

Why loyalty marketing means customer retention

Turn occasional customers into regulars with a proven marketing platform that lets you tailor offers and messages for maximum appeal.

By Tina Kalogeropoulos, Marketing Manager, Vicinity

In the foodservice business, trends come and go along with customers, who may or may not patronize your bakery again after the first time. But 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 buying your baked goods 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.

And cloud-based customer intelligence and marketing tools like Vicinity make loyalty marketing simple and affordable for independent bakeries and small business owners. Here's how it works:

By building customer relationships.

Nothing feels better as a customer than having your loyalty recognized with a freebie. A loyalty marketing platform makes it easy to send out offers people truly appreciate to encourage them to visit your shop. Things like exclusive invitations to a

"baker's tips" event, or product sampling sessions can help you to keep your top customers coming back and spending more per visit. Plus it can help you transform already-loyal customers into brand ambassadors who attract others to your business.

By using customer demographics.

Loyalty program mechanics are set up to gather detailed customer information and store it in an accessible Customer Relationship Management (CRM) database. Knowing the demographics, lifestyle, and product preferences of your customers helps you engage them with appealing offers and rewards. Vicinity, for example, helps you create your own CRM database full of customer emails, phone numbers, birthdays, and notes about product and service preferences so you can send specific messages to specific customer groups based on demographics and purchasing behaviour.

By appealing directly to specific customer groups.

Relevant, personalized marketing messages have more sway in today's overcrowded, buzzy marketplace. The more you can

segment customers into groups based on their behaviour, the easier it is to send them appealing offers that they want to redeem. This gets them inside your bakery, where the potential is high for cross-selling and up-selling. Some platforms, like Vicinity, have automated tools that let you pre-set personalized text or email campaigns that are triggered when certain dates (the customer's birthday; 60 days after their last visit; one week after their first visit; etc.) or purchasing thresholds are met.

Analytics to measure 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 notice that Tuesdays are always slow, for example, you can easily send a text or email campaign (Toonie Tuesdays; two-for-one cupcakes; etc.) to move product.



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

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Tina Kalogeropoulos is Marketing Manager 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.