



The Complete Guide to Customer Engagement

An in-depth guide to successful omnichannel customer engagement at scale.

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Introduction

Welcome to your complete guide to customer engagement! Discover how to grow and maintain customer relationships at scale with a successful customer engagement strategy.

It feels odd that we live in a world where **66% of customers expect companies to understand their unique needs, but only 34% of them do**. And while almost everyone agrees that customer engagement significantly contributes to business profitability, not enough brands have a customer engagement strategy that works.

This is because striking the right balance is hard. While customers expect a personalised experience, they also value their privacy and personal data more than ever. And once you've got the balance, it can be challenging to create programs that scale globally.

But we continue to strive towards delivering these types of experiences because engaged customers are valuable. It's thought that **fully engaged customers represent a 23% higher share in profitability, revenue, and relationship growth**. They're easier and cheaper to convert into sales. So, this guide will help you understand customer engagement, build a scalable strategy, and make the most of the latest martech innovations to power it.

Let's get started.

What is Customer Engagement?

Gartner defines customer engagement as **“the process of interacting with customers through varied channels to develop and strengthen a relationship with them.”** Keeping customers engaged through their journey is crucial as it provides marketers with a range of invaluable benefits, including:

- Growing customer loyalty
- Collecting personal and behavioural customer data to fuel actionable insights
- Improving marketing decisions
- Increasing sales
- Improving products and services

There are many ways to improve customer engagement. Throughout their journey, a customer may have multiple online and offline touchpoints from an in-store display, commercial, social engagement, to purchase. Great customer engagement ensures that every touchpoint is meaningful and builds towards a specific action or objective outlined in your strategy.

And remember: customer engagement is an upward spiral. As you pull customers in, they become more closely connected to your brand and they become even more engaged. The more engaged they are, there's a higher likelihood of repeat purchases and increased brand loyalty. It's a continuous, positive feedback loop that you can enhance with robust customer engagement platforms.

Customer Engagement vs. Customer Experience

Customer engagement is often confused with customer experience. There's some overlap between the two, but they're quite different.

Customer engagement is about building a relationship with a customer. Customer experience is about creating a frictionless journey.

The 3 Most Important Benefits of Engaged Customers

Why are engaged customers so valuable? It's simple: they perform actions that benefit your brand organically. Like any great relationship, they pull their weight and put in the effort.

They become brand loyal

Strong customer/brand relationships reduce churn. Engaged customers understand what your brand stands for, and the value you bring to their lives. And while this doesn't mean you can rest on your laurels, you don't have to invest as much time convincing them – you just need to treat them!

Engaged customers are brand cheerleaders

How customers perceive a brand and what it stands for significantly affects their purchase behavior, loyalty, and brand advocacy. Great customer engagement leaves a lasting and memorable impression that strengthens your position in the market.

Engaged customers share their brand experiences. Whether it's reposting a blog or recommending your product to a friend or family member, engaged customers help market your product. Prioritizing a superior customer experience creates a loyal customer base that triggers word-of-mouth marketing.

When positive sentiment about your brand comes from an organic place, non-advocates are more likely to trust the source and embark on their own customer journey.

Engaged customers spend more money

Companies that invest in better customer engagement see a 22% increase in cross-sell revenue and a 38% rise in up-sell revenue. Customers who frequently interact with your brand and enjoy a fantastic customer experience spend more money than occasional shoppers. When you engage customers, your brand stays at the forefront of their minds, so you're the first brand they turn to when they're in need.



8 Proven Elements of an Effective Customer Engagement Strategy

Now that we know why customer engagement is so important, let's look at how to build a scalable customer engagement strategy. This will vary depending on your business, but you can break the process into 8 clear steps:



1. Define What Customer Engagement Means to You

Engagement can take many forms, so it's important to decide what behavior you want to drive. Do you want to increase customer activity within the product and keep users engaged longer? Or do you want to build a community to increase the power and effect of your MVP brand advocates?

A clear outline of outcomes allows you to identify the success metrics that measure your progress towards better customer engagement. While the definition of customer engagement is vague and open to interpretation, the metrics that your company uses to measure engagement shouldn't be.

Snipp Tip

Define exactly what you want to achieve with your customer engagement strategy before you decide which activities to fund.

Do you want more reactions on social posts? Increased referrals? Or more repeat purchases?

