Maximize Your Customer Loyalty Program With an End-to-End Provider

Benefits of a Full-Service Customer Loyalty Partner

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A customer loyalty program can be the pivotal factor in growing your business and wallet share—and an end-to-end solution is the only way to do it right.
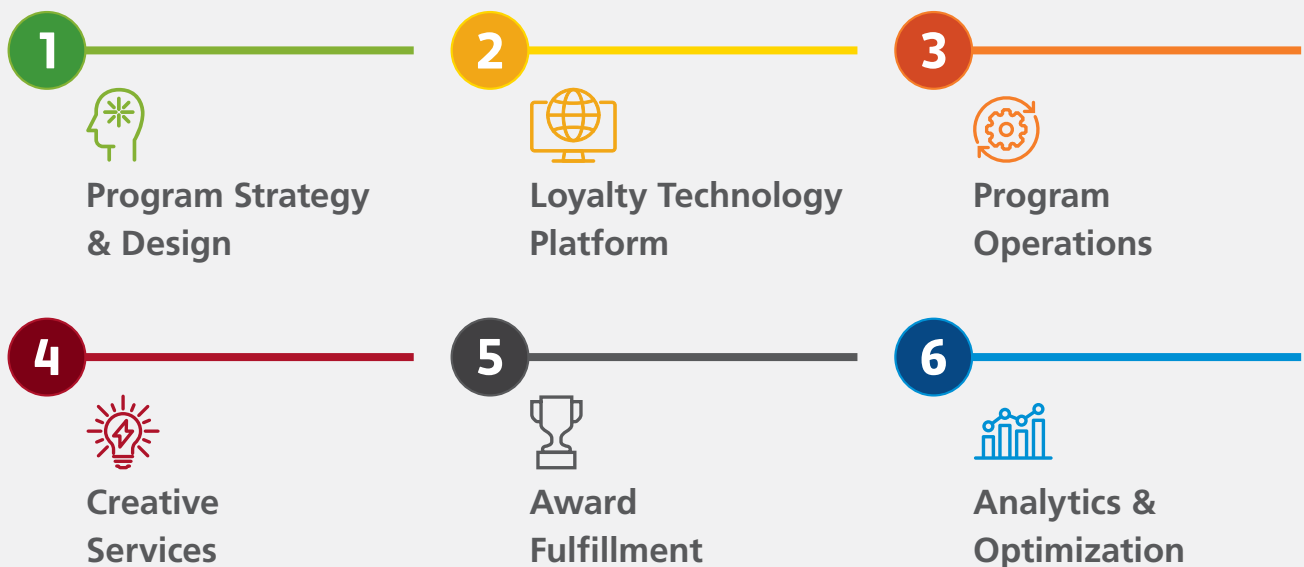
Every moment in the customer journey is a chance to deepen customers' emotional connection with your brand. Building that kind of loyalty, however, is no simple task.

Customer expectations evolve faster than many brands can keep up with. Today's consumers are strapped for time and bombarded with advertising vying for their attention. Tracking tools are looked down upon as invasive and dated (and yet consumers demand personalization more than ever). And convenience, familiarity and efficiency often drive brand choice in crowded markets. Brands must deliver on customers' desires with customer loyalty experiences that cut through the noise, build affinity and keep participants engaged.

Each day, **more than 5,000 brands are competing** for customers' limited wallet share. The ones that make it through the clutter give buyers a reason to care.

Build a Customer Loyalty Program That Works

The customer experience experts at ITA Group have analyzed many customer loyalty programs and identified six key components to a successful customer loyalty program.

1
Program Strategy & Design

2
Loyalty Technology Platform

3
Program Operations

4
Creative Services

5
Award Fulfillment

6
Analytics & Optimization

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To build a winning loyalty program, select an end-to-end partner to manage all six components instead of pulling in multiple vendors. A full-service partner streamlines the process, ensuring all parts work cohesively for participants—without the administrative headaches.

In this white paper, we'll explore how an end-to-end partner offers extensive benefits for your brand, like simplifying customer loyalty program administration and simultaneously positioning your brand to drive incremental growth, among others.

