



HOW TO MAKE YOUR LOYALTY PROGRAM REALLY REMARKABLE!

Relieve the Discount Price Pressure by Identifying and Connecting with Your Best Customers!

The State of Customer Loyalty in 2018

Why Knowing Your Customer's Identity Matters More Than Ever

Reliable Data Is The Foundation for Deeper Customer Relationships

How to Ease Your Customers' Concerns Regarding Data Collection

5 Questions to Ask When Collecting Customer Data

How Mid-Sized Retailers Are Taking Advantage of New Trends in Personalization

3 Key Ingredients for a Successful Loyalty Program

5 Common Reasons Loyalty Programs Fail

How To Make Your Customer Loyalty Program Standout From the Pack

How to Accelerate Your Existing Loyalty Program with Cash Incentives



CUSTOMER LOYALTY **ACCELERATOR**

WELCOME TO OUR FREE GUIDE

How to Make Your Loyalty Program Really Remarkable

Encore Incentives, Inc. is proud to provide you with this richly informative Free Guide on how to accelerate your loyalty program by digitally identifying and connecting with your best customers. Encore Incentives is the parent company to the [Customer Loyalty Accelerator](#) and [RewardsCardPlus](#).

Led by a brain trust of marketing professionals with deep roots in marketing data development, data analysis/analytics and value-added data driven services, Encore is a leading developer of cash-reward loyalty programs for retail businesses and event venues.

The Rewards Card Plus program has won industry attention for its successes in serving this growing market in addition to venue and community-focused special events. A powerful customer motivation program, The RewardsCardPlus has developed significant traction serving state fairs, carnivals and special event clients. It enhances rewards and loyalty programs as it builds customer engagement with distinct features that enrich customer experiences and relationships.

If you find this Guide informative, be sure to [Subscribe](#) to receive future Encore Incentives' Free Guides, and [Follow](#) us on our LinkedIn company page for similar news posts on topics central to enhancing your customer loyalty program.

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TRANSFORM YOUR EXISTING LOYALTY PLAN

into a

DIGITAL MARKETING POWERHOUSE

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HOW IS CUSTOMER LOYALTY CHANGING IN 2018?

Did you know 70% of consumers say they are more likely to recommend a brand that has a good loyalty program? Or that 92% believe recommendations from friends or family over all other forms of advertising?

Clearly, the state of customer loyalty programs is changing rapidly in 2018, and these programs have become an enormous driver in the customer relationship with your brand, according to the Bond 2018 Loyalty Report.

87% of customers report they are willing to have details of their purchase activity monitored in order to receive personalized rewards and more relevant offers...

...yet, only 19% say their program makes them feel special or recognized as a “best customer.”

The Bond Report recommends programs need to use better technology to create more personalized and meaningful relationships; and equip customer service reps with more relevant information about the customer. “Investing in the customer experience presents tremendous opportunities as well as the challenge to outpace customer expectations in order to surprise and delight in a very demanding space,” the Bond Report concluded.

Delight Best Customers with a Cash-Incentive Program

One proven method for both delighting customers and encouraging loyalty program participation is through simple and immediate cash incentives. Encore Incentive’s [Customer Loyalty Accelerator program](#) helps you reward your best customers with cash incentives in exchange for program participation. The program offers the permission-based transparency that today’s customers are seeking in rewards or loyalty incentive programs.

WHY KNOWING YOUR CUSTOMERS' IDENTITY MATTERS MORE THAN EVER



The most critical cornerstone to personalizing customer experiences is *knowing your customer's identity*. It's the foundation to creating a lifelong customer relationship. "Customer Identity Resolution" provides the answers and the pathway to greater customer loyalty and retention, according to a recent publication by the Chief Marketing Officers' Club (CMO).

Brands are rushing to implement the tools required to bring the same level of personalization found in e-commerce to the in-store world. A BRP Consulting survey reveals 70% of retailers put personalization as their top priority in the coming year. Retailers who implement strategies around resolving customer identity are the one who will flourish in this accelerating trend toward increasing personalization.

The CMO report defines customer identity as much more than simply knowing the customer's name. It means recognizing the customer instantly across many touch points, and knowing what the customer wants and needs. It also means realizing opportunities to improve your relationship by solving problems, anticipating needs or purely delighting. "Simply put," the CMO report says, "identity is the connecting point between all consumer interactions online and off, past and present."

