THE ULTIMATE GUIDE TO OMNICHANNEL LOYALTY

WHITEPAPER

CROWDTWIST™
Loyalty. Engaged.

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Introduction

Customer experience is king. According to a Walker study, by the year 2020 customer experience will overtake 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 will connect customers to a brand across all touchpoints seamlessly, without borders. It will go beyond one-dimensional discounts, instead offering deeply personal and authentic customer experiences that will yield stronger engagement and higher spend among customers.

In this whitepaper, we will outline how you can take your loyalty game to the next level, exceed customer expectations and improve the customer experience.

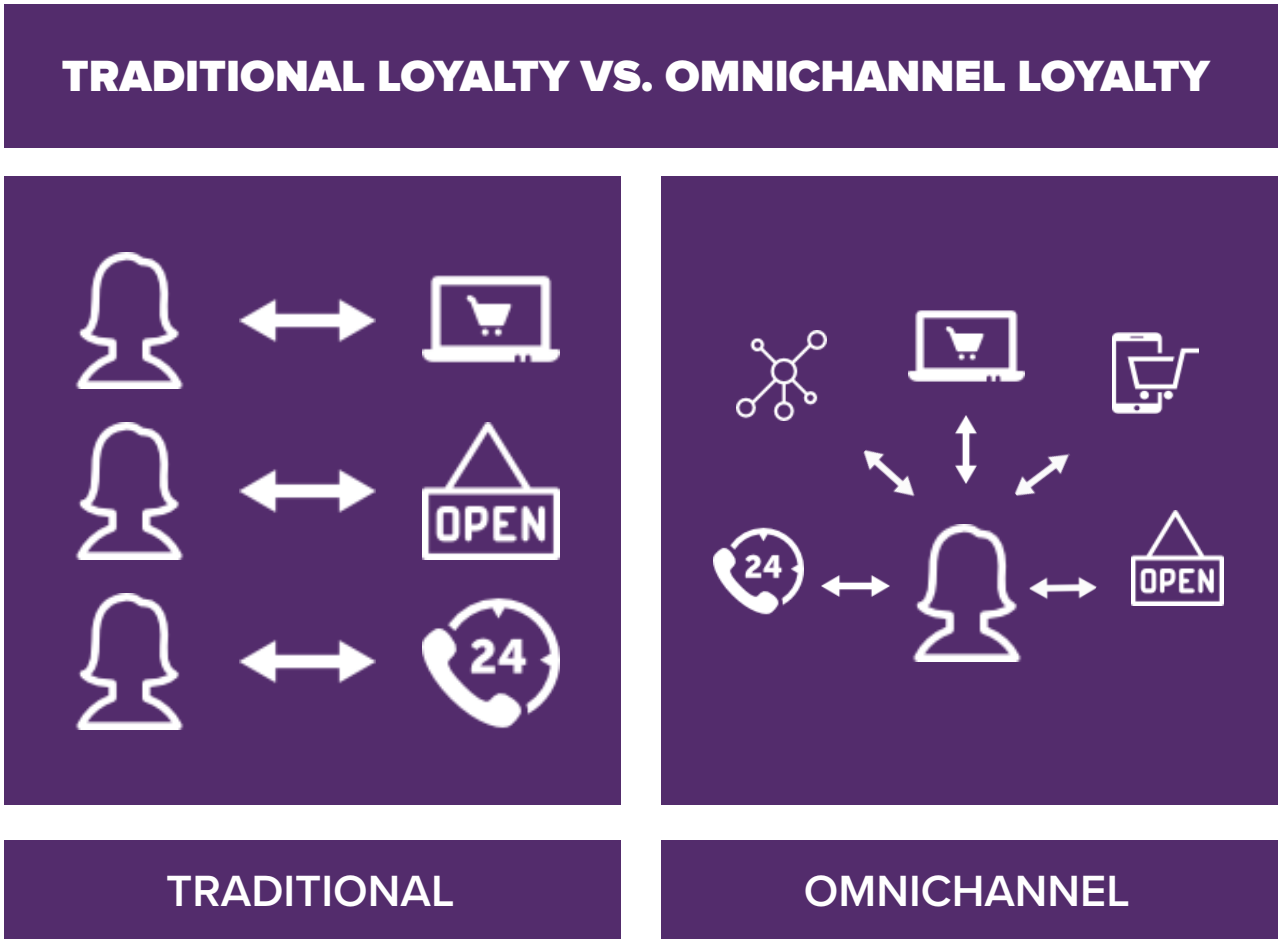
TRADITIONAL LOYALTY VS. OMNICHANNEL LOYALTY

Most traditional loyalty programs are single channel, 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



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, allowing shoppers to transact from and interact with your brand whichever way is most convenient.

