THE ESSENTIAL GUIDE TO

MODERN LOYALTY PROGRAMS

Are you making the grade?

C CHEETAH DIGITAL

THE LOYALTY LANDSCAPE IS CHANGING

Gone are the days of simple loyalty punch cards. Today, the modern loyalty landscape is all about immediacy and personalization. Consumers expect real-time engagement – in the moment, when it matters. As a result, loyalty has evolved far past a points and rewards engine to become a full suite of sales and marketing tools that include marketing automation, a customer data platform, CRM, customer engagement, analytics, and more.

There has been a slew of shifts in loyalty programs across all industries. Whether you're in the restaurant industry, retail, hospitality, or something else entirely, programs are shifting from transactional to experiential, the need for more reliable data (direct from the consumer) is clearer than ever, and one-size-fits-all programs are being replaced by unique consumer experiences.

One thing is clear: Static, impersonal approaches to loyalty aren't going to cut it anymore. Consumers won't settle for copycat programs. They want unique experiences, tailored specifically to them.

Modern loyalty programs are building deeper connections with customers through personalized experiences, which translates to deeper insights for those companies.

In this eBook we take a closer look at the trends shaping the modern loyalty landscape and help you score how your loyalty program stacks up in this ever-changing terrain.

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The Modern Loyalty Landscape

The masterminds of modern loyalty programs are constantly on the lookout for the next big thing. They are keenly aware that loyalty has moved beyond the point-heavy system it once was. Programs that want to take full advantage of this new world of loyalty need to know not only where loyalty is at now, but where it's heading. There are several significant shifts in the loyalty landscape happening right now that brands looking to boost their loyalty programs should be on top of.

Transactional to Experiential

Modern loyalty programs are built on far more than transactions. They exemplify brand values and create emotional connections. Yet, according to Forrester's Loyalty Playbook, less than half of loyalty marketers use experiential benefits or personalization to tailor offers and brand interactions.

Building on the usual point bank to engage customers in a personal way like Vans does is part of the new normal for brand loyalty, not to mention a great way to learn more about your customers while fostering loyalty that will last.

> **"...[VANS] brought in more than 1.5 million members in the first few months of its program."**

Strong programs make the most of all customer data to create a fuller experience that inspires deeper loyalty.

That means going beyond behavioral loyalty that is quantified through transactional tactics to more meaningful, authentic experiential engagements.

But what exactly makes for an authentic experience? A great example of this experience-driven loyalty approach is Vans – the action sports lifestyle brand – and its Vans Family loyalty program.

This program isn't just giving away points for purchases. Vans asks its fans to share content and rewards them with points when they do. Sharing opportunities could be a favorite comic book character, band, or, of course, the story of their first pair of Vans. This experiential approach brought in more than 1.5 million members in the first few months of its program.

Static to Dynamic

The world of "setting it and forgetting it" with loyalty programs is long gone. To keep your customers engaged, you need to mix things up frequently. Keeping your loyalty program dynamic, whether it's personalized offers, seasonal contests, or something else entirely, is not just a good idea it's absolutely necessary to be competitive.

A recent survey by Coca Cola found that half of millennials say they're always on the lookout for limited-time deals. Savvy loyalty solutions can capitalize on current events and industry trends to encourage ongoing engagement well beyond initial enrollment.

> **"...more than one-third of Old Chicago's revenue is now being generated by loyal customers..."**

The Old Chicago Pizza & Taproom OC Rewards Program has mastered this approach. OC Rewards is dynamic in a variety of ways, most notably with its World Beer Tour: a constantly rotating, 110 beer lineup. This interactive piece of its business translates to an equally effective approach to seasonal offers for its OC Rewards members allowing it to keep its loyalty program just as fresh as its ever-changing beer taps.

The results are astonishing. More than one-third of Old Chicago's revenue is now being generated by loyal customers because of the rewarding and engaging program customized for its loyal guests.

Copycat to Unique

There's also no longer room for lookalike loyalty programs. Your loyalty solution needs to be as unique as your business and customer base. The strategies (point bank, engagement,membership) and tactics (punch cards, coupons, social media) may seem familiar, but the programs are more diverse than ever as brands put unique spins on these traditional tools.