Acquisition Vs. Loyalty

It costs 5 – 7 times more to acquire a new customer than to drive an additional visit from an existing customer. It's estimated that loyal customers spend 67% more than new ones. That's why the trend to increased customer personalization, and the resulting brand loyalty and retention that follows, has become so paramount to marketers.

The CMO report states that "Customer Identity Data" is the most important component to delivering a tailored customer experience. And, 64% of CMO respondents rank a "Single View of the Customer" as the most critical technology to delivering relevant customer experiences.

Nearly half the CMOs say they spend 30%-50% of their budgets on retention and loyalty. Yet over 65% say they are unsatisfied or very unsatisfied with their customer retention rates. One reason is that many brand loyalty programs require customers to jump through a lot of hoops, aren't much fun, delay gratification and fail to differentiate between customers.

Three Initial Steps

The CMO study concludes with recommending three steps to implement customer identity resolution.

1. Maintain Control of your Data. Your customer identities and profiles are a valuable and crucial corporate asset.
2. Prioritize Continuity. Your customer profile data should be durable and always available for activation. Your identity solution should be continuously updating.
3. Clarify the Customer Journey. You need a customer identity solution that will give you a clear, comprehensive view of customer activity and empower you to rapidly respond with relevant marketing.

THE GROWING IMPORTANCE OF CREATING A DIGITAL RELATIONSHIP WITH YOUR CUSTOMER

Your customers check their digital media channels and social media connections on the average of 13 to 70 times a day, according to a recent Pew Research Report. So knowing your customers digital contact information is an absolute requirement for building a successful and ongoing customer relationships. To stay relevant in your customers mind, your brand and message must maintain a strong digital presence.

That leads to the question of what is the best way to excite customers to share their digital data?

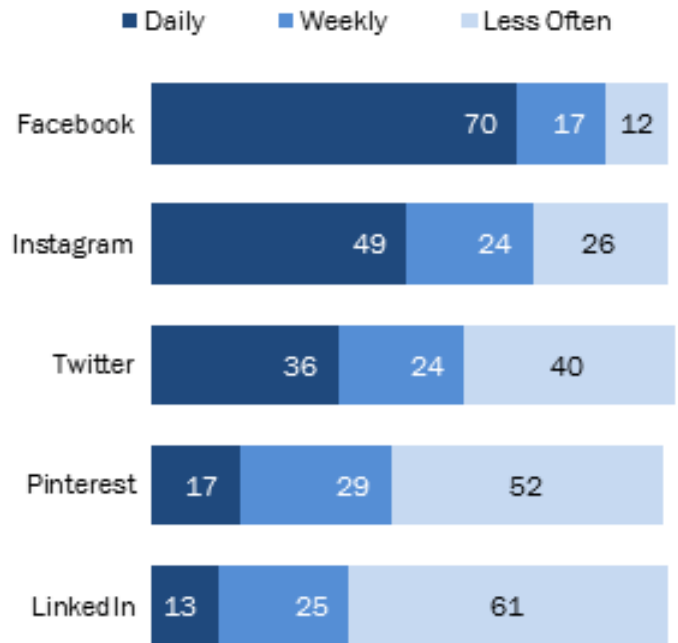
Customers will share their digital contact information if the incentive truly excites the customer, and offers a genuine perceived value. Extensive market research proves a cash incentive has been a highly effective method to accomplish this. Even a small cash incentive delivers a surprisingly win-win scenario for both the business and customer. Customers using cash incentives for purchases at your event typically spend far more than the cash incentive provided. That alone is a compelling return on investment and big win-win for both the customer and business.

But just as importantly, customers provide their digital contact information in the bargain, allowing you to transform them into long-term, return customers because of the loyalty and strong positive relationship created.

You can no longer afford to have digital invisible customers attending your event. Every customer needs to be able to be contacted through their digital media channels. The cash incentive system offered by the [Rewards Card Plus](#) helps you accomplish this crucial marketing objective with a positive return on investment, and an easy way to implement a [trial plan](#) to see the benefits for yourself.