REWARD FOR SOCIAL ENGAGEMENT

Connect with and reward customers for social interactions, and expand loyalty beyond transaction to an emotional engagement. Engage social influencers so they become brand ambassadors.

UTILIZE 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 from which to target customers with personalized customer experiences.

BE WHERE YOUR CUSTOMERS ARE

Allow shoppers to make transactions via mobile, collect points, and redeem promotions in real-time by implementing mobile technologies. Mobile can offer a wide range of data on your customer, from transactional, to behavioral to location. Use this 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 with the brand. Today, customers want to be able 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, they would rather have access to rewards money can't buy, and 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 **convenience**, **relevance** and **value** for members. Here are some techniques you can integrate into your loyalty program to stand out from the competition and reward for spend and engagement across channels.

1. CONVENIENCE

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

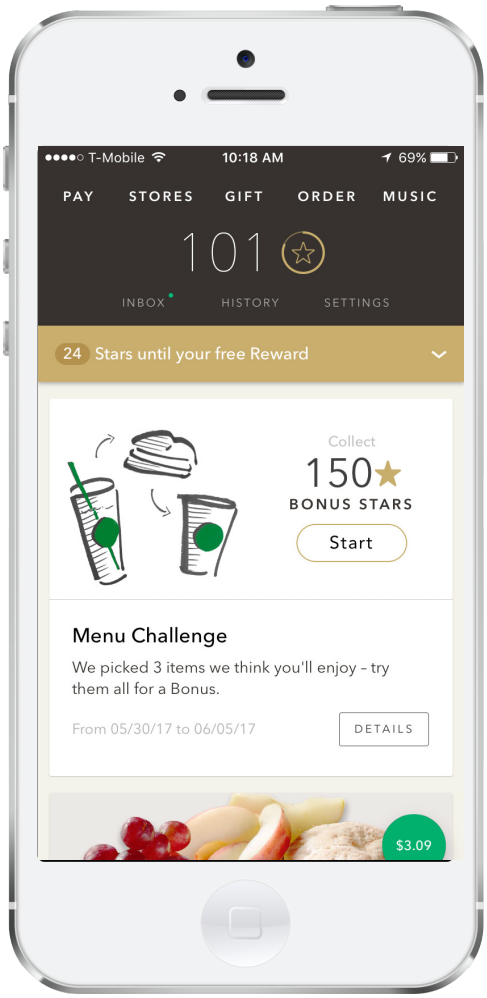
SIMPLIFY YOUYR REWARDS-FOR-SPEND STRATEGY

Earning points for spend should be frictionless and seamless 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 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 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.



OFFER TENDER NEUTRAL REWARDS

Consumers today 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.

In Best Buy's loyalty program, customers earn multiple points on every dollar they spend (in-store and online) no matter how they pay.

RECEIPT SCANNING FOR EXTRA POINTS

If you are a brand without a direct connection to the point of sale, enabling customers to scan their receipts for purchasing your brand's products allows them to truly 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 their loyalty program, Huggies is able to provide their loyalty members with credit for purchases made through retail partners.

