



Customer Retention:
THE ULTIMATE GROWTH
Strategy



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82% of companies agree that retention is cheaper than acquisition.

Customer retention is one of the critical factors that make small organizations grow exponentially to become large enterprises with multimillion or even multibillion dollars of revenue. Amazon and Apple are a perfect example of how building a loyal customer base can boost your revenue and put you in a strong position to be confident enough to experiment with your products because when you have the freedom to innovate you can achieve unprecedented growth.

Many companies are hugely investing in enhancing the shopping experience with smart customer retention strategies because profit increases exponentially when you retain old customers, acquire new consumers, and enhance your consumer base to create loyalty.



In this guide, you will read ultimate growth strategies to increase customer retention by:



IMPROVING CUSTOMER EXPERIENCE WITH ANALYSIS & REPORTING



EMPLOYING A SOLID OMNICHANNEL LOYALTY PROGRAM SOFTWARE



RECOVERING LOST SALES



GAMIFYING STRATEGIES



RE-ENGAGING OF LOYALTY PROGRAM MEMBERS

Did you know that your customers have already formed an opinion about your brand? It's true, and it's also more complicated than that. The fact of the matter is that their opinion of you is in a constant state of evolving. When a shopper interacts with your store, no matter how small or significant the encounter, their experience will influence their opinion of you. Every interaction a customer has with your business impacts their ever-shifting perception of your brand.



WHAT IS CUSTOMER EXPERIENCE?

Customer experience, hereinafter referred to as "CX," is the overall perception that a customer has of your brand. The quality of your products and services is only the tip of the iceberg when it comes to the impression your brand will make on a customer. How your business makes a customer feel also impacts their perception of your brand. Another contributing factor to a customer's perception of your brand is your brand's reputation, which means that what other consumers say about your brand has the power to influence customer perception and therefore has an impact on CX.

It's important to understand that CX is not customer service. Granted, providing your customers with excellent customer service will positively impact CX, but customer service isn't the same as CX. Likewise, "CX" isn't a synonym for "customer service." Rather, CX is all about the "customer journey," which begins when consumers become aware of your brand and ends with them buying your goods and services.

From the initial introduction to the final purchase, you must provide consumers with a positive, memorable, feel-good experience—that's what CX is all about.

Whenever a shopper engages with your brand, that interaction is referred to as a touchpoint, and yes, "touchpoints" are where the customer experience is either improved or degraded. Here are some common touchpoints that impact CX:

- Entering your retail location
- Encountering cashiers and sales personnel
- Experiencing your products or services
- Speaking with customer service to resolve an issue
- Engaging with your brand on social media
- Considering the opinions that other shoppers have formed about your brand

To understand the full scope of CX, consider the "customer journey," which begins when consumers become aware of your brand and ends with them buying your goods and services. Every touchpoint a consumer experiences with your business along their journey will contribute to their personal CX with your brand.

Provide shoppers with positive CX, and their loyalty will increase along with your sales. Slack off from delivering the best CX possible, and you'll soon find that your customers have started shopping elsewhere.

Unfortunately, this is far easier said than done. In fact, many companies believe they're delivering excellent CX, but in reality, their customers don't agree.

Most of the slacking happens because of ignorance. Business owners think that whatever they are doing is enough. However, what they don't realize is the standards of customer experience in the market have already been raised by business giants.

According to research conducted by Bain & Company, **80% of businesses (that participated in the survey) believed their CX was excellent, but only 8% of their customers agreed!**

But how? How did they (multibillion-dollar business giants) take the CX level to another level? What tactics did they use?

These are some of the questions that might come to your mind, but don't worry, we have the answers to all your questions.

Just keep reading!



THE HOW & WHAT

Personalize Every Interaction with Customers

When retailers are able to personalize their interactions with customers, their customers tend to have a positive customer experience. Now, you may not be able to personalize every interaction, but if you're contacting your shoppers via email, social media, SMS text, or even snail mail, you better have a very good reason.

This means that the message you're sending needs to contain information, discounts, or some other content that your customers will find personally relevant. If you contact them with generic deals or generalized clearance sales, they're going to feel annoyed rather than excited.

A great tool you can use to offer your shoppers as much personalization as possible is a customer loyalty rewards program. Loyalty programs have powerful CRM software at their core, which collects valuable customer data as members interact with the program and shop at your store. You can then leverage that data into personalized marketing campaigns, all within the loyalty program itself.

Place
Customer
Satisfaction
at the
Heart of
Your
Company

We firmly believe that living up to the golden rule always produces the best results, no matter what. When you treat other people the way you would like to be treated, they can tell, and they appreciate it. That positivity will return to you, and the good vibes will really start to circulate.

You can also apply the golden rule at your business. By developing and implementing protocols for your sales staff to treat customers the way in which they would like to be treated, you will improve customer experience and boost customer loyalty.

Take the golden rule one step further by using your customer loyalty rewards program to treat others the way you would like to be treated. You would probably appreciate it if your friend told you about a huge sale that's happening right now, especially if your favorite eco-friendly cleaning product is available at a quarter of the price. Your loyalty program can be just as thoughtful by alerting members to relevant promotions when their favorite products are on sale.

Provide as Many Options as Possible

Consumers love options. Some shoppers love the self-checkout aisle, while others prefer to have cashiers ring up their purchases. Most customers want to pay with a debit or credit card, but that doesn't mean there aren't customers who like using Apple Pay's tap-and-go. And let's not forget those rare customers who decide to "get rid of all their pennies" when cashiers least expect it.

