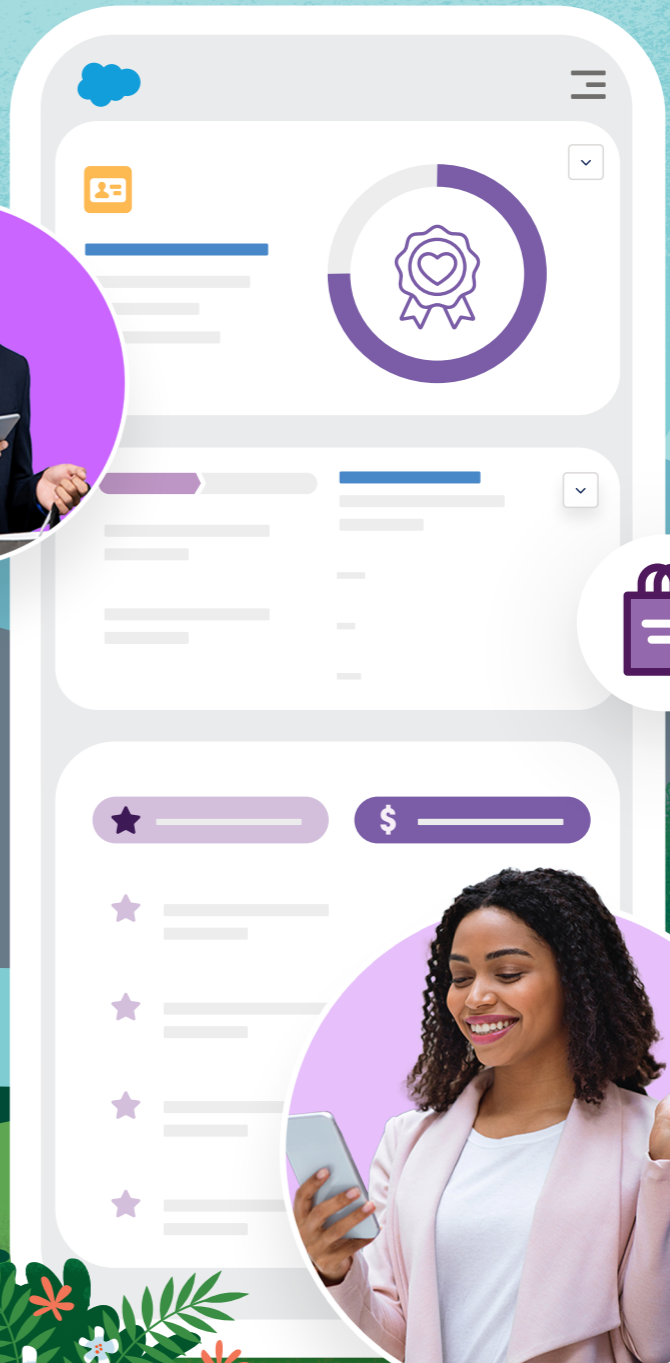




Reimagine Your Brand Loyalty Program

Keep shoppers coming back with personalized experiences that drive lower costs and higher retention



What You'll Find in This Report

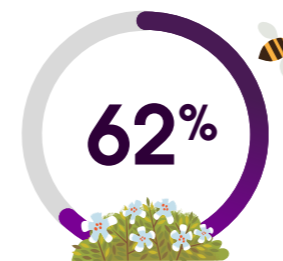
Customers are redefining loyalty in today's retail market. Shoppers have more choices and higher expectations than ever before, and brand relationships are more complex. People aren't just looking to cash in on points; they want brands to connect with them on an emotional level. Retailers reap rewards as well: It is significantly more cost-effective to retain loyal customers than attract new ones, so loyalty programs done right can drive costs down as loyalty grows.

Brand loyalty programs have been evolving for the past few years. New technologies, ever-changing data and privacy policies, and the expectation that every interaction be highly personalized have created both challenges and opportunities for brands. Today's brands are addressing these issues by offering consumers more control over their data and leaning into people's desire to feel seen and known. Rather than relying on transactional benefits, brands are attempting to create personalized, meaningful experiences that foster authentic connections, deepen engagement, and earn ongoing loyalty.