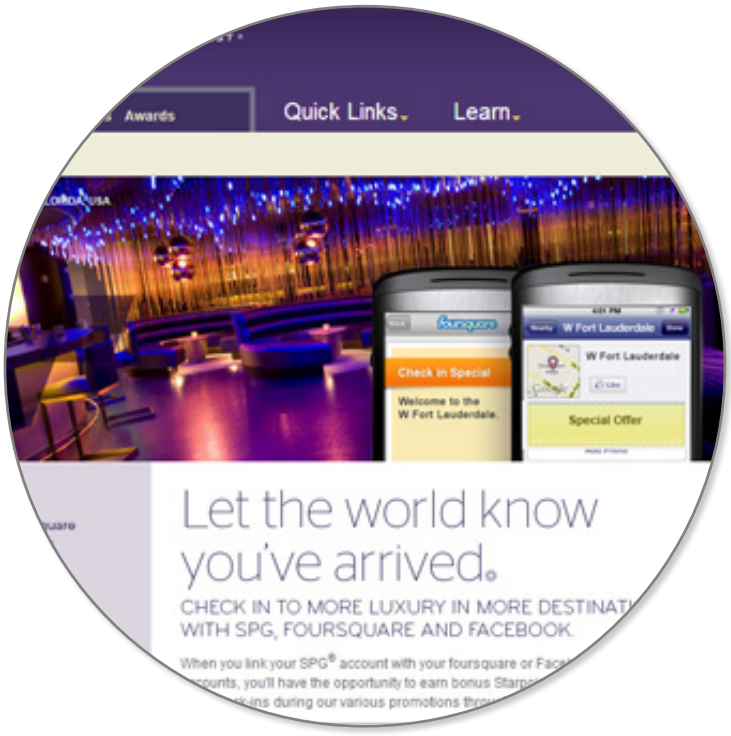
MAKE IT EASY FOR PEOPLE TO BE REWARDED FOR ENGAGEMENT

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

ENCOURAGE CHECK-INS

Consumers love to be recognized, especially on social media. Offer loyalty members the opportunity to easily gain points just for checking-in on mobile. This technique also incentivizes in-store interaction.

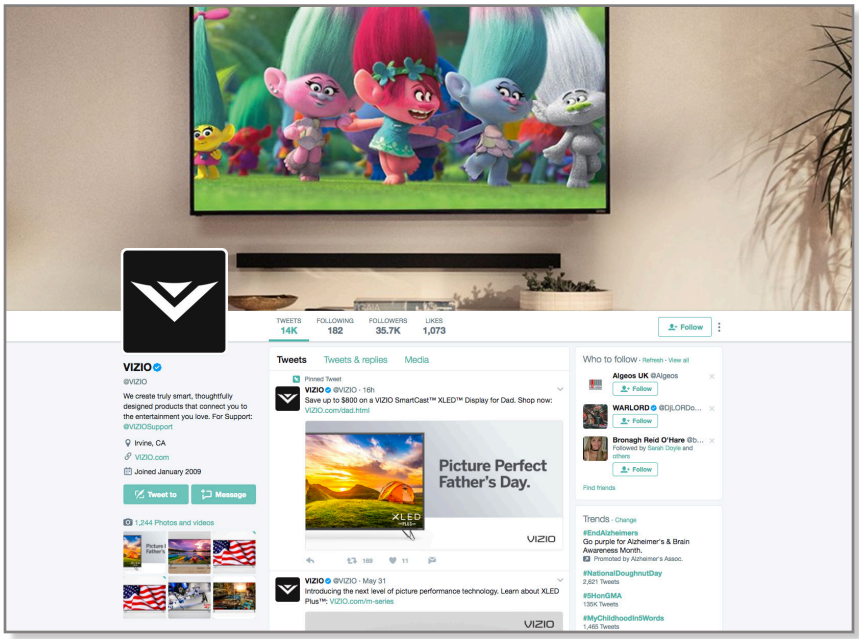
Under the Starwood Preferred Guest (SPG) program, Starwood Hotels & Resorts occasionally runs special promotions that allow guests to earn bonus loyalty points for checking in to participating hotels.



REWARD FOR SOCIAL ENGAGEMENT

Make it easy for your loyalty members to interact with your brand and for them to share your content on networks like Twitter and incentivize them to do so to earn points.

Vizio gives loyalty program members points for retweeting a Vizio post on Twitter. This incentive encourages participants to share content with their larger social network to amplify the company's messaging.



