MARIGOLD™

The Demise of Loyalty Programs

Are Loyalty Programs obsolete in a hyper-personalised world?

Hosts for today's conversation

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Today's Session:

- Our perspective on loyalty in 2024

- Fostering loyalty outcomes

- The necessity of loyalty programs?

Over the last few years, a lot has changed…

The Buyer Journey

Spending Habits, Wants & Needs

Technology Evolvement

Loyalty
today

Consumers Are Inclined To Be Loyal
But Brands Must Be Proactive.

62%

Prioritise loyalty over price from their preferred brands

51%

Millennials opt for loyalty perks when shopping

77%

UK consumers repeat purchases but lack brand loyalty

Loyalty is an *outcome* of relationships

Loyalty is long term, interactive, equal value exchange, require two-way communication and evolve over time
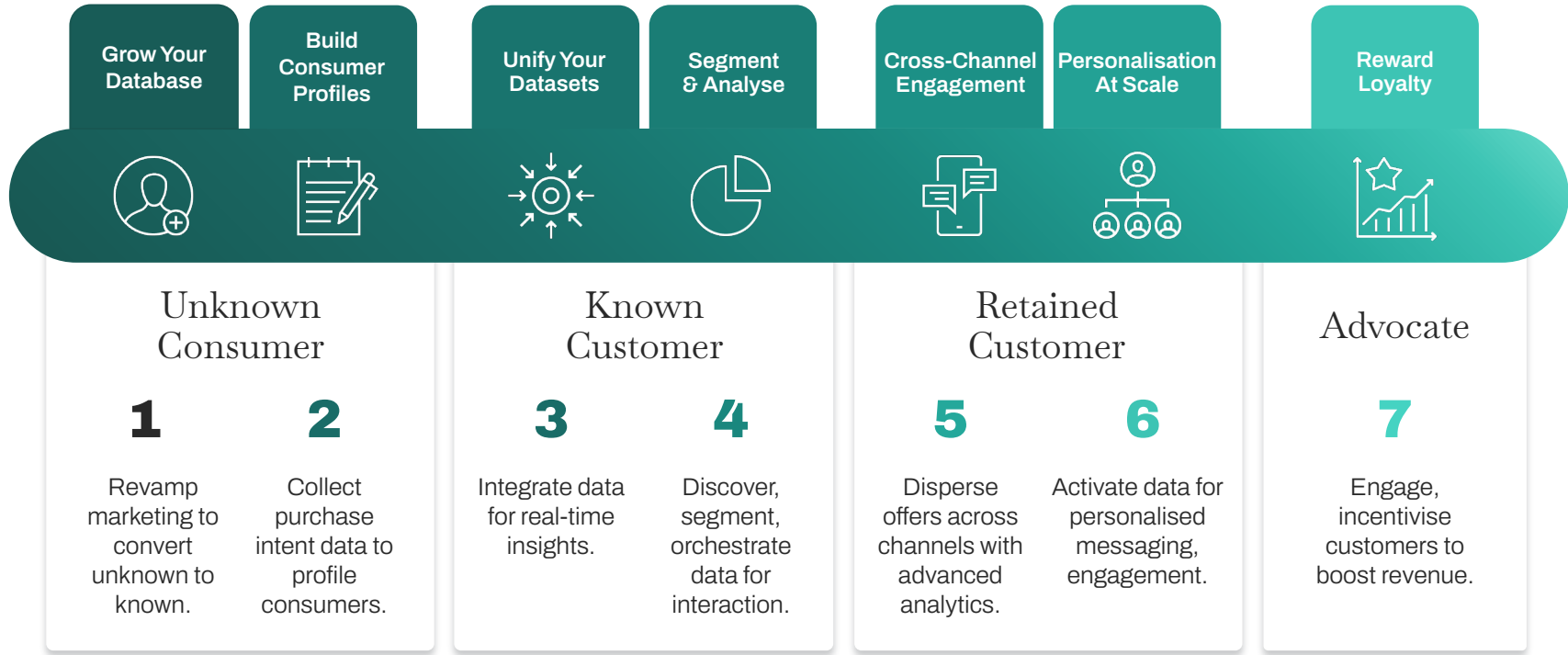
Loyalty drives repeat purchases, share of wallet, retention, cross-sell, margins, referrals, advocacy, engagement, and lifetime value.

Loyalty can help you gain a competitive advantage, leverage resources more efficiently, and reward and recognise customers.