Read on to find out how you can power retail success now through increased engagement, boosted retention, and improved customer lifetime value.

What does it take to earn customer loyalty in retail today? The answer is straightforward but difficult to achieve: Treat each customer as an individual, not a faceless number.

Loyalty transcends products and services: It creates an emotional connection between customers and the brand – one in which customers feel seen, heard, and appreciated. Customers who have an emotional connection to a brand are more likely to choose that brand regardless of whether a competitor offers similar perks or lower prices. Emotional loyalty runs deeper than points and rewards– it means consumers identify with, trust, and see a brand not only as something they consume, but part of who they are.



62% of customers say they feel an emotional connection to the brands they buy.

*State of the Connected Customer, 5th Edition, Salesforce, 2022



What You'll Find in This Report

Customers prize brands that cater to their needs by providing exclusive shopping events, tailored promotions, and seamless returns. These types of personalized experiences transform customers into vocal brand advocates, driving even greater reach and influence. And brands can take a cue from these customers to attract more people with similar values to boost acquisition and retention.



“We deliver relevant and personalized experiences. We know our guests, we anticipate their needs, and we deliver exactly what they are looking for.”

Art Sebastian, VP, Digital Experiences, Casey's

However, this isn't the usual approach for retailers. Traditional loyalty programs are transactionally focused and impersonal – customers earn points, redeem rewards, and repeat the cycle. Often, programs that have evolved beyond rewards still struggle with true personalization and engagement, which is a cornerstone of loyalty. Such attempts to engage with loyalty program members may lack contextual relevance, impacting your goodwill toward loyal customers. Additionally, it gets drowned out by the noise of competing messages.

Today, earning customer loyalty demands more than a singular program based on tiers, currency, or points – it requires an overarching strategic initiative that drives engagement across all touchpoints.

Brands with successful loyalty programs embed loyalty across the entire organization, from the frontline staff who bring the programs forward to the merchandising team that selects which products to include in a promotion. Free shipping, sneak-peek product previews, surprise-and-delight offers, exclusive access to VIP events, and personalized experiences all serve as levers to boost customer loyalty.

It's time for retail leaders to evolve their approach to loyalty, to better connect with customers and to realize the cost savings that comes from maintaining a legion of loyal buyers. Read on to discover:

- How retail loyalty programs are changing
- How to build an impactful, cost-effective data strategy
- How to bring new experiences to market quickly for faster ROI



56% of consumers are more likely to buy from a brand with a loyalty program.