Frequency of social media site use

% of social media site users who use a particular site with the following frequencies (% is reported among each specific site's user groups, e.g., 70% of Facebook users use the site on a daily basis)



Pew Research Center's Internet Project September Combined Omnibus Survey, September 11-14 & September 18-21, 2014. N=1,597 internet users ages 18+.

PEW RESEARCH CENTER

RELIABLE DATA IS THE FOUNDATION FOR DEEPER CUSTOMER RELATIONSHIPS

Bad data is a waste of money.

“When you do not validate customer information, you lose the opportunity to build a relationship past the first customer engagement,” says Edward Hunter, lead data engineer at Clutch. “But, I’m constantly amazed at the number of companies that do not validate customer information.”

To gain reliable information from your customers, create incentives based on what customers want and need. Use high-motivation incentives to build a data capture strategy focused on unique identifiers. Cellphone numbers make excellent ones and create opportunities for realtime verification.

Consumers have become adept at routinely entering false information when signing up for rewards cards or discounts. As a reliable data collection strategy, using email registration or text messages to validate customer information retailers can gain authentic information immediately and then build out other data fields associated with the incentive offer.



Marketers can continue to build out profiles for customers by developing routines that gradually merge new fields of data around proven identifier and the initial profile. From there, marketers can look to establish deeper forms of engagement with the customer leading to stronger brand relationships and even more reliable data.

Cash-Incentive Rewards Create Motivation Needed for Reliable Data

A cash-incentive program such as Encore Incentive’s RewardsCardPlus offers the permissionbased transparency, simplicity, and immediacy that today’s customers are seeking. In addition, cash incentives have proven to be the highest motivator for positively influencing customer behavior and increasing brand loyalty.

HOW TO EASE YOUR CUSTOMERS' CONCERNS REGARDING DATA COLLECTION

In a recent study, more than two-thirds of consumers (69%) report that recent news events have increased their concerns about sharing their data with businesses. So retail marketers find themselves walking the fine line between enhancing customer personalization and growing privacy concerns over data collection. Adding to this paradox, almost half of retailers (47%) cite personalization as the leading retail technology trend for 2018, according to RIS/Garnter study.

Savvy customers are driving marketers to strike a better balance between their need for data collection and customers' need for privacy and control. Being more transparent about how you collect and use customer data is a good start, but companies should take it further and ask for explicit consent and offer immediate rewards for sharing one's data. Forward thinking companies are adopting a permission-based approach to avoid alienating the very people they want to learn about: their customers.

91% of respondents in a University of Pennsylvania survey said that a discount was "not a fair exchange for them to collect information about me *without my knowing*." According to the study, customers simply "feel resigned" to having their data harvested, yet 57% also say they expect companies they do business with to understand their needs and preferences. In order to earn rewards, 3x as many customers say they are likely to spend more with a brand, be less price sensitive and 4x are likely to buy more.

So what's a retail marketer to do?

Loyalty programs provide businesses with a perfect opportunity to gather information directly from the customer and personalize messages and offers. The likelihood to share personal information seems to be strongly driven by necessity and the relationship between the customer and business,



according to a report by SAS, "*Finding the Right Balance Between Personalization and Privacy*." But evidence shows the highest motivator for positively influencing customer behavior and increasing brand loyalty are cash incentives. A CHOICE survey showed that 70% of consumers felt immediate discounts at checkout were an important feature in loyalty programs. Co-founder of Boxever, Dave O'Flanagan, added, "Consumers are not so much adverse to data collection, but feel they are largely not rewarded for the contributions."

The Information Trade Off

It's important for marketers to know what information customers are willing to provide in order to get more personalized communications. Increasingly customers are recognizing their data is a valuable asset and expect a "fair deal" in exchange for sharing their information. Programs that provide simple, immediate and tangible rewards (such as cash-incentives) perform much better than ones that require point accumulation and a long reward cycle. Bain Advanced Analytics founder Rasmus Wegner said, "Open and transparent communication is a good place to start, but setting out a motivating remuneration framework will increase engagement and trust."

5 QUESTIONS TO ASK WHEN COLLECTING AND PROFITING FROM CUSTOMER DATA

When done right, there are tremendous benefits to your bottom line in collecting customer data. Leveraging customer data can lead to happier customers, reduced client churn and bigger profits. Of course, gathering customer information isn't something business owners should just jump into and make up as they go - your customers don't want you to spam them every two minutes, hawk their info to third parties or, worse, expose it to cyber attackers.

