



**HOW SURPRISE AND DELIGHT AMPLIFIES
LOYALTY MARKETING STRATEGIES**

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Introduction

Successful engagement and loyalty strategies require brands to keep things simple and relevant, and offer customers value. In a world where competition for attention grows and where loyalty benefits are becoming commoditized, it's essential for marketers to establish an emotional connection to consumers, drive repeat purchases, and increase revenue.

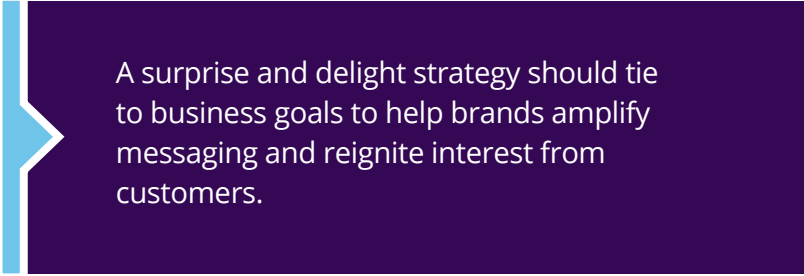
Enter the concept of surprise and delight, an approach that brands use to re-engage customers and reinforce messaging with unexpected rewards. These activities help brands differentiate their high quality loyalty initiatives from the competition, and also do wonders to generate buzz and Word-of-Mouth (WOM). The key to success is to incorporate these activities into a larger multichannel marketing strategy. By deploying surprise and delight offerings strategically, brands can move beyond the tactics of a publicity stunt to impact critical metrics such as engagement, customer acquisition, and retention rates.

What is Surprise and Delight?

Most consumers are familiar with traditional loyalty strategies that offer a certain amount of points that members redeem for merchandise or other tangible goods. Yet marketing continues to evolve. Today, consumers want to be engaged with their favorite brands beyond a transactional relationship. In a world where consumers are

bombarded with messages, consumers expect and need more from brands to stay loyal. As a result, companies are broadening their efforts by adding unexpected extras known as “surprise and delight.”

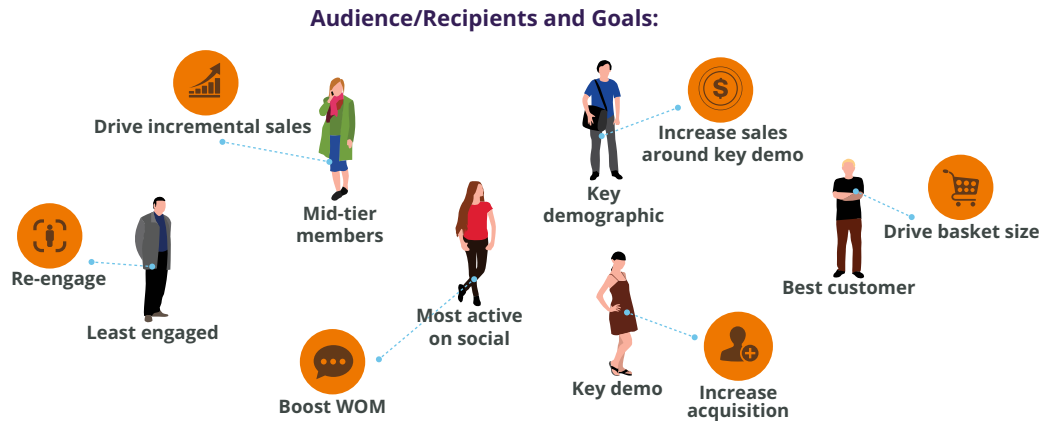
Surprise and delight is a strategy that gives customers unanticipated perks to renew interest in their products and services and to amplify messaging. The concept isn't new, but brands are increasingly using these activities as a way to emotionally connect with consumers and build loyalty. Surprise and delight is not a replacement for traditional earn and burn loyalty initiatives, but the tactic acts as an additional vehicle brands use to “wow” their customers and encourage them to share their experiences online and offline.



A surprise and delight strategy should tie to business goals to help brands amplify messaging and reignite interest from customers.

“By showing sincere appreciation with unexpected rewards, brands can build a greater connection to customers on an emotional level,” Scott Matthews, CEO, CrowdTwist, says. “If implemented successfully, brands can realize increased customer engagement, reduced churn, and greater ROI.”