*State of the Connected Customer, 5th Edition, Salesforce, 2022

Contents

01 | How are retail loyalty programs changing? 05

02 | Build a data strategy for retail loyalty programs. 09

03 | Bring new retail loyalty experiences to market quickly. 13

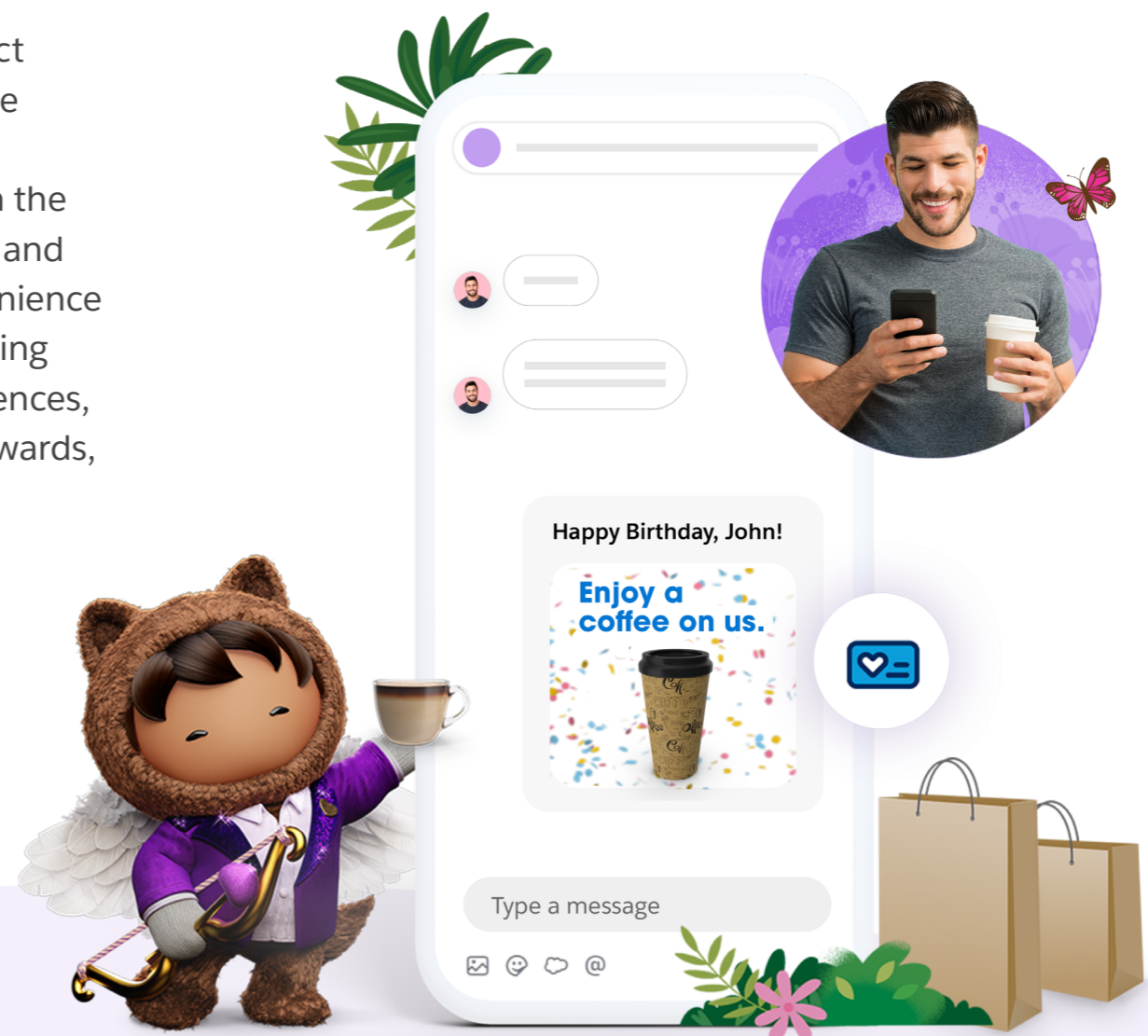


CHAPTER 1

How are retail loyalty programs changing?

Points and purchases are being replaced by emotions and experiences.

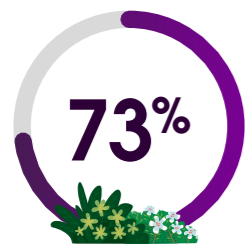
Today, shoppers are seeking genuine connections, expect personally tailored experiences, and are willing to engage in new and different ways to get them. This opens up an opportunity for brands to evolve their programs through the types of rewards received and ways consumers discover and interact with the loyalty experience. For example, convenience chain Casey's is transforming how it does business by using data and digital channels to humanize its guests' experiences, offering them customized giveback programs, loyalty rewards, and deeply personalized engagement.



How are retail loyalty programs changing?

“In order to modernize our brand, we’re using data and technology to build the right experiences,” said Art Sebastian, VP, Digital Experiences, Casey’s. “As marketers, our number one job is to build and deepen relationships with our customers, and we deliver that with relevant and personalized experiences. We know them, we anticipate their needs, and we deliver exactly what they are looking for.”

Brands must go beyond transactional loyalty to foster authentic, emotional connections. Consider the following:



73% of customers expect companies to understand their unique needs, and yet the majority still feel like just a number.

The majority of customers (65%) feel like they are treated like a number, not an individual. It’s time to right the ship. Thoughtful, personalized retail loyalty programs are critical in this effort. People love loyalty rewards, but simply offering a loyalty program is not enough. The goal isn't to get people to sign up, it's to get them to take advantage of the benefits. This means the value of your loyalty program must be immediately apparent to each individual consumer. They need to be able to easily track and redeem rewards, and those rewards need to be personalized and relevant.

