

# Keynote Presentation | [Relationship Marketing] Mastering Loyalty & Design Synergy in MarTech: Building Strong Foundations



 MARIGOLD™

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# The 7 Essential Components *for* Cultivating and Activating Customer Loyalty

The keys to turning unknown customers  
into loyal advocates  
Simon Jeffs, Principal Marketing Strategist

# Today's Agenda

- Loyalty backdrop
- The Loyalty Initiative - Getting Started
- 7 Key Foundational Principles Explained
- Design and execution

# Loyalty Is An *Outcome Of Relationships*



They are long term, interactive, equal value exchange, require two-way communication and evolve over time



It can present in the form of repeat purchases, share of wallet, customer retention, cross-sell, higher margins, referrals, social advocacy, engagement, lifetime value



Can help you gain a competitive advantage, make ground on competition, leverage resource more efficiently and respond to your customers' need to be rewarded and recognised



# The Strategic Fundamentals *Of Loyalty*

## Behavioural Change

The discipline and practice of loyalty marketing is about **“Behavioral Change”**

If loyalty marketing isn't changing behaviour (spend more, stay longer) above the cost of marketing effort, then we are eroding margin.

## Value Proposition

A blended value proposition of rational and emotional benefits are critical to creating long term loyalty.

Rational benefits reassure customers **get their money's worth**, whilst emotional benefits assures customers **they are valued.**

## Best Customers

Some customers are more valuable than others.

A good loyalty program will focus on those customers that are **high value and have high potential value.**



# The Loyalty Initiative - Getting Started

# Why develop a programme?

According to research from Harvard business professors, customer loyalty can drive revenue growth up to **75%**.

<b>Retention</b>	Retain valued customers providing incentive for repeat purchases
<b>Increase Engagement</b>	Drive active participation with the brand (tasks, referrals, feedback, games)
<b>Increase Satisfaction</b>	Rewarding loyalty with perks can elevate satisfaction and positive sentiment
<b>Brand Advocacy</b>	Loyal customers refer more and a great programme stimulates positive WOM
<b>Data Collection &amp; Insights</b>	Allow for the gathering of valuable customer data
<b>Personalisation</b>	Enabling of personalised recommendations elevating relevance
<b>Competitive Advantage</b>	The best programmes create a point of difference from the competition
<b>Increase Sales &amp; Revenue</b>	Provoke repeat purchase and behaviours that drive revenue increase
<b>Customer Segmentation</b>	Identify high value customers and those with the potential to be
<b>Build Emotional Connectivity</b>	Emotionally connected customers are the most valuable



# 7 Foundational loyalty Principles



# Key Loyalty Components

**01**

## **Authenticity**

Do we see credibility and integrity in the context of customer relationships?

**02**

## **Know your customer**

Do you have a clear view of who the customer is and their wants and needs?

**03**

## **Moments that matter**

What are the key customer inflection points?

**04**

## **A clear value proposition**

What does the individual gain from being your customer?

**05**

## **A compelling customer experience**

Are friction points reduced and is engagement easy or fun?

**06**

## **A holistic customer view**

Is customer data centralised and available?

**07**

## **Make it personal**

Is there the ability to automate and personalise communications and experiences at scale?



## #1 AUTHENTICITY

“76% of consumers say they would be more likely to become loyal to a brand they perceived to be authentic”

Hawk Partners 2022 Brand Authenticity Index



**Anna Brose, MSc**

@alcesanna



I contacted @Chewy last week to see if I could return an unopened bag of my dog's food after he died. They 1) gave me a full refund, 2) told me to donate the food to the shelter, and 3) had flowers delivered today with the gift note signed by the person I talked to?? 🥺😊

12:35 AM · Jun 15, 2022 · Twitter for iPhone

**40.7K** Retweets   **7,532** Quote Tweets   **692.9K** Likes

## #2 Know Your Customer

“50% of UK customers have switched to another brand because they don’t feel valued”

Cheetah Digital

# Rational *Needs*

- Functionality
- Price
- Convenience
- Experience
- Design
- Reliability
- Performance
- Efficiency
- Compatibility
- Service



“As customers’ relationships with a brand deepen, they move along the pathway toward full emotional connection... fully connected customers are 52% more valuable than those who are just highly satisfied”

*Harvard Business Review 2015*

# Emotional *Needs*

- Stand out from crowd\*
- Have confidence in the future
- Enjoy a sense of well being
- Feel a sense of freedom
- Feel a sense of thrill\*
- Feel a sense of belonging\*
- Protect the environment
- Be the person I want to be\*
- Feel secure
- Succeed in life



# Start by Understanding *Wants and Needs*



**Declared  
Preferences**

What **information** have they volunteered?



