It's easier than you think to use a superior loyalty program to build your business.

This type of program has been around for decades, but until now, only used by larger businesses.

This article will develop your understanding on the different types of loyalty - reward - programs, along with ideas to help you structure one. The scope of this article is designed to assist small and medium sized business owners design, build, publish, and sustain a loyalty program.

The three most recognized benefits to your business from using a loyalty - reward - program are...

#1 Increased Value
"32.3% of consumers said the recession has made their participation in retail rewards programs more important."
~ Colloquy

#2 Increased Visits
"28% of customers are extremely likely to increase visits to businesses where they are a member of a loyalty program."
~ Total Research Corp

#3 Increased Revenue
"Businesses can increase revenues up to 75% by retaining just 5% of their customer base."
~ Frederick Reichheld: Author of The Loyalty Effect

What To Expect From A Loyalty Program

The intent of any loyalty program is to give you an edge up on your competition.

It can be used for existing customers and new clients too.

Imagine you customer, receiving an unsolicited email from you, "Jane, we have decided to reward our customers with bonuses when they use our services or refer friends to us, its' called 'Your Business Name Rewards'. You have been automatically enrolled and there are zero fees to participate."

It's obvious your customer, after reading that intro sentence in your email will be intrigued, maybe delighted. Everything that happens next helps the expansion of your business reputation - starting with creating good will around your business name in the community.

Is Jane going to tell her family and friends about this awards program? While there is no way no way to predict that outcome, research shows we like to share positive experiences with our friends and family. I think that is a fairly good change she is going to share that news with someone in her circle of influence.

The secret to success in running this program is automating the workflow on your end.

In that intro email you send there are links to your website that explain everything and provide an FAQ - Frequently Asked Questions.

In that email there is a link to a document that can be printed with the vital info on who, what, when, why, and how.

Putting the best effort on designing your program will avoid extra employee labor, and headaches, down the road.


"Companies that grow for the sake of growth or that expand into areas outside their core business strategy often stumble. On the other hand, companies that build scale for the benefit of their customers and shareholders more often succeed over time."
~ Jamie Dimon, CEO, JPMorgan

Types Of Rewards Programs

A simple method to jump start your loyalty program is with some type of "off the shelf" solution. Say you are using Quickbooks, there are established processes to port segmented data into another existing app that will be the foundation of your loyalty program.

One type of app everyone is familiar with is a shopping cart, this is also referred to as a point of sale (POS) system.
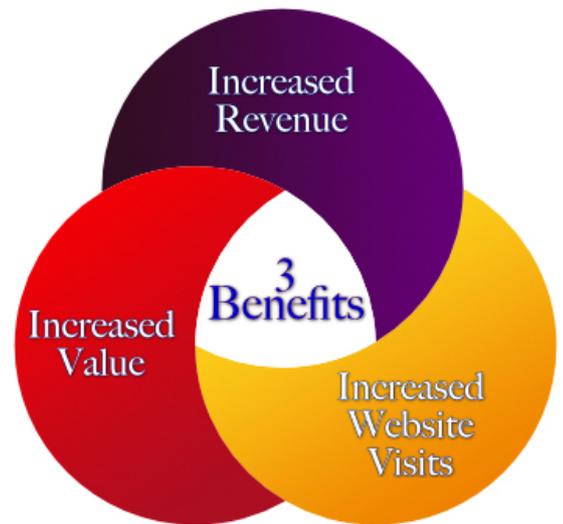
There are other apps designed to merge customer info and preform data lifting behind the scenes - aka the backend of your website.

Typically a loyalty program is connected with a shopping cart. However, if more of your sales are done with checks or in person, you can establish a viable rewards program.

There are robust shopping carts that include, for an additional fee, a loyalty program. Some examples of that are Stripe, Shopify and Squareup.

A trusted and secure app, like Zapier, makes it possible to connect your data stream with a very customized rewards program that is fully automated. One example, using Zapier to connect with segmented Quickbooks data.