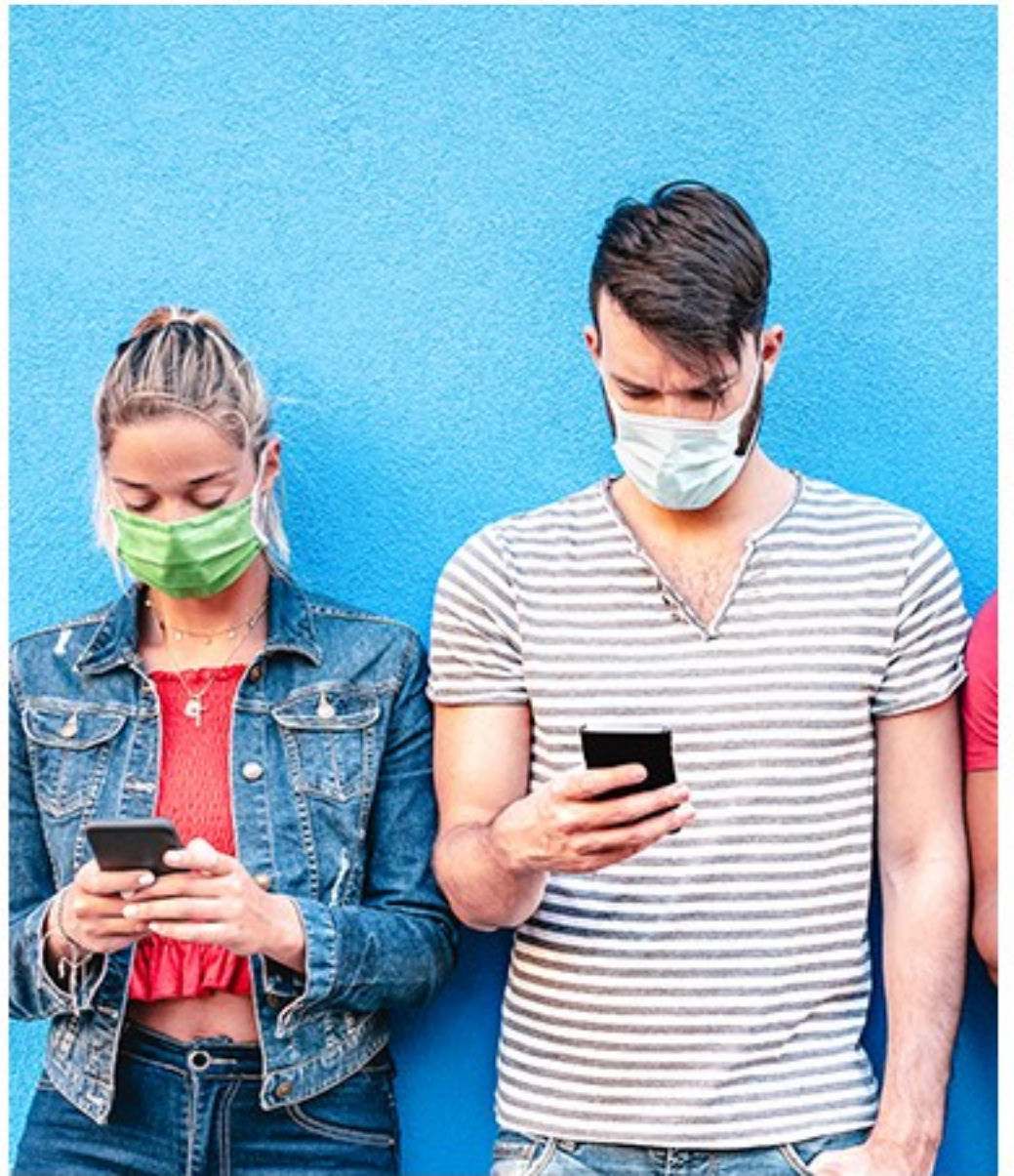
Retailers who provide as many options as possible find that they're able to accommodate a broad spectrum of customers, and improve CX for everyone across the board. Contact methods are another area where shoppers appreciate options. Can customers reach you via phone, SMS text, social media DM, email, website chatbot, and carrier pigeon? By opening up the channels of communication, you can respond to more customer inquiries and convert more potential shoppers into loyal customers.

Your customer loyalty rewards program can add an extra layer of options that members will love. By including the option to shop at your digital swag shop 24/7, your customers can add items to their wish lists and redeem points for cool merchandise. Also, by including multiple channels of communication, you can reach your loyalty members via in-app mobile push notifications, SMS texts, and emails, and vice versa.



Build an Omni-Channel Retail Plan

The term "omni-channel" refers to a retail plan that uses all available channels to connect consumers with your retail brand. This CX strategy creates a unified, consistent experience for your customers that helps to clearly market your brand. Instead of putting your products and services at the core of your marketing efforts, omnichannel retail enables you to put your customers at the core so that you can communicate with them directly and effectively. An omni-channel retail plan, in practical terms, could include ways to shop in-person at your store, on your website, and through your social media profiles such as Facebook. By offering consumers multiple platforms and places to shop, you will improve CX and in turn improve consumer perception of your brand.



Implement Personalized Self-Service Options

Self-serve retail models that enable customers to connect and engage with brands on their terms have recently grown in popularity. The COVID-19 pandemic was a major contributing factor to the insurgence of personalized self-service options in retail. Changes in retail operations, from contactless payments to touchless shopping, to curbside pickup and to telehealth care video appointments, are all examples of personalized self-service options. Offering these options effectively enhances CX because today's consumer prefers to remain in total control of when, where, and how they shop.

Use In-Store Augmented Reality that Mimics Online Shopping



Similar to the rise in popularity of self-service retail options, augmented reality has also seen an increase in consumer demand. Augmented reality, or AR, is the result of any technology that utilizes computer-generated images to superimpose onto the viewer what is perceived by them as a heightened, tactile, yet digitized version of the real world. In its most basic sense, augmented reality is an interactive experience that digitizes a real-world environment. For example, AR glasses provide an augmented reality experience that enhances video gaming. What's so interesting is that consumers have come to rely so heavily on the convenience of online shopping that brick-and-mortar retail has recently launched AR experiences in their stores that mimic the typical online shopping experience. The beauty retailer, Sephora, is a great example of a retailer that launched AR experiences in their stores. Sephora offers "magic mirrors" that help customers visualize what different makeup colors and treatments will look like on them.

Launch a Customer Loyalty Rewards Program

Customer loyalty rewards programs can greatly and positively impact CX, but only if the program itself uses advanced technology that both retailers and members love. There are three key features to look for in a rewards program that is designed to improve CX: a mobile app, a digital swag shop, and rewards gamification capabilities.

MOBILE APPS

IF mobile apps didn't improve CX, the app market wouldn't have exploded back in 2008. Launching a mobile app as part of your loyalty program will improve CX—and that's not all. These programs also increase customer lifetime value, customer retention, revenue, brand affinity, and so much more.



SWAG SHOPS

Offering your members exclusive, branded merchandise that is not available anywhere except your swag shop is one of the most effective methods of organically fostering customer loyalty. Branded swag strengthens customer relationships, consumer perception, and of course CX.



GAMIFIED LOYALTY

Gamifying aspects of your customer loyalty rewards program will not only motivate members to earn and burn points but will also provide an element of fun to the program and cause your members to perceive your brand in a positive light.



ANALYZE YOUR CURRENT CX



In order to set CX goals, you must first evaluate your current CX. If you only recently opened your business, you probably don't have enough data to analyze. We recommend that you apply the following tips to studying your competition and develop CX strategies based on the information you compile. For all other retailers, there are three primary ways to analyze your current CX: identify & develop customer personas, collect customer feedback via forms & surveys, and extrapolate CX anecdotal data from customer reviews.



Identify Customer Pain Points & Develop Customer Personas

Your retail store's point of sale system, customer relationship management software, and customer loyalty rewards programs have all been storing valuable customer data. These digital systems hold all the insights you'll need to review in order to identify who your customers are and their pain points. Identifying and understanding who your customers really are and what they want most from your brand will enable you to develop customer personas. You will need to define your customer personas first and then you can reverse-engineer the CX so that you're giving your customers the experiences they want. It helps to define the "customer journey" and the emotional result you want your shoppers to experience when they visit your store or eCommerce site.