Building a Cohesive Solution With End-to-End (E2E) Services

Many brands recognize they need a standout customer loyalty program, but they don't always know where to start. Too often they cobble together a program using 2–6 (or even more!) agency partners. While these third-party agencies may be experts in their individual fields (e.g., creative, branding, advertising, marketing, technology, etc.), they can't support the program holistically. The brand will coordinate the disparate agencies to work together at an enterprise level. This cumbersome, inefficient multi-vendor process costs time and money while providing an inefficient and disjointed customer experience. It doesn't generate the kind of speed brands need to stand out from the competition.

All the setbacks and complex processes go away with an E2E customer loyalty partner who can address the program's big-picture objectives and nuanced details. The right partner ensures all six components build off the others to create a harmonious experience. The strategic blend of services and expertise moves customers from engagement to loyalty to advocacy.

With a comprehensive approach, brands get an efficient, consistent and flexible solution that can meet new market challenges while exceeding customers' expectations.

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6 Program Components to Increase Customer Loyalty

Gaps in a customer loyalty approach can cause a loyalty program to collapse, leading to lost connections, customers and market share. On the other hand, a comprehensive loyalty program fosters emotional bonds between customers and the brand, building ongoing engagement.

When all six program components are in place, your comprehensive loyalty program aligns with enterprise goals. It offers a uniquely personalized experience that no other brands in your industry could replicate with their program.

**Let's expand on each of the six components of a successful loyalty program.**

1. Program Strategy & Design
2. Loyalty Technology Platform
3. Program Operations
4. Creative Services
5. Award Fulfillment
6. Analytics & Optimization

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1. Program Strategy & Design

Strategic program planning starts with desired outcomes in mind. An E2E loyalty services provider should work with you to collaboratively design every aspect of the program. Together, you analyze what's working well across the business, how participants experience your brand, where there's friction or confusion, and how to keep customer engagement in the foreground. These insights help drive the strategy by:

> Understanding business objectives and defining customer value

> Empathizing with program participants and producing meaningful program content

> Designing unique, brand-specific program experiences
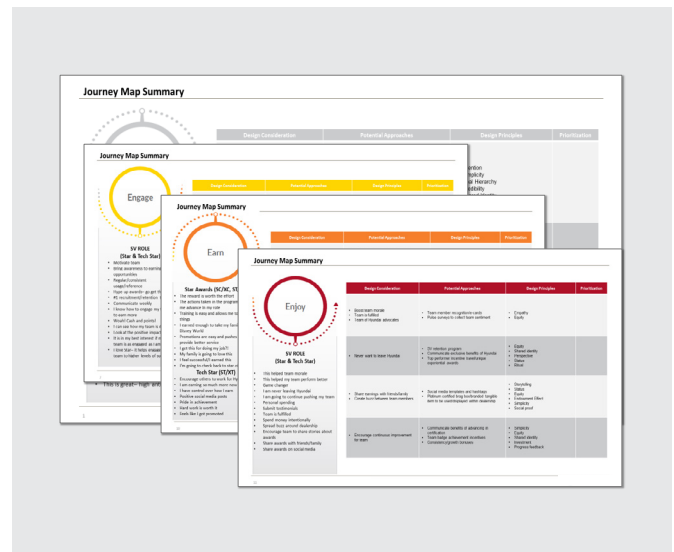
Knowing what matters to your audience and which challenges they're facing creates a program design foundation that can truly impact human behavior. Using a human-centered design approach:
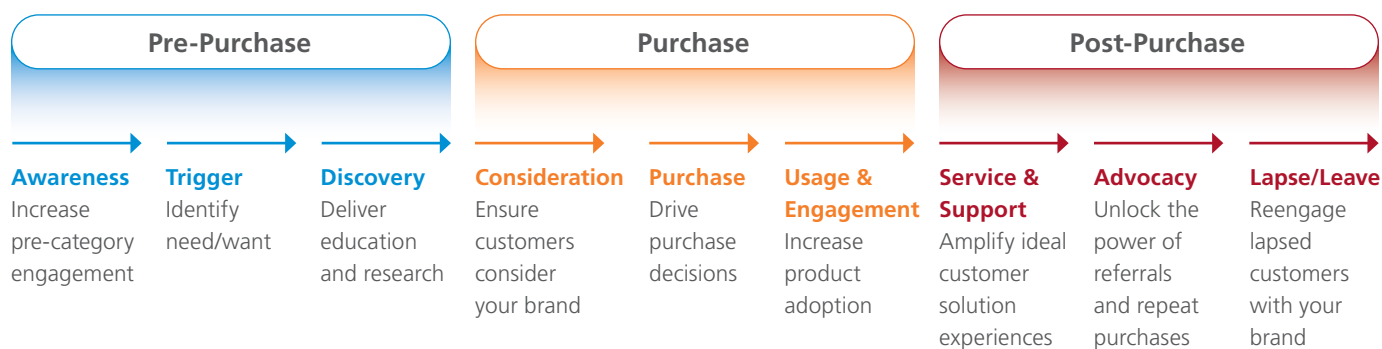
> Fosters emotional connections between customers and your brand

