

# The Value of Loyalty Marketing

David Hillar, head of marketing at Vicinity, explains the mechanics of loyalty marketing and how it can help small retailers win more repeat business

**R**epeat business means you're retaining customers. It's crucial in the retail world, where competition is fierce and shoppers can be swayed by aggressive marketing offers and price undercutting from big box retailers. So how do you keep customers coming back to your business?

By winning their loyalty.

Successful loyalty programs reward customers in a way they find relevant enough to take action. Rewards are customized to appeal to different types of customers based on their value and behaviour. Those customers who shop with you more often earn the best rewards to encourage even higher spending levels.

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 independent retailers and small business owners.

Fortunately in the era of "big data" and digital information, cloud-based customer intelligence and marketing tools give you the benefits of CRM data storage, sophisticated analytics functionality and loyalty program management—without the hefty price.

Vicinity is one solution that makes cutting-edge loyalty marketing tools simple and affordable for independent retailers. Once you subscribe to the service, we help you get up and running in four easy steps:

## Step 1: Build a smart database

Vicinity's CRM database stores information about your customers



that you collect through your point of sale (POS) terminal. The CRM data is encrypted in the