Deploy Customer Feedback Forms & Surveys to Collect CX Information

Once you develop customer personas and begin to develop the customer journey you want them to experience at your store, you will likely discover trends that lead to questions. This means that if your POS, CRM, and loyalty data indicate that your typical customer usually acts on 2-for-1 deals but rarely goes for buy-3-get-2-free specials when both options discount the same product, you might wonder why.

Is it because one promotion is marketed more clearly than the other?

Is it because the product itself only seems valuable when it's sold at a 50% discount but not a 40% discount, and if so, why?

This is where customer feedback forms and surveys come in handy. Collect information that you can leverage to improve CX by deploying a brief survey. Just make sure that the system you devise to collect customer feedback is quick and convenient for shoppers, visitors, and loyal customers.



Study Current Customer Reviews & Extrapolate What Works Vs. What Doesn't

Equally insightful as customer feedback surveys are your current customer reviews. There are many places customers may have been leaving online reviews about your business. They include your website, Yelp page, the comments section of your blog articles, your Google Business Profile, on Amazon if your branded products are sold there, and on your social media accounts such as Facebook and LinkedIn. Though it will be time-consuming, compile all of your reviews. Study the complaints as well as the compliments, and build two lists: one that captures what works and one that captures what doesn't. You can then develop CX strategies to maximize the positive experiences and minimize the negative experiences.

Before you move forward and implement specific strategies to improve the customer experience at your business, we recommend that you familiarize yourself with these CX objectives:

01

Invent new opportunities for your customers to emotionally connect with your store and brand

Educate and motivate your sales team to enhance CX so that they contribute to providing customers with a positive, memorable experience

02

03

Devise a system to collect employee feedback, discuss proposed improvements, and reward employees for offering actionable suggestions to improve CX



Lastly, you'll need to familiarize yourself with your company's sales metrics and reporting options. Prior to launching any CX strategies, study your current sales figures and sales reports. Also, make note of the total number of current customers you serve and the number of social media followers you have. Once you have a clear picture of where your business stands, you will be able to measure the resulting ROI that your CX initiatives will provide.

For example, let's say that prior to implementing the CX strategy you've developed, you review your store's POS and CRM data and discover that your average monthly sales gross is \$10,000, the total number of customers in your CRM system is 1,000, and your social media profiles average about 500 followers per platform. Set those figures aside. Then, after your CX strategy or strategies have been implemented and running for a period, review the new POS and CRM data along with your social followers.

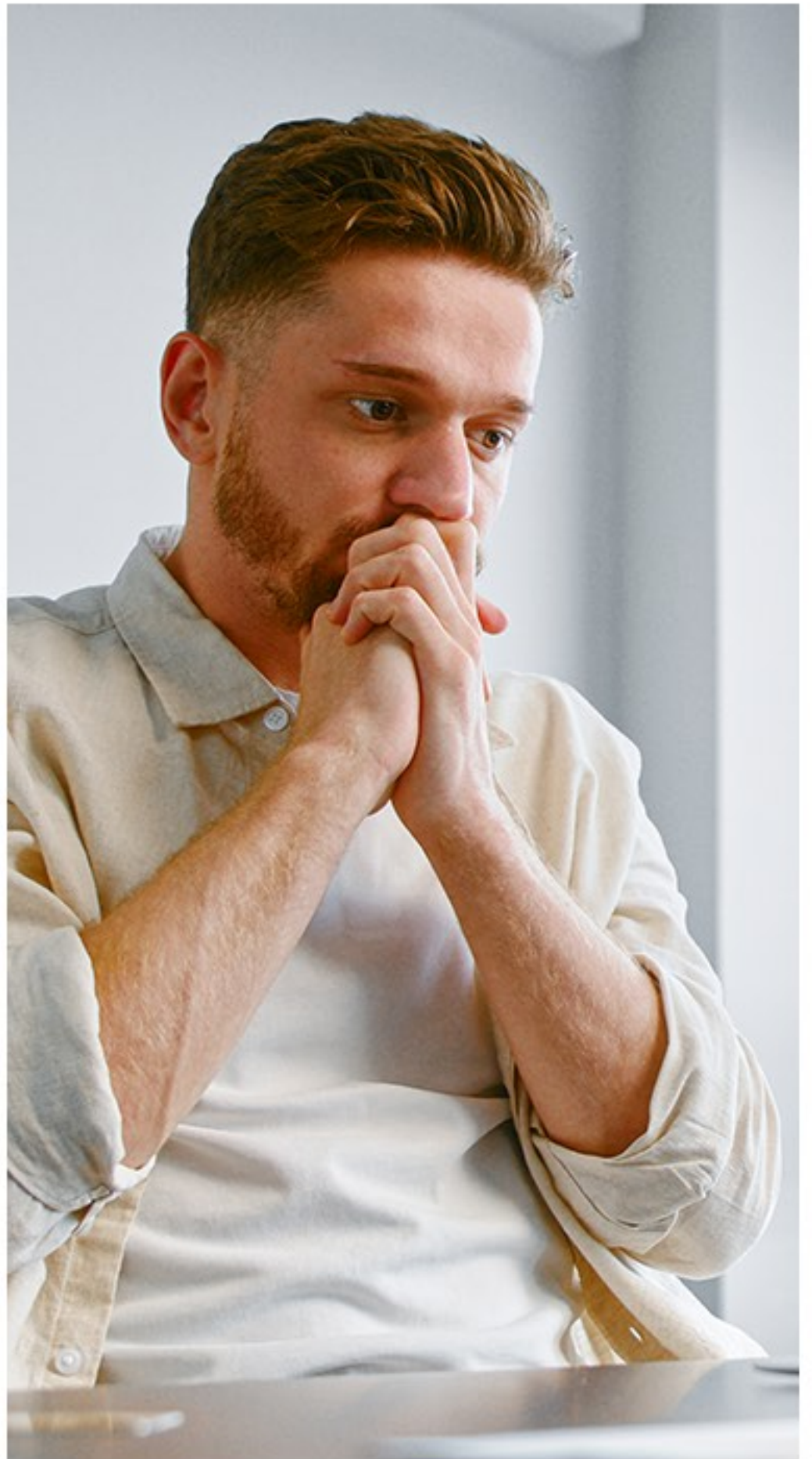
Did those figures increase? If so, by how much? Analyze the growth and calculate the raw ROI by factoring in any expenses you incurred in order to launch and sustain those new CX strategies. Finally, set time aside to discuss and debrief with your co-owners, investors, managers, and sales team. Evaluate what is working versus what isn't working and make the appropriate adjustments.