A Personalised Path *to Customer Advocacy*

Grow Your Database	Build Consumer Profiles	Unify Your Datasets	Segment & Analyse	Cross-Channel Engagement	Personalisation At Scale	Reward Loyalty

Unknown Consumer

1
Revamp marketing to convert unknown to known.

2
Collect purchase intent data to profile consumers.

Known Customer

3
Integrate data for real-time insights.

4
Discover, segment, orchestrate data for interaction.

Retained Customer

5
Disperse offers across channels with advanced analytics.

6
Activate data for personalised messaging, engagement.

Advocate

7
Engage, incentivise customers to boost revenue.

Brands must drive *relevant and meaningful engagement* throughout the customer journey

91%

More likely to shop with brands that provide content that is relevant to them
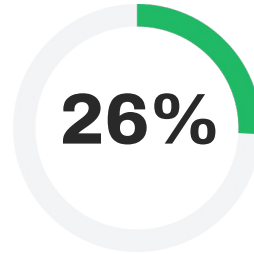
33%
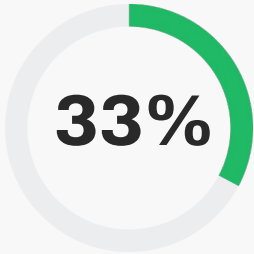
...of customers are likely to disengage after a single bad experience

10X

Real-time offers and content can be 10x more effective than traditional outbound marketing campaigns.

15%
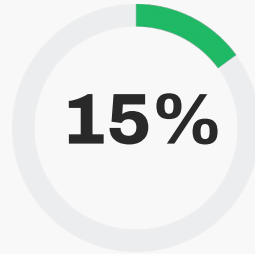
Personalisation can increase marketing performance by 15% or more.

26%

26% of companies only have half their customer touchpoints connected.

Rational benefits *attract* and emotional benefits *retain* loyalty

Rational

"It's worth my investment"

- Offer
- Special discounts
- Transactional
- Currency
- Calculations

Emotional

"I feel valued"

- Community
- Special Access
- Special Privilege
- Exclusive Benefits
- Experiences

halfords

Consumer-level personalisation to drive bookings

Fused **local personality with dynamic, location based offers** to make each email feel like they were built for an audience of one

Transforming Halford's approach from generic to highly targeted, **making every recipient feel valued** and understood

57%
Increase in
incremental bookings

50%
Increase in
Click Through Rates

The strategic fundamentals about loyalty programs

Behavioural Change

Value Proposition
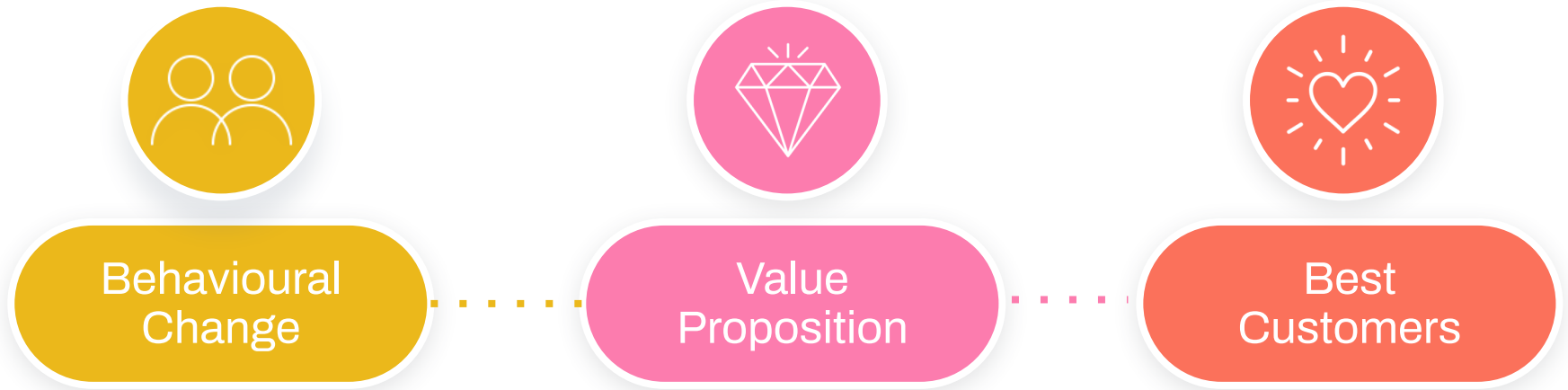
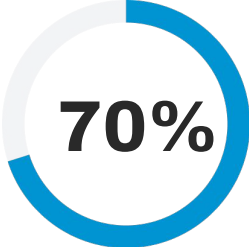**Best Customers**