Engagement goes beyond purchases.

While transactional loyalty programs of the past were primarily concerned with points for purchase, today's loyalty programs have evolved into more nuanced levels of engagement. Today's shopper wants brands to acknowledge and reward actions beyond a purchase. This includes things like downloading an app (57%) or writing an online review (47%). And, one in three shoppers is willing to go so far as to share the brand on social media in exchange for rewards. This is good news for brands. Consumers who tout brands on their personal social media accounts are identifying with the brand and are willing to vouch for that brand publicly, sowing the seeds for a long-term, emotionally fulfilling relationship.



01

How are retail loyalty programs changing?

Consumers are willing to exchange data for personalized offers.

We know that people crave more curated experiences, and the majority of shoppers are willing to share personal information like a birthday (67%), phone number (51%), or clothing size (47%) for access to more exclusive benefits. This is a huge opportunity for brands - a brand's ability to garner zero-party data directly from its consumers cannot be overstated.

The evolution of customer loyalty demands that retailers ask themselves:

- How do we drive value for our customers and our business?
- Is it easy for customers to engage with our brand?
- Are we offering something beyond a transactional experience?
- Is our program personal, experiential, and fully integrated with the rest of our operation?

A loyalty program should couple a demonstrated customer appreciation initiative with an overarching strategy that is just as much about keeping customers as it is about attracting them.



“We wanted our loyalty program to reflect our customers’ needs and provide them with more reasons than ever to spend their hard-earned money with schuh. Loyalty Management helps us understand customer purchases across stores and online, giving us the information we need to tailor our messaging and offers.”

Paula Nicola, Head of CRM at schuh



How can retailers evolve their customer loyalty strategy?

To keep pace with consumer expectations, loyalty programs should have a blend of rational and emotional benefits. Customers are willing to share information to receive personalized incentives and experiential rewards, especially Millennials and Gen Z. This value exchange drives some of the most successful loyalty programs today. For example, beloved coffee brands offer rewards for purchases, free birthday drinks, and surprise-and-delight offers on select days. Hotel chains make it easy to build and redeem rewards for free nights and additional surprises, and offer exclusive perks like early check-in, insider guides to the city, and in-room dining experiences. These experiential loyalty programs cater to personal preferences, which make each customer feel special and go far beyond the standard earn-and-burn of many retail loyalty programs today.

Customers interact with an average of nine channels as they browse inventory, seek advice, and make purchases. Embedding loyalty throughout the customer experience helps brands make each touchpoint remarkable. That does not always mean spending more money— it can be as simple as more personalized marketing emails based on specific loyalty behavior, access to premier customer service, or real-time offers on your ecommerce site. This enables retailers to focus on the relationship and nurture loyalty by creating connections at every interaction, whether that is online, in-store, or on mobile.

One of the UK and Ireland’s leading fashion footwear retailers, schuh, understood the importance of embedding loyalty in all customer interactions. With an online business and over 120 stores, schuh wanted to deliver a more personalized journey to its customers no matter where they shop.

“Loyalty Management allows us to create a loyalty program that we can configure according to our requirements and is flexible enough to introduce new tiers and rewards,” said Paula Nicola, Head of CRM at schuh. “We wanted our loyalty program to reflect our customers’ needs and provide them with more reasons than ever to spend their hard-earned money with schuh. Loyalty Management helps us understand loyalty customer’s purchases across stores and online, giving us the information we need to tailor our messaging and offers.”



88% of consumers say the experience a company provides is as important as its products and services.

*State of the Connected Customer, 5th Edition, Salesforce, 2022



CHAPTER 2

Build a data strategy for retail loyalty programs

Create personalized, meaningful experiences that build trust and long-term loyalty.

The foundational element of an effective data strategy is the ability to connect all data and disseminate it across an organization. Connecting data enables brands to create a complete profile of each customer and gain a 360-degree view into every action they take across the organization. Loyalty programs bolster these profiles with the critical zero- and first-party data needed to power customer interactions and experiences across a multitude of touchpoints. The insights gained from these interactions then can be deployed to further personalize every moment of interaction, better customize offers or create unique customer journeys.



