The Ultimate Guide to Omnichannel Loyalty

Connect Customers to Your Brand Through All Touchpoints

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# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>2</td>
</tr>
<tr>
<td>Traditional Loyalty vs. Omnichannel Loyalty</td>
<td>2</td>
</tr>
<tr>
<td>Designing an Omnichannel Loyalty Strategy</td>
<td>3</td>
</tr>
<tr>
<td>Extend Customer Touchpoints</td>
<td>3</td>
</tr>
<tr>
<td>Reward for Social Engagement</td>
<td>3</td>
</tr>
<tr>
<td>Use Data to Drive Personalization</td>
<td>3</td>
</tr>
<tr>
<td>Be Where Your Customers Are</td>
<td>3</td>
</tr>
<tr>
<td>Connecting Customers Across the Ecosystem</td>
<td>3</td>
</tr>
<tr>
<td>1. Convenience</td>
<td>4</td>
</tr>
<tr>
<td>Simplify Your Rewards-for-Spend Strategy</td>
<td>4</td>
</tr>
<tr>
<td>Reward Loyalty Members for Engagement</td>
<td>6</td>
</tr>
<tr>
<td>2. Relevance</td>
<td>7</td>
</tr>
<tr>
<td>Collect More Information About Your Customers</td>
<td>7</td>
</tr>
<tr>
<td>Offer Personal, Relevant Experiences Based on Behaviors and Preferences</td>
<td>8</td>
</tr>
<tr>
<td>3. Value</td>
<td>10</td>
</tr>
<tr>
<td>Offer Exclusive, One-of-a-Kind Rewards</td>
<td>10</td>
</tr>
<tr>
<td>Reward Customers in Real Time</td>
<td>12</td>
</tr>
<tr>
<td>Conclusion</td>
<td>13</td>
</tr>
</tbody>
</table>
INTRODUCTION

Customer experience is king.

According to a Walker study, 2020 is the year when customer experience overtakes price and product as the key brand differentiator. How can brands ensure they are meeting customer expectations?

A good customer experience can be defined as a seamless and rewarding interaction with a brand at every touchpoint. Brands are moving towards adopting an omnichannel loyalty approach to deliver convenience, relevance, and value for customers across all channels.

A successful omnichannel loyalty program connects customers to a brand across all touchpoints seamlessly, without borders. It goes beyond one-dimensional discounts, instead offering deeply personal and authentic customer experiences that yield stronger engagement and higher spend among customers.

This whitepaper outlines how you can take your loyalty game to the next level, exceed customer expectations, and improve the customer experience.

TRADITIONAL LOYALTY VS. OMNICHANNEL LOYALTY

Most traditional loyalty programs are single channel and card-based. They reward for spend rather than reward for engagement. They typically do not reward for behaviors that lead to purchase, nor do they reward in real-time. Omnichannel loyalty maximizes cross-channel loyalty—not through a single campaign, but through an ongoing lifetime of campaigns offered in real time.

Companies with the strongest omnichannel customer engagement strategies retain an average of 89% of their customers, as compared to 33% for companies with weak omnichannel strategies.

-Aberdeen Group

Figure 1. Omnichannel loyalty integrates all customer transactions and engagements into a singular, unified brand experience.
DESIGNING AN OMNICHANNEL LOYALTY STRATEGY

Whether you are upgrading a traditional loyalty program or building out a new omnichannel program, these strategies will be beneficial to follow.

Extend Customer Touchpoints
Digitize your loyalty program so that you can extend promotions across websites, mobile, and social media—enabling shoppers to transact and interact with your brand in whatever way is most convenient.

Reward for Social Engagement
Connect with and reward customers for social interactions. Expand loyalty beyond the transaction to an emotional engagement. Engage social influencers so they become brand ambassadors.

Use Data to Drive Personalization
Enable loyalty activities such as enrollment, accrual, and redemption across all channels. Mine the customer data collected from all channels to identify trends, behaviors, preferences, and segments that can be used to target customers with personalized customer experiences.

Be Where Your Customers Are
Allow shoppers to make transactions, collect points, and redeem promotions in real time through mobile technologies. Mobile can capture a wide range of data on your customer—including transactions, behavior, and location. Use this information to personalize communications, experiences, and promotions for your customers.