In the segmented data stream, Zapier only retrieves name, email and sale info which will establish and maintain your customer rewards profile.

The Squareup app solution is flexible since you can swipe credit/debit cards with it, during an in person visit, which easily integrates client data into the loyalty program features.

If you interest is piqued about a rewards program, give us a call at (727) 370-0011.

The First Question

How you do interact with most of your customers?

Are you a total online business using a website for doing all or most of your sales?

Or, are you providing services where you visit customers at their locations, along with collecting payments in person?

Your answer to that question will determine the pathway to establish your rewards program.

"If you don't find a way to make money while you sleep, you will work until you die."
~ Warren Buffet, investor

Components Of Loyalty/Reward Program

#1 Customer Records
This will be limited to name and email information. Because the program will be online, no street address info is necessary, which also helps protect client privacy.

#2 Customer Transactions
As customers make new purchases of your services, those sales need to be recorded to establish rewards.

#3 App To Configure/Admin Program
The app(s) here depend on the design of your loyalty program, which depends of how you interact with your customers.

#4 Email Service To Automate Communications
This is easy to accomplish with a free gmail account.

#5 Your Website Provides Program Information
Your website will have new pages to provide info and also links where friends and family of your customers can enroll in your program.

#6 Delivery System Of Rewards
There are two types of rewards to consider.

First there are rewards that provide your services. Let's say your offer $10 off a widget after your customer has accumulate 100 points. Or, you provide a coffee cup with your logo on it after customer earns 50 points.

Any products you're giving away, after the initial product setup and design, can be easily made/ordered and dropped shipped to the rewards recipient, with tracking, using a few mouse clicks.

Secondly, there are rewards provided by a community business. This path is more difficult but your business name recognition potential is significantly greater. For example, Nellies Pizza Parlor will give your customers 10% off a large pizza on Friday nights. All your customer must do is provide a code or a coupon to receive the discount. Nellie committed to provide this for three months - January, February, and March. In return your biz gives Nellie a check for $300 and you are able to place a 8.5x11 inch color logo in their front window during those months.

Another key to success in your loyalty program is automating the processes - to result in minimal labor in running the program.

After the initial setup, the program will run automatically. It will take time to keep website pages updated, with local vendor offers, but that time is not excessive.

#7 Reporting Services
The app(s) will have reporting functions built in. Over time your can tweak them to see specific info and identify trends. That info helps you optimize your program to meet your goals/objectives.

"Strength and growth come only through continuous effort and struggle."
~ Napoleon Hill, author

Next Steps

These three phases of a loyalty program take will require time and consideration. By investing your money in research, you will save headaches down the road.
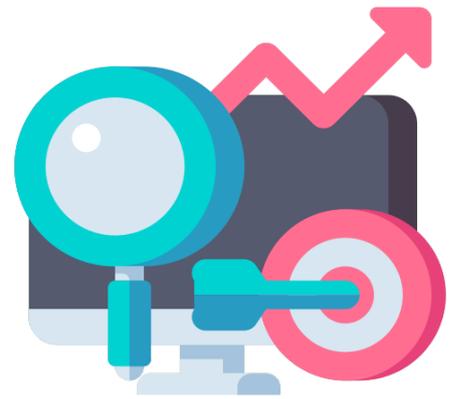
PHASE ONE - RESEARCH, DESIGN

In this identification process thee research is completed to determines the design of your customized rewards program.

Points To Identify

#A Data: Customer data segments, including new transactions, data location storage and export thresholds.
#B Methodology: What new/existing app(s) will seamlessly and automatically transfer customer data to produce and distribute rewards to existing/new customers.
#C Rewards structure: business products/services, give aways, and/or local vendors.

Time estimate for this phase is 40-60 hours depending on how many give aways need to be priced, how many vendors need too be connected, how website modifications will take place, and the process of transferring customer data to app(s).

This work will give you a clear expectation, hard numbers, on what your cash cost is to setup and establish the rewards program. Plus, your definitive research provides enough pricing info to make cost

estimates on different volumes of reward participants, including the processing of their accumulate points.