> Creates understanding around your brand and the people who participate in the program

> Ensures the solution amplifies your brand purpose

> Enables the program to feature signature, branded experiences

> Achieves business-defined targets

Without identifying key outcomes up front, loyalty programs are simply creative cash-burners. Watch out for watered down payouts, over-indexing on digital marketing, and little to no segmentation—all elements that, when approached strategically, can give a brand a competitive advantage. When purpose and priorities are pre-established, loyalty programs can maximize budgets to achieve business objectives.

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1. Program Strategy & Design (cont.)

Every organization's customer buying journey looks different. An E2E partner uses customer insights to positively influence customers during moments that matter most. A human-centered design approach ensures your unique buyer's journey creates a two-way relationship and offers opportunities to engage with customers in a personalized way.

Customer Journey Map Example

Pre-Purchase			Purchase			Post-Purchase		
Awareness	**Trigger**	**Discovery**	**Consideration**	**Purchase**	**Usage & Engagement**	**Service & Support**	**Advocacy**	**Lapse/Leave**
Increase pre-category engagement	Identify need/want	Deliver education and research	Ensure customers consider your brand	Drive purchase decisions	Increase product adoption	Amplify ideal customer solution experiences	Unlock the power of referrals and repeat purchases	Reengage lapsed customers with your brand

PROOF POINT: Focus on Key Customer Loyalty Moments to Eliminate Silos

In an exercise with a major automotive manufacturer, plotting loyalty activities across audiences helped leaders visualize how silos were negatively impacting the brand's customer experience. Researching each audience led to structural shifts in the organization's approach. Five business units with seven seemingly disparate programs merged under one umbrella to better serve customers. The result was extended value for each audience, which helped the automotive brand show a unified front and claim market share.

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2. Loyalty Technology Platform

Customer Loyalty Program
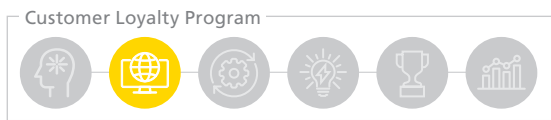
A brand's customer loyalty technology platform serves as the engine for all customer incentive and engagement. With the right technology, brands dramatically increase the lifetime value of each participating customer. The platform should offer a complete suite of loyalty management and digital marketing tools to help unlock the power of machine learning and real-time customer insights.

Assess platform capabilities and performance across these categories:

Loyalty Management

Top-performing technology platforms should:

> Quickly configure new promotions and timely offers targeted to specific customers with self-service tools
> Enable real-time decisioning
> Manage earning and redemption methods across multiple currencies and award types
> Create personalized and targeted offers
> Drive transactional frequency and spend, plus desired behaviors

Segmentation & Tiering

A best-in-class platform creates ongoing customer differentiation by allowing users to:

> Upload existing segmentations or create groups on the fly
> Target customers by segment (geography, demographic data, purchase history, etc.)
> Intuitively manage simple and complex tier structures, badging and gamification

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2. Loyalty Technology Platform (cont.)