Who and Why to Surprise and Delight



The Importance of Surprise and Delight

What’s the purpose of implementing surprise and delight moments? For consumers, surprise and delight activities break up the monotony of sameness. More importantly, unexpected treats make customers feel special. Surprises are also grounded in science. According to a Brown University study, learning happens when people encounter something surprising or unexpected. When consumers receive an unexpected benefit or reward, it encourages them to repeat the activity that led to the reward.¹

For brands, surprises provoke action. They prompt consumers to re-engage with a brand or to make purchases. What’s more, surprise gifts help brands capitalize on Word-of-Mouth (WOM) activity from customers. This not only helps companies broaden their reach, but it presents an appealing image to existing users and prospects. After all, the popularity of social media makes it easier than ever for consumers to access their peers’ opinions more, making

WOM more influential. In fact, 74% of consumers identify WOM as a key influencer in their purchasing decisions.²

“Adding a surprise and delight offering to a larger marketing strategy positions brands to earn more trust and appreciation from customers,” Geoff Smith, SVP of Marketing, CrowdTwist says. “That, in turn, leads to greater viral sharing and more business.”

While it’s crucial for brands to be consistent with their loyalty strategies, always meeting customer expectations can be mundane. Once brands secure their audiences, they must generate new ways to keep customers engaged. Fulfilling expectations is no longer enough. Brands should also incorporate the element of surprise within their longer term plans, rather than one-off initiatives.

¹ Dr. Wael Asaad, Brown University – Surprise and Memory Formation, WAMC Northeast Public Radio, Feb. 12, 2012

² Ogilvy Cannes Study: Behold the Power of Word of Mouth, Adweek, June 19, 2014

How Brands Use the Strategy

Brands have re-defined the term surprise and delight. It's no longer just about offering patrons a freebie every once in a while. It's a vehicle to extend brand messaging and remind customers why they chose a particular company over another. The catalyst for brand leaders to go the extra mile and deliver unexpected treats to customers comes from the desire to create stronger emotional ties to organizations, which in turn builds greater appreciation and loyalty.

Surprise and delight moments are not the same for every company. In fact, brands are refining the ways in which they use the strategy and the types of rewards they offer to customers. Below are three examples of how brands are taking a surprise and delight approach.

Re-engage customers

One approach brands use for surprise and delight is to re-engage a best fan or consumers that have gone quiet. There's nothing like friendly outreach from a favorite brand to command attention and possible action.

USA Track & Field (USATF) integrates surprise



USA Track & Field (USATF) surprises fans with autographed photos of their favorite athletes and other items to keep the brand top of mind and encourage engagement.

The effectiveness of surprise rewards depends on the degree to which they delight customers and are relevant to their needs and lifestyles. To make these activities work well, companies must deliver experiences or perks that are relevant to their audience.

and delight moments as part of its multichannel loyalty program, **USATF Rewards**. For example, the brand selects its top two most engaged fans and its top two least engaged fans and surprises them by mailing autographed photos, personalized postcards, or personal letters from their favorite athletes. More engaged fans generally remain active in the program, whereas the surprise typically prompts less engaged fans to share their unexpected gift on social media and become more active participants.

Drive brand affinity and buzz

Other brands use surprise and delight as a strategy to create buzz. MasterCard is one brand that employs the approach with its **“Priceless Surprises”** program, which aims to drive cardholder affinity. Under the program, MasterCard promises to surprise customers with gifts—everything from handbags and golf experiences to concert tickets and a chance to meet musicians.

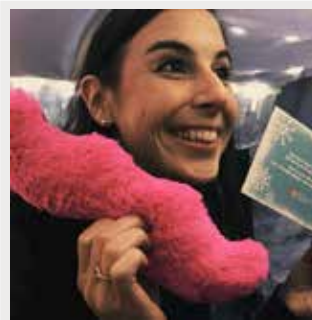
The campaign takes MasterCard’s 17-year-old campaign to new heights with the integration of surprise and delight aspects. It encourages use of the card with a new payment system, as well as sharing of its messages across Twitter and Instagram. This gives MasterCard the ability to spread its content across channels and reach new customers. While the cost implications for these surprises are high, MasterCard secures far more brand impressions and reach for its marketing investments.