**Observed  
Behaviors**

How are they **engaging**?  
What content are they **consuming**?



**Inference,  
Insights & Analytics**

What traits can we **identify**?  
What segments should we **build**?



**Surveys  
& Polls**

What are their **views** and **attitudes** (informal)?



**VOC  
Research**

Deeper **competitive intelligence** (formal)





### #3 MOMENTS THAT MATTER

“70% of the customer's journey is based on how the customer feels they are being treated”

McKinsey

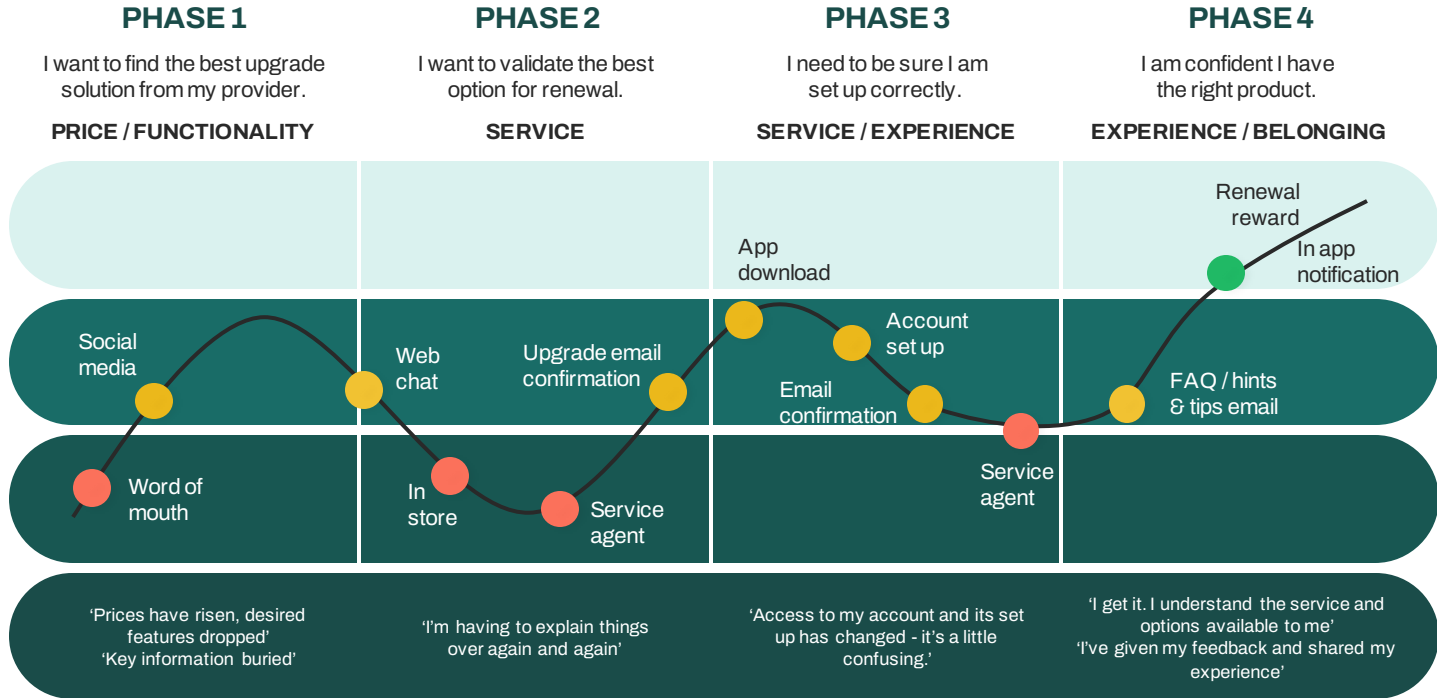
# Journey Visualisation



NEEDS & EXPECTATIONS



VOICE OF CUSTOMER



#### #4 VALUE PROPOSITION

“76% of people are more likely to recommend a brand that delivers simple experiences”

Siegel + Gale

# Keep It Simple, Stupid

Easy to understand why you should buy or engage

Easy to explain how it fills a need

Clear to see why it's better than alternatives



## REWARDING TENURE

Sky VIP is a perks based initiative where long term customer tenure unlocks increased benefits.

