Five steps to building a loyalty program customers love

Loyalty programs inspire brand advocacy while maximizing engagement and customer lifetime value.

They’re also a source of data that helps us learn more about connected customer experiences.

Here are the five steps to make sure yours drives results:

01 Choose a program model that will inspire advocacy

When quickly defining concepts to review for potential:

- Are customers willing to pay for perks, or would they rather earn them by completing activities?
- Will you reward customers based on a single metric (like dollars spent) or do you need a points system to reward multiple activities?
- Will you offer membership tiers for different levels of activity?

Loyalty programs are also a source of data that brands can use to deliver connected customer experiences.

36% of marketers believe adding customer loyalty data to their program would have a major impact on success.

02 Identify the most valuable types of engagement

Incentivize a variety of activities to engage customers beyond the transaction.

When your customers... You can...

Complete a membership profile Personalize recommendations based on customer data

Refer a Friend Build trust with new customers

Refer a new vehicle Offer a free test drive to a friend

Like/Follow on social media Increase reach on organic social channels

03 Select rewards that surprise and delight customers

Consider your customers' motivations.

What rewards will be most likely to prompt action?

For example, budget-conscious customers will appreciate discounts, while customers motivated by prestige will be more excited about VIP experiences or access to exclusive products.

88% of shoppers prefer cash back and discounts over other reward types.

04 Create a promotion plan

Communicate program benefits by using customers' favorite channels to get the word out.

Text Promotional signage

Push notifications Email

Social media Promotions

05 Define metrics and measure ROI

Define a set of metrics to learn more about customers and a defined program performance.

<table>
<thead>
<tr>
<th>Metrics</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>Visit frequency</td>
<td>Number of visits to your site or store within a given period</td>
</tr>
<tr>
<td>Purchase frequency</td>
<td>Number of purchases within a given period</td>
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An engaging, dynamic loyalty program can help you capture data, deepen customer relationships, and drive your business forward.

Learn more

See how Oracle CrowdTwist Loyalty and Engagement can help you put your loyalty strategy into action.


3 Ascend2 and Oracle, “Marketing trends 2022: Marketers tell all about successes, struggles, and solutions,” 2022. (gated)