Member Profiling

Look for a complete suite of customer data and profile management capabilities that enable your brand to:

> Connect new customer data to records in real time

> Deploy strategic communications and orchestrate campaigns

> Facilitate multi-channel messaging from within the platform

> Integrate with your existing MarTech platform (it's critical to work with a partner who can do this!)

> Build, schedule and monitor all aspects of program with intuitive orchestration

> Generate deeper engagement

> Drive incremental spend

> Reward new customer purchases

> Collect first- and zero-party data from customers

What Is Zero-Party Data (ZPD)?
Forrester defines zero-party data as information a customer intentionally and proactively shares with a brand, often in exchange for something they view as valuable. Questionnaires, polls and quizzes open the door to deeper engagement that yields actionable ZPD.

As privacy regulations become more stringent for brands, and as cookies are phased out, ZPD will become critical for creating a personalized customer experience. An E2E partner will have the right tools to collect and act on ZPD. Doing this through the loyalty program creates an emotional connection with customers and increases customer value.

## 2. Loyalty Technology Platform (cont.)

Awards & Experiences

Flexible solutions should allow users to:

> Offer nearly any award to any customer

> Pre-integrate with multiple award solutions for more choices

> Earn and spend points with ultimate flexibility

- At the point of sale
- In a catalog
- For experiences
- For gift cards

- For cash
- For travel
- For products
- For exclusive offers

> Provide regional and global service

> Deliver reporting and measurement on award behavior

> Enable machine learning, business intelligence and predictive analytics powered by your own data lakehouse to find which awards resonate with customers

> Easily manage budgets with built-in financial and loyalty reporting

> Convey at-a-glance program metrics in simple visuals to make decisions on your award solution and ensure you have the most exciting awards that will connect customers with your brand

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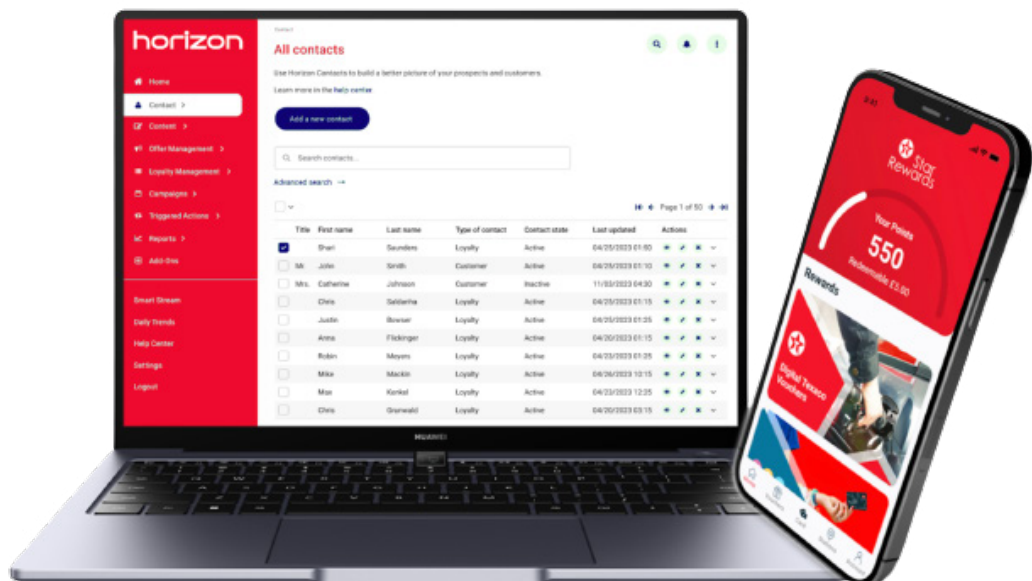
3. Program Operations

Customer Loyalty Program
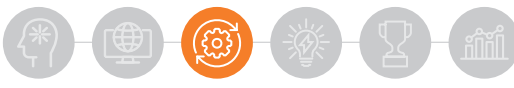
Full-service loyalty providers bring a proactive account team that becomes engrained in your mission, vision and values, and works on your behalf, building loyalty and advocacy wherever customers are. A designated team does this by becoming integrated into the full cycle of program operations.

