Comprehensive Strategy Guide:

Essential Program Structure & Membership Offers In Retail

Loyalty Rewards

Designing an **effective customer experience.**

MISSION:

Two tiered system designed to leverage rewards as a means to gain customer opt-ins.

FOUNDATION:

Position customers opt-ins to your primary campaign channel(s) as the requirement to achieve Tier 2 Membership status.

Direct Messages are the **most valuable method of connection** between customer and retail.

Think Campaigns: **Text, Email, Push & Voice Drops**.

Incentivize customer opt-ins by creating a tiered system that has elevated rewards available exclusively to those who sign-up.

LEVERAGING REWARDS

The power of a **two-tier** membership program

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LOYALTY MEMBER PERKS

	TIER 1 No Opt-in Required	TIER 2 Opt-in Required
POINTS PER $1	●	●
REDEEM POINTS FOR $ OFF	●	●
POINTS NEVER EXPIRE	●	●
EXCLUSIVE REWARD OFFERS		●
BIRTHDAY REWARD	●	●
BONUS BIRTHDAY GIFT		●
SURPRISE BONUSES		●
YEARLY MEMBERSHIP REWARD		●
PLATINUM REWARD		●

Implementing a **two-tier system of rewards** dramatically **increases customer opt-in rates, boosting 360 growth.**

Leveraging a larger pool of exclusive rewards, readily available to be **earned and redeemed upon opt-in** produces valuable results:

↑ **Customer Retention**
↑ **Campaign Performances**
↑ **Deal Redemptions**
↑ **Sales on Daily Deals**
↑ **ROI**

Having immediate access to directly alert your opted-in (subscribed) customer base with unlocked rewards, targeted campaigns, and promotions, gives you the platform to **achieve optimal ROI from your marketing & sales activations,** creating a mutually beneficial program for you and your customers that successfully fosters loyalty.

CORE REWARDS STRUCTURE

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Utilizing this core strategy to directly target customers during their first purchase, driving them to return with a post-purchase bonus reward, and securing them with a milestone reward are the **key components to fostering a loyal customer during those first impression moments.**
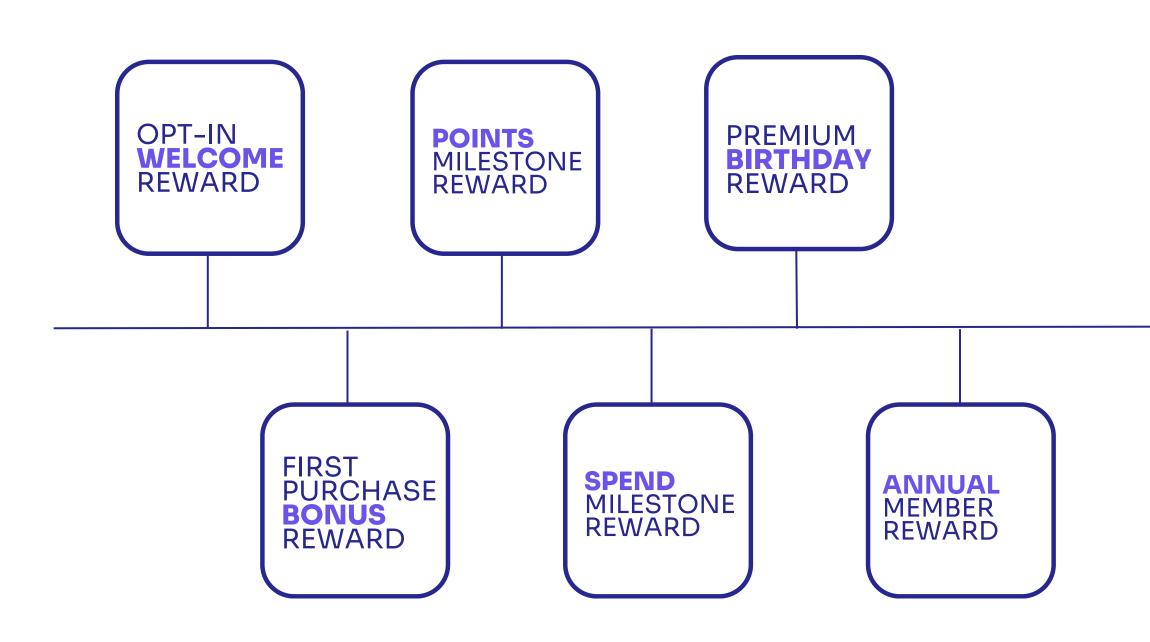
GOAL:

Transform the connection between customer and retail by personalizing the retail experience through automated rewards.

ACTION PLAN:

Develop a **flow of rewards that sells itself** and easily influences opt-ins through its offerings.

Customers who opt-in will now be **directly notified of available rewards.**

Once they start earning, shopping with you becomes the most attractive choice, and are more likely to **go out of their way to purchase from your business.**

TIER 1 REWARDS FLOW

No opt-in required to earn & maintain **Tier 1 Membership benefits.**

POINTS MILESTONE REWARD

BIRTHDAY REWARD

TIER 2 REWARDS FLOW

Opt-in required to earn & maintain **Tier 2 Membership benefits.**

OPT-IN **WELCOME** REWARD

POINTS MILESTONE REWARD

PREMIUM **BIRTHDAY** REWARD

FIRST PURCHASE **BONUS** REWARD

SPEND MILESTONE REWARD

ANNUAL MEMBER REWARD

Strategy Breakdown:

Core Rewards

CORE FLOW

Designed to strategically influence the overall customer experience.