1. In today's competitive marketing environment, do I really need to collect customer data?

Without customers, you wouldn't be in business. Knowing who they are and what they want, particularly from you, can lead to more effective marketing, increased brand loyalty and the holy grail - more sales.

"Collecting customer data helps you know each customer more individually and treat them that way," says Jeff Tanner, professor of marketing at Baylor University and director of the school's "Business Collaboratory." And the info you glean from them can empower you to "craft offers that increase purchase rates at higher margins while also delivering better value to the customers because they're getting things they want," he says.

2. What types of personal data should I collect and why?

Start with the basics, such as customer names and mailing and email addresses. These allow you to personalize your communications with them, directly market to them and follow up with them if there's a problem with their order. Other data points to collect for an overall demographic snapshot are age, profession and gender.



After you develop trust with your customers, you can consider going deeper and asking them for certain details about their personalities, values and lifestyles. For example, if you own a furniture store and find out your customer has children via a customer questionnaire, you might consider marketing children's furniture to them.

3. What's the best way to benefit from the customer data I collect?

Leveraging it to offer added value to your customer is the biggest advantage. Customer data helps you paint a clear picture of who your target customer is and how to best communicate with, advertise and market to them.

When you know your ideal customer better and really understand their needs and wants, you can better craft offers to entice them, which should in turn boost sales.

4. What are some common mistakes to avoid?

Perhaps the worst in the bunch, Tanner says, is asking for too much at one time and overwhelming your customers.



HOW MID-SIZE RETAILERS ARE TAKING ADVANTAGE OF NEW TRENDS IN PERSONALIZATION

Personalization is becoming increasingly important to consumers, and as a result, they are expecting far more from retailers' loyalty programs. So it's no surprise that personalization has become one of the hottest emerging trends in marketing today. According to Virtual Incentives, 56% of consumers said receiving a unique, personalized incentive would improve consideration of a brand.

Of course, retail giants like Amazon and Nike have the resources to take customer personalization to new heights. But innovative medium and smaller retailers are capitalizing on this trend as well. One idea gaining lots of traction with mid-sized retailers is targeting customers with personalized incentives that provide immediate rewards vs. accumulating points for later discounts.

"The biggest changes in loyalty programs", says Precima President Brian Ross, "is that they can now be personalized right from the start. The days of launching cards with 10 points per dollar, or a 1% value proposition, are over."

An Accenture Interactive study reports 54% of shoppers said they are open to sharing personal information and shopping preferences with retailers in order to receive personalized offers (up from 33% in 2014). This shows that consumers are more prepared to give trustworthy data about themselves for a personalized incentive that offers a clearly perceived value and an immediate reward, such as Encore Incentive's RewardsCardPlus program.



THE REAL NAME OF THE RETAIL GAME IN 2018 IS STILL DATA COLLECTION

Gone are the days when customers would flock to any mall with two department stores and a food court. That's why retailers are focusing on creating brand loyalty and deeper customer relationships. But accomplishing that requires one critical component over all others – data. Knowing your customer is now the name of the game for surviving in retail.

“The name of the game is still information,” says Jawara Partee, National Retail Tenant Rep Director for Colliers International. “Everyone is looking to enhance the customer’s experience. You need to have the info to be able to dissect and give some sort of meaningful outcome.”

Though gaining access to information seems fairly simple, privacy laws create some challenges. Loyalty programs that utilize transparent opt-ins with strong, immediate incentives often have the best results and highest customer satisfaction.

Data costs money, but not as much as the cost of losing business or not having the right customer relationship strategy.

The Top Five Trends in Retail

A KPMG report of the top five leading trends for 2017 placed “Technology changing the customer experience” as the #1 trend, “Creating a meaningful experience” as #3 and “Personalization” as #4. The report further states, “89% of marketing leaders expect customer experience to be the primary basis of competitive differentiation.”

“The retailers that are performing well have connected their physical and digital presence to deliver an enhanced customer experience,” according to KPMG. “A seamless hand off between and among technologies, and in store during single and return visits is becoming a must as customers come to expect *‘phygital’* experience.”

