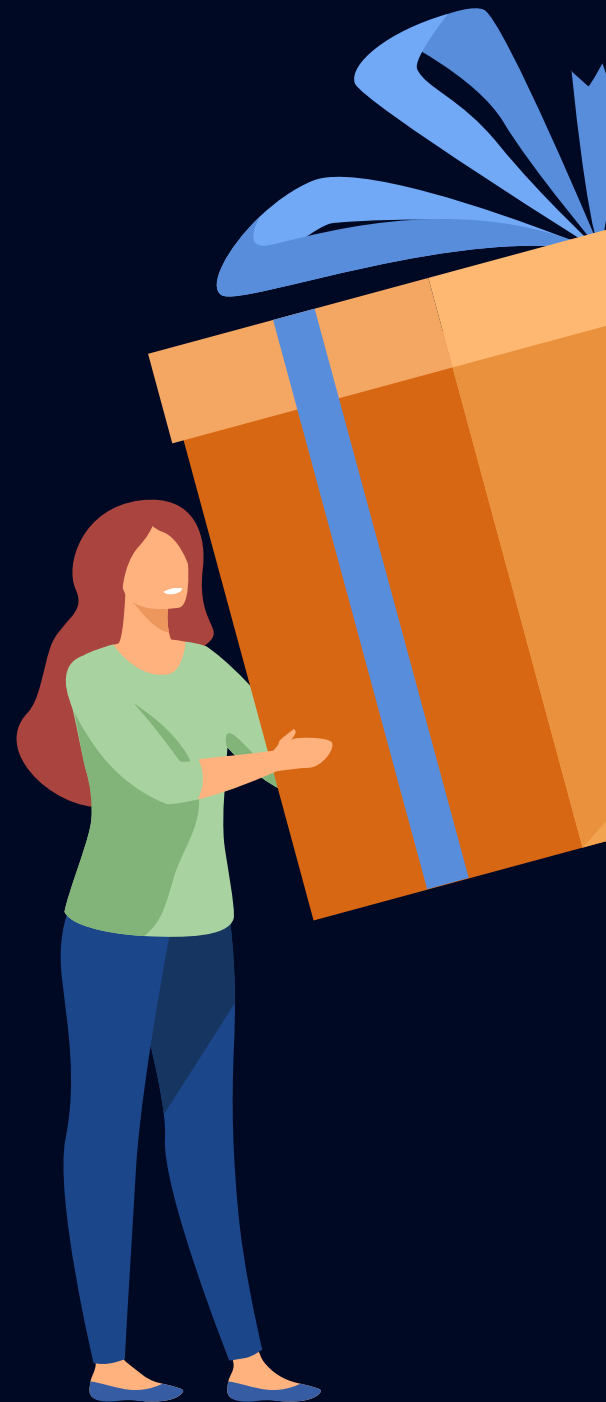
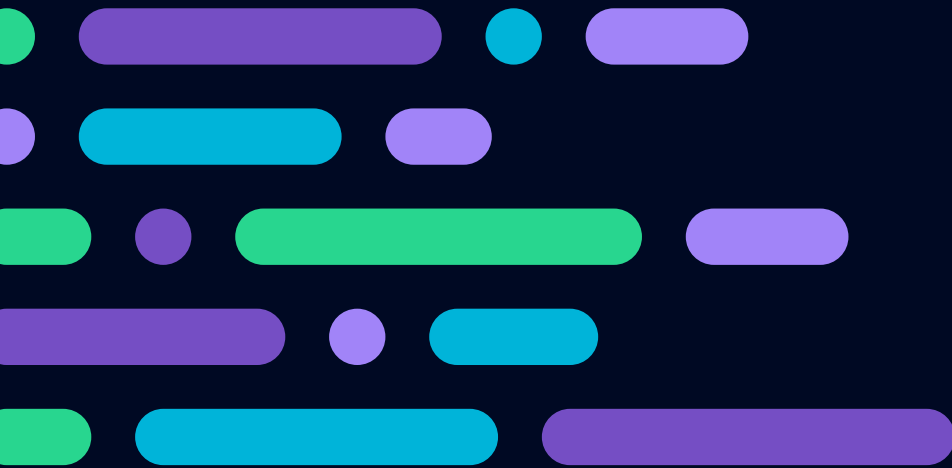