At one point or another, every company has lost sales if not customers. When customers are unhappy, they take their business elsewhere—it's that simple. It's also a manageable part of life unless a substantial portion of interested buyers become turned off before they complete the purchasing process.

If you're losing a noticeable number of sales, then you've got a problem and it has a name—customer churn.

Customer churn refers to the rate at which paying customers cease to be customers. This metric is measured by tallying the total number of consumers who stopped being customers of your business during a fixed time period. Calculating the churn rate of your customers isn't entirely cut-and-dry since determining that a customer has in fact abandoned your business is tricky. Oftentimes, customers become inactive and appear lost, but end up coming back due to a positive incentive.

When you start to lose sales, you can expect to lose customers next. Dwindling sales is the biggest sign that customer churn is imminent. You can reverse the likelihood of losing customers by taking action as soon as you begin to lose sales.



REASONS WHY YOU LOSE SALES

WHY?

LOST RETAIL SALES

Providing shoppers with a great in-store experience contributes to increasing customer retention and revenue. Positive word-of-mouth recommendations and successful referrals also result when customers thoroughly enjoy their time at a retail store. Measuring customer data can be challenging for retailers due to the in-person nature of their businesses. It's possible that not all customers have been entered into a store's customer relationship management software via their Point-of-Sale system, for example. This makes recovering lost sales by re-engaging disinterested customers extremely difficult. Let's take a look at the primary causes of lost retail sales so that you understand the red flags to watch out for.

Low Browser-to-Buyer Conversion Rates

Consumers have all kinds of reasons for browsing in your store without buying anything. Factors ranging from poor customer service to unappealing price points can influence shoppers to leave your store and see what your competitors have to offer. Pinpointing the greatest causes of why consumers aren't becoming paying customers when they visit your store is a necessary first step if you want to devise a strategy for recovering lost sales.



Non-Existent Upselling & Cross-Selling



Upselling and cross-selling occur during the checkout process when cashiers make personalized product recommendations to customers based on their current orders. This simple action, when implemented consistently, has the potential to increase revenue by 10 - 30%. If your retail cashiers are not upselling and cross-selling relevant add-on products at the checkout registers, then you're losing sales, period.

Lack of Customer Incentives to Return

Shopping incentives work. Retailers who offer their customers a discount on their next order increase the chances of those customers returning to their store to apply those discounts to their orders.

In other words, the best way to thank customers for shopping with you is to guarantee they'll be rewarded the next time they come to your store. Retailers who fail to offer their customers incentives to return and shop are missing out.

In fact, according to the financial website, [SpendMeNot.com](https://www.spendmenot.com), **77% of consumers spend \$10 to \$50 more than they intended when redeeming coupons.**

That alone tells you that if you're not offering some kind of return visit incentive, you're missing out on potential sales.

Lost Ecommerce Sales

Having an eCommerce store isn't in and of itself a long-term customer engagement strategy. Websites don't drive visitor traffic by virtue of the fact they exist. Likewise, eCommerce stores don't automatically convert visitors into customers just because site visitors found their landing pages.

Have you analyzed your web traffic data lately? Your visitor data contains a wealth of insights in terms of when and why website visitors are checking out your eCommerce store, and what they're browsing, buying, or abandoning in their shopping carts.

Losing a minuscule portion of your potential eCommerce sales is unavoidable. However, if that portion exceeds 10% per year, then the following are the areas you should closely examine.

Website Bounce Rate

A website bounce rate is a metric that measures the percentage of web visitors who land on your site but fail to take any further interactive actions before leaving your website. In other words, they come and go before the Google Analytics server receives an impression.

Generally, website bounce rate is used as a web quality metric, but for the purposes of analyzing the reasons behind your lost eCommerce sales, your website bounce rate, if it's a high percentage, will tell you that your eCommerce store isn't accurately described on search engines like Google, causing the wrong web traffic to show up.



Low Purchase Intent

It's always possible that website visitors are more interested in learning about your business and gathering information about your products or services than they are in following through with the purchasing process. This is commonly referred to as low purchase intent, and it's a part of life. That being said, just because a web visitor doesn't intend to spend, doesn't mean that your website content can't convince them to buy. If the bounce rate of your eCommerce store is low but visitors aren't buying, then you know you're dealing with low purchase intent and therefore should focus on improving your website content.



Abandoned Shopping Carts

Not every eCommerce store visitor who adds items to their shopping cart will complete the purchasing process, but when they don't, it's important to understand why. Some shoppers simply aren't prepared to purchase the items they've collected. Perhaps they're trying to shop online while at work and their boss swung by their cubicle.

You can't help that. But you can help other website visitors complete the checkout process by making sure the online checkout process itself isn't so cumbersome that they give up.

Shockingly, eCommerce stores across industries experience shopping cart abandonment for **88%** of their online orders, according to a **March 2020** report from Statista.com.

"Gamification," "gamifying," "gamified"... what do these terms mean?

Derived from the word "game," gamification can be described as applying games, game mechanisms, and game-thinking to non-game activities.

There are many reasons for using gamification. Gamification is often applied to academic curriculums, training sessions, orientations, professional workshops, sales team goals, and even fitness classes. Recently, gamification has entered the digital marketing world to help businesses spread awareness about their brands, increase online engagement, and drive website traffic.

Gamifying an academic lesson ensures that students will retain lesson information.

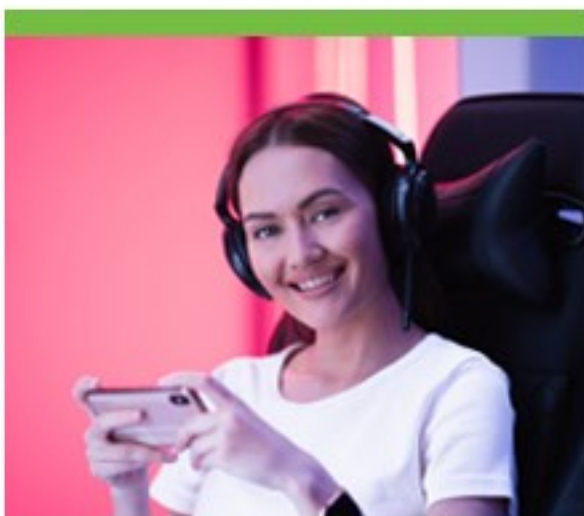
Gamifying sales techniques can motivate team members as they strive to reach their sales goals.

Gamifying aspects of a brand's online presence increases user engagement, brand awareness, and overall virality.

Take any non-game activity, turn it into a game, and people will flock to join the game and play.

A customer loyalty rewards program, when taken at face value, is not a game. However, you can transform aspects of your loyalty rewards program into games. By gamifying your loyalty program's points-earning and points-burning opportunities, you will motivate your loyalty members to engage more with your program. When loyal customers associate your loyalty program with playing—and winning! —a fun game, they'll be eager to wager their loyalty points. Using their points to play will then trigger a healthy cycle of perpetually earning and burning points, which means more shopping, more spending, and more fun.

