

Should You Try a Loyalty Program?

Member loyalty programs let your club move beyond one-off contests, draws and giveaways

BY FIONA LAKE WASLANDER



Digital rewards programs aren't just for coffee shops and retailers. Fitness clubs and health food stores are now also using loyalty programs to reward members with discounts or merchandise for consistent attendance and dollars spent.

Automated marketing, often in the form of text messages, contacts customers to offer them an incentive to visit the club or make a purchase. Incentives, such as discounts on services or merchandise, can also be offered

to members who reach a targeted goal number of monthly visits.

While it is easy to reach members by text, the key to success is customizing the communication. Regular, mass communication can cause members to lose interest. Instead, messages should be triggered by specific behaviours so that members are targeted for a reason.

Powerful analytics

One of the biggest advantages of a

digital loyalty program over the old-fashioned stamp card is the access to data. Business owners can access data, such as the number of visits and number of new-member sales as well as loyalty campaign redemptions. This data reveals which promotions are working and which ones need to be re-evaluated. The data can help move inventory and encourage visits during slower periods.

Success stories

Vaughan, Ontario, based Spin Kicks Cycle and Fitness, an indoor and outdoor cycling facility, uses a rewards program to entice members to work out regularly. Spin Kicks offers one loyalty rewards point for each visit and for every \$10 spent on merchandise, bike fittings and repairs. Members can redeem their points for merchandise ranging from an energy bar (10 points) up to a Pro Saddle Bag (100 points). Since introducing the program one year ago, SpinKicks has registered more than 200 cardholders who have collectively racked up more than 3,500 visits.

In Hamilton, Ontario, health food and supplement store Nutrition Asylum offers one point for every dollar spent. Customers redeem their points for discounts on future purchases. To sweeten the deal, the store doubles the points on every fifth purchase. After one year, more than 1,200 of its customers are participating.

Fiona Lake Waslander, is the general manager of Vicinity, a turnkey loyalty program that enables small- and medium-sized businesses to easily and cost-effectively grow repeat business by rewarding their customers. For more information, visit www.vicinityprogram.ca.

ONE CARD MANY RESULTS

WHY YOU SHOULD REWARD YOUR CUSTOMERS

SHOPPERS' HABITS

78%

OF CUSTOMERS SHOP STRATEGICALLY TO ACCUMULATE POINTS ¹

LOYALTY LANDSCAPE

90%

BPM

OF CANADIANS BELONG TO A LOYALTY PROGRAM ¹

COST OF ACQUIRING NEW CUSTOMER

5x MORE

THAN KEEPING AN EXISTING ONE ²

COMMUNICATIONS

9/10

MORE THAN MEMBERS WANT TO RECEIVE LOYALTY PROGRAM COMMUNICATIONS ³

CUSTOMER SATISFACTION

70%

OF BUYING EXPERIENCES ARE BASED ON HOW THE CUSTOMER FEELS THEY ARE BEING TREATED ³

Sources: 1: Bond Brand Loyalty, 2: Lee Resources 2010, 3: Helpscout