Target a specific audience

Rather than focus on a large audience and viral sharing, other brands employ a different tactic. Nike, for example, took real-time data of the foot impressions of marathon runners through its shoes during a race. The brand then printed shoeboxes with the runners’ names on them, and handed out printouts of their specific foot patterns after they crossed the finish line.

While this example may not appeal to all consumers, it’s something that marathon runners would appreciate. It helps runners determine what shoe to buy based on the part of the impression that has the most wear. This is an excellent example of a highly targeted surprise and delight activity that resonates with a specific audience and extends loyalty

to a brand that understands its needs. When informed by the right data collection, brands can tailor surprise and delight offers to particular customer segments to enhance their relationships and bring them to the next level. Companies can accomplish this by understanding their loyalty program data.



MasterCard uses the appeal of surprise tactics to delight cardholders when they least expect it and rewards them with high-value offers.



Nike targeted a niche audience with a surprise and delight moment following a marathon to help runners determine their specific foot patterns to buy better fitting running shoes.

Big publicity surprise and delight initiatives are great for building awareness and generating buzz. Brands must be cognizant to integrate those unexpected delights into a larger marketing strategy to have the most impact and the greatest results.

Five Key Takeaways

Adding surprise and delight activities to a marketing strategy requires planning. Brands that want to explore this approach should follow these five recommendations:

- 1. Tie a surprise to a business goal:** No matter how brands delight customers, it's crucial to first identify a desired outcome from the end result. Brands should define their objectives, such as what they want to achieve, or what intended action they want from customers. For example, a retailer may want to reactivate customers that previously spent more with the company, but haven't purchased in two months. Another organization might want to use a surprise to increase basket size or incremental spend to capture a greater Return on Investment (ROI).
- 2. Determine the relevance of the surprise:** Brands should determine what type of unexpected surprise customers might enjoy and be sure they align well with their organizations. It's important to survey customers about the rewards they might find most relevant. Companies should research which rewards are most popular in a loyalty program. Surprises that are most meaningful to the greatest number of people will have a large impact for a brand. Alternatively, personalized rewards might prompt a big reaction from smaller audiences.



- 3. Define your target audience:** Surprise rewards shouldn't be for everyone. It's essential for brands to clearly identify which customers or segments should be the recipients of the intended surprise. Determine which customers would benefit the most from an unexpected delight to gain the most traction from your initiative.
- 4. Be mindful of cost:** One consideration to keep in mind when entertaining surprise and delight rewards is the cost. On one hand, brands could implement 1 million very low-value surprises that touch a larger audience, but that may have a diminished impact. On the other hand, brands may want to implement 10 high-value surprises with the goal of making a big splash and broadening the reach to a large audience with PR and social media mentions. Brands must review what will give them the biggest bang for their buck against their budget and goals.
- 5. Make surprises special:** Brands don't have to spend a lot on surprise and delight moments. Companies should consider treats that continue to make customers feel valued and appreciated, but may not be a hard good. Some examples include special recognition, such as being named the super fan of the week, or a shout-out on Twitter, or one-of-a-kind privileges, including inviting select customers to participate in an advisory panel to improve brand products. Striking the right balance between tangible and intangible surprise offerings will position companies well to secure greater customer loyalty.

Conclusion

Surprising and delighting customers is a great way to gain loyalty and WOM recognition. To be effective, it's important that brands integrate unexpected activities as part of their larger marketing initiatives rather than as a stand-alone strategy. This broadens the marketing reach and the impact of any such activity.

In addition to providing a holistic experience, companies must ensure that they capture consumer and social insight to build their surprise and delight efforts. This helps brands offer more meaningful rewards to customers and further nurture those relationships. By leveraging customer data, companies can integrate surprise moments that elevate consumers' perception of a brand and create more emotional connections that lead to longer-lasting loyalty.

About CrowdTwist

CrowdTwist is an industry-leading provider of comprehensive multichannel loyalty and analytics solutions that drive engagement and incremental spend, leading to better customer data, stronger insight, and more personalized experiences. We are revolutionizing loyalty, helping top brands including Pepsi, Nestlé Purina, L'Oréal, and Zumiez develop a deeper understanding of customers. For more information, visit www.crowdtwist.com, or call **646.845.0646**.



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