Gamification can make your loyalty rewards program:



Fun & Engaging



Easier to Use



**Effective at Driving
Customer Behaviors**

How can you gamify your customer loyalty rewards program so that loyalty member engagement increases as well as your overall revenue? We have the best gamification strategy tips for your rewards program. These advanced tips could require some additional moxie on your end, but the results will excite your loyalty members and add value to the rewards program you're offering.



How to Apply Gamification Techniques to Your Loyalty Program



When you have a customer loyalty rewards program that allows you to customize your points structure, you will also be able to custom build a layer of gamification over whichever points structure you choose.

Have you implemented a straightforward punch card points structure? Gamify how your loyalty members receive punches by offering opportunities to gain bonus punches for completing specific actions.

Have you implemented a tiered rewards system where loyalty members must earn a set number of points in order to make it to the second and third tiers of your loyalty program? Gamify how your loyalty members can earn extra points that will help elevate them to the next tier by creating a gamified competition where participants must refer friends and family to join the program using a referral code. Whoever enrolls the most people within a defined time frame wins.

Have you implemented a non-monetary rewards structure? Gamify how your loyalty members can earn the non-monetary reward you're offering by hosting an in-app contest or sweepstakes, wherein loyalty members can earn one special item that isn't even for sale in your store yet or one high-end service that will be coming out at your location next year.

No matter what specific "game" you apply to your loyalty rewards structure, be sure to follow these essential tips for adding gamification to your customer loyalty program strategy:



Set Goals



If you don't know where you're going, how will you get there? Before you gamify your loyalty program, analyze your program's current performance. What percentage of your loyalty members are actively engaged in the program? How many inactive members do you have? Have you conducted any survey to gain feedback and insights about what your loyalty members think of the rewards program? By understanding where your program currently stands, you can develop reasonable goals.

There are more games out there than stars in the sky, but not everyone loves every game. It's important to know who your loyalty members are and what they like in order to offer them the kind of loyalty program gamification they will appreciate and want to play. Some customers might love to spin a wheel to win a prize, whereas others might consider that kind of game boring. Study the demographics of your loyalty program and segment your members into groups. Once you do, you can develop unique loyalty games that will engage each group.



Know Your Audience



If you've been keeping up with the Loyal-n-Save blog, then you understand that presenting a memorable brand involves sharing your "story." Your unique business has a story to tell and that story includes your company's ethos and mission. Just as you have used your brand's story on your website and in your marketing materials, you can integrate your story into your gamified loyalty program. This can be done easily. Have you ever played Angry Birds? During the 30 second intro, players quickly learn why those birds are so angry, and that "story" sticks with the players.



Become a Storyteller





Go Mobile

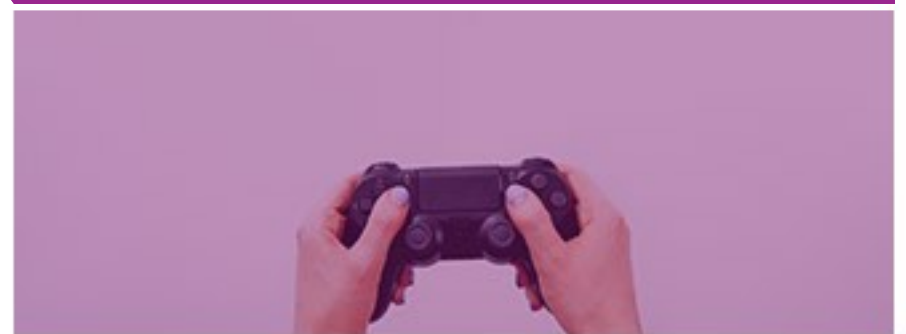


We really can't stress enough how important it is to [offer a loyalty app](#) as part of your customer loyalty rewards program. Consumers spend more time using their mobile phones than they do desktop computers. When it comes to contacting your loyalty members, you're probably familiar with sending out email campaigns, and that's great. But emails are not where games are played, so if you want to gamify your rewards program, you're going to need to launch a loyalty app. Mobile apps enable loyalty members to engage with the program in ways that would be impossible if not for app technology. This same technology makes gamifying your program easy.

The great thing about games is that they trigger healthy competition. When participants see their competitors playing well and scoring, it ignites their passion to play even better and score even higher. You can easily gamify your loyalty program by simply making your participating loyalty members visible to each other. Using this kind of transparency can inspire members to engage in the program. You can even structure your rewards levels in a way that allows members to view each other's progress as everyone strives to win a prize.



Use Transparency



Depending on the specific gamification you include in your rewards program, there could be dozens of participants all going for the same prize at once. If so, you'll definitely end up with one lucky winner, but that could be at the expense of dozens of unhappy losers. You never want earning rewards to seem too difficult. If members start to feel like they're always getting the short end of the stick, they're not going to engage with your program for very long. However, you can eliminate this risk by awarding the participants rewards tokens simply for joining the game.



