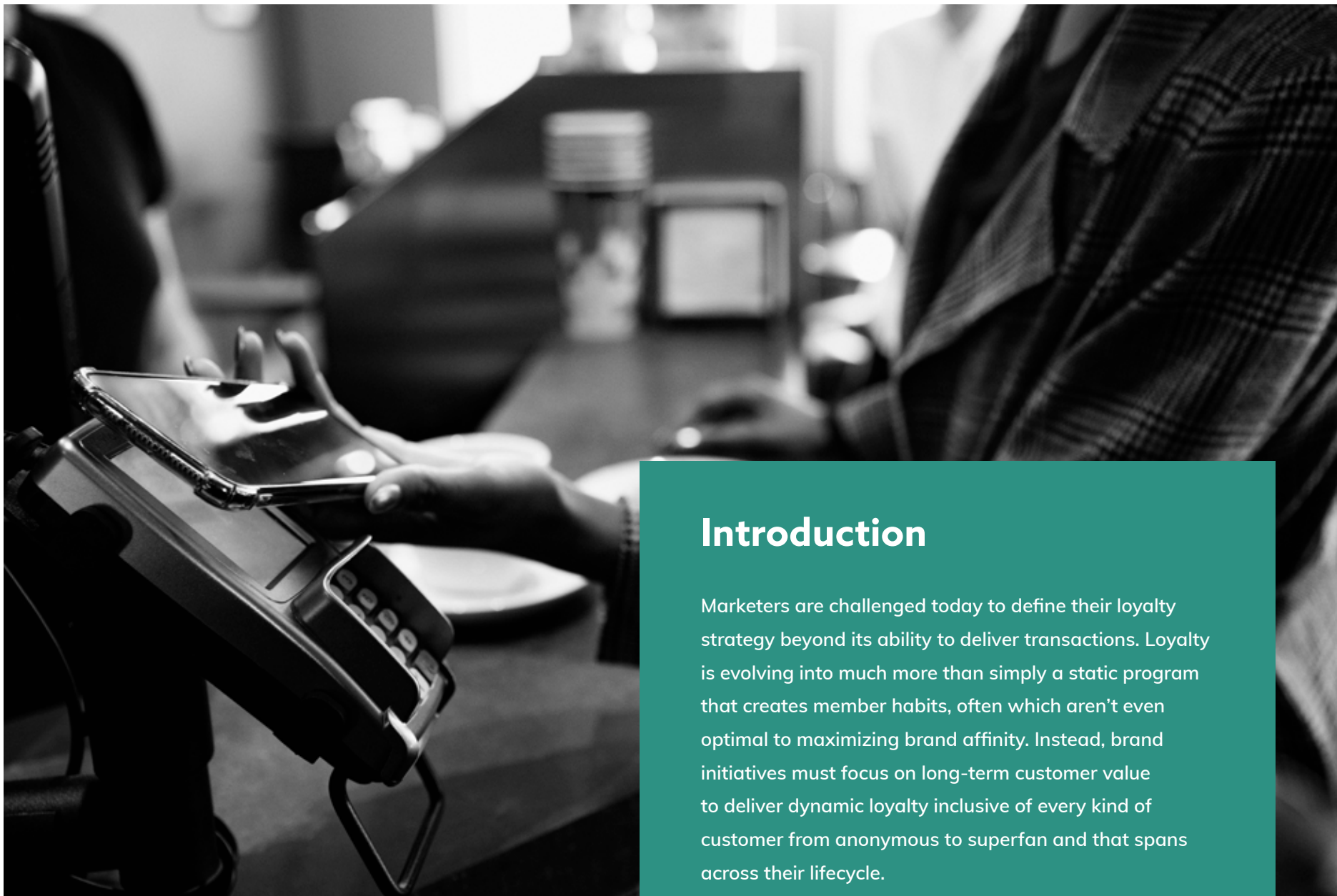




# Loyalty Redefined: Top 3 Strategies for Delivering Modern Loyalty to Customers





## Introduction

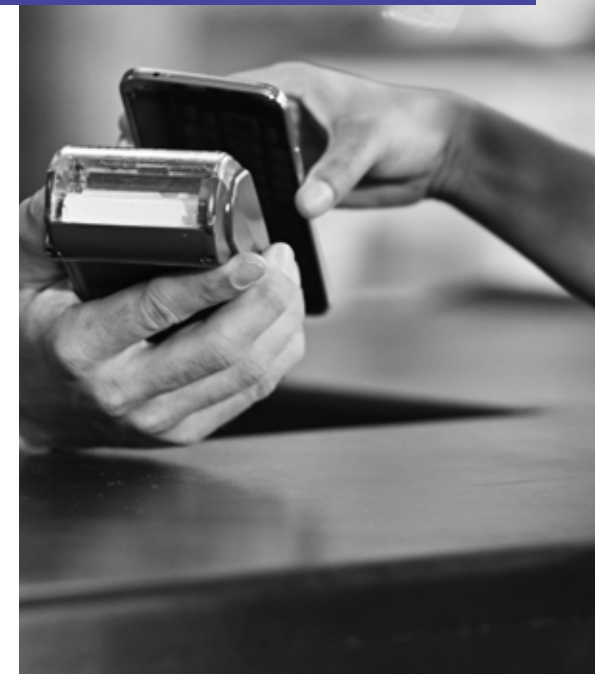
Marketers are challenged today to define their loyalty strategy beyond its ability to deliver transactions. Loyalty is evolving into much more than simply a static program that creates member habits, often which aren't even optimal to maximizing brand affinity. Instead, brand initiatives must focus on long-term customer value to deliver dynamic loyalty inclusive of every kind of customer from anonymous to superfan and that spans across their lifecycle.

Modern loyalty needs a refresh to become an effective tool for communication and for forging strong relationships with customers. The ability to deliver unified brand messaging and coherent, modern customer experiences both in-store and online provides a clear picture of who a brand is and why they're relevant in an increasingly crowded marketplace.

While technology continues to move at lightning speed and pushes customer expectations along with it, businesses that harness the power of customer data and turn it into actionable insights enhanced through AI have the ability to deliver personalization that scales and to foster a customer-centric culture.