2. RELEVANCE

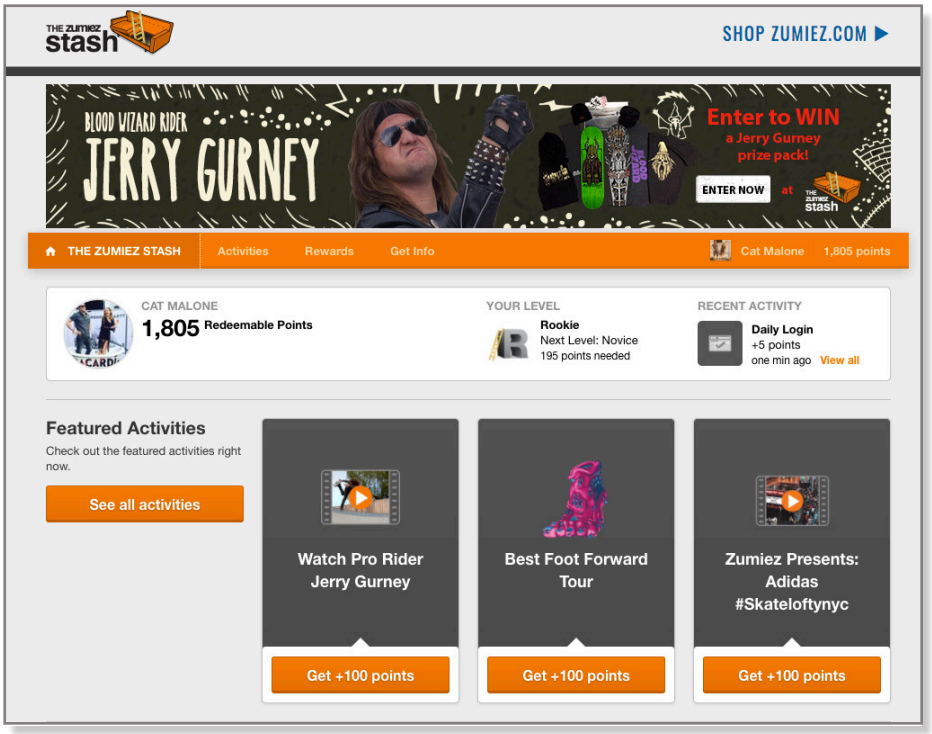
Deliver your customers with the right message, in the right channel at the right time.

COLLECT MORE INFORMATION ABOUT YOUR CUSTOMERS

In order 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.



Zumiez gives loyalty program members extra points for updating their profile details, including phone number and date of birth. This helps the brand capture additional data about its members for greater personalization and segmentation.

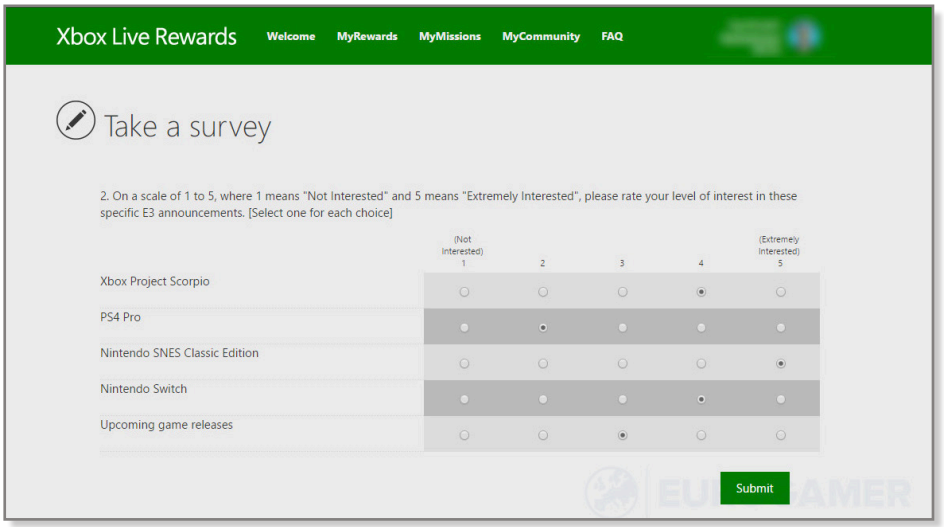
ENCOURAGE SOCIAL CONNECT

Social platforms offer both implicit data—information that is not provided intentionally, but assembled from available data streams—and explicit data—information that is offered intentionally through surveys and membership registration forms—for brands. Incentivize members to connect their social accounts to their loyalty program member profiles to help build your 360 view.

