there is such a lack of engagement after enrollment? From what we see, most customer loyalty programs today are solely focused on the transaction. Discounting is often the norm—dollars or percentage off is the incentive to buy again or buy more. This approach is not a differentiator and you end up in a competition where the best price wins. That is not the formula to drive true loyalty.

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relationship with your customers. So, where do you start? Look to your customer data. Customer data can show you if you have a new customer or one that's been buying from you for years. If they are new, what are you doing to onboard them to your brand and your products? Ask all your customers, new or old, to tell you more about

their needs. How would they prefer to be communicated with in the future? Have they been satisfied with the overall experience dealing with your sales force or dealers, etc.? Has the product they purchased met their expectations? Do they need any more information or education about your products and services?

On the transaction side, data can also tell you if a customer is buying just one of your products or your full line of products. Insights into how your customer buys might also be apparent in your data—is a customer buying only when there's a discount or are they paying full price? Is there a rhythm or cadence to how your customer buys from you or is their purchase activity totally random?

Remember, customers are not all alike. Segmenting your customers by key behaviors, special requirements, size of purchase or share of wallet will help define them and where they might be in your customer lifecycle. Look for insights to help you target their needs with better communications and offers going forward to continue building a more meaningful relationship.

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2 Relevance

evidence you know something about your customer

How does relevance foster a better relationship with your customers? For starters, it can set you apart from all the marketing noise consumers are bombarded with every day. Much or most of that communications noise targets people in mass with no regard for a person's level of interest or need. Consumers today are swamped with media messaging that's often a nuisance or intrusion to their day. Studies show that the average consumer decides within just seconds if what is in front of them is worth their while or should be quickly ignored.

Making your message relevant can start with personalization. Most marketers today have yet to really adopt personalization. Leveraging personalization

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isn't just communicating with your customer by name.

Data and technology can help us recognize specific customer behaviors and serve up content that reflects

your knowledge of a customer's behaviors and actions. Tailoring content to a customer should reflect what you might know about them and what might be of interest to them next. Recognizing them for what they have bought or done tells them you know who they are and it gives you the opportunity to connect on a more personal level with them. Again, this is something so few marketers really commit to doing, yet it can make all the difference in how you earn the attention and engagement of your customers. Relevant content ultimately drives a better customer response. And, with an increased response, the ROI on your marketing investment should only improve.

3 Reward

demonstrating you truly value your customer

Think about all the products and services you have purchased in your lifetime. Now, try to remember when a company has thanked you for your purchase with some sort of a gift or special recognition. Do many come to mind? Probably few...if any.

Recognizing a customer for their loyalty should really start with a customer's first purchase. A simple reward might be the only thing

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needed at this stage, like a sincere and timely "thank you." Following up with the recognition of their purchase and that you value them for it can be a real differentiation from your competitors. It is not a very common marketing practice,

but it can be that first step in building a real relationship with a new customer.





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As your customers move through your customer lifecycle, there are dozens of touch points and milestones where you can really make a positive impression. These are opportunities to recognize and reward customers for any number of things important to building a lasting, loyal relationship. Surprising a customer with a gift or special reward can show how you care and that you know them. It can show you value them and appreciate what they buy from you and how they might interact with you, your products, your services and your brand. Making the effort to deliver this reward and recognition at key touch points or milestones will truly set you apart from your competition and make a statement that your customer is valued.

Developing a relationship, making communications relevant and rewarding customers for the right behaviors is a proven formula for true loyalty. With true loyalty your marketing investment can pay real dividends in the form of a better ROI when it comes to the lifetime value of a customer.

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