CONNECTING CUSTOMERS ACROSS THE ECOSYSTEM

At the heart of changing expectations remains a constant: customer interactions with loyalty programs are value driven. The definition of that value, however, has evolved from traditional “spend and get” programs to earning for every interaction—regardless of channel—with the brand.

Today, customers want to earn points for every single purchase they make, no matter where the transaction takes place or how they pay. They expect to be rewarded for sharing personal information with a brand and for engaging with a brand. They prefer personalized communications and access to relevant rewards. They no longer want a free item for every ten purchased. Instead, they would rather have access to rewards money can’t buy or rewards that make them feel like a valued customer. And they want the entire experience to be integrated and seamless.

Omnichannel loyalty programs need to provide members with

1. Convenience
2. Relevance
3. Value

The following sections provide techniques for adding these three attributes to your loyalty program so you can stand out from the competition.

The brand ecosystem consists of
- Event
- YouTube
- Facebook
- Email
- Twitter
- Games
- Purchase locations, online and in store
- Instagram
- Brand content
- Surveys
- App engagement
- Product reviews
1. CONVENIENCE

Make it easy for members to be rewarded for spend and engagement.

**Simplify Your Rewards-for-Spend Strategy**

Earning points for spend should be frictionless across all channels.

**Integrate Mobile Payment**

Mobile wallets such as Apple Pay and Google Wallet, QR codes, and mobile-app programs that integrate payment solutions are making it easier for customers to make transactions. Brands are linking loyalty programs to mobile payment options as a way to increase convenience and improve overall service.

The Starbucks app, for example, integrates with its Starbucks Rewards program. The app allows consumers to load money onto their mobile accounts, make payments, and track and redeem their rewards—all from their phone. By broadening its mobile payment and mobile wallet options, Starbucks keeps convenience and customer service high which drives greater appreciation for the brand.

![Figure 2. The Starbucks app lets customers make payments and track rewards.](image)

Brands that link loyalty programs to mobile payment options can increase convenience and improve overall service.

**Offer Tender-Neutral Rewards**

Consumers expect the freedom to pay how they choose. While many established retailers have private label credit cards or co-branded cards that act as their loyalty programs, there are greater benefits to broadening their reach with tender-neutral loyalty programs. Moving to this approach makes it easier for shoppers to receive loyalty program benefits no matter how they pay for their purchases.

Target’s Red Circle loyalty program is a departure from their one-card approach to loyalty. Customers earn multiple points on every dollar they spend (both in store and online), no matter how they pay.

Tender-neutral loyalty programs provide shoppers with loyalty program benefits, no matter how they pay for their purchases.
Receipt Scanning for Extra Points

If your brand does not have a direct connection to the point of sale, then enabling customers to scan their receipts for purchasing your brand’s products delivers convenience. It allows customers to maximize their participation in your loyalty program by affording them the opportunity to collect points on each brand purchase, across multiple retailers.

By building receipt scanning functionality into its loyalty program, Budweiser provides loyalty members with credit for purchases made through multiple retail partners.

Figure 3. Loyalty members of Target’s Red Circle can earn points regardless of payment method.

Receipt scanning provides an option for brands to provide points or credit regardless of where loyalty members shop.

Figure 4. Receipt scanning enables Budweiser Rewards’ members to earn points, no matter where they purchase.
Reward Loyalty Members for Engagement

Make it easy for members to earn points or other incentives for engaging with your brand across all channels.

Encourage Reviews

Product reviews are an effective way to increase brand awareness, and positive reviews can influence a consumer’s decision to purchase.

Incorporating product reviews as a point-earning activity is an effective way of driving up the number of online reviews from your most loyalty customers and building your brand's reputation. Product reviews are not only a valuable source of feedback for a brand, they are an effective way of building your brand’s reputation.

Carhartt’s Groundbreaker’s loyalty program incentivizes customers to write product and store reviews.

![Figure 5. Carhartt provides loyalty points to members when they write product and store reviews.](image)

Reward for Social Engagement

Make it easy for loyalty members to interact with your brand and share content on networks such as Twitter and Instagram by incentivizing them with points or perks.

Express gives loyalty program members points for sharing their pictures on Twitter and Instagram. This incentive encourages participants to endorse the brand to their larger social network.