TOMS Shoes awards points to members who connect their Facebook, Twitter, Instagram, and Swarm/ Foursquare 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 to enrich their lives. By incentivizing customers to take surveys, you can motivate them to offer additional insight and help you improve your marketing outreach.



Xbox gathers information about its fans with occasional surveys. Members of the Xbox Live Rewards loyalty program respond to various questions to earn loyalty points.

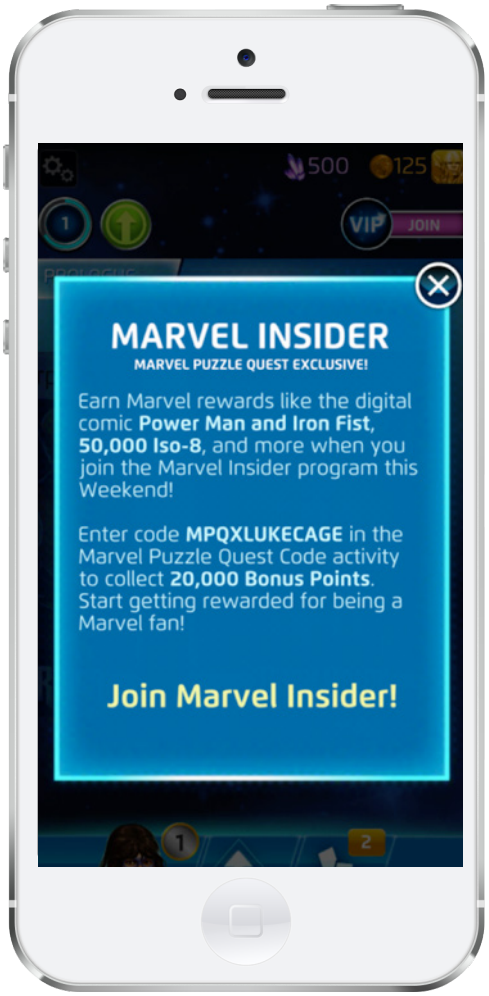
OFFER PERSONAL, RELEVANT EXPERIENCES BASED ON BEHAVIORS AND PREFERENCES

Brands with an omnichannel focus are consistently gathering data about their consumers across channels and platforms, and analyzing data through sophisticated tactics like 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 for them. 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. In order to provide a personalized experience, brands should collect data from a range of sources and use it to serve customers with relevant content, communications, and even product recommendations.

Marvel offered a survey about members' favorite heroes and villians as a points-earning activity for their Marvel Insider program. They leveraged that data to influence the gaming experience for Marvel mobile game lovers. The next time members played a game, they were introduced to new characters based on their survey selections. This strategy increased engagement with branded content.



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 can give 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. You can start rewarding members who are mothers for Mother's Day, for birthdays, and for program join anniversaries, for example.

The Body Shop, for example, offers cash back to spend in-store during the birthday month for loyalty program members. This strategy creates positive feelings toward the brand and serves as a good incentive for customers to make a purchase.

3. VALUE

Go beyond discouts 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-level members and a guest to a spa or dining experience paired with a private fall fashion shopping event.