PHASE TWO - BUILD, TEST

Time to assemble the components and fine tune the data transfer processes.

Be sure to include testing the entire program with dummy accounts, testing the entire process on all computing devices: MAC and a PC; table/iPad; iPhone and Android phones.

Points To Check

#A Enrollment Process: does it work on each computing device?
#B Enrollment Method: does it work for existing customers, new customers, and customer referrals?
#C Emails Automated: are the correct recipients receiving the automated email? And, is the email content written correctly and formatted properly?
#D Points Rewarded: are the the points assigned to correct recipient in correct placement?
#E Reward Tabulation: points being awarded correctly on purchase level?
#F Customer Profile: correct information and correct reward results?
#G Error Messages: best message being displayed and link to sending alternative email?
#H Products: order process working properly and ship destination correct?
#I Local Vendor: multiple contact points in place and effective?
#J Privacy: customer contact info is secure? Lost password recovery automated?
#K System Take Down: one point access to turn rewards program off entirely?

PHASE THREE - PUBLISH, MAINTAIN

A significant piece is making sure you have a development process in place open for program is up and running.

Once your rewards program is live, you are not able to test upgrades or revisions on it. When you have a separate development system that mimics your live system, you can insert system upgrades, content revision, and add new rewards without disrupting the live system.

Be sure to double check the reporting system during the embroilment process of existing customers. If the app does not automatically archive your report formats, be sure you establish that in the settings

Generally, it's a good idea to set a limit time on enrollment into your loyalty program to your existing clients.

For example, give them 15-25 days to respond to your emails and enroll. After that point in time, they begin as a new client who has not done business with you, meaning they miss out starting with acclimated reward points.

This serves two benefits to your biz. One, it requires them to visit your website to enroll, plus they receive something pleasantly new to tell their family and friends.

That type of information is in your FAQ on your website. Everything is in plain view, you are not hiding anything.

Also, another point to remember in all your email communications, design each email with intent to generate clicks to your website. This means designing email content with some info, but not all info. When the participant reads the email and desires all the info, they click to visit your website.

Shorter emails that include a link, to a specific spot on a certain website page, makes it's easier for your customer to find info they are seeking. Plus, you build your website traffic and in SEO, website traffic is an important factor to producing organic search listings on your biz - on the first page of search results (FPSR).

SUMMARY

The intent of your program is not the giving away of massive items. Moreover, it's all about increasing the opportunites to get your business name in front of clients - more often - and on a favorable basis. This naturally creates goodwill with your business in the community, along with organically be distributed to the friends and family network of your program participants.

In closing let's review eight very important features oof a quality loyalty - rewards - program must provide.

No Contract
You can stop your program at any time with no future obligations to customers or vendors.

100% Data Ownership

You always have 100% rights to any and all data non your clients and thee entire program.

Data Security

The program is established and run with process and methods that insure 100% privacy to your customers and your business.

Easy To Get Started

You will need to participate in the research phase to determine design requirements, but when the program is up and running it will not require heavy labor on you or your employees.

No Transaction Fees To Customers

Your existing customers, and new customers, do not pay transactions fees, unless you specifically request that they will in the program design phase.

Program Flexibility

This rewards program is customizable based on results on the research phase. As time goes by and your business changes, modifications, including new functions, can be made to your program.

Built In SEO Enhancements

Email is the main communication method is your rewards program. Those emails have links which generate new website visits, which in turn helps enhance your SEO and producing organic search listings.

Comprehensive Reporting

The reporting function of the app(s) providing your reward program have the data necessary to give you intelligent information on participant trends and participant issues.

If you have any questions about starting a loyalty program, or making changes to your existing rewards program, call today (727) 370-0011.

Steu Mann has been building success with his clients in their online businesses, using websites and media creation, for over ten years. He can be reached at https://planofdevelopment.com or (727) 370-0011. Services are provided by Dragon Grog, LLC.