June 2018 Newsletter

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It's Summertime!

Our newsletter takes a break over the summer, but our regular business hours of operation and support are still the same. Hopefully all of you get to take a nice relaxing break. Do not fear! We'll be back in September with more industry news, product information and updates. In the meantime, we hope you have a chance to relax and enjoy the heat even when the sun goes down. Vacation or staycation, we wish you an amazing summer!

Rewarding Customers: Loyalty Programs in Today's Market

These days it seems every company has a loyalty program with a mind-boggling array of rewards and offers. It isn't surprising when research shows that loyalty programs have been proven to grow and sustain market share. Finding new customers is much more costly than keeping existing ones. In an environment of brand-shopping, encouraging loyalty becomes that much more important. Customer retention is an ongoing struggle; research shows that by increasing customer loyalty by 5%, the average profit by customer can increase by 25 to 100% (Khalid, 2017).

Loyalty programs make customers feel valued and that they are in a mutually beneficial relationship with the company. Well-executed programs keep clients around after their purchase and encourage them to continue to purchase. Common programs include providing existing customers with incentives such as coupons, special offers, or rewards for shopping at their establishment.

The best performing loyalty programs are built on the best data. Programs need to be in tune with the customers' wants and needs. Offers must be highly relevant, simple to access, and appealing to the digital consumer. When someone signs up for a loyalty program, a company is provided access to a variety of data pieces, including the basics such as name and contact information. More sophisticated loyalty programs provide data on individuals' preferences and purchase history allowing offer personalization and a more notable customer experience. Customer data collected through loyalty programs can be used for targeting omni-channel campaigns, e-commerce segmentation, and profiling their best customers for better marketing results.

A crucial piece in a successful loyalty program campaigns is having a valid address associated with a customer. Accurate address information provides the basis around which other data can be appended to determine the preferences and purchase habits of customers. This information should be collected and validated at every step of the process: from the initial sign-up to any future contacts with the customer. Simple to use software, like as iAddress™, is available to ensure accurate address collection from all contact points.

And a plug for direct mail in loyalty programs! Sending direct mail pieces to valued customers increases loyalty membership, making having correct address information crucial. It is a valuable part of an omni-channel marketing program and has proven to increase conversion, overall spend, and retention. With 40% of a direct marketing campaign's success in the data (Compu Mail, 2017), having accurate addresses is essential.

Once businesses have loyalty data, they can use this information to design communication strategies that will resonate with their customers and keep them coming back. However, without an address associated with a name, businesses will not be able to build this robust view of their customer, decreasing their ability to target and provide an engaging experience.

Loyalty programs are an important part of marketing for many companies because they are proven to work. Well-constructed programs build brand, increase retention, and increase the lifetime value of customer purchases. The information collected is valuable for business planning but only if it is built on good quality data. If a company is investing in a loyalty program, they should ensure their foundation is solid. If you have questions about using iAddress™ for loyalty programs, please feel free to contact us at sales@flagshipsoftware.com.

Flagship Software Ltd. continues to offer web training!

If you are a new customer, would like a refresher course on **iAddress™** or if you have new hires, please contact Carolyn at 1-866-672-0007 ext. 1 or carolyn@flagshipsoftware.com to schedule a web session.

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Flagship Software Ltd.
203-60 King Road
PO Box 2625
Richmond Hill, ON L4E 1A6
Canada

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