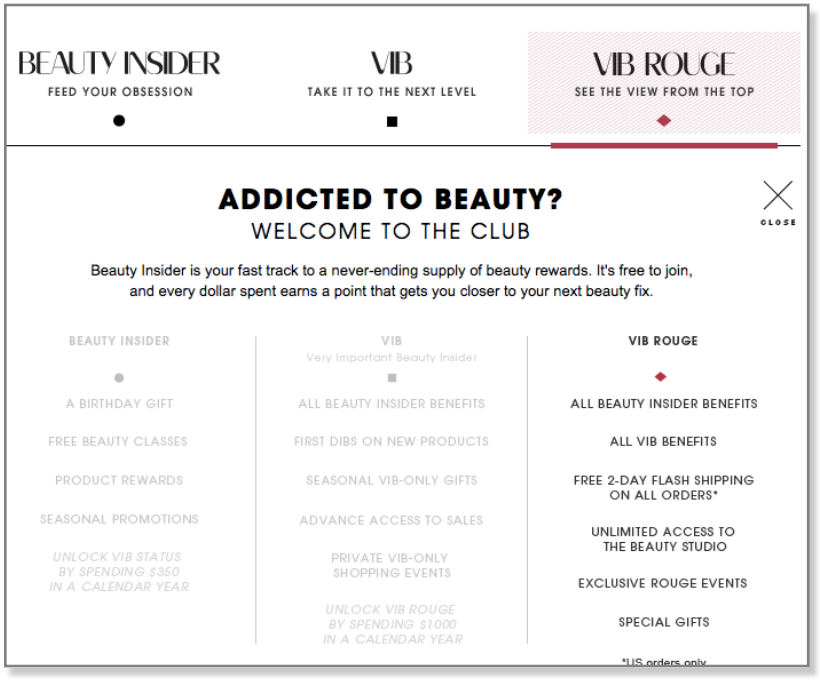
VIP ACCESS TO ONLINE SALES AND OFFERS

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

Saks Fifth Avenue loyalty members earn advance access to special sales, giving customers first dibs on must-have items.

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.

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

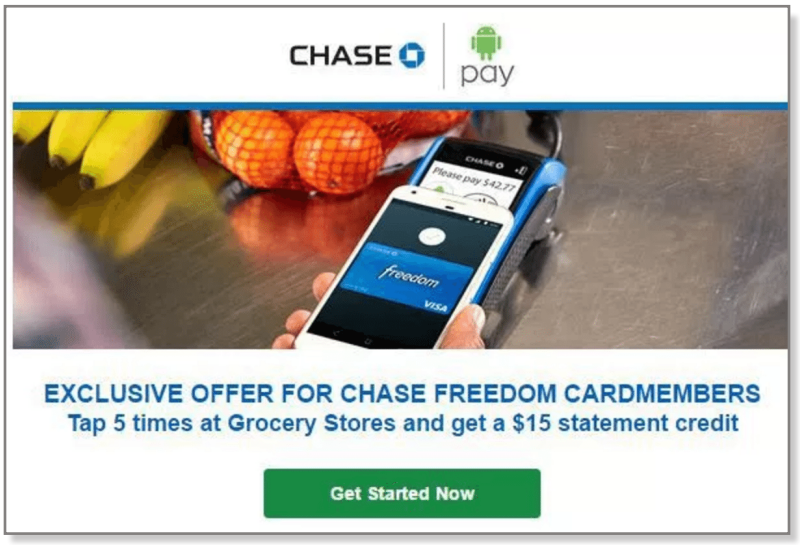
Load-to-card programs provide customers with multi-week promotions across different brands, ensuring the customer is able to take advantage of promotions and discounts across all brands for buying in-store. This helps drive sales and ensure loyalty program members are automatically rewarded for spending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

CPG brands where purchases are mostly made in grocery or drug stores are able to reward customers by utilizing load-to-card programs like Rite Aid.

After connecting a Rite Aid 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.

REWARD WITH OFFERS BACK AT POS

This allows cardholders to redeem their rewards in-store instantly. 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 allows consumers to receive their rewards more quickly than traditional programs, which often carry a waiting period.



Chase launched a mobile app for its Chase Freedom cardholders that enables users to redeem cash back rewards in real-time at the Point-of-Sale across 30 merchants, including Gap, Target, Lowe's, Starbucks, and TGI Friday's.

USE GEOLOCATION SERVICES TO SURPRISE AND DELIGHT

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

Pepsi leverages geolocation as a vehicle to reward members with loyalty points. Working in tandem with Facebook, the Pepsi Pass app automatically awards points to members when they are with friends who also have the app. In addition, Pepsi offers points to users who visit partner locations such as Pizza Hut, demonstrating how to take advantage of the inherent capabilities of a smartphone to drive loyalty.

CONCLUSION

As more and more brands begin to operate at an omnichannel level, traditional loyalty programs need to step up to meet customer expectations of 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° 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.

CROWDTWIST™

Loyalty. Engaged.

CrowdTwist is an industry-leading provider of comprehensive and patented multichannel loyalty and engagement solutions that drive incremental spend, leading to better customer data, stronger insight, and more personalized experiences. We are revolutionizing loyalty, helping top brands including Pepsi, L'Oréal, 24 Hour Fitness, and Zumiez develop a deeper understanding of customers. Forrester recognized CrowdTwist as a Leader in "The Forrester Wave™: Customer Loyalty Solutions For Midsize Organizations, Q1 2016" report.

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