

5 dos and don'ts to secure customer loyalty

By [Nick Durrant](#), issued by [Bluegrass Digital](#)

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If customers aren't engaging with your loyalty programme, it's time to change your approach. Here are a few simple things you can do to boost customer loyalty, today.



Shep Hyken, a customer experience expert, award-winning keynote speaker and a New York Times and Wall Street Journal bestselling author, once said that there is a big difference between a satisfied customer and a loyal customer.

Where loyalty is about the future, customer satisfaction is about the past. Customer satisfaction represents a short-term win; it's a measure of the customer's perception of their most recent interaction with you. Was their issue resolved? If the answer is yes, chances are that the customer will be satisfied with the service they received. Customer loyalty, on the other hand, is more long-term. It's about behaviours and attitudes, which showcase that a customer is happy with your product or service and that they won't leave you for a competitor.

I mention this important distinction because, time and time again, the data shows that loyal customers spend more, they recommend you to their family and friends and they shop with you again and again. This is why so many brands have launched loyalty programmes – offering their 'regulars' special deals and discounts for making repeat purchases. The [global loyalty market](#) is expected to grow from \$8.6bn in 2021 to \$18.2bn by 2026, as more and more businesses offer cash back, points and other incentives to make their customers feel valued.



Below, I've outlined a few dos and don'ts to remember to ensure that your loyalty programme is a success.

Keep it simple

Modern customers want simple, seamless experiences when dealing with a brand and signing up for a loyalty programme is no exception. Think straightforward rules and rewards that are quick and easy to redeem. Make sure that signing up and taking advantage of loyalty benefits is [fuss free](#); if it's too complicated or time-consuming, people won't get involved. In addition, it's essential to regularly showcase the value your customers are getting to remind them why they are a part of your loyalty scheme.

Use the data you have to make your customers feel special

While a business' goal for starting a loyalty programme is increased customer retention and sales, the last thing you want to do is make your customers feel like a transaction. Good loyalty programmes go beyond transactions, creating longer-term relationships with customers by offering them regular and relevant benefits. To do so, businesses have to use the data they have around buying behaviour to better understand shopping patterns and then offer more tailored deals based on the customer's wants and needs.

Don't set unrealistic targets

In line with the point above, it's important that your programme is guided by the data. If, for example, the average gym user only visits twice a week, making daily gym sessions a requirement for customers who want to enjoy loyalty programme benefits is totally unrealistic. Customers who believe that loyalty benefits are unattainable or who feel that it's too difficult to track and redeem benefits, will quickly shut the door on a deeper relationship with a brand and may even go elsewhere.

Offer real value

If you promise preferential treatment (like shorter lines, fast delivery and special discounts) you have to live up to these promises. Loyalty members must feel like what they are getting is superior and special. If their experience is much the same as what is available to your regular customers, they'll question if being a part of the programme is worthwhile.

Prioritise personalisation

[Forbes](#) data shows that 80% of consumers will purchase from a brand that provides personalised experiences and 63% of consumers will stop buying from brands that use poor personalisation tactics. Unfortunately, many loyalty programmes fail to incorporate personalisation and, as a result, customers aren't actively engaging in many of the programmes they sign up for. If your loyalty efforts aren't personalised they are easier to ignore. While something as simple as addressing loyalty members by their name in an email is just the tip of the iceberg, it's a good way to signal that an offer is for them

specifically and that it isn't just a generic promotion. Taking things a step further, if your customer regularly buys running gear, for example, and you're currently offering a discount on the latest running shoes, it makes sense to send them a reminder about the promotion and, perhaps, even give them an additional benefit like free shipping or a free pair of running socks to sweeten the deal.

If you want to keep customers coming back, offering rewards for loyalty is a great place to start. Not only do these programmes make it possible to build relationships with your customers but they also generate a wealth of data about customer behaviour that you can then use to boost your personalisation efforts and improve customer experience.

Need guidance around how to transform your customer engagements into meaningful, valuable insights that your business can use to stand out from the competition? Possibly you want to integrate your rewards programme into your digital channels? We help our clients drive growth via insight-led user experiences, innovation and technology built to scale. To find out more, get in touch, [here](#).


ABOUT NICK DURRANT

Nick Durrant is MD at Bluegrass Digital, a digital production agency. We work with marketing teams and creative agencies around the world delivering digital platforms. After spending 15 years in working the industry in the UK and setting up the business in London in 1999, Nicholas now runs the business from Cape Town, developing the business in Africa and Europe.

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