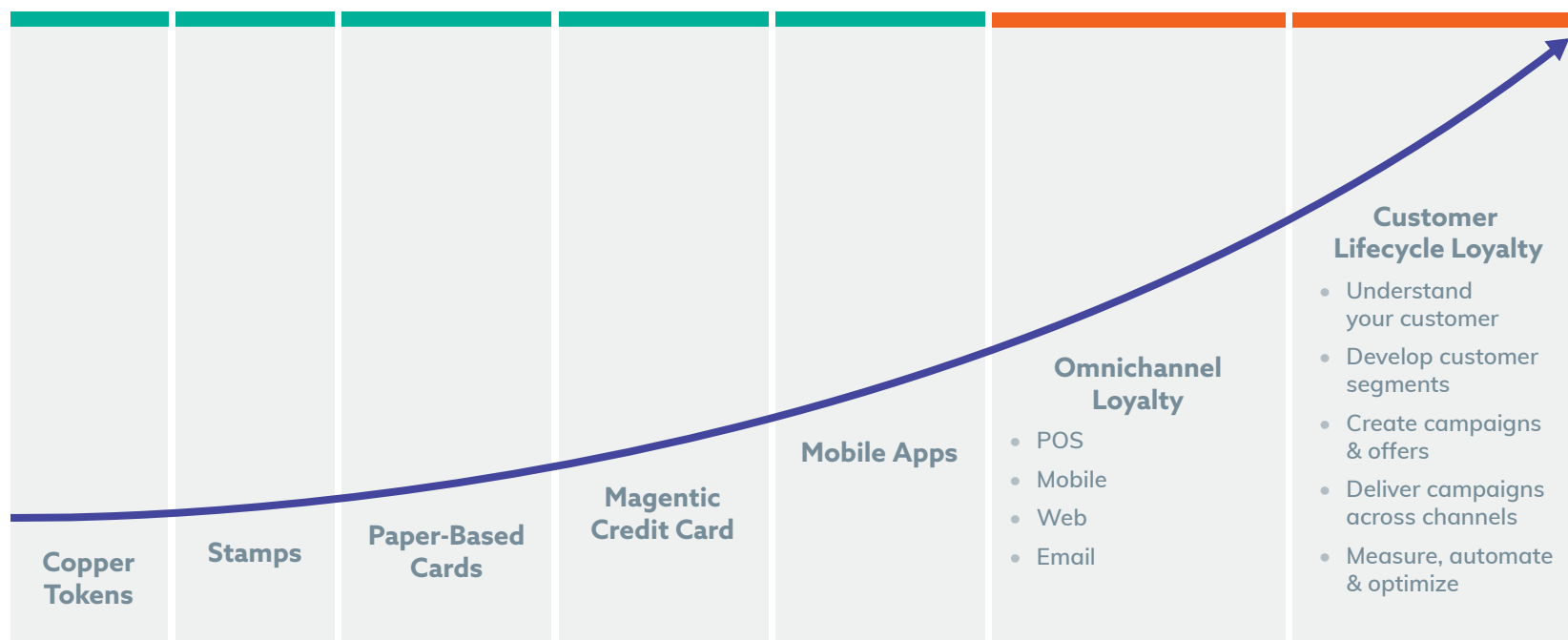
For physical retailers, loyalty has become the key to holistic engagement that builds their brand along every touchpoint and channel and across every instore and online experience. Embracing loyalty in this manner acknowledges the highly important exchange of values between the customer: who receives personalized offers and experiences, and the brand: who in return gets detailed knowledge of their customers, allowing for better segmentation and targeting to create the 1:1 connections that will sustain and grow their brand into the future.

**The ability to deliver unified brand messaging and coherent, modern customer experiences both in-store and online provides a clear picture of who a brand is and why they're relevant in an increasingly crowded marketplace.**



# Understand the Evolution of Loyalty

## LOYALTY IS MORE THAN A PROGRAM TYPE



Loyalty has evolved from its humble beginnings in the 18th Century. Moving along a continuum that began with merchants providing copper tokens that customers would tuck away to redeem later on future purchases to brands delivering personalization based on explicit and implicit customer behaviors that drive real-time understanding and offers.

In between, many brands have used or are still using paper-based cards or credit card-based programs to deliver loyalty. For these retailers, they don't have the ability to introduce customer

# 62%

**of companies will now invest to meet the changing needs of customers** (Walker Report)

identity into the process. With a credit card loyalty based approach, brands only know what is being purchased, but they don't know who is doing the purchasing. This renders brands unable to build a relationship with their customers. At the end of the day, brands need to own their customers.

Eventually, mobile apps move into the picture, replacing many brands' card programs, however the intent behind the offering remains the same. Mobile apps have become commonplace with the average consumer having 60-90 apps on their phone, yet of those 75% are used only once after being downloaded,\* leading businesses to invest in omnichannel loyalty that integrates their POS systems, mobile app, web and email efforts. However, marketers often are contending with IT managed data warehouses and although the collection of data is happening, it's not provided in real-time and its distribution comes in various formats that require multiple manual steps to make it actionable.

In order to succeed today, brands need to be in the customer lifecycle loyalty zone. They need to be operating in real-time. This requires the ability to truly understand and segment customers and reach out to them on the channel of their preference with an offer that compels them into action and strengthens their relationship with the brand.