![Figure 6. Express incentivizes its customers to share their user-generated content on Twitter.](image)

Loyalty programs can drive brand advocacy when they reward customers for posting user-generated content to social media such as Twitter and Instagram.
2. RELEVANCE

Deliver the right message to your customers—in the right channel, at the right time.

Collect More Information About Your Customers

To deliver relevant experiences across all channels, you need to understand customer lifestyles and behaviors by capturing large volumes of customer data. The first step is to collect a wide range of behavioral and demographic data before activating it with relevant marketing activities.

Incentivize Information Sharing

To encourage customers to share more about themselves, consider offering an incentive for loyalty program members to update their profiles. You can use the additional insight to personalize and strengthen your current marketing messages and increase your relevance.

Foot Locker gives loyalty program members extra points for sharing their shoe, pant, and shirt size plus who they typically shop for. This helps the brand capture additional data about its members for greater personalization and segmentation.

Figure 7. Foot Locker incentivizes members of its FLX program to share shopping preferences so it can collect additional data for improved personalization and segmentation.

Encourage Social Connect

Social platforms offer brands the ability to collect both

- Implicit data. Information that is not provided intentionally but assembled from available data streams.
- Explicit data. Information that is offered intentionally through surveys and membership registration forms.

Incentivize members to connect their social accounts to their loyalty program member profiles to help build your 360-degree view.

TOMS Shoes awards points to members who connect their Facebook, Twitter, and Instagram accounts to TOMS’ My Passport Rewards loyalty program. By encouraging the use of social media, TOMS increases engagement, analyzes what content is most meaningful to customers, and reaches new buyers.
Motivate Members to Take Surveys

Brands employ a variety of strategies to learn more about customers with the goal of enriching their lives. By incentivizing customers to take surveys, you can motivate them to offer additional insight and help you improve your marketing outreach.

Sleep Number gathers information about its fans with occasional surveys. Members of the Sleep Number Inner Circle loyalty program can earn points by answering questions related to sleep and wellness. Sleep Number then leverages this survey data to educate its members on better sleep practices.

Surveys enable brands to gather additional insight that helps improve marketing outreach.

Offer Personal, Relevant Experiences Based on Behaviors and Preferences

Brands with an omnichannel focus are consistently gathering data about their consumers across channels and platforms, then analyzing that data through sophisticated tactics such as machine learning and predictive analytics. Through these methodologies, they are able to predict future behaviors and create marketing experiences that speak to their customers’ wants and needs.
Create Relevant Marketing Experiences

By collecting data on customer interests and preferences, you can personalize the brand experience. This means that customers are presented with what they want to see, and in turn, they're more likely to have higher engagement rates and a greater experience. To provide a personalized experience, brands should collect data from a range of sources, then use that data to serve customers with relevant content, communications, and even product recommendations.

Tarte sends members of their loyalty program regular personalized emails communicating how many points they've earned and rewards available to redeem. This strategy helps drive program engagement.

![Tarte Regular Communications](image)

_Figure 10. Tarte regularly communicates with members via personalized emails and text messages._

Remember Customer Milestones and Special Occasions with Rewards

Obtaining data about a customer can help you move the needle on a number of loyalty marketing initiatives.

Additional data gives you an opportunity to acknowledge happy occasions with a free gift—such as bonus points, a sizeable discount, or free samples—and help you refine your marketing messages to better suit your audience. For example, you can start rewarding members who are mothers for Mother’s Day, for birthdays, and for program join anniversaries.

Bluemercury, for example, offers loyalty program members in-store beauty treatments during their birthday month. This strategy creates positive feelings toward the brand and serves as a good incentive for customers to visit the store and make a purchase.

Brands that have data on customer birthdays and anniversaries can acknowledge these occasions with awards.
Figure 11. Bluemercury acknowledges customer birthdays and anniversaries to create positive feelings towards the brand.

3. VALUE

Go beyond discounts and create more value across every consumer touchpoint for your loyalty program members.

Offer Exclusive, One-of-a-Kind Rewards

Priceless rewards are a crucial part of the omnichannel loyalty strategy because they build a deeper connection with the brand—often across digital and physical touchpoints.