One way to ensure uniqueness is making sure your loyalty program fully embraces your brand values. This is something the Vans Family program does in spades and the results speak for themselves.

> **"...over 35,000 customers shared the story of their first pair of Vans, resulting in a wealth of user-generated content and valuable insights..."**

According to Vans, over 35,000 customers shared their story of their first pair of Vans, resulting in a wealth of user generated content and valuable insights into their customers.

To stand out in a space that's getting more crowded every day, differentiation is essential and there is nothing more unique than the story of your brand and your biggest fans.

Your Loyalty Program Report Card: How Do You Stack Up?

Our Loyalty Score Card card will help you examine the strategy and performance of your loyalty program across a variety of categories, including enrollment, personalization, segmentation, multi-channel, immediacy... and more!

cheetahdigital.com/scorecard
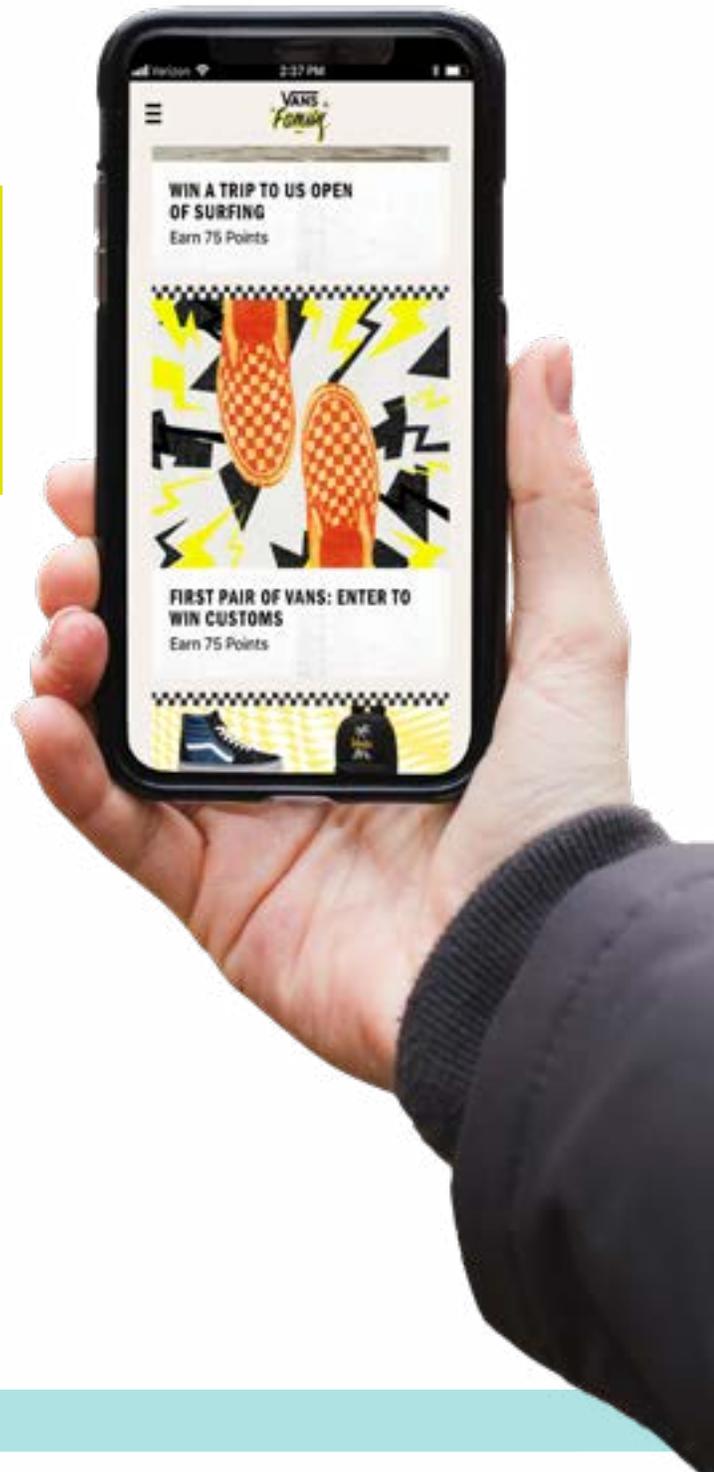
Does Your Loyalty Program Make the Grade?

