

Success is staying in tune with customers' changing needs

Global research, says Lloyd Ball, managing director of brand enhancement and stakeholder engagement solutions organisation the PLP Group, indicates that customer satisfaction with loyalty programmes is relatively low. And if your programme diminishes customer experience, it'll do more harm than good.



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For loyalty programmes to remain relevant and current, programme owners need to regularly evaluate what they're offering. They need to ask things like: "Is our programme difficult to use?" If customers have to jump through hoops to earn and use points, they'll quickly lose interest. Or perhaps the perks programmes offer are too bland to motivate a change in behaviour.

"Here is a simple test," says Ball. "If the usage of your loyalty programme is between two and five percent of your database per month, it's not successful. If usage is between 20% and 30% of your database per month every month, and you can be predictive about this usage and direct relevant marketing to drive it, then your programme has scale and is consistent with achieving the required outcome."

How, though, does one boost engagement in loyalty programmes? Trends, he says, include an increasing focus on mobile technology and entertainment. The use of gamification engages customers by appealing to people's innate desire to be challenged and to have fun. There is also a shift towards personalised programmes because customers prefer to earn rewards based on what is important to them as individuals. One-size-fits-all no longer suffices.

What does this mean for the future of South African loyalty programmes?

"Given the low penetration of current loyalty within SA, we are nowhere near capturing the majority of consumers. Programmes are either exclusive through price barriers and design or too complicated," says Ball. "The next wave of successful loyalty programmes will comprise initiatives that engage consumers on a personal, relevant and meaningful level."

"PLP gears programmes towards choice for the end user. Corporations mistakenly assume when their offers are aligned to big brands, their customers are rewarded. Often, this is not the case. Customers don't want to be told which airline or rental car company they should use," says Ball.

He believes owners of loyalty programmes should strive towards differentiation. Uninteresting rewards limit the initiative's ability to attract customers. A successful programme is one that is frequently re-evaluated and always in tune with customers' needs - regardless of how often they change.

"It is important to build deeper relationships with customers. People don't want to feel like they're just another transaction," says Ball.

Source: Business Day via I-Net Bridge

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