VIP Events

Make your customers feel like they are part of an exclusive community. Special, invite-only VIP events are one way to command interest in your brand.

Nordstrom creates spectacular events for its exclusive customers. For example, the retailer invites top-tier members to beauty and style workshops and invite-only lifestyle events.

Offering special, invite-only VIP events is one way to command interest in your brand.
VIP Access to Online Sales and Offers

Allow customers to feel valued and appreciated by offering something that is “for members only,” such as an exclusive sale.

Philosophy’s loyalty members earn advance access to special sales, giving customers first dibs on must-have items.

![Philosophers Rewards](image)

**Figure 13.** Philosophers Rewards members get advance access to sales.

Limited Edition Rewards

Exclusivity reigns in customer loyalty programs. To truly stand apart from competitors, consider offering unique or limited-edition rewards to build greater affinity for your brand.

Sephora Beauty Insider members can redeem points for sample sets of products, access to special products, and free limited-edition, insider-only handpicked sets.

![Beauty Insider Benefits](image)

**Figure 14.** Sephora offers exclusive products to its BeautyInsider members.

To stand apart from competitors, brands can offer unique or limited-edition rewards to build greater brand affinity.
Reward Customers in Real Time

Thanks to greater advancements in the mobile space, technology has paved the way for immediate reward redemption. Instant rewards demonstrate greater worth to consumers and help keep engagement high.

Apply Discounts in Real Time

Load-to-card programs provide customers with multi-week promotions across different brands, ensuring the customer is able to take advantage of promotions and discounts across all brands for buying in store. This helps drive sales and ensure loyalty program members are automatically rewarded for spending, with only the swipe of their loyalty card.

Consumer package goods (CPG) brands that can be purchased in grocery or drug stores are able to reward customers by using load-to-card programs such as Rite Aid’s Wellness+Rewards. After connecting the Wellness+Rewards card, members can make applicable SKU purchases. Rite Aid will send the purchasing data back to the loyalty software provider and CPG brands. The loyalty software provider will then credit members for their purchases.

![Figure 15. Rite Aid collects purchasing data on its card then shares that information with CPG brands that can then credit consumers for purchases.](image)

Reward With Offers Back at Point of Sales

Cardholders can redeem their rewards in store instantly, right at the point of sale (POS). Members present their phones at checkout to use as a gift card. Whether consumers redeem gift cards or digital downloads, the use of mobile adds greater flexibility to reward redemption. It permits consumers to receive their rewards more quickly than traditional programs, which often carry a waiting period.

Chase launched a Chase Offers mobile app for its Chase credit cardholders that enables users to redeem cash-back rewards in real time at the POS across merchants, including Olive Garden, Starbucks, and TGI Friday’s.

![Figure 16. Chase credit cardholders can redeem cash-back offers right at the POS of select retailers.](image)
Use Geolocation Services to Surprise and Delight

Brands that use geolocation apps can pinpoint a consumer’s location, providing greater engagement opportunities. This can include sending a coupon or rewarding consumers for an action that they took for being near a specific location.

Zumiez leverages geolocation as a vehicle to reward members with loyalty points. The Zumiez Stash app automatically awards points to members when they walk into a Zumiez store.

**Figure 17.** Zumiez capitalizes on smartphone location capabilities to drive foot traffic to stores.

CONCLUSION

As more and more brands begin to operate at an omnichannel level, traditional loyalty programs need to step up to meet higher customer expectations of what constitutes a good customer experience.

Successful omnichannel loyalty programs provide members with the opportunity to be rewarded for spend and engagement across all channels through seamless integration.

Furthermore, an omnichannel strategy helps retailers fit the customer data puzzle pieces together to form a 360-degree view of who their customers are. This data drives personalized communications and experiences. Brands are then able to build meaningful relationships with customers to encourage greater spend, engagement, and satisfaction.

Learn More

Oracle CrowdTwist customer loyalty platform enables brands to unlock unique insights and incremental value through omnichannel engagement. A flexible SaaS solution, Oracle CrowdTwist leverages AI technology and predictive analytics to deepen brand-customer relationships and build emotional bonds. Forrester recognized the platform as a Leader in “The Forrester Wave: Loyalty Technology Platforms, Q2 2019.”