Loyalty Programs *matter* to Consumers
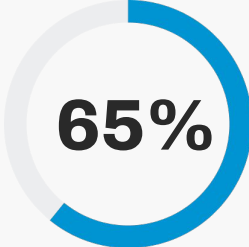
95%

Of loyalty program members want to engage with their brand's program through new and emerging technologies.
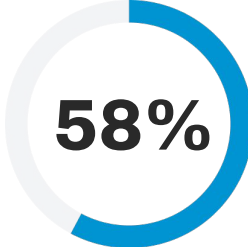
53%
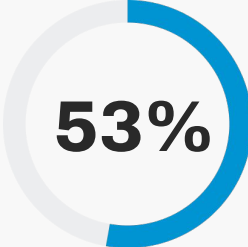
Of customers cite instant discounts as an incentive towards joining or renewing premium loyalty programs.

70%

Of consumers are more likely to recommend a brand if it has a good loyalty program.

65%

Of customers indicated discounts as the most valuable feature of loyalty programs.

58%

Of customers said points or rewards were highly desired.

Loyalty programs are *mutually* beneficial for brands too

Retention

Personalisation

Engagement

Competitive Advantage

Insights

Brand Advocacy

Data Collection

Emotional Connection

Consumer-level offer personalisation

A Machine Learning engine analyses millions of Salling purchases t**o make offer recommendations** on thousands of products

For new customers, popular Føtex grocery items like fresh produce, breads, and dairy are **all recommended automatically**

Gamification to drive re-engagement with the program and all important app logins

Andras Szocs

Senior Director and Head of Customer Programs and Center of Excellence

salling group

10%
Engagement lift with personalisation

21%
Growth rate from those receiving offers in first 6 months

Building emotional loyalty

EARN POINTS

More than 30 challenges, ensuring **constant engagement** with customers

BURN POINTS

Points are not used for purchasing. Points can be used to exchange with **unique benefits** provided

12M

Unique members

50%

of direct-to-consumer sales comes from loyalty program members
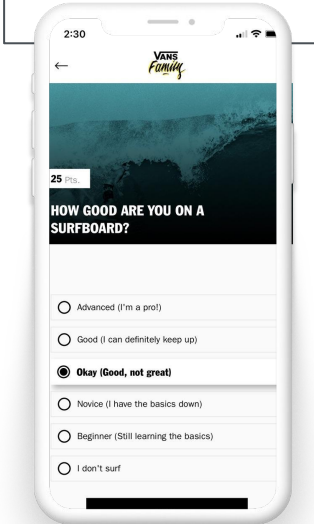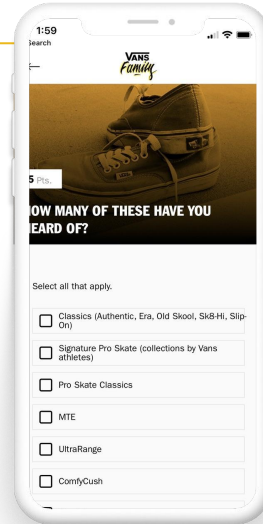
Interest

Tell me 3 things you like.
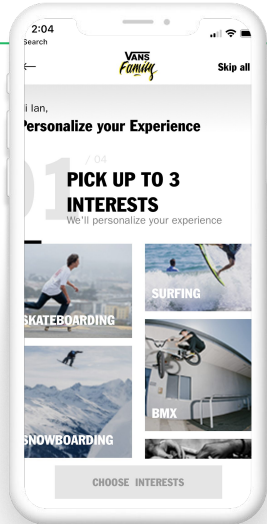
Lifestyle

Tell me how good you are at what you love and how often you do it.
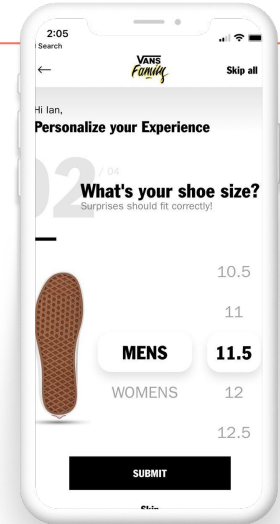
Product knowledge