2. Capture Customer Data

Data should drive everything that follows, not hunches or intuition. Thanks to advances in martech, it's never been easier to capture customer data in some form or other. No matter if brands have historic data to work from, customers are always changing. So, keep your data up-to-date if you don't want to fall behind!

Most brands will have historic data to work from, but others may need to capture it anew. Either way, up-to-date and accurate customer data is key to a successful customer engagement strategy.

There are four types of customer data: **Zero-Party, First-Party, Second-Party, and Third-Party**. The type of data you have depends on how many entities are between you and the source of the data. For example: third-party customer data could be acquired from a market research agency, while zero-party data is given to you directly and willingly from the customer.

Customer engagement data is typically first or zero-party because it's data that's captured when a customer interacts directly with a brand.

First-Party Data: Data from your audience. First-party data is passively collected from customers via a brand's properties – social media, point-of-sale, website/app visitors, and data that aggregates into your CRM. Customers implicitly provide consent to first-party data collection as they directly engage with a brand.

Zero-Party (Explicit) Data: Data your customer proactively shares. Zero-party data is that which a customer intentionally and proactively shares with a brand. It can include delivery preferences, purchase intentions, personal context, or how the customer wants the brand to recognize them. This data is especially valuable because it requires a customer to trust a brand enough to provide specific and personal data. The more zero-party data you acquire, the richer and more contextual your dataset becomes. This can allow you to create highly personalized and emotionally engaging customer experiences.

These are the preferred types of data for brands because they're the most personal – instead of capturing a general feeling of the customer base, you're gathering specific data points from individuals, which you can use to **create hyper-personalized brand experiences**. To collect customer data, many brands already have existing sources they can tap into. This includes product finders, quizzes, contests and promotions, surveys, digital campaigns, promotions, chatbots, and email preference centers.

Snipp Tip

Loyalty programs are a great source of data since customers willingly provide personal information in exchange for loyalty perks. They also offer insights into:

- Click-throughs
- Product purchases
- Behavior during brand interactions
- Redemption rates
- Email opens
- ...and more

3. Unify Customer Data

For some brands, customer data can be trapped in specific departments. This leads to a situation where sales, marketing, customer support, product development, and the board all have a different impression of what the perfect buyer looks like. Customer engagement transcends all departmental silos because every touchpoint is an opportunity to build a relationship.

Pull all your customer data channels together and bring governance and standardization to the raw information you collect. This won't give you a single view of the customer, but it will give you a comprehensive dataset for each department to build their own. For us in marketing, it provides insight into a key aspect of the customer experience: the post-sales activity that's often ignored. By addressing pain points before a transaction, you secure a better experience for your customer post-transaction and therefore better engagement.

4. Analyze Data

It's amazing the things you learn about your customers when you look. And you need to look hard. Go beyond purchase data and explore basket-level data to develop a richer understanding of how your products are bought in context.

For example: Starbucks realized that when people bought Starbucks coffee in-store, they also bought bananas. So, Starbucks asked to put some of their items by bananas to improve sales.

The insights that inform your customer engagement strategy will be determined by your outcomes, but always bring a structured approach to your analysis. And don't neglect the qualitative data from surveys and direct feedback in your analysis.

5. Segmentation & Targeting

How you segment your data depends on your customer engagement strategy. For example, demographic segmentation models will use different segments to behavioral models.

Segmentation makes it easy to tailor and personalize your marketing, service, and sales efforts to the needs of specific groups. This helps boost customer loyalty and conversions.

The more detailed your customer profile, the better the personalization.

54% of consumers feel like sales, service, and marketing teams don't share information.

SEGMENTATION MODEL	SEGMENTS
Demographic	Age Gender Income Education Marital status
Geographic	Country State City/Town
Psychographic	Personality Attitude Values Interests
Technographic	Device-use Application choices Software usage
Behavioral	Tendencies and frequent actions Feature or product use Purchase habits & preferences
Needs	Individual must-haves Unique, group-specific needs
Value	Economic value of specific customer groups

6. Personalization

72% of consumers only interact with highly personalized content. Given these lofty expectations, brands must be proactive and offer personalized experiences. Don't let your customer pick from a list of things and hope they see something they like.

Consider Netflix – not only do they present personalized options based on your view history and ratings, the cards you see are tailored to your tastes.