- Free cinema tickets
- Unique Sky experiences walk on parts, meet and greets
- Prize draws for event tickets
- Concierge-type customer service
- Virtual reality experiences



## #5 EXPERIENCE

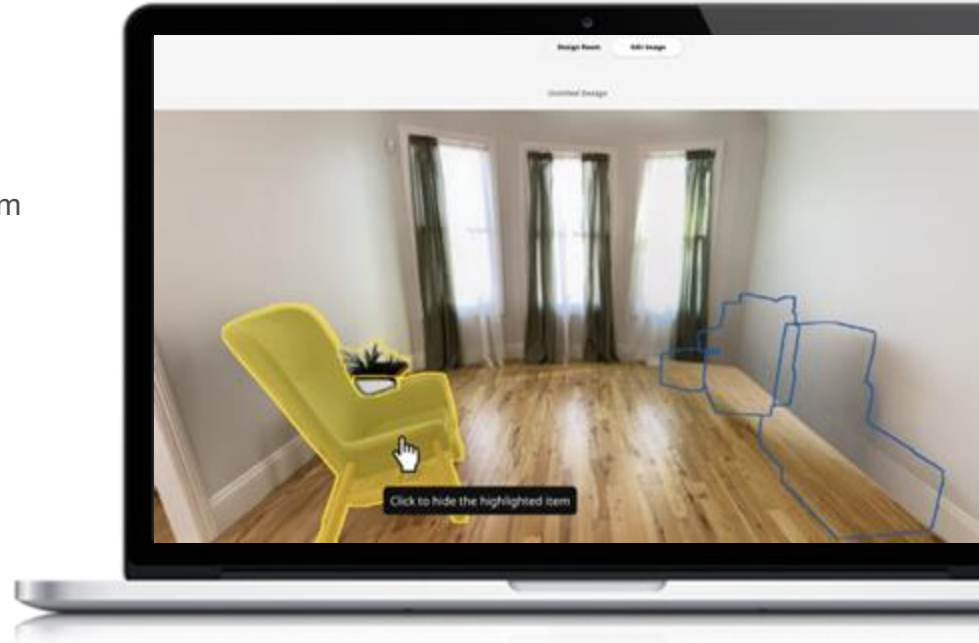
“65% of all consumers find a positive experience with a brand to be more influential than great advertising”

PwC

## AUGMENTED REALITY WITH IKEA

With Ikea KREATIV you can scan your living space in the app and virtually furnish it with catalogue items.

- Interactive product content engagement
- Drives more meaningful browse
- Differentiates from the competition