Experts covering all aspects of audience engagement, creative development, technology, awards, analytics and client services add capacity far beyond their clients' existing capabilities. Having the same team execute and manage the program from initial discovery through implementation and optimization promotes consistency, creates cascading efficiencies and helps anticipate future needs.

Look for a partner who provides day-to-day support with:

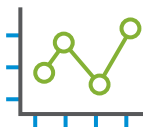Incentive and recognition expertise to manage your program and deliver desired results

Overall program performance monitoring

Participant experience monitoring
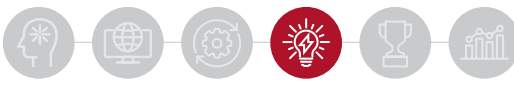
Escalation and emergency management

Program governance (budgeting, forecasting, scenario modeling)

Regularly scheduled business reviews with insights and analytics

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4. Creative Services

Customer Loyalty Program

With an integrated creative team, you can feel confident your messaging will engage with each audience and align with the loyalty program's business objectives. The creative team is familiar with the big-picture program strategy and seamlessly coordinates messaging with other program elements as part of the end-to-end provider's services.

Comprehensive Communications Solution

Communications can't be left to chance. The best loyalty programs use a mix of physical and digital touchpoints to keep engagement high. An E2E partner recommends the best plan for print, digital and social communications. Using test-and-learns for content and collateral pieces, they'll have the tools to make sure each element is impactful for the target audiences. Taking a comprehensive approach ensures your brand gets the right message to the right customer at the right time to stand out from competitors' loyalty programs.

Dynamic emails and print touchpoints

Distinct dimensional displays

Influential social channels

Compelling consumer-facing communications

Clickable SMS & MMS

Other communications as needed to reach multiple audiences

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4. Creative Services (cont.)

User-Friendly Platform

When designing the front-end experience, E2E providers take on the UX work to make sure it not only ties to your brand experience but meets customer expectations. Brands must reach customers wherever they are on their buying journeys with customized messages at exactly the right moment, no matter where they're located.

Special attention to personalization and customer activity takes crafting and executing transactional communications to the next level. A platform that boasts built-in and custom triggers makes it easy to deliver:

> **Dynamic content:** Launch segmented campaigns to maximize engagement.

> **Multichannel content creation:** Design enticing emails, push messages and mailers all in one place.

> **Multiphase campaigns:** Easily schedule and deploy messages in a series, as a time-bound campaign.

> **Triggered messages:** Send messages based on behavior or purchase triggers at a 1:1 customer level.

A responsive platform increases the odds of a loyalty program succeeding because it makes sure the personal moments that matter for ongoing engagement aren't missed. You can only get the right messages out to customers to build emotional connections if you know them and where they are in the journey. An E2E partner increases your chances of doing this correctly because everything is integrated. It all works together to drive your desired outcomes.

### ✓ PROOF POINT: Service Setback Becomes a Success Story

A leading financial institution was having trouble processing customer requests. They needed to get ahead of the issue and apologize to those experiencing issues.

The organization sent a branded box containing an explanation of the situation and an offer to select one of 12 meal packages, which would be shipped to recipients' homes on the day of their choosing. The box also included spices and a laminated grilling tips card.

The results? 73% of impacted customers redeemed the offer—triple the rate of similar programs across multiple industries—and loyalty improved. Word about the service issue recognition and resolution got out, leading to positive promotion in the *Financial Times*. Just the kind of earned media PR teams dream of.

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5. Award Fulfillment

Customer Loyalty Program
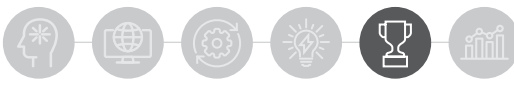
Many brands offer their own products and discounts as loyalty program awards, but that's not enough to stand out from the competition. An E2E partner who knows the brand and has an integrated solution for all program components is well positioned to take a program further than basic awards that provide little to no differentiation.