# A Comprehensive Guide Into The Modern Loyalty Programs



# Introduction

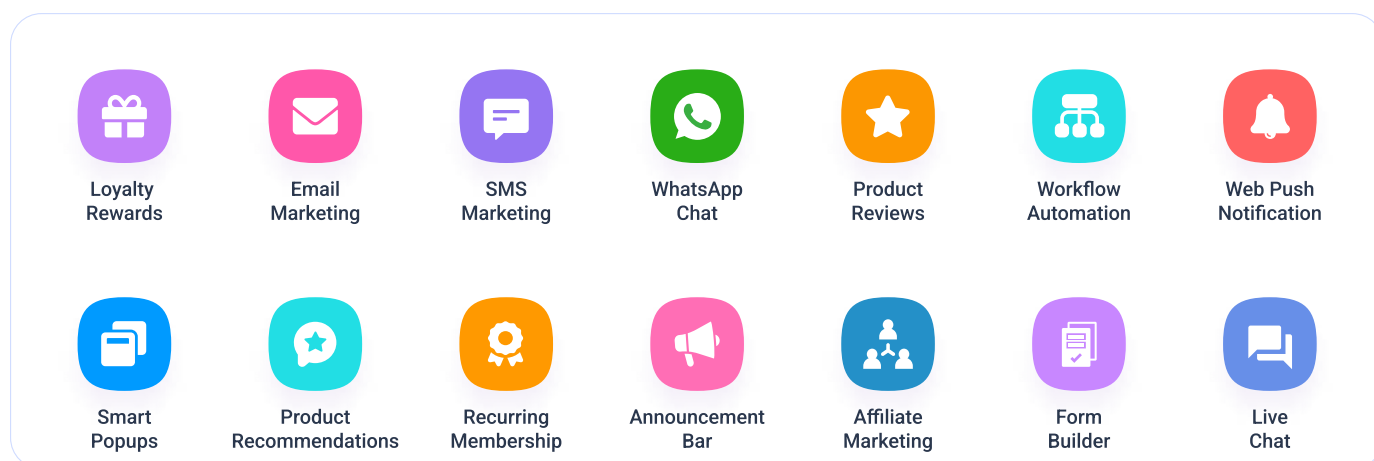
According to a study, the e-commerce market is predicted to reach a massive **USD 16,215.6 billion in 2027**, at a 22.9% compound annual growth rate from 2020 to 2027. The numbers present new potential for organizations and boost competition for consumer acquisition and retention.

According to Shopify's Future of Commerce Report, businesses must prioritize client retention to achieve long-term growth.

A customer loyalty program has been a successful strategy for retaining customers in eCommerce organizations for many years. However, with everyone following the same technique, how can you select the finest loyalty program?

In this ebook, we will talk about eCommerce loyalty programs for the modern consumer like you. Lets dive into it.

## Transforming Customer Experiences



AiTrillion is also available on:  **shopify**  **WOO COMMERCE**  **Magento**

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# 1. Overview

## Traditional Loyalty Programs:

In the traditional era, loyalty programs were relatively straightforward and primarily centered around physical loyalty cards and punch cards. These programs were prevalent in local businesses, especially in the retail and hospitality sectors.

## Modern Loyalty Programs:

The landscape of loyalty programs has undergone a transformative shift in the 21st century, driven by advancements in technology and changing consumer expectations. Digitalization and data-driven insights have paved the way for personalized loyalty strategies, and rewards.

Basis	Traditional	Modern
Format of Rewards	Loyalty Cards & Punch Cards	Digital Platforms
Industries	Retail and Hospitality Sectors	Retail & E-commerce, Wellness & Restaurant
Accessibility	In Stores	Online & In Stores
Communication	Face-to-face	Emails, Push Notifications, and SMS
Personalization	Generic Rewards	Tailored rewards
Program Structure	Simple structure	Tiered structure & Gamification
Technology & Integrations	Manual Processes	AI & Advanced Technology

## Is your Loyalty Program failing to succeed?

Did you know that even though **65%** of businesses have loyalty programs, only a tiny **13%** find real success with them? One big reason is that many loyalty programs haven't kept up with what customers want- Personalization and Tailored Rewards.

Also, The issue isn't that loyalty programs don't function anymore. Your loyalty program requires a modern approach, similar to how marketing has shifted towards automation and AI. It is time to reassess your strategy!



### Let's Fix It!

Modern problems require modern solutions, and we have got one for you!

## 2. A Brief About Modern Loyalty Programs

### 01 Program Strategy

A rewards program establishes a switching barrier that your clients will find difficult to avoid. A modern program aims to increase reach and encourage existing customers to share their experiences and refer friends.

A reward program will foster community, expand reach, increase profitability, and prevent customers from choosing competitors.



### Acquisition

You already have profitable consumers, but expanding your customer base is always beneficial. Offering a value-driven loyalty program can differentiate your brand from the competition.