STRATEGY BREAKDOWN

Core rewards are designed to strategically influence the overall customer experience.

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THE FIRST REWARD

Built to trigger upon every **new customer opt-in.**

Opt-in Welcome

When a customer enters your retail space, the primary focus must be earning their loyalty and making them feel valued for choosing you. This is especially important with new customers.

Creating an impactful first impression experience by offering an attractive Reward for new opt-ins, you're able to strategically promote rewards membership to both new customers & current customers, while simultaneously planting the seed of loyalty.

THE SECOND REWARD

Built to trigger once **first purchase post opt-in** takes place.

First Purchase Bonus

Now that your customer has made their first purchase as a loyalty member and redeemed their new member reward, the primary goal becomes retention – to earn their loyalty and increase customer lifetime value.

Implementing a bonus reward triggered post first member purchase is a strong method for fostering loyalty. If a customer returns to your store for a second time, you've already increased your chance at earning their loyalty significantly.

MILESTONE REWARD

Built to trigger once **points earned reaches milestone** value.

Points Milestone

During these transactions, the customer has been earning rewards points for every dollar spent. Once their points become equal to a valuable dollar amount, this reward is triggered.

Directly notifying customers of the cash value of their points incentivizes them to return to your store again to make another purchase and take advantage of this credit.

MILESTONE REWARD

Built to trigger once **spend total milestone** is reached.

Spend Milestone

As a Tier 2 Member, customers will be rewarded for spending beyond just earning points on every purchase. Once they reach the established spend milestone, a reward is triggered.

This reward is made available every time a member meets this spend value.

ANNUAL REWARD

Built to trigger on **customer's birthday.**

All customers will be eligible for a birthday reward regardless of membership status

Birthday

Tier 1 Members (customers not opted-in) should still have a birthday reward available on their special day to ensure every customer feels valued.

Premium Birthday

The reward offered for Tier 2 Members is designed to promote a premium customer experience for those opted-in. This also serves as an easy selling point to incentivize signing up from the beginning.

ANNUAL REWARD

Built to trigger on **customer's membership anniversary date** annually.

Membership Anniversary

Your Tier 2 Members are your most impactful customers. They are likely to purchase more regularly, have higher average tickets, and promote your store to their network.

Let them know you value their loyalty with a membership anniversary reward, triggered annually on the date they originally joined.

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Expanding Your
Rewards

WIN-BACKS

Campaigns designed to
win-back customers.

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CHILLIN WIN-BACK

Built to trigger when customer is classified as: **chillin.**

'Chillin' Customers

Win-back campaign targeted to customers who enter the "Chillin" category in AIQ's Lifecycle Distribution analytics.

Aimed to bring them back to your store to make purchase.

ABSENT WIN-BACK

Built to trigger when customer is classified as: **absent.**

'Absent' Customers

Win-back campaign targeted to customers who enter the "Absent" category in AIQ's Lifecycle Distribution analytics.

Customer who received "Chillin" campaign and did not return to store to purchase.

Goal: Elevate the offering to incentive return to purchase, greater than reward offered in 'Chillin' campaign

GONE WIN-BACK

Built to trigger when customer is classified as: **gone**.

'Gone' Customers

Win-back campaign targeted to customers who enter the "Gone" category in AIQ's Lifecycle Distribution analytics.

Customer who received both"Chillin" & "Gone" campaign and did not return to store to purchase.

Purpose: Last effort to offer an incentive to influence a customer to return to store & make purchase.

Expanding Your
Rewards

REFERRALS

Campaigns designed to
promote customer referrals.

REFER-A-FRIEND

Built to trigger when customer refers a friend and that friend **makes a purchase.**

Refer-a-Friend
Current Customers

Leverage your current customers to be your strongest word-of-mouth marketers by incentivizing referrals with a reward when their friends referred come in and make a purchase.

FRIEND-REFERRED

Built to trigger when referred friend **makes a purchase.**

Friend-Referred
New Customers

Welcome the friends referred that come in and make a purchase by offering them an equal or similar reward once their first purchase is complete to incentivize a return to make a second purchase.

CUSTOMIZE YOUR CORE

NEED:

Outline your rewards offers to **reflect the experience you want to create** keeping the strategy of each reward placement in mind.

WHAT'S NEEDED

Per Reward

- Reward Offer
- Target Audience
- Minimum Purchase To Redeem
- Expiration Period

Per Tier*

- Standard Points Value
- Refer-a-Friend Offer

*Best practice: Keep points/$ value standard across all customer types & refer-a-friend offer the same for both parties

Building a **successful foundation for customer loyalty** within **the first impression moments** is dependent on the **quality of your rewards offers.**

Once the foundation is laid and the customer is opted-in, **ensuring the experience is maintained is imperative for customer retention.**

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