Brands that reach beyond the transactional to show participants they're recognized, valued and celebrated will create brand advocates for life. They use the power of choice to let participants pick their award experience from curated options, selecting items with personal meaning and, ultimately, connecting them to the brand.

The right E2E partner delivers the right awards to the right customers at the right time to forge a permanent bond between customers and the brand.

Catalog & Pick-a-Gift
A catalog solution with thousands of products from top brands (that your competitors don't offer!) can be a great way to engage customers with a substantial point balance. Customers can redeem for your products or items outside your brand that still drive an emotional connection with your brand.

Discounts/Vouchers/Special Offers
Give your most loyal customers a leg up, like the opportunity to jump the line and be first to get your new product releases in-hand. Other discounts and points back for product offers should be designed to reward key segments.

Access & Experiences
Experiential options can be powerful for building emotional connections between customers and your brand. These might be exclusive invitations to branded events, special seating at performances or VIP access to lounge spaces.

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5. Award Fulfillment (cont.)

Monetary Awards & Rebates

Cash and gift cards can also connect your brand with the award because participants use them for whatever they want in the moment. A nice dinner out can create a meaningful memory at a crucial time in the customer's journey, and it's something they can share with friends or family. A timely award with purchase can help a customer choose your brand at the point of sale.

Recognition & Trophies

Badges give consumers a sense of accomplishment and are especially important for loyalty programs that tap into gamification and offer competitive elements. Both physical and digital trophies allow earners to convey to others that they're a top customer.

Remember: A subset of your customers are your best customers and most likely brand ambassadors. Their mindshare and word of mouth promotional power hold the potential for incredible ROI. Great customer loyalty programs treat them accordingly. E2E partners consult on a comprehensive award strategy and create a seamless order process so awards are delivered in a timely manner. Most important, the right partner identifies which customer segments should be eligible for which types of awards, ensuring an equitable mix while maximizing impact and emotional connection.

33%

Nearly **33% of U.S. loyalty program members say they'd be willing to share their personal information** in exchange for more personalized experiences and rewards. However, less than 25% of programs personalize member experiences based on previous interactions, purchase history, and stated or inferred preferences.

—DELOITTE

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6. Analytics & Optimization

Customer Loyalty Program

Most brands continue to rely on digital data tracking to personalize brand experiences. Increased internet security regulations and privacy restrictions have many organizations scrambling to gather actionable customer information in new ways. Whereas cookies enabled many of the mainstay marketing tactics of the past, expect zero-party data to power machine learning and AI-enabled functions going forward. The ability to act on real-time insights helps deliver the right offers to the right customers at the right moment.

An E2E loyalty partner has an on-site analytics team focused on optimizing your program. They provide:

Measurement plans and approaches to tracking metrics	Expertise in creating overarching goals and KPIs and identifying milestones	Comprehensive loyalty and financial reporting (self-service)	Analytics to fuel optimization
Ad hoc reporting and push reports to downstream teams with recommended actions	Customer dashboards for stakeholders	ROI/ROMI analysis	Surveying capabilities

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6. Analytics & Optimization (cont.)

The E2E team analyzes loyalty program performance to optimize results and reports on progress toward KPIs through embedded and customizable dashboards. Research capabilities help the account team make informed program decisions and put core financial reporting at their fingertips to offer insights around budget allocation. Behavior and loyalty reporting (e.g., sentiment tracking, member scoring) influence the direction of future promotions. Consultative expertise continuously evolves the program and should be self-serve in the platform.

✓ PROOF POINT: Data Analysis Pinpoints Participants With Growth Potential

Leaders of a building supply distributor wanted to grow market share and increase customer lifetime value among nearly 600 retail stores in more than 40 states. An expertly designed customer loyalty program helped them target audience segments primed for purchase. Data analysis allowed their consultative partner to recommend ideal customers that retailers should target, as well as associated individual goals, award type and projected ROI, ensuring a truly turnkey program with built-in flexibility.