Depending on the degree of knowledge about Vans, it leads to an approach that suits the member.
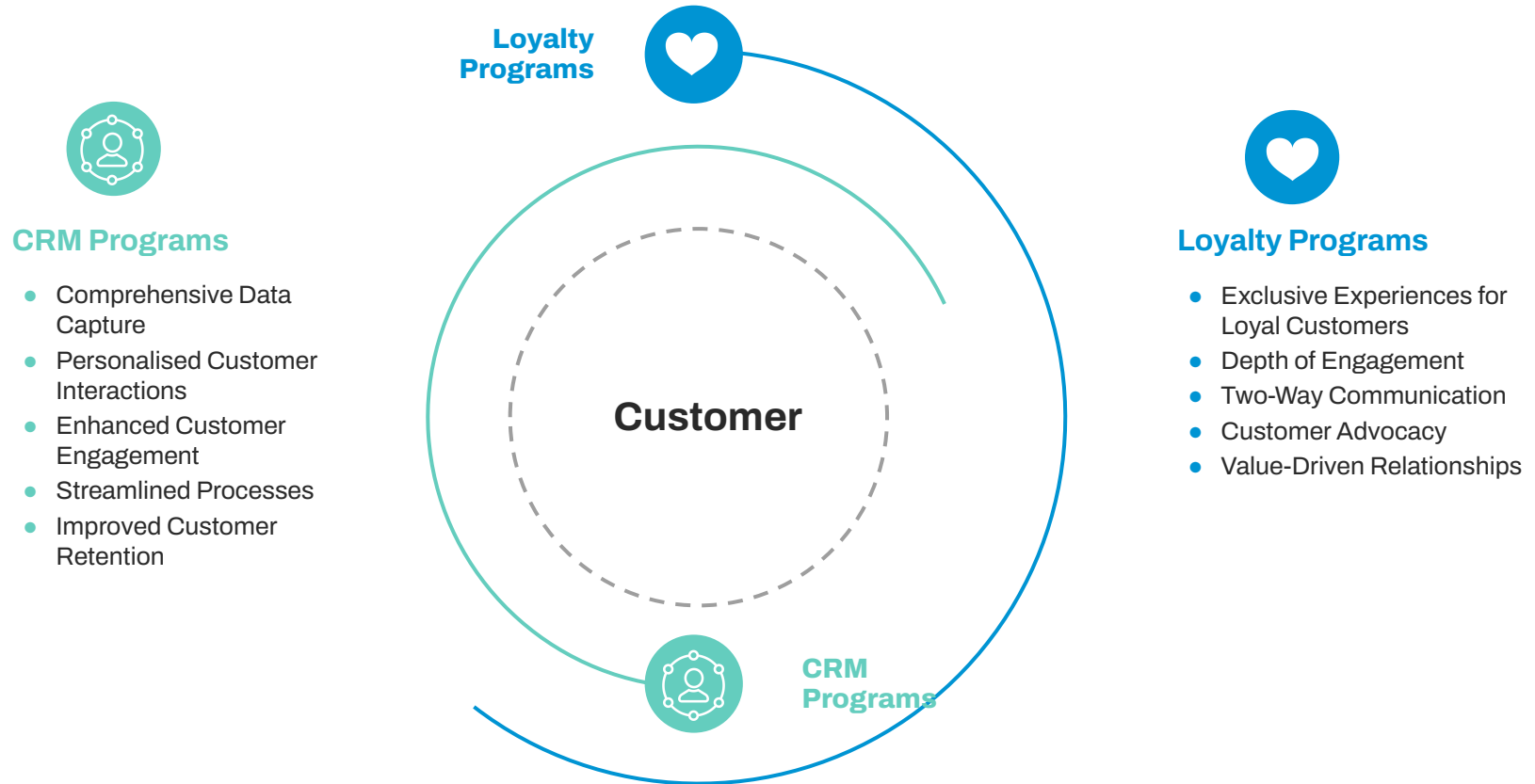
Purchasing needs

By asking about shoe size last, it is possible to suggest appropriate size products that match the customer's behavior and interests.

Integrating Loyalty & CRM Programs

Loyalty Programs

CRM Programs

- Comprehensive Data Capture
- Personalised Customer Interactions
- Enhanced Customer Engagement
- Streamlined Processes
- Improved Customer Retention

Customer

Loyalty Programs

- Exclusive Experiences for Loyal Customers
- Depth of Engagement
- Two-Way Communication
- Customer Advocacy
- Value-Driven Relationships

CRM Programs

Key *Summary*

- Loyalty is the **outcome of strong two-way relationships**

- Consumers want different things from brands. **When you make it personal, you make it matter**

- You can **drive Loyalty outcomes** outside of Loyalty programs

- Connecting Loyalty & CRM is table stakes. Loyalty must integrate within the **relationship marketing**

- We are perhaps not experiencing the demise of loyalty programs but a **shift towards hyper-personalisation.** Integrating loyalty programs with a robust CRM strategy will only super-charge these efforts to influence customer loyalty

Download our latest 2024 European *Consumer Trends Index*

The latest consumer insights into marketing channels, messaging engagement, brand loyalty, data privacy and more.