

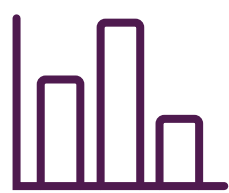
08

BEST PRACTICES FOR A SUCCESSFUL LOYALTY PROGRAMME

Based on our experiences working with brands, here are the lessons we have learnt when seeking to develop a loyalty programme.



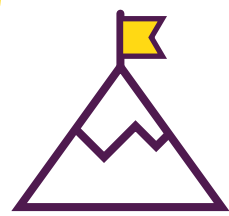
01



Measurement is vital:

Unless something's measured, it's not treated seriously. This makes having a first-party data KPI essential to any loyalty programme. For example, ensuring 80% of customer data deemed crucial is collected and put on file within six months of them signing up. Put measurement at the beginning of your planning, track it, and report it.

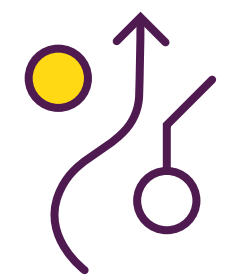
02



Start with the end in mind:

Collecting data for the sake of it is wasteful, unnecessary and can have privacy implications. Know the two to three critical pieces of customer information you need from the start. Then work backwards to identify your route to obtaining this.

03



Remove the barriers to entry:

Make it simple and quick to sign up. Lengthy forms and too many questions deter people from joining. Make the process short and ask for just the minimum information you need to maximise sign-ups.

04



Adopt a data creep approach:

Take the long view when looking to gain customer data by collecting information over time. Identify key moments when people will be receptive to providing it – e.g., when redeeming points – and focus on these to enhance your insights. And when you ask, keep it friendly and conversational.

05



Know your customer journey:

Understand how you will move customers along a path and the necessary incentives to offer to encourage them to provide the data you need.

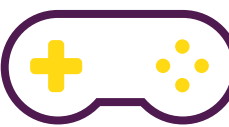
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Implement the carrot and stick:

One option for moving customers along their journey is the carrot and stick approach. After all, there needs to be a value exchange in all good loyalty programmes. This means raising the spectre of a customer being unable to benefit from the scheme if they don't keep their end of the bargain is a logical step. It can work. But it's not for every brand, so only use it sparingly.

07



Introduce gamification:

Use games, polls, and surveys as a fun, engaging and subtle way to gain additional customer insights so you can better communicate and sell to them. For example, beauty brands successfully use polls around which make-up types look best to gauge a customer's potential product preferences from the answers given.

08



Understand what customers want:

Get critical programme data by finding out what members feel about the programme and which rewards interest them. Understanding what they're aiming for allows you to encourage them to take the necessary actions to move them closer to achieving this. They gain, and you gain.