Build a data strategy for retail loyalty programs.

Unify data in real time to operationalize loyalty

We know that more consistent, personalized journeys create happier, more loyal customers. People have come to expect tailored, personally relevant experiences, customized offers and enhanced service capabilities. A customer data platform (CDP) can help deliver on these expectations.

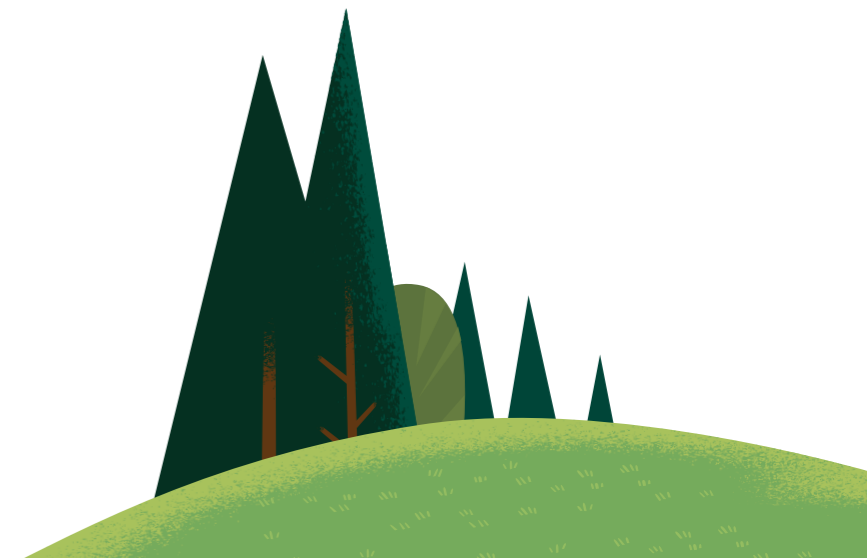
“Everything we know about a guest is unified in CDP, and now we’re enriching that by calculating attributes,” said Casey’s Sebastian. For example, if Casey’s marketing team sees groups of customers who shop in the morning, they tag them as “breakfast shoppers,” enabling them to create a value proposition on the fly for coffee and breakfast sandwiches.

A CDP connects the entirety of a company's customer data in one place, providing a unified vision. It reaches across an organization and ties together databases that don't traditionally share data (marketing clouds, service software, ecommerce engines, and more). It also reconciles data for known customers (such as email and phone numbers) with data like anonymous cookies and mobile device IDs to paint a complete picture of the customer journey. And, it does this in real-time.

Create in-the-moment experiences

Building unified customer identity profiles and then making that data available in real time allows every department to act based on in-the-moment customer behavior. It means that things like loyalty points update immediately, and frontline staff know at the point of sale when a purchase initiates a jump in tiers or loyalty status. This allows for a much richer, more intimate experience.

These tools also streamline behind-the-scenes activities. For example, systems like email-send engines, demand-side platforms, and content management systems can utilize real-time data to refine customer segmentation, execute better targeting and suppression efforts, and create personalized customer experiences within your loyalty department, and beyond.



02

Build a data strategy for retail loyalty programs.

Integrate loyalty and data strategies on a unified platform

Building a data strategy does not require an entire overhaul of existing technology systems. End-to-end loyalty lifecycle marketing platforms with application programming interfaces (APIs) connect with existing systems of record across digital and physical touchpoints, so you can collect first-party data. Hooking your loyalty system into a larger data platform enables loyalty teams to access rich customer segments and insights like customer lifetime value, RFM scores and status tiers. This allows them to provide differentiated experiences, address service recovery situations and ensure offers and promotions are personally resonant with loyalty members.

Use first-party data to create specific, personalized experiences

Real-time, data-driven insights are the foundation to your loyalty strategy. When you understand your customers, you can offer personalized offers that make them feel like they are one of a kind. Centralized data is scalable and readily available to everyone in the organization. Whether an employee is in the back office or on the sales floor, they are empowered with the tools and information needed to enhance each and every engagement, which drives loyalty.