\*App Annie

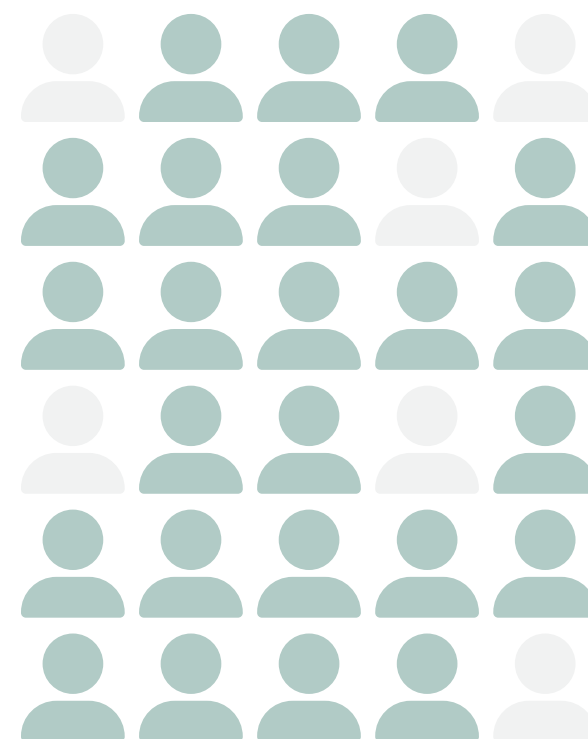
# Identify Every Customer and Learn from Every Encounter

Brands understand that no two customers are exactly the same. That's why loyalty needs to be delivered strategically. One-off mass promotions that miss the mark for 80 percent of a brand's customers are no longer efficient or cost-effective in an environment where consumers are exposed to between 4,000 and 10,000 branding messages each day.

Physical retailers need the ability to identify every individual that walks through their doors, appeal to his or her specific needs and preferences and build a level of trust that creates lasting CLV. Initially, a marketer must rely on identity resolution, the process by which fragmented data points, such as an email list, an in-store Wifi sign-up, or a swiped credit card is accessed from often-disparate silos and assimilated into a consistent and persistent identity.

With the ability to recognize unique individuals, a brand can begin to learn from their behaviors and preferences as they move across different devices, channels and platforms. Having an understanding of a customer's history with a brand, unlocks key insights that help marketers maximize value and return on marketing spend through the delivery of a coherent, consistent experience.

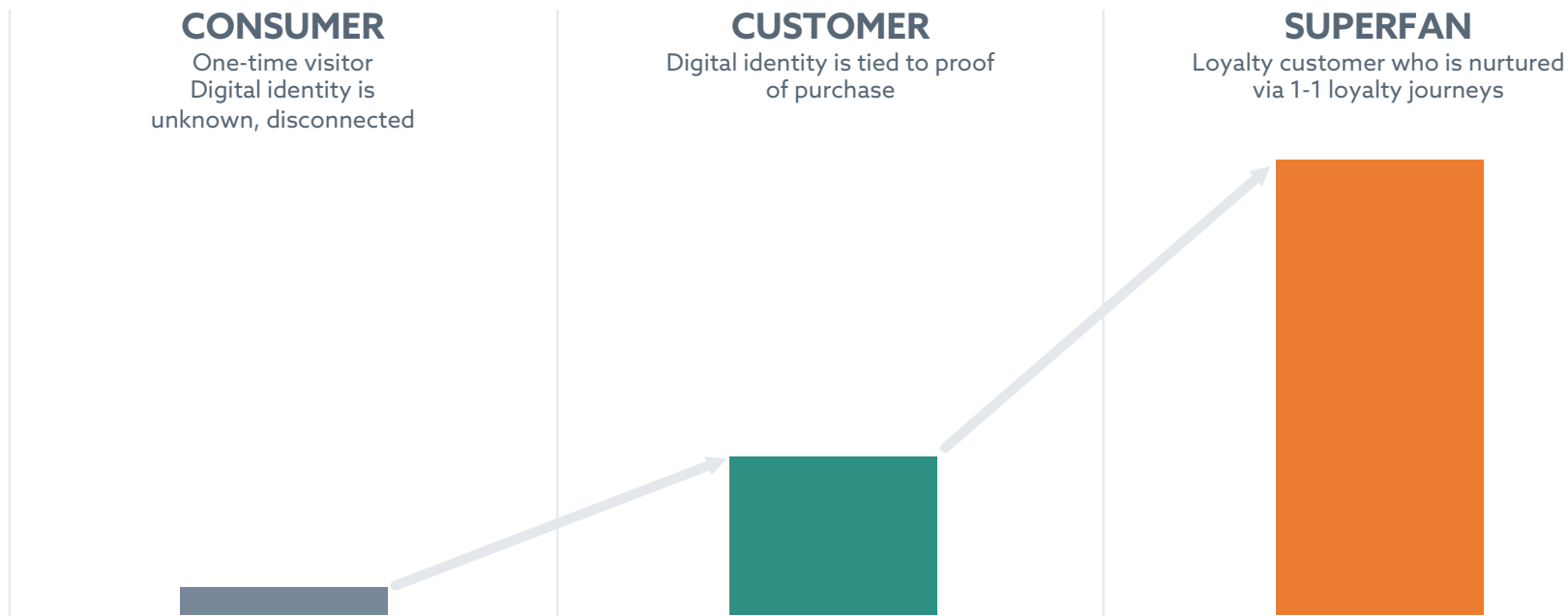
This is no easy task as new technologies, multiple systems, changing vendors and every-increasing customer expectations, make identity resolution and system integrations an ongoing challenge. However, with the use of a single platform, accurate, quality data can be gathered, maintained and layered to leverage loyalty initiatives that comply with privacy guidelines and security legislation and produce valuable ROI.