The loyalty program boasts more than a decade of year-over-year success that creates value for all stakeholders. Retailers build relationships, increasing sales and benefiting from a risk-free customer incentive. Sponsoring manufacturers enhance brand awareness, secure data they wouldn't otherwise have access to and generate more revenue through strategic promotions. And customers reap awards that matter to them.

E2E Benefits That Go Beyond Basic Customer Loyalty Programs

Comprehensive customer loyalty solutions designed and executed by an experienced E2E partner deliver extensive benefits like improved efficiency, lower costs, streamlined processes, increased engagement and a cohesive customer experience. Highlighted below are two specific benefits that help brands grow incrementally and gain market share long term: zero-party data collection and breakthrough touchpoints.

Establishing Trust Enables Zero-Party Data Collection

Data is the cornerstone of the personalized experiences customers crave, but in an era where consumers are increasingly concerned about privacy and data security, it can be hard to get the data you need. An E2E provider gives you the strategy, communications, awards, and technology platform to get the data and knows how to use it effectively because everything is in house.

76%
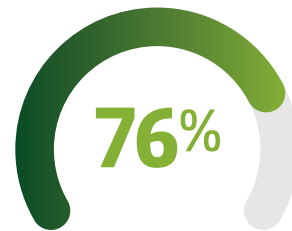
76% of respondents won't buy from a company they don't trust with their data, and 81% believe that how an organization treats personal data shows how it views and respects its customers.

—CISCO CONSUMER PRIVACY SURVEY

Inspiring prospective customers to opt in to communications and voluntarily submit data requires firm trust in the brand. For ZPD to be useful, it needs to connect to a customer profile. This means brands rely on customers to identify themselves by registering or logging into a customer loyalty platform. To take this extra step, customers need to know there is a benefit to them. Getting to know customers' expectations, goals, sentiments, habits and demographics allows brands to offer relevant, tailored experiences.

The power of ZPD also comes with great responsibility. Organizations need to be transparent about the data they collect and how it will be used. They must make every effort to protect consumer data and practice data ethics.

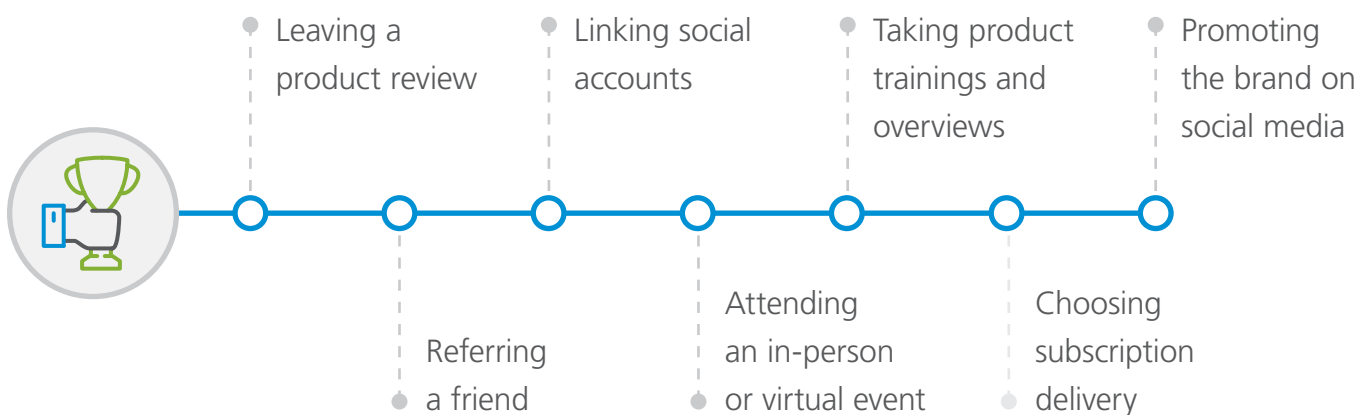**PROOF POINT: Targeted Promotion Invites Customers to Willingly Share Data**

A manufacturer selling big-ticket products wanted to learn more about its customers' preferences prior to a large industry expo. To encourage customers to volunteer their data, they developed a targeted, buzz-worthy promotion with a grand prize all-expenses-paid trip to the Indy 500.

