

How independent businesses can retain more customers

4 steps to a comprehensive loyalty-marketing program that helps drive customer retention by turning occasional customers into regulars

By David Hillar, Senior Marketing Manager, Vicinity

As an independent business owner you rely on repeat business because it means you're retaining customers.

Loyalty marketing helps you retain more customers because it rewards people for shopping at your store in a way they find relevant enough to return, again and again. Rewards should appeal to different types of customers based on their value and purchasing behaviour; people who shop with you more often earn the best rewards to encourage even more spending.

But traditional loyalty marketing programs require specialized hardware and Customer Relationship Management (CRM) software. It's complicated and often priced beyond the reach of most small business owners.

Fortunately, cloud-based customer intelligence and marketing tools like Vicinity make loyalty marketing simple and affordable for independent retailers. You can start a program in four easy steps:

STEP 1: BUILD A SMART DATABASE

A CRM database stores customer information that you collect through your point of sale (POS) terminal. The data is encrypted in the cloud and you access it online. Each time a customer makes a purchase, you can enter demographic or product information onscreen during the transaction. The customer simply taps their loyalty card or gives you their phone number, which calls up their account in the CRM database.

STEP 2: SEGMENT CUSTOMERS TO SEND THE RIGHT MESSAGE

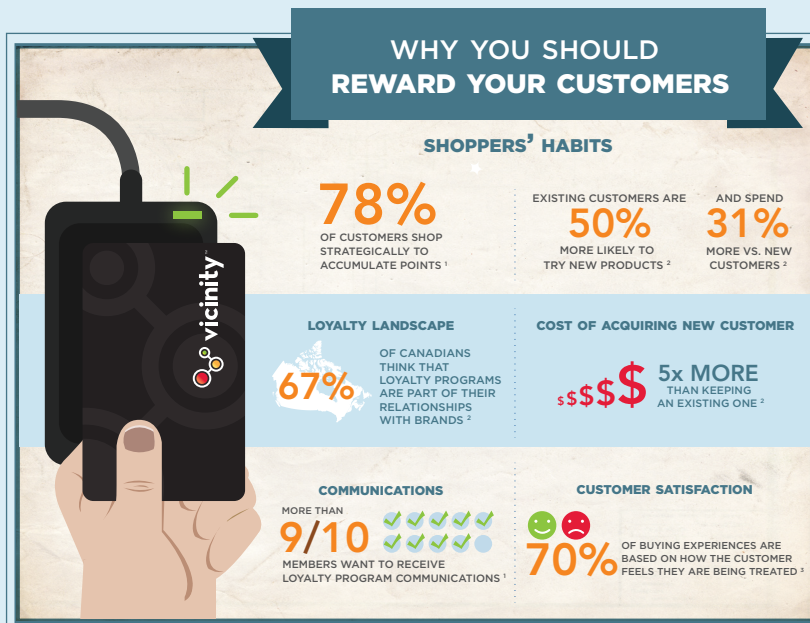
The more you segment customers into groups based on their demographics and behaviour, the easier it is to send them appealing offers that they want to redeem. With Vicinity, for example, you can segment customers into groups based on purchasing history or status—new, at risk, inactive, or VIP. To send targeted messages, select the specific customer group, enter an email subject line, write the body of the email, and send it out from your Vicinity Dashboard.

STEP 3: POST-SALES ENGAGEMENT

Retailers that focus beyond the sale retain more customers because they provide an added level of service. You can send out email or text messages after the sale to engage customers with order confirmations, shipping notifications, satisfaction surveys, product review requests, discount offers, or thank-you messages.

STEP 4: MEASURE AND MONITOR YOUR RESULTS

Most loyalty marketing platforms come with analytics to help you monitor, extract and “marketize” customer data. For example, Vicinity’s platform shows how much revenue each customer generates and displays graphs that help you track customer visits, loyalty program sign-ups, program referrals, and reward points or promotion redemptions. It’s actionable information because you can launch email and text campaigns based on the data within the dashboard. So if you want to win back customers who haven’t visited in awhile with a special promotion, it’s easy to do.



Sources: 1: Bond Brand Loyalty, 2: Smart Insights, 3: Helpscout

GET MORE MARKETING TIPS FROM VICINITY

Download our free Loyalty Marketing Playbook today at www.vicinitywelcome.ca or call 1-844-284-2464.



David Hillar is Head of Marketing at Vicinity, a complete, customizable loyalty program for small and medium-sized businesses. Vicinity provides an easy, cost-effective way to recognize, communicate with and reward customers to help drive repeat business. Launched in 2013, Vicinity is a division of Rogers Communications. More than 1,500 Canadian small businesses are part of the Vicinity loyalty program, which has more than 1 million cardholders across Canada.