THREE KEY INGREDIENTS FOR A SUCCESSFUL LOYALTY PROGRAM



Providing a compelling value that keeps customers coming back time after time is the ultimate goal of all loyalty programs. **Nearly 70% of customers say they are more likely to buy from a retailer with a loyalty rewards program, and 35% say they visit more frequently.** Clearly, loyalty programs can help drive more repeat customer visits and greater spending. But how can retailers create valuable, differentiated loyalty programs that build brand loyalty and trust?

1. Identify Your Best Customers

The initial design of your loyalty program should focus on serving consumers whose behavior will be most influenced with incentives that have the high ROI for motivation and return visits. Cash-incentive plans have the best conversion rates to encourage customers to willingly share their digital data. Cash incentives also provide the kind of simple, immediate rewards your customers desire.

2. Offer Simple and Immediate Rewards

Monetary incentives top the list by a wide margin. Simplicity and immediacy of the rewards are also key components to successful programs. “The

days of cards offering 10 points per dollar or a 1% value proposition are over,” says Precima President Brian Ross. “The future is all about relevance and aligning the program’s value to the customer.”

3. Personalize the Shopping Experience

Programs that send a signal to the customer that they are highly valued drive brand loyalty. Personalization deepens the customer relationship, enhances engagement and encourages shoppers to return again and again to redeem their offers.

THE FIVE MOST COMMON REASONS LOYALTY PROGRAMS FAIL

There are 5 common mistakes most retailers make that cause their loyalty program to underperform expectations. A lack of personalization, over-reliance on discounts, and failing to align benefits with what customers really want top the list. When designing your loyalty program, you should consider your brand, customer base, and cost structure. Research indicates programs which are built on customer needs, and integrated with overall company marketing goals, can actually result in lower than expected costs and higher than anticipated returns.

MISTAKE #1: LACK OF PERSONALIZATION AND DIFFERENTIATION

Rewards programs that are implemented with a one-size-fits-all approach are, by definition, not personalized, less memorable, and lacking of incentive. This is one reason program engagement is on the decline. The 2015 Bond Loyalty Report points out that consumers have a finite capacity regarding the number of programs in which they can actively participate.

MISTAKE #2: LACK OF REWARD RELEVANCE

Loyalty programs often offer rewards the company prefers to offer, rather than what the customer actually wants or needs. Capgemini Consulting estimates 44% of negative social media comments surrounding rewards programs stems from rewards that are not aligned with customer preferences. Failing to align rewards with desires, the report suggests, causes people to perceive the program only as a way to cross-sell or upsell.

MISTAKE #3: RELIANCE ON DISCOUNTS

Rewards programs are often just ineffective ways of routinely delivering discounts that chip away at margins and harm an organization's financial health. McKinsey & Company reports discounted rewards reserved only for members doesn't reward



consumers for true loyalty. Nonmembers often enjoy the same rewards at the check-out where cashiers often swipe a generic rewards card on their behalf.

MISTAKE #4: CHOOSING THE WRONG METRICS

The Boston Consulting Group found some companies generate 60% of their revenue from loyalty program members. Successful efforts are characterized by first calculating whether a program is beneficial to the customer and profitable to the company. And, McKinsey & Company found many program rewards are not actually tied to profitability.

MISTAKE #5: REFLECTION ON THE BRAND

Poorly designed and executed loyalty programs can actually generate the opposite effect than intended. They reflect negatively on those brand organizations which have spent time and treasure building strong customer relationships. In fact, 75% surveyed believe loyalty programs are part of the relationships they have with brands. More than one-third of customers say they would not be loyal to a brand if it weren't for the brand's loyalty program.



HOW TO MAKE YOUR CUSTOMER LOYALTY PROGRAM STANDOUT FROM THE PACK?

Americans have 3.8 billion loyalty memberships (yes, “billion”).

With that high degree of market saturation, customers have started asking, “Is it worth it to me to hand over my personal info to get what you are offering?” Increasingly, the answer is “No.”

The biggest reason customers ditch loyalty programs is that it takes too long to earn rewards, according to a study by Colloquy. Nearly 60% of respondents cited that as their biggest frustration with a loyalty program. Customers are starting to focus on programs that offer more modest rewards in return for fast – or, even better – immediate turnaround, says Barry Kirk, VP of Loyalty for Maritz Motivational Solutions. The best programs, according to Kirk, are those that are easy, accessible and transparent.