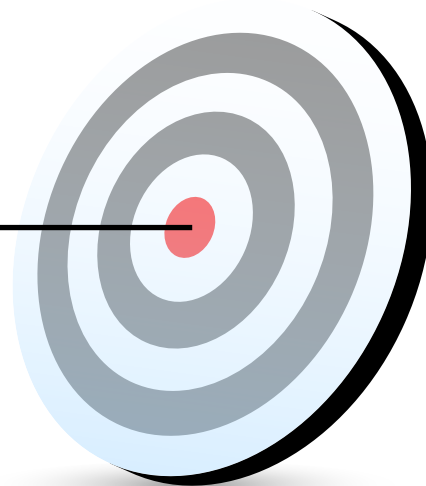
### Retention

After attracting clients, it's crucial to keep them engaged. To maintain consumer engagement and satisfaction with your products and services, create a reward program that takes into account their purchasing habits over time.



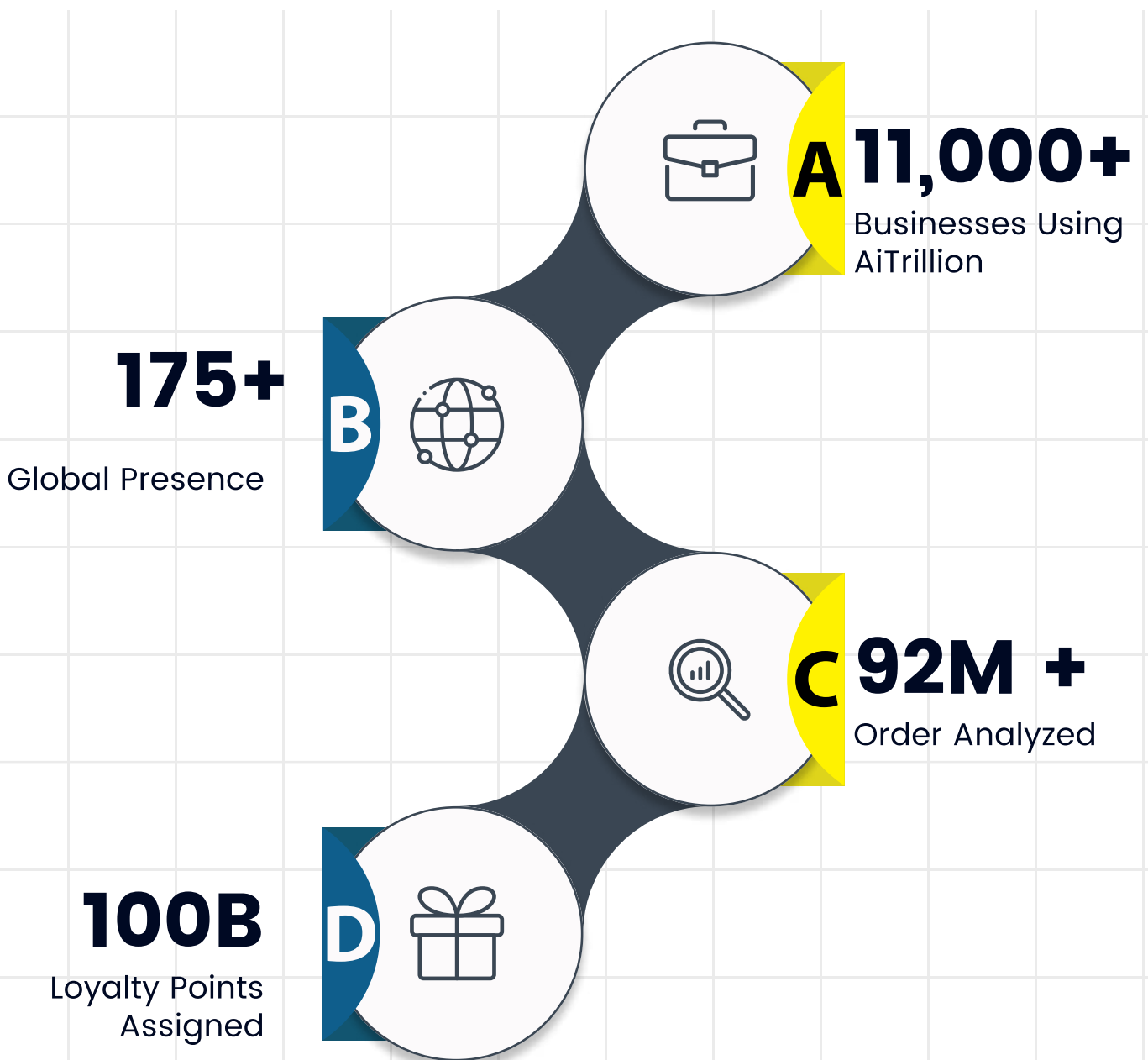
### Nurture

Finding brand advocates can be challenging, but they are crucial for business growth. Rewarding clients for sharing their product experiences and referring friends is a great method to build relationships with your important customers.