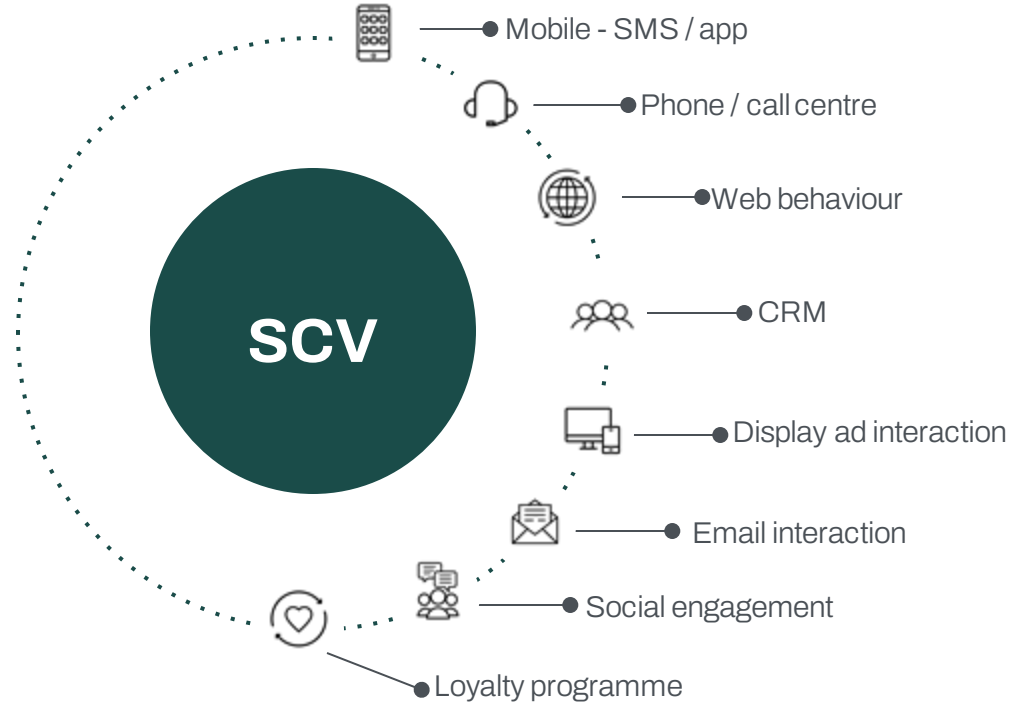
## #6 HOLISTIC CUSTOMER VIEW

62% of US retailers have over  
50 systems housing customer data

Deloitte Digital



# Remove *Data Silos*



**1** Ingest 1st party data from any source

**2** Unified data storage

**3** Raw, detailed data without predefined taxonomies

**4** Build A Complete Customer Profile

**5** Share Data Across the Entire Martech Stack



## #7 PERSONALISATION

83% of companies that exceeded revenue goals  
have used budget specifically for personalisation  
efforts

Monetate

# The Preference Centre

**77% of consumers**

feel comfortable sharing their preferences with brands in return of a more personalised experience.

The image shows a screenshot of the Patagonia website's 'Email Preference' form. The form is titled 'Email Preference' and includes a sub-header 'Update your preferences for ajfwcheetah@gmail.com so you emails that matter.' The form is divided into several sections: 'Topics', 'Products', 'Interests', and 'Frequency'. Each section contains a list of options with checkboxes. The 'Interests' section is highlighted with a white box, showing options like 'Surfing', 'Climbing', 'Snow', 'Trail Running', 'Fly Fishing', 'Mountain Biking', 'Workwear', and 'Food'. The 'Frequency' section is also highlighted, showing options for 'Once a Week', 'One a Month', and 'All Emails'. A 'Submit' button is located at the bottom of the form, and an 'Unsubscribe' button is located at the bottom right. The Patagonia logo and navigation links 'Shop', 'Activism', and 'Stories' are visible at the top of the page.

**patagonia**  
Shop Activism Stories

## Email Preference

Update your preferences for ajfwcheetah@gmail.com so you emails that matter.

### Topics

Select all that apply

- Patagonia Products
- Retail Store
- Stories Newsletter

### Products

Select all that apply

- Men's
- Women's
- Kids' & Baby
- Packs

### Interests

Select all that apply

- Surfing
- Climbing
- Snow
- Trail Running
- Fly Fishing
- Mountain Biking
- Workwear
- Food

### Frequency

Select one

- Once a Week
- One a Month
- All Emails

Submit

### Unsubscribe

If you no longer wish to receive emails of any kind from Patagonia, please click to confirm.