In this transforming loyalty landscape, it can be challenging to see how your program stacks up against the rest. With so many loyalty options available it can be difficult to know which matters most.

To simplify the process, we've built a Loyalty Report Card to rate your loyalty program. A clearer picture of where you're at is an important first step toward taking your loyalty program to the next level.

ATTRIBUTE	1 POINT	2 POINTS	3 POINTS
Sign-up	My sign-up process requires more than 6 fields to complete.	My sign-up process can be completed with no more than 3 fields but does not include text to sign-up.	My program allows members to sign up in store, online, on mobile, and via SMS text.
Member Engagement	Fewer than 15% of my members are engaged.	Approximately 30% of my members are engaged.	More than 30% of my members are engaged.
Member Identification	Members can identify themselves only one way (e.g. using a loyalty card).	Members choose from a limited number (1-3) of options to identify themselves.	Members can choose from numerous ways (3+) to identify themselves (e.g. app, card, phone number, email address, name).
Progressive Profiling	I'm unable to gather more profile information after sign-up.	I'm able to capture additional member information but it does not seamlessly integrate with my customer profiles.	I'm able to capture additional member information in real time and continue to build out customer profiles over time.
Personalization	My loyalty system does not allow me to use member information to personalize member experiences.	My loyalty system offers a fixed set of personalization features.	My loyalty system allows me to use member profile and activity histories to personalize all member experiences in real time.
Segmentation	My loyalty system has no segmentation features.	My loyalty system offers a fixed set of segmentation capabilities.	My loyalty system supports real-time segmentation across any member attribute.
Multi-channel	My program is accessible through 1 channel only (e.g. online).	My program is accessible in 2 channels only (e.g. online and in store).	My program supports 3 or more channels (e.g. online, in store, mobile app, SMS, chat).
Immediacy	There is a week or more delay between when members can see point updates and/or receive rewards.	There is a day or two delay between when members can see point updates and/or receive rewards.	Members can immediately see point updates and receive rewards.

ATTRIBUTE	1 POINT	2 POINTS	3 POINTS
Speed of Change	☐ Changes to the program take months to implement.	☐ Changes to the program take weeks to implement.	☐ Changes to the program can be implemented on the same day.
Integration	☐ My loyalty system is not integrated with customer touchpoints (e.g. POS, online ordering).	☐ My loyalty system is integrated with some of my customer touchpoints.	☐ My loyalty system is fully integrated across all customer touchpoints.
Analytics	☐ My loyalty system provides pre-built reports about members, points, and activities.	☐ My loyalty system has deep analytical reports about activity histories (e.g. orders, surveys, rewards, coupons, stores, etc.).	☐ My loyalty system includes a visual designer to create custom analytical reports and dashboards for my brand.
Transaction Level Detail	☐ My loyalty system only stores transaction totals.	☐ My loyalty system stores transaction details such as store number, payment information, and POS information.	☐ My loyalty system stores transaction line item details, including item qualifiers.
Visitors	☐ My loyalty system does not provide any features for non-members.	☐ My loyalty system captures visitor information, such as guests subscribing to newsletters or registering for in-store Wi-Fi.	☐ My loyalty system provides features to help convert non-members to members.
Differentiation	☐ My program looks the same as my competitors' programs.	☐ My program shares many of the same features as my competitors' programs but has a few unique ones as well.	☐ My program is highly differentiated and unique relative to my competitors' programs.
Experiential	☐ My program is solely transactional with no experiential components.	☐ My program is moderately experiential with limited experiential components.	☐ My program is highly experiential with several meaningful experiential components.
Brand Values	☐ My program does not reflect the values of my brand.	☐ My program reflects some of my brand attributes but does not feel 100% on brand.	☐ My program deeply reflects my brand values.