To enter, participants took a short survey. Responses allowed the manufacturer to segment industry professionals, while adhering to customer privacy laws. They focused on a sub-group of nearly 650 high-value attendees, which encouraged the brand to cultivate warmer leads by customizing the target audience's expo experience.

Breakthrough Touchpoints Influence the Customer Journey

When customer loyalty programs first launched, offering points and basic perks at purchase was enough to win consumer preference. Accessibility, immediacy and ease of use became the norm as mobile apps gained prominence. Leading brands must continue to deliver all three, while also designing loyalty programs that provide meaningful awards and offer flexible benefits—all things the right E2E partner can execute.

Reward for specific moments in the journey like:

Leaving a product review

Linking social accounts

Taking product trainings and overviews

Promoting the brand on social media

Referring a friend

Attending an in-person or virtual event

Choosing subscription delivery

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Focusing only on point of sale and in-app behavior fails to account for many other milestones as customers move through the buying cycle. Brands that haven't mapped customer experiences and established feedback loops miss the "surprise and delight" opportunities that turn satisfied customers into loyal ambassadors.

Taking a digital-first approach to customer communications is a sound initial strategy. But leading brands go beyond digital. Sending a welcome kit or celebrating a loyalty anniversary with an unexpected upgrade demonstrates a different dimension of customer care. E2E customer loyalty is about creating a holistic experience. Breakthrough touchpoints thoughtfully engage customers in must-win moments, swaying sentiment and solidifying an emotional connection.

Breakthrough Touchpoints Within the Buying Journey

AWARENESS/DISCOVERY

Building brand awareness while customers research buying options

Example: Product Launch Party

CONSIDERATION/DECISION

Winning customers' business while they evaluate which brand to choose

Example: Special Product Offer

PURCHASE MOMENTS

Reinforcing the customer relationship directly following a purchase

Example: Customer Welcome Kit

PRODUCT/SERVICE RECOVERY

Responding to purchase challenges with immediate action

Example: Flower Bouquet Delivery

CUSTOMER RETENTION

Maintaining customer engagement to meet renewal goals

Example: Subscription Renewal Offer

CUSTOMER REACTIVATION

Earning customer loyalty by building an unbreakable customer/brand bond

Example: Handwritten Thank You Note

CUSTOMER LOYALTY

Keeping customers' attention as they move through the buying cycle

Example: Personalized Anniversary Card

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An E2E Partner Helps Brands Build Customer Loyalty That Lasts

More sophisticated customer expectations, increased competition and seismic market shifts demand customer loyalty programs innovate to remain relevant. To stay ahead, brands must deliver a total customer experience at each phase of the buying journey.

Securing the support of a full-service loyalty provider establishes a comprehensive strategy that goes deeper than the latest technology platform. Developing a well-rounded loyalty program with a human-first approach connects to the emotional motivators that underlie lasting loyalty.

20% **64%**
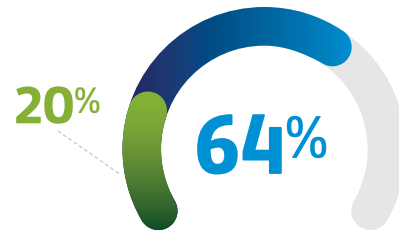
64% of consumer loyalty programs are integrated into key moments beyond the point of purchase, but only 20% have deeply embedded their programs across the end-to-end customer experience by enhancing existing touchpoints or by creating entirely new moments from discovery to reengagement.

—DELOITTE

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An integrated loyalty partner alleviates administrative burden and creates a strategic advantage for your brand. Working with a collaborative team can help you get to market faster with promotions, offers and touchpoints because they're engrained in your brand and business.

To find the right one, assess partner capabilities across six areas:

1 Program Strategy & Design

2 Loyalty Technology Platform

3 Program Operations

4 Creative Services

5 Award Fulfillment

6 Analytics & Optimization

When all six are synced under a single consultative partner, you can deliver beyond the brand promise customers have come to love, and they get the level of attention they deserve.

Let's Talk—itagroup.com

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