*[State of the Connected Customer, 5th Edition](#), Salesforce, 2022

Build a data strategy for retail loyalty programs.

Boost loyalty and trust through transparency

Loyalty hinges on trust and transparency. Companies need to be vigilant in keeping data secure and straightforward with how they intend to use it. Brands that are able to establish credibility and win trust in this area will benefit. Customers are not only more likely to give their data to companies they trust, they are more likely to remain loyal, make additional purchases, and recommend that company to friends and family. A strong, transparent data strategy turns loyalty into a key principle running throughout the organization.

Drive long-term business value from loyal customers

When loyalty is done right, it not only solidifies customer relationships, it also improves the bottom line. This is especially important in today's economic climate. A well-designed loyalty program can provide non-dividend-based, low-cost experiential rewards that improve customer satisfaction without actually costing the organization. This can help alleviate margin pressures that might result from discounts and cashbacks.

Creating meaningful experiences that keep the customer coming back for more is incredibly valuable when you consider that it costs six to seven times more to acquire a new customer than to retain one you already have. In fact, just a 5% increase in customer retention produces a profit increase of anywhere from 25 to 95%. And how do you quantify the impact that happy customers' word-of-mouth referrals have on your business?



“In order to modernize our brand, we’re using data and technology to build out the right experiences.”

Art Sebastian, VP, Digital Experiences, Casey's



CHAPTER 3

Bring new retail loyalty experiences to market quickly

Evolve loyalty programs efficiently and effectively for faster ROI.

In the past, customized loyalty programs required heavy investment and took years to deploy, often resulting in outdated functionality by the time they hit the market. This is neither sustainable nor realistic. Changing market dynamics, evolving customer preferences, and competitive pressures necessitate that brands have the ability to easily and constantly evolve their loyalty programs without having to undertake a large-scale IT project.



Bring new retail loyalty experiences to market quickly.

Loyalty teams need a configuration that allows a faster time to market, greater flexibility, and reduced total cost of ownership. They need the ability to continuously refine programs and measure things like ROI, member engagement, profitability/liability, partnership impact and promotion ROI to ensure that the program is delivering on its goals. This requires:

- **Flexibility** when setting up the overall loyalty program, including individual components like tiers, currencies, benefits and experiences in a no-code environment.
- **The ability to leverage CDP** when building rich member profiles to deepen relationships through progressive profiling, surveys, and reviews.
- **Real-time personalization** of offers and rewards that leverage and activate developed customer insights in online and offline channels through seamless integration with marketing automation tools, commerce storefronts, and assisted channels.
- **A flexible rules engine** that enables teams to track and reward member behavior and engagement by automating the process of accruals and redemptions in a no-code business-user-friendly environment.
- **Intelligently deployed surveys** that measure emotional loyalty and point-in-time customer satisfaction throughout the loyalty member journey (with the additional capability of rolling up to measure customer sentiment).
- **AI/ML-based predictive tools** with the ability to forecast program liability, promotional ROI with what-if analysis ensuring program goals are constantly met.
- **A flexible partnership management system** to onboard partners into the loyalty program and expand program offerings beyond the brand.



03

Reimagine the future of customer loyalty.

The most successful loyalty programs deliver dynamic and personal loyalty experiences across the shopper journey. But the program itself is only one piece of an overarching loyalty strategy. When implemented well, this overarching strategy aligns everyone in the organization and enables the kind of engagement that makes customers feel like they are a part of something exclusive.

With customer data as the bedrock, retailers make smarter decisions on customer segmentation, create experiential loyalty programs that are economically viable and highly relevant, and improve loyalty – the ultimate outcome of great customer engagement.



“We realized that to be successful, we had to create compelling, personalized experiences on the platform that are relevant to our consumers, regardless of where they live. Our partnership with Salesforce allows us to see the customer across all these different touchpoints and then to leverage the data behind it to better understand who our consumer is, how to service them better, how to target them better, and to do it with speed and at a global scale.”

Adam Michael, Chief Digital Officer, CROCS





Ready to learn more about Salesforce for Retail?

Watch [the demo](#).



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