Segmentation allows you to personalize your messaging effectively, so your customers feel more connected to your brand. Create content that empathises with your customers' fears, aspirations, and specific needs to make your brand more relevant to their lives. But since everyone is doing this, brands that want to stand out need to go deeper. Zero-party data allows you to zoom in on the needs of an individual, so you can build a 1-2-1 relationship that creates true advocacy.

Now, if you have 100,000 customers doesn't this mean that you must create 100,000 times as much content?

Well... yes. But not always.

A large enough dataset will allow you to find similarities between groups and you can create content based on your segmentation. But, the closer you can get to individualization, the better.

"Traditional top-down segmentation is too general and too static. Just because I peeked at a \$2,000 espresso maker doesn't mean I'm a big spender. Or just because I bought a Mr. Coffee for my son's dorm room doesn't mean I'm a value shopper. Just because I'm male doesn't mean I don't buy gifts for my wife or daughter. None of that is personalization."

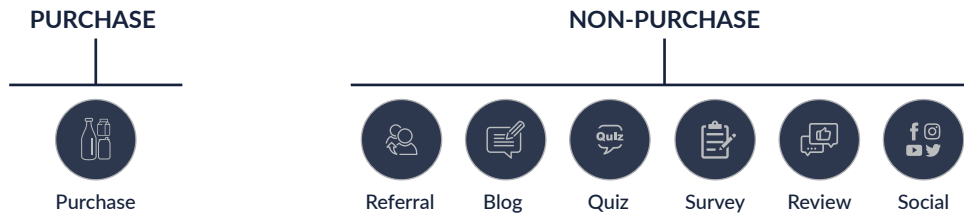
Peter Curran, General Manager of Digital Commerce – Lucidworks.

Fortunately, marketers have access to sophisticated martech that makes it easier to quickly create personalized content at scale if customer data is present and properly tagged and attributed.



7. Deployment

Customer engagement is the responsibility of the whole business – not just Marketing. Why? Because every touchpoint matters. An omnichannel approach is a preferred way to ensure consistent quality of customer engagement regardless of how your customer chooses to speak to you. This means having a system to recognize and engage with both purchase and non-purchase behaviors.



8. Measure & Iterate

Once you've rolled out your strategy, you need to measure your success. Not just to give yourself a well-deserved pat on the back – but to refine your strategy. How effective are your activities in engaging customers?

Invest heavily in the channels and activities that work and not in those that don't. If your activities fail to improve customer engagement and customers are quiet and uninterested, don't despair. It took Chipotle 3 years before they got the loyalty program to where it needed to be!

Every failure is a data point that you can use to refine and improve your strategy. Building a highly engaged customer base takes time, patience, and consistency.

Keep the end goal the same but change up the tactics. Let the campaign run for 3 months then at month 4 make a change if nothing is happening.

Your customers want to like the businesses they give money to - they will connect with you one day.

Need a Boost?

Here are 6 ways to iterate your customer engagement strategy:

1. Personalize customer interactions
2. Create useful content
3. Be human on social media
4. Ask great questions & listen to useful feedback
5. Find your MVPs and love them
6. Deploy an omnichannel strategy

Reward Me for My Loyalty, Value My Engagement

Rewards and loyalty programs turn short-term engagement into long-term advocacy.

73% of consumers are more likely to recommend brands with good loyalty programs. But while traditional loyalty programs offer customers tangible benefits, like discounts, freebies, and rewards for purchases, these offerings often only come into play when a transaction takes place. This limits a brand's ability to take up more meaningful space in a customer's life.

A successful loyalty program requires thoughtful design and execution, but at its heart, it needs to be able to add value to its members' lives, wherever they are, however they choose to engage, and in ways that match their lifestyles.

These elements are key to true loyalty and building brand ambassadors, not just by pushing promotions and points. People look to brands for more than just discounts – they're taking a hard look at a brand's values and social responsibility.

So, consider how you can incorporate your authenticity, transparency, and honesty into your loyalty program. An effective loyalty program serves as the stepping stone to long-lasting brand-customer relationships, by telegraphing brand values that resonate with their audience.

Omnichannel Loyalty for Leder & Schuh

350 stores, consolidated into a single, unified interface for its loyalty program.