Creating millions of repeat consumers for eCommerce brands on Shopify.

AiTrillion is well-known for its ability to easily establish customer loyalty. We have designed a loyalty program that not only attracts but also maintains consumers, resulting in growth for businesses of all sizes.



## 4. Importance Of Modern Loyalty Programs

**01** Drive repeat sales

**06** Increase conversion rate

**02** Increase average order value (AOV)

**07** Influence product selection

**03** Lower customer acquisition cost (CAC)

**08** Build rich user profiles

**04** Improve stickiness against competition

**09** Increase user generated content (UGC)

**05** Reduce discounts to customers

**10** Increase social participation & content

Now that you know why it is mandatory to have a Loyalty Program for your Shopify store growth and long-term success in 2024 and beyond, let's have a look at the industries using it in full swing.



# 5. Top 5 Industries Utilizing The Modern Loyalty Programs

These retail industries are actively using modern loyalty programs to improve consumer engagement, retention, and overall business growth.



## Food And Beverage

They have embraced modern loyalty programs to foster customer loyalty in a highly competitive market. They use apps to offer personalized discounts, digital coupons, and reward points for specific purchases. Integration with online ordering further enhances the customer experience.



## Fashion And Apparel

Fashion retailers leverage modern loyalty programs to understand customer preferences and buying behavior. Personalized recommendations, exclusive access to new collections, and tiered loyalty structures are common strategies.



## Electronics And Technology Retail

Electronics retailers utilize modern loyalty programs to encourage repeat purchases and brand loyalty. These programs often include features like early access to product launches and exclusive discounts for loyal customers.



## Beauty And Cosmetics

These retailers focus on personalized loyalty programs to cater to diverse customer preferences. Points systems based on purchase amounts, birthday rewards, and exclusive access to beauty events are common tactics for targeted marketing.



## Fast-Food Chains And Restaurants

They have adopted gamified loyalty programs to drive customer retention and increase order frequency. Mobile apps with loyalty features often include mobile ordering, personalized promotions, and tiered rewards for regular customers.

# 6. The Appeal Of New Age Loyalty Programs

## Earning Rewards



### Points Per Purchase

Customers will get a certain number of points for each dollar spent or transaction completed.



### Social Sharing

Customers receive rewards for adding new customers, reviewing products, and sharing experiences on social media.



### Referrals

Members get rewarded for referring new customers, improving sales, and increasing revenue.



### Tiered Rewards

Customers receive various awards based on their current tier. Total points gained is the most effective approach to classify members. The higher the tier, the more the rewards.

## Redeeming Rewards



### Gift Cards

Instead of a monetary or percentage discount, consider presenting a gift card of the same value.



### Store Credit

A store credit has a monetary value attached to it which can be easily redeemed in an offline store.



### Perks

These incentives provide clients with access to exclusive products and services that are otherwise inaccessible.

# 7. The Rocket Science Behind Building A Loyalty Program

## \* What needs to change about traditional loyalty programs?

A study by Deloitte found that traditional customer loyalty programs are no longer effective due to the changed consumer behavior post-pandemic.

Here's the framework Deloitte recommends:

1

**Drive specific customer behavior that corresponds to providing well-defined value to the business.**

- Has your most valuable target customer segment changed post-pandemic?
- What are the differentiating parameters from your previous loyal customers?
- What new behaviors have you noticed from this new segment?

2

**Deliver compelling conversations and benefits.**

- Do your current offerings, benefits, and experiences still entice the target customer segment?
- Have their wants and needs changed post-pandemic?
- How will you change your benefits/ rewards to cater to their changed needs?

3

**Engage the customer better throughout their customer lifecycle.**

- What new physical and digital channels can you leverage to establish more customer touchpoints?
- How can you rebuild a sense of belonging and community?
- Which channels can you leverage to proactively communicate with customers?

4

**Effectively engage your staff and business partners.**

- How can you enable your staff to provide the desired experience for your loyalty program?
- What partners will you need to deliver the additional benefits?

## \* **Creating a Buzzworthy Customer Loyalty Program for Your Store**

Setting up a customer loyalty program can be a game-changer for your Shopify store, but where do you start? Let's dive into a step-by-step guide that makes the process exciting.

### **1 Dive into Your Store Analytics**

- Uncover valuable insights by analyzing customer interactions with your brand. Check out repeat visitor numbers, identify patterns in repeat sales, and understand the reasons behind these sales.