**82.4%** of  
customers have said they  
are more likely to shop  
at stores that offer some  
type of rewards program

(Technology Advice)

# Deliver Personalization to Foster Customer Lifecycle Loyalty



Brands encounter anonymous consumers starting their initial journeys, while other customers already view them as fan favorites. To address their varying needs marketers need to deliver dynamic loyalty that drives omnichannel engagement across the lifecycle.

Once a consumer is identified, a brand's goal is to use purchase behaviors, such as SKUs, day of week, and day part along with channel preference, such as mobile and whether by email or SMS to provide the context of the growing relationship. Marketers can develop 1:1 connections that then

# 22%

**of customers are very satisfied with the level of personalization they receive from their brands** (Walker Report)

acknowledge their preferences at a given moment and yet also make adjustments as those preferences change over time.

Through a data-driven approach, customers are nurtured and receive personalized communications and experiences that make them feel more important than being targeted via a mass campaign that doesn't speak to their specific wants or desires or pain points. Marketers are building value into their brand through personalization that enhances customers' perceptions and increases their engagement.

However, for a data-driven strategy to work, marketers can't be wasting their time finding and trying to analyze all the data that's been acquired throughout their organizations. They need AI assistance to quickly generate meaningful customer insights that can be optimized through intelligent customer segmentation and intelligent offer recommendations that deliver CLV and ROI to the brand.

## Locate Loyalty Everywhere

For brands to deliver on these initiatives and engage the modern customer, a three dimensional view of mobility becomes the link between loyalty and personalization. Brands need to think of mobility not just as a device, but also across channels, and the relationship with the brand.

Marketers need to pursue an omnichannel approach that maximizes engagement for mobile due to the persistent nature of customers' device usage. This will ensure a brand's customer profiles are updated with the freshest data available. Loyalty also needs to be enabled across channels, both in-store and online so all encounters whether