- A real-time multi-channel loyalty platform that serves different loyalty programs for multiple brands on the same platform
- 10 countries and 9 different languages
- Innovative mobile features such as 3D scanning
- Creating additional data points for individual targeting



Loyalty Program Personalization Essentials

- **Generate original loyalty program ideas keeping your business, industry, and target audience in mind**
- **Directly ask your customers what they would like to get in return for taking part in your loyalty program**
- **Offer customers multiple ways to earn, share, and spend reward points**
- **Offer differentiated rewards based on actions taken**
- **Create personalized dashboards for customers where they can track their progress along the program tiers**

How to Measure Online Customer Engagement Strategies

Pick the metrics that matter, depending on what customer engagement means to you. Here's a list of common online customer engagement metrics:

- **Website traffic.** In most cases, more website traffic means more opportunities and customers. But the degree to which this is true is determined by the relevance and quality of that traffic.
- **Site visit frequency.** While tricky to benchmark, once you've determined your ideal visit frequency rate, you can track this metric and use it to find trends in your customer's activity.
- **Page views.** This measures the amount of traffic to the pages on your website, and counts every initial load, reload, or revisit to a page from the same visitor in the same session.
- **Time-on-page.** Also known as "linger time" this metric indicates which products/information/content is most valuable to your customers.
- **Downloads/form submissions.** A key metric for digital customer engagement to identify sales opportunities and your most engaging content.
- **Churn rate.** Apps and many SaaS products that work on subscription-based models know the value of churn. Combine this metric with client feedback to improve customer engagement.
- **Email opening times.** Don't rely on established wisdom to know the best time to send a marketing email. Use your customers' engagement with your emails to optimize your strategy.
- **Email click-through rate (CTR).** This customer engagement metric allows you to measure the success of your email campaigns.
- **Social media engagement.** Interactions on social media are an essential part of any customer relationship. They're a great way to stay connected and build brand awareness.
- **Product/feature preference.** This customer engagement metric allows you to create effective promotions and even develop new products.
- **Customer satisfaction.** This essential metric shows you the effectiveness of your customer engagement activities. It is often measured by surveys.

Methods for Measurement

Measure customer engagement by tracking the number of people who interact with your brand over a certain period across all touchpoints in a timely fashion. Measure digital metrics weekly or monthly to build a solid dataset and deliver surveys at a time when your customers are most likely to engage with them. This will ensure a high rate of return and high-quality data.

Website Engagement Analysis

One of the many benefits to a website is that you can record, monitor, and track visitor behavior as first-party data. There are several website metrics that can reflect specific behaviors. These include:

- **Bounce rate.** Use bounce rate to determine how capable your website is of keeping customers engaged. The higher the bounce rate, the worse the engagement.
- **Website traffic.** Through this metric, you can understand how many people access your website and can determine whether this channel provides the value it should.
- **Pages per session.** This metric is based on the average number of web pages a visitor will view per session. It shows you how engaged a visitor is with your site.
- **Returning user frequency.** This metric determines how many visitors have been on your website before, which allows you to identify how loyal your customers are.

Measuring Customer Engagement with Surveys

The simple act of completing a survey is a positive customer engagement data point. But there are ways to structure questions that allow you to extract even more value.

“Your customers' opinions and feedback are two of the most important factors that validate important decisions within your business, catalyzing your business's sustainability and growth.”

– HubSpot

Unlike customer experience surveys that ask questions like “how happy are you with [product name?]” and “how would you rate the support you received?”, customer engagement surveys should focus on your channels, reach, and activation such as:

- How did you first hear about us?
- Do you prefer to shop online or in-person?
- How likely are you to use [promotion/coupon reward]?

3 Big Snipp Tips for Measuring Customer Engagement

- 1. Measure At The Journey Level**
No single metric confirms the success of an ad or campaign. You need a mixture of metrics, which you can only extract at the journey level.
- 2. Invest in Tech**
Every brand needs a way to capture customer feedback daily from multiple channels.
- 3. Make it Scalable**
Once you've developed an effective measurement process, make sure it can be easily scaled across your organization.

Other forms of customer engagement measurement

- **Application Engagement.** Analysis of an application's activity offers key engagement insights such as the number of downloads and users' usage rates and behavior.
- **Social Media Engagement.** Social media plays a significant role in customer engagement. It allows you to plug into customers at the journey level to get a sense of how they perceive your brand. Shares, likes, and comments to social media content indicate the impact of that activity on engagement.