Reward Participation



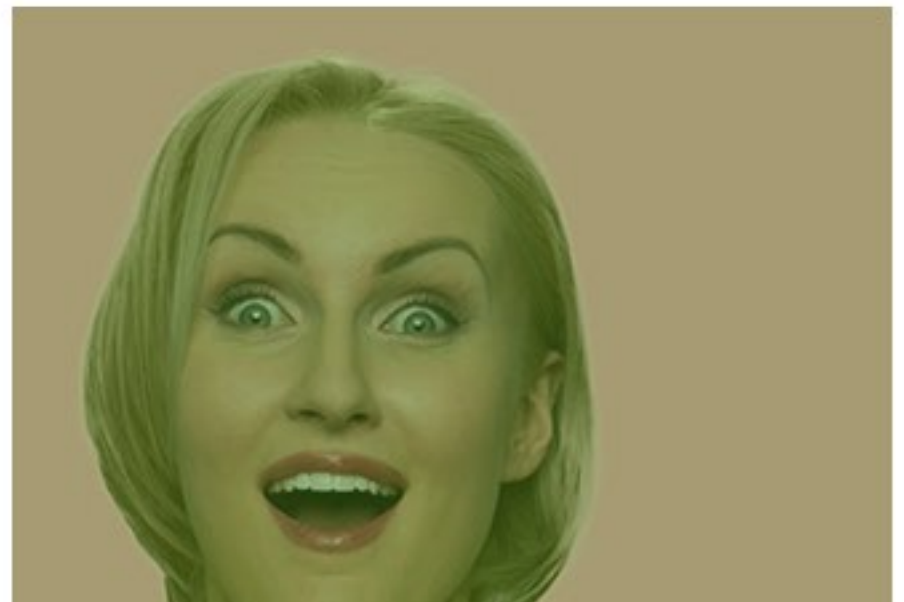


Gauge Difficulty Level

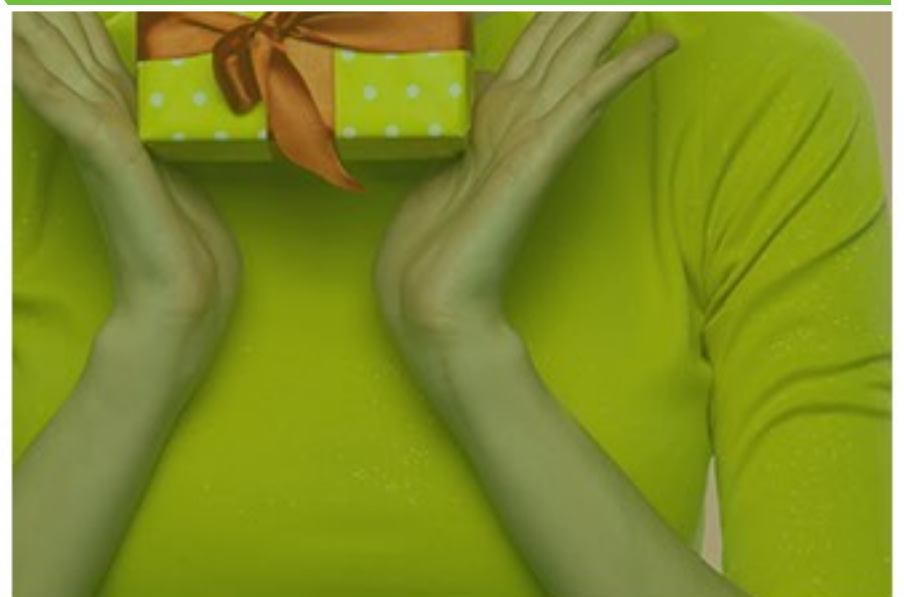


Any good customer loyalty rewards program will provide points-earning opportunities that enable members to steadily increase their points balance. If earning points takes too long, members will stop engaging with the program. If points are assigned too great a monetary value and are very easy to attain, then retailers will end up losing money. Keeping your program in balance so that members find it challenging and you find it financially beneficial is the key. The same can be said for calibrating the chances of "winning" your loyalty rewards games. Your participants should feel like they have to work to win, but winning can't be so difficult that they quit.

"Surprise and delight" is a marketing term we advise about in our many blogs and consultations. Typically, surprise and delight is the act of surprising an individual with an unexpected reward. The reward itself could be big or small, expensive or inexpensive, random or personalized. The reason surprise and delight is an effective marketing approach that builds brand awareness and enhances interactions is because this method is unforgettable. When a business gives you a valuable product for free, you tend to remember them, and you'll probably like them so much as a result that you decide to do business with them in the future. You can surprise and delight your loyalty members with bonus points they can use to engage with your loyalty games at no risk.



Include Surprise & Delight



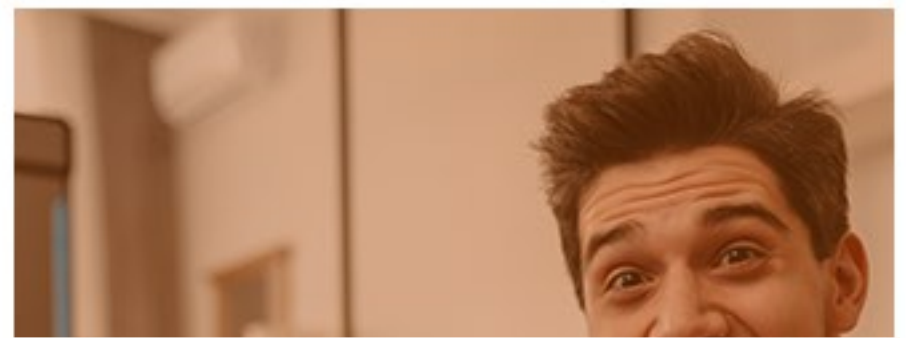


Types of Gamifications Your Loyalty Members Will Love



A leaderboard is a scoreboard that shows the names and fluctuating scores of the leading players or teams in a game. The purpose of using a leaderboard is to show all of the players, as well as the greater audience that's observing the game, where each player ranks within the game. Try implementing a leaderboard to show the top ten loyalty members who are close to earning their position in the next "tier" of your rewards program. This will boost a sense of competition and motivate members to do more to "win."

Now that we've covered how to apply gamification techniques to your customer loyalty rewards program, let's look at the specific gamification strategies you can use in your program. Depending on your loyalty program platform, you may be capable of trying all of these. Or if your program is pre-designed, you might be limited in terms of what you can do. Either way, we recommend that you pick only one or two gamification strategies that are the most relevant to your loyal customer demographic and see how those games go.



Leaderboards



Prize Wheel



If you've ever watched the popular game shows, The Price Is Right and Wheel of Fortune, then you know how thrilling a prize wheel can be for the contestant spinning the wheel. A prize wheel is a round wheel that contains many different types of prizes that are allocated to sectioned-off wedges around the wheel. Once spun, the wheel's "needle" will eventually stop on one of the wedges and whatever prize is written on that particular wedge will be given to the person who spun the wheel. The trick to gamifying your loyalty program with a prize wheel is to offer bonus points, 10-percent-off coupons, and one-time free shipping as "prizes" on those wedges. Never include "losing" wedges that say "better luck next time."

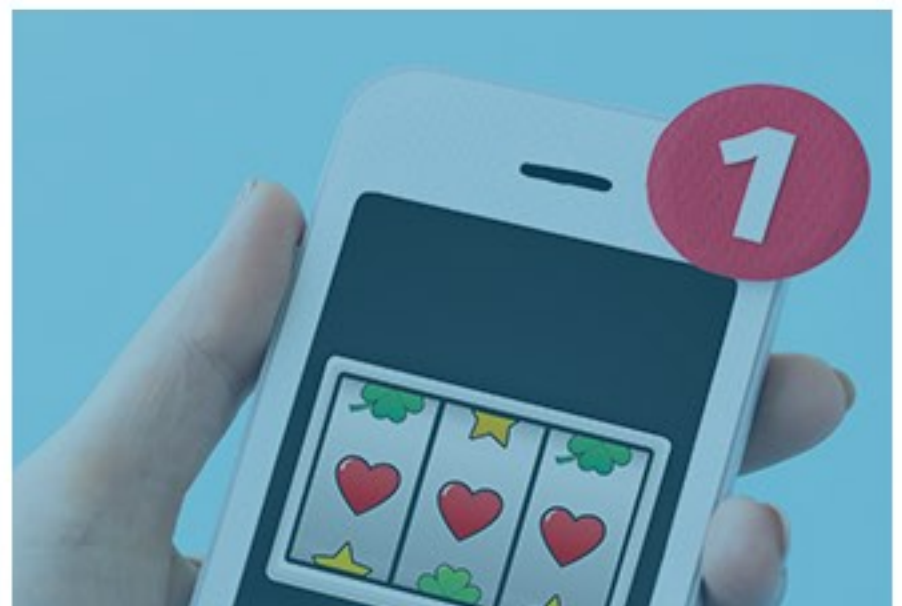


Reward Calendar



Gamifying your customer loyalty rewards program by including a rewards calendar is an excellent way to generate customer excitement about upcoming products, services, and special deals and discounts. Why? Rewards calendars are similar to Christmastime advent calendars, which count down the days to Christmas. Each calendar day can be "unlocked" to view a special treat inside. In the same way, your rewards calendar can "unlock" special deals, discounts, and opportunities to receive bonus points. As the days go by, loyalty members can use a few points to "unlock" the "deal of the day."