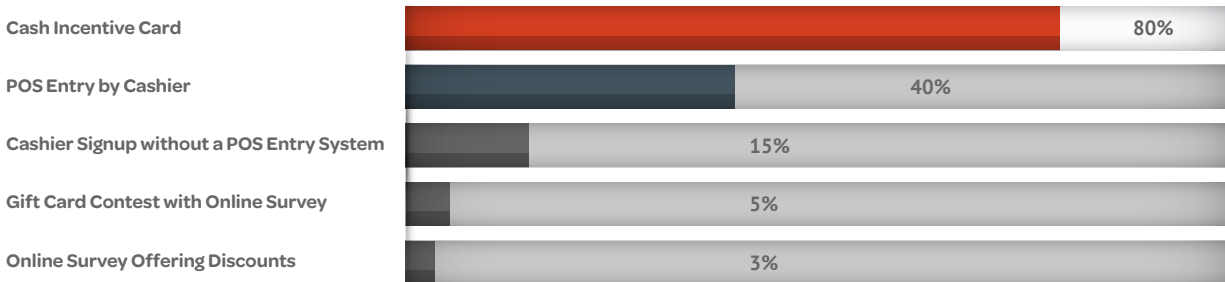
THE KING OF INCENTIVES? CASH.

That’s why for most consumers, nothing offers as much of an enticement as cash. Few loyalty programs run that way, which offers ones that do a unique opportunity to standout in the mediocre wash of programs based on point accumulation.

“Savvy and strategic companies are now looking beyond rewards programs to delight, create and retain customers,” says Howard Schneider, senior consultant with Kobie Marketing. Those customer loyalty programs actually “do work to drive sales and create repeat customers.”

CUSTOMER LOYALTY ACCELERATOR

Cash Incentives Offer the Highest Sign Up Rates for Loyalty Programs



How You Can Transform Your Existing Loyalty Program Into a Digital Marketing Powerhouse

The Customer Loyalty Accelerator (CLA) gives you everything you need to run your own digital loyalty and marketing program, or vastly improve upon the one you already have. Cash-incentive loyalty programs have a stunning 80% success rate for customer enrollment, by far the highest sign-up rates of all program types. The CLA helps you to increase revenue while decreasing customer churn. Customer churn creates huge inefficiencies due to high cost and unpredictability of new customer acquisition.

The Customer Loyalty Accelerator addresses the top three business challenges in retail today:

1. Losing business to online competitors
2. Motivating your best customers to share contact info
3. Rapidly increasing revenue with return visits and higher average spending

You don't need to get rid of your current loyalty program to achieve higher performance, just accelerate it!

The Customer Loyalty Accelerator is a unique cash-based incentives program which offers you a simple and customer-centric way to identify your customer, personalize their experience and generate more revenue. How can you hope to compete with the online juggernauts if you don't know who your best customers are, or how to digitally communicate with them like they do? We can identify your "digitally invisible" customers and help you level the playing field in this new era of customer personalization.

Summary of Key Features



GENERATE MORE REVENUE

Motivate return visits and higher customer spending



DEEPEN BRAND LOYALTY

Encourage word-of-mouth and social media buzz



IDENTIFY YOUR CUSTOMER

Obtain accurate contact information from your best customers



PERSONALIZE THE CUSTOMER EXPERIENCE

Deliver special offers based on unique customer info



PROVIDE CASH INCENTIVES

Create a motivational customer engagement at point of sale

For more Features information, [click here](#) to visit our website's Features page.

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In 2017, Encore Incentives announced a strategic partner relationship with First Data (NYSE: FDC), a global leader in commerce-enabling technology.

The partnership brings Encore Incentive's unique rewards program to First Data's Clover® platform and brings a new strategic alliance as Encore Incentives becomes a First Data merchant service provider partner. The Rewards Card Plus program has won industry attention for its successes in serving this growing market in addition to venue and community-focused special events. A powerful customer motivation program, The Rewards Card Plus has developed significant traction serving state fairs, carnivals and special event clients. It enhances rewards and loyalty programs as it builds customer engagement with distinct features that enrich customer experiences and relationships.



FUELING CUSTOMER RELATIONSHIPS

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