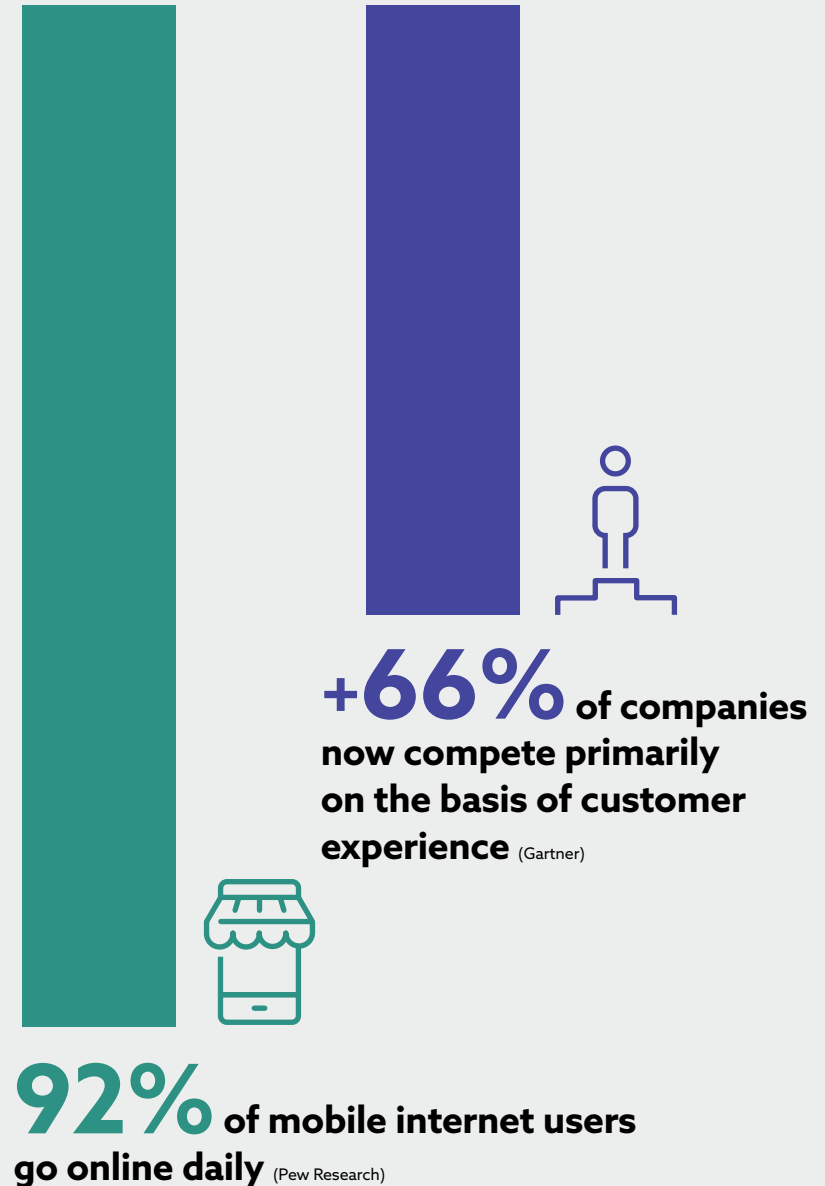


More than **80%** of  
companies are investing  
in the omnichannel  
experience (PWC)

by first-time consumers or by superfans are experiences guided by customer lifecycle loyalty.

Loyalty beyond the mobile device acknowledges the many customer interactions that happen among the various channels. For example, a customer buys online and picks up in the store or browses in the store, buys online and delivers/ships to his or her house. Loyalty has become about the ability to create consistent communication experiences and consistent shopping experiences across every touchpoint.

Mobility in 3D also extends to a brand's reach to turn anonymous consumers into customers and customers into loyalists and superfans. Brands need to stimulate engagement through communication and marketing via email, SMS and notifications to build deep sustainable relationships across the customer lifecycle. A commitment to redefining loyalty through the lens of the modern customer will help brands deliver on the wants and needs of a first-time consumer as well as those of a superfan to create 1:1 connections that increase lifetime value and ROI.





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#### About Punchh

Punchh creates the consistent, modern experiences consumers expect by bringing the power of identity resolution into physical retail. Punchh is the leader in delivering one-to-one customer engagement and loyalty beyond mobile devices for a consistent brand experience through every channel. The Punchh Loyalty and Engagement Platform, powered through artificial intelligence, guides consumers through their lifecycle from first-time customer to superfan, building meaningful relationships and dramatically increasing lifetime customer value. Nearly 200 global enterprise brands rely on Punchh to grow revenue by building customer relationships. The company is based in Silicon Valley, California with a second US office in Austin, TX and global offices across Canada, India, the United Kingdom, and Singapore.

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