You've seen them at arcades—prize machines, which are also referred to as "claw cranes." Players mechanically operate a giant "claw" to try and "pick up" a prize of their choosing. Prizes often include soft stuffed animals, candy bars, and other toys. Create a digital prize machine for your customer loyalty rewards program. This particular gamification strategy works best for loyalty program apps. Playing the prize machine game should cost the participant a number of earned points, and the prizes can range from bonus points, to [Swag Shop](#) items, to exclusive discounts on their favorite products and services.



Prize Machines



Gamified Quizzes

This gamification strategy definitely delivers "win-win" results and here's why. When your loyalty members take quizzes or participate in gamified surveys, they will automatically provide you with valuable customer data you can leverage in your future marketing campaigns. Every time a customer takes a quiz in the hopes of earning prizes or bonus points, you will gain personalized insights about their product preferences, lifestyle, and even their pain points. Just be sure to design the quiz in a way that maximizes interaction. For example, reward loyalty members with one point for every question they answer so that they feel rewarded and encouraged as they go.

There are so many more specific game ideas you could incorporate into your customer loyalty rewards program. No matter which gamification strategies you choose, however, be sure to remember the following:

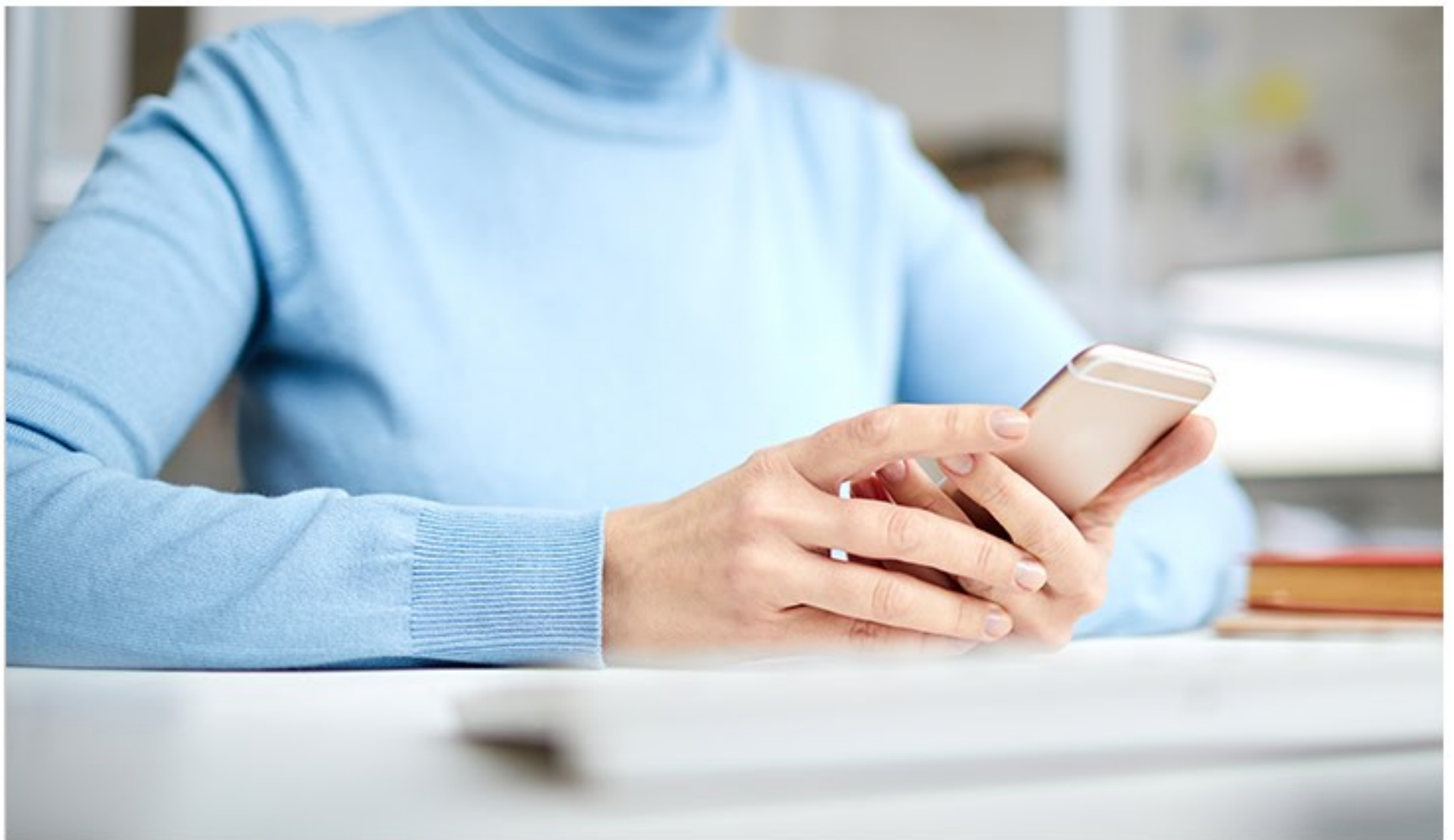
- Amping Up the Competitive Stakes Will Increase the Fun
- Exclusive Games Create VIP Opportunities
- Rewards Motivation Builds Brand Recognition
- A Fun Experience Can Be the Reward
- True Value is Measured by the Ability to Win
- Random Rewards Equals Loyal Customers

How Loyalty, Mobile Apps, & Gamification Work Together

You may have noticed a recent rise in digital loyalty programs, which tell you that offering your loyalty members anything less than a loyalty app is not going to fly. Having a digital approach to your loyalty rewards program will help you retain a better level of control over your promotional campaigns and how these campaigns reach your loyalty members.

[Loyalty mobile apps provide customization and personalization](#), ensuring that you deliver the right promotion to the right customer at the right time. This leads to a faster turnaround from rewards earned to rewards redeemed. When your loyal customers receive personalized points-earning opportunities in the form of games, they will be more likely to play, "win," and continue to shop at your store.