The Next Step to Engagement: Retention

Customers are willing to stay and even pay a little more for brands that align with their values. Other reasons why they stay include:

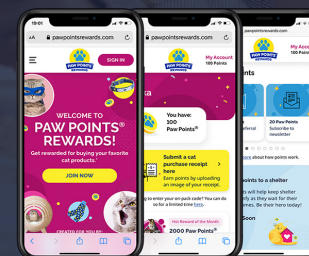
- Understanding the value your product/service brings to their life.
- Feeling that the company empathizes with them.
- Feeling that the product is the best option for them.

Customer engagement and retention go hand in hand. The more valuable customers feel your offering is, the longer their lifecycle is, and the better customer success rates are.

How to improve customer retention

- Go beyond earn and burn
- Know your customer and show it
- Remove pain points for loyal customers
- Bring value-added services into play

75% of consumers stop engaging in loyalty programs because the program rewards are either perceived to have insufficient value or are not relevant.



Personalized Loyalty for Paw Points

Snipp runs a Loyalty Rewards program for Paw Points phasing out the codes-on-pack in favor of receipt uploads.

Fresh Step wanted to get to know its customers beyond them just purchasing Fresh Step products, so this loyalty program rewards customers not only for brand specific product purchase, but for any cat-related product.

Using Snipp's proprietary transaction processing technology as the backbone to validate purchase and non-purchase activities, customers now get points on many everyday cat purchases by simply uploading a qualifying purchase receipt and also by engaging in non-purchase behaviors (registrations, referrals etc.) to earn rewards.

Martech Tools & the Future of Customer Engagement

73% of customers use multiple channels during their shopping journey. But even though a brand may have an effective mobile, social, physical, and online presence, in many cases the customer still lacks a uniform experience when they move from one channel to another.

And as we continue to build better ways to capture customer information, historic data will give way to predictive analytics – a means of predicting behavior and using that to inform customer engagement strategies.

Brands also regularly and lawfully collect more customer data than ever, from a widening variety of channels. Anyone looking to the future is boosting their data and analytics capabilities to harness predictive insights. This allows them to connect more closely with their customers, anticipate behaviors, and identify engagement opportunities in real-time.

In addition to a data-driven omnichannel strategy, a seamless look and feel throughout the customer journey is essential. Many brands do this already, but it will very soon become the norm, not the exception. And the best way to manage and grow a data-rich, omnichannel customer engagement strategy is to deploy specialized martech.

The right martech tool is whichever one holds up to critical scrutiny in the context of improving customer engagement. We believe that in general, this means they have:

- Transaction & engagement processing to activate and validate customers in any channel
- Data granularity for more effective segmentation
- Value-exchange engines to enhance customer engagement with preferred reward systems
- Flexibility for seamless tech integrations
- Personalization to deliver emotional experiences at every stage of the customer journey

Snipp's solution is modular, so brands can pick and choose the elements they need to optimize your martech stack and deliver outstanding customer engagement strategies.



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Snipp is a global marketing and loyalty technology solutions company that brings together a modular SaaS technology suite with best-in-class marketing expertise to enable our clients to increase sales, retain customers and build proprietary data sets that enable intelligent decision making.

Our modular CUSTOMER ACQUISITION RETENTION & ENGAGEMENT platform enables brands to implement omni-channel, device agnostic programs that are ROI-driven and data-rich. Our engines capture unique zero party data in real time that learns behaviors, recognizes patterns and builds a single unified customer view, driving personalization and brand loyalty.

Our suite of technology solutions are designed to engage customers across the entire path to purchase in-store, at home and on-line. Clients can run one-off promotions to evergreen loyalty programs to meet objectives at a brand, shopper, category and portfolio level - customizable by region, language, channel, retailer and more. Solutions include instant-wins, gift-with-purchase, buy-X-get-Y, rewards programs, sweepstakes, rebates, gamification and ongoing loyalty programs.

For over a decade, we have worked with the world's leading organizations in both B2C and B2B spaces, across industry verticals including consumer packaged goods, retail, pharma, utility, home and outdoor, alcohol, tobacco, lifestyle and more.

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