Page 1 Score: _____ + Page 2 Score: _____ = Total Score: _____

Your Loyalty Ranking:

0-16
Unsatisfactory
(Significant Improvement Needed)

17-32
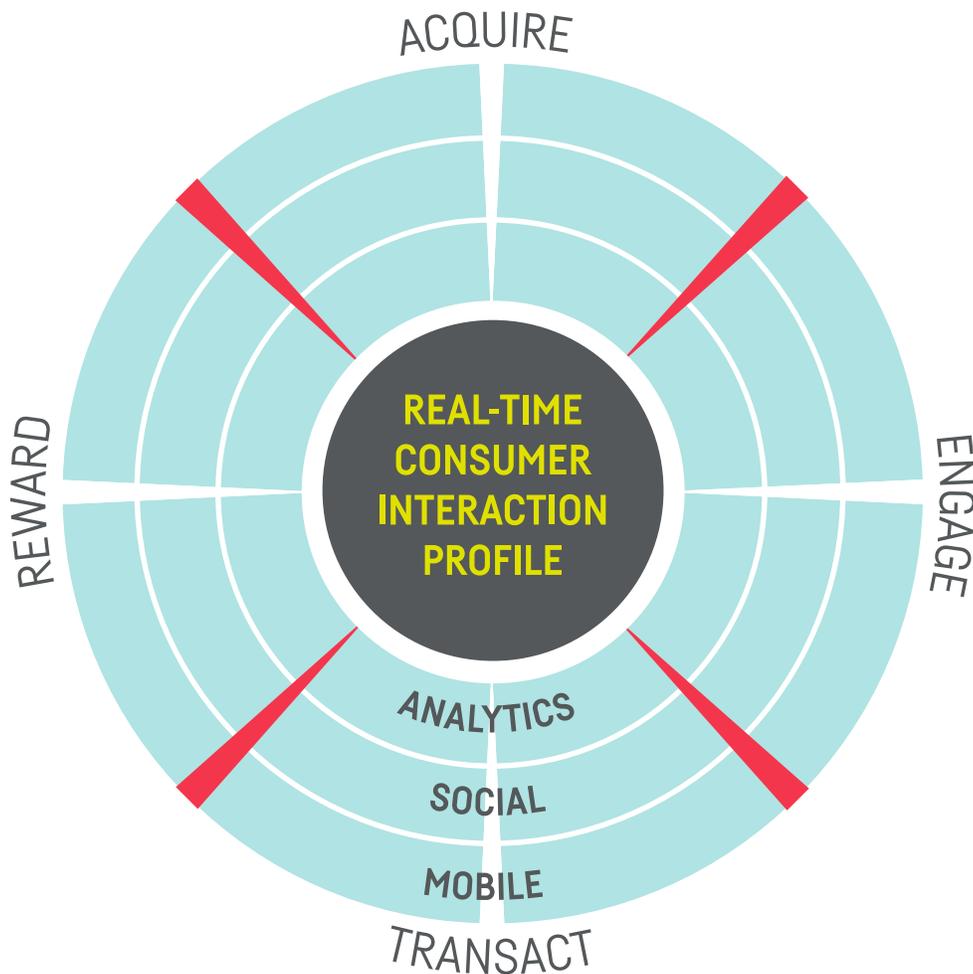Needs Improvement

33-48
Exceptional

Now What?

Achieving Cheetah Loyalty Results
Now that the results are in, it's time to take the next step toward taking your loyalty program to the next level by finding the right technology solution and partner.

Cheetah Loyalty, a Cheetah Digital Company, provides a suite of modern applications, built on a modern, cloud-based, big data architecture, to build a strong loyalty program with your consumers across all channels. Our best-in-class mobile, web, email, and social capabilities enable frictionless and immersive interactions that can transform your customers' experiences.

To get started checking all the boxes for a modern loyalty program with truly stellar results, contact us at **www.cheetahdigital.com**

ACQUIRE

REWARD

ENGAGE

REAL-TIME CONSUMER INTERACTION PROFILE

ANALYTICS

SOCIAL

MOBILE

TRANSACT

QUESTIONS
ABOUT OUR LOYALTY?

Contact Us:

www.cheetahdigital.com

About Cheetah Digital

Cheetah Digital is the world's largest independent enterprise cross-channel marketing technology company. We provide a unique combination of technology and in-house professional services that marketers require to manage the breadth of data they possess and to deliver on the complex channel execution required to create lasting customer relationships. We are a true partner to the best brands around the globe, including Williams-Sonoma, American Express and Hilton. Cheetah Digital is a global business with employees in 26 offices across 13 countries. Cheetah Digital is dedicated to marketers.

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