Choosing the right loyalty rewards solution can safeguard your business from undesirable gamification failures, which is why we built [Loyal-n-Save's](#) loyalty mobile app with gamification in mind. Our digital rewards platform provides instant gratification to loyalty members because our built-in games are fun and fair. If you're looking to leverage gamification as a marketing tool to increase customer retention, [contact our loyalty strategists](#) today!



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In order to keep your loyalty program members engaged long term, you will have to regularly dedicate your time, and maybe even an employee, to manage, nurture, and promote your loyalty incentives—there's no getting around it. Even if you automate your campaigns using the best machine learning AI on the market, you will always need to review the program data, assess which promotions are succeeding and which aren't, and launch better campaigns that enable members to earn and redeem points in ways they appreciate.

However, the good news is that while you strategize for long term success, you can implement tried-and-true re-engagement tricks right now to compel your inactive members to take immediate advantage of exciting promotions that they won't want to miss out on.



Birthday Wishes & Rewards Tokens

Who doesn't love a birthday surprise? For marketers, birthday emails can be an extremely effective marketing strategy to reinvigorate loyalty program engagement. When it comes to birthday emails, the trick is to include an irresistible call-to-action (CTA).

Birthday emails earn 481% higher transaction rates and 342% more revenue than other promotional emails, according to Rejoiner.com.

Try offering the recipient points as a birthday gift, and within the body of the email, suggest a relevant product they can purchase in order to earn enough points to receive their next available award. For example, the happy birthday email could read:

"We miss you, Danica!

Don't forget about your rewards tokens...

They miss you, too!

Your Points Balance Is

575

Redeem Your Points & Start Saving!

1,000 Points = Free Delivery & Shipping

1,500 Points = \$20

2,000 Points = \$25

[Insert Items to Buy & Their Points Values]

Your Points Will Expire In: 45 Days

Act Now & Redeem...

[Insert Item Photo of Their Next Available Reward]

We hope to see you soon!"

Points expiration email reminders are a great way to give inactive customers a reason to start shopping at your brand again.

Celebrate Vip Tier Achievements

The verdict is in...people love celebrating! No accomplishment is too small to celebrate, but sadly, your inactive loyalty program members might not realize that. Believe it or not, even enthusiastic members aren't necessarily on top of reviewing their rewards accounts, which means that they might not be aware they reached the next "rewards tier" of the loyalty program.

Roughly **90%** of consumers considered themselves equally or more brand-loyal than they were a year ago, according to [Yotpo.com](https://www.yotpo.com).

It's important to set up automated, celebratory messages, whether via email, SMS text, or in-app push notifications, so that your members receive congratulations with a clear CTA that will compel them to return to your store. If and when members fail to act on the congratulatory message and earn even more points within a few months, you can re-engage them with another message, such as:

"Congratulations, Avery!

You've reached the next VIP rewards tier, and now have...
2,000 Points!

Your delicious strawberry cheesecake-for-one is waiting for you at our location!

Need more reasons to swing by?

How about these awesome ways to earn 50 points?

[Insert Images of Pastries that Total 50 Points]

Satisfy your sweet tooth today at Sweet Dreams Bakery!"

Whether you contact your inactive loyalty members via email, SMS text, or in-app notification, keep the message fun and engaging, and be sure to include a CTA so that the recipients know exactly what to do next.

Points Balance Reminders at Checkout

Shoppers love helpful sales staff, and there's nothing more helpful than a cashier who makes sure that a shopper's rewards tokens do not go to waste. Loyalty members can easily become disgruntled when they realize they could have redeemed a reward at the checkout register, but the cashier didn't remind them. In fact, this scenario is a contributing factor to members becoming inactive in the first place.

74% of consumers think knowledgeable in-store staff is important to their brand experience, according to Oracle.com.

Your customer loyalty rewards program should be integrated into your in-store POS system so that your cashiers see pop-up alerts on their POS screens during instances where the customers they're helping have the opportunity to redeem rewards right then and there. The on-screen pop-up script that your cashiers can read to members could, for example, say:

"Awesome, Christopher!

You just earned another 25 points...

which means you now have a rewards balance of 1,000 points!

Would you like to redeem these points by adding one of the following products?

[Insert Three Eligible Products Relevant to Christopher's Favorites]

If you'd like to think about it, be sure to redeem before the end of the week at any of our locations!"

Loyalty members will greatly appreciate the in-the-moment opportunity to receive a reward, and the excitement that goes along with it will motivate them to continue using the rewards program.

Turn Inactive Members into Enthusiastic Ones

The wants and needs of your loyalty program members are constantly shifting, and that's due in part to changing trends and new products that appear on the market. They don't call them consumers for nothing. As soon as people become aware of brand-new products, gadgets, items, and services, they start chomping at the bit, eager to eat up the latest offers—nom, nom, nom, yummy!

Retailers who shy away from analyzing market trends and popular promotional strategies often get left in the dust. Your customer loyalty rewards program can either work for you or against you, depending on whether or not you're willing to update the rewards in a way that reflects what consumers want most now—not next month or next year, but today.



72% of consumers are more likely to sign up for a loyalty rewards program through a text message offer, according to RealDive.com.

A credible and highly efficient loyalty program will itself guide you to implement all of the strategies mentioned above. An omnichannel loyalty reward program massively improves customer retention because an upbeat loyalty reward program designed based on a thorough analysis of your sales, consumer behavior, and many more parameters can very rarely go wrong.

Digital customer loyalty rewards programs that include a mobile app are a great way to stay in touch and communicate with customers anytime, anywhere.

If we agree that loyalty programs definitely lead to increased customer retention when they're used properly and regularly, what we really need to know is how retailers get the most out of their loyalty programs.

Fortunately, we've dedicated entire articles to this very subject, because the hows, whens, and whys are extensive. Be sure to check out if you'd like to get into the nuts and bolts of building an incredible customer loyalty reward program for your retail business.

[Ways to Reward Loyal Customers](#)

[How to Promote Your Loyalty Program to Your Customers](#)

[8 Tips for Creating a Successful Loyalty Program in 2020](#)

For now, let's look at why implementing a customer loyalty rewards program at your retail store is among the top 5 secrets for customer retention. The following are the benefits of having a loyalty program:

- Offering rewards tokens makes customers feel valued
- Loyalty programs provide actionable customer insights that retailers can leverage
- Earning points prompts customers to spend more
- Redeeming points encourages repeat purchases
- Using a loyalty program helps you stand out from the competition
- Retailers with loyalty programs garner more customer referrals
- Enrolled customers are encouraged to leave reviews

The loyalty strategists at [Loyal-n-Save](#) are always available to discuss how a customer rewards program can improve customer retention and increase revenue at your store. Feel free to [contact us](#) at any time!



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