### **2 Define Your Goals**

- Once armed with insights, define your goals. What do you want to achieve? Whether it's driving repeat purchases, boosting customer lifetime value, or increasing referrals, clarity on your goals is key.

### **3 Choose Tempting Rewards**

- Decide what perks you want to offer your loyal customers – be it loyalty points, store credits, shipping benefits, or exclusive deals. Make sure your rewards align with what your target audience truly desires.

### **4 Pick Your Program Type**

- Now, it's decision time. Choose the type of loyalty program that suits your business and goals. Options abound – point programs, tiered programs, VIP clubs, and more. Get a solid understanding of how these programs work and choose wisely.

### **5 Look for the Perfect Loyalty App**

- Find one that not only enables seamless earning and spending of rewards but also provides support during setup. Your chosen app should help you craft the right strategy and interface for success.

### **6 Set a Budget for Rewards**

- With all the exciting elements in place, remember to set a budget for customer rewards. Balance your resources to allocate funds for customer incentives while ensuring you can still focus on other aspects like marketing campaigns.

## 8. Customer Loyalty Program Examples To Inspire Yours

### **crocs™**

Crocs enhanced the frequency of purchases among their recurring customers through the implementation of a loyalty program.

Through their analysis, Crocs found that members who redeemed loyalty points tend to spend more annually compared to non-members. This discovery led to a significant boost in Customer Lifetime Value (CLV) by creating additional engagement opportunities for members. Unlocking prizes through the loyalty program served as a powerful incentive, encouraging these members to make more purchases and redemption of **48.1 M** points.



Aakash Namkeen is enhancing customer loyalty and boosting repeat purchases through its innovative loyalty program. With the aid of our loyalty program, Aakash Namkeen has distributed more than **31 million** points as rewards to its valued customers. The integration of AiTrillion's loyalty program with email marketing has proven instrumental, enabling the brand to send timely reminder emails for customers to redeem their loyalty points. This strategic approach has resulted in an impressive **239%** increase in repeated purchases for Aakash Namkeen.



Bkcvapour, an online store specializing in e-liquids and hardware, has established a customer loyalty program designed for their specific customer segment. This program not only simplifies the process of earning rewards but also facilitates seamless redemption. Notably, the rewards offered are customized to align with the demographics of their target audience, ensuring they are easily attainable and contribute to the creation of unique and personalized experiences.



Premium Co. successfully attained an increase in repeat customers and boosted repeated purchases through the implementation of its Loyalty Program. Since the program's initiation, there has been a notable **10%** uplift in the number of returning customers and a remarkable distribution of over **23 million** loyalty points as rewards. The Loyalty Program has also contributed to generating **\$230,000** in revenue for Premium Co.



Throughout the journey, Craft Central has recognized and rewarded customers with an impressive **15 million** points through an innovative loyalty program. The AiTrillion loyalty program seamlessly integrates with email marketing, allowing Craft Central to send timely reminder emails prompting customers to redeem their loyalty points. This strategic approach resulted in an impressive **46%** growth in revenue for Craft Central.

### **It's Time To Level Up!**

Establishing a client loyalty program should not be a one-time effort. To improve client retention, always analyze and tweak your loyalty program for a better experience.

This is where a reliable solution to fuel your loyalty program comes in handy.

# 9. Future Trends In Loyalty Programs



## Subscription-Based Loyalty Models

The rise of subscription-based services has influenced loyalty program trends. Brands may explore models where customers subscribe to exclusive loyalty tiers, unlocking a continuous stream of benefits and personalized offerings.



## Personalization

Loyalty programs will increasingly focus on hyper-personalization, tailoring rewards and experiences to individual customer preferences and behaviors.

Advanced data analytics will enable businesses to offer highly targeted incentives, enhancing customer engagement and satisfaction.



## Automation and AI

Automation and AI will play a central role in loyalty programs, streamlining processes and providing more efficient and personalized experiences. AI algorithms will analyze vast amounts of customer data to predict preferences, optimize reward structures, and automate communication, making loyalty programs more adaptive and responsive.

These trends illustrate a transition toward more personalized, technologically advanced loyalty programs, reflecting changing customer expectations and the dynamic business landscape.

# Contact Information.

AiTrillion is a sales and marketing automation platform empowering e-commerce growth via powerful modules to transform customer experience.

AiTrillion provides unified, data-driven solutions for loyalty, Email, SMS marketing, reviews, and more. Used by 1,000+ brands including Aakash Namkeen, Crocs, Kapten Batik, and others, to create unique experiences that promote engagement and customer retention.

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