Unsubscribe

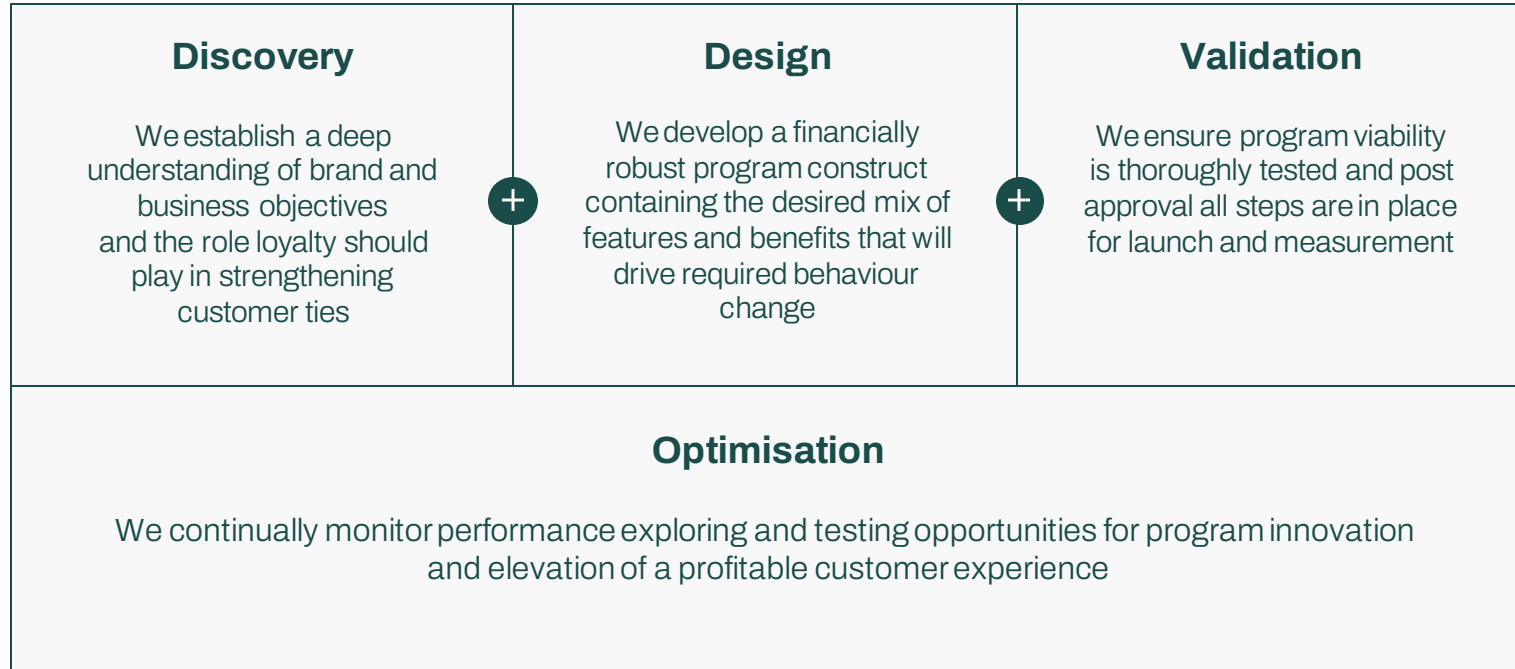




# Design & Execution

# 4 Phases of Loyalty Design & Development

A systematic, disciplined process to build data-driven, best customer and loyalty marketing strategies designed to influence profitable customer behavior.

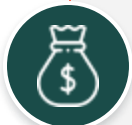


# Best in Class Loyalty Management Capabilities



## Points Engine

Award points and elevate customer statuses with a powerful, flexible rules engine.



## Offer Management

Define, manage, and target highly personalised offers online, at the register or even in-store. Smarter offers like single-use coupons and closed-loop offers recognised at POS instantly.



## Reward Management

Reward loyal customers with physical and digital goods, gift cards, and surprise rewards. Manage sweepstakes/contests.



## Gamification

Go beyond standard communications with with unique, gamified brand experiences that excite customers, such as challenges, games and augmented reality.



## Customer Status and Tiers

Recognise and offer special treatment to your best customers using our flexible tier structure to give them unique earning opportunities and rewards based on status.



## Mobile Wallet

Manage stored value and gift card balances. Reload via integrations with Apple Pay and Android Pay.



## Mobile Apps

Marigold Loyalty Mobile App SDKs accelerate development of native mobile apps on iOS and Android platforms. Integrate common mobile use cases like image/barcode scanning, geofenced messaging, find nearby locations.



## POS Integration

Capture in-store and online purchases through deep integrations with leading POS and ecommerce providers. Collect purchases from 3rd-party receipts via email or photo upload.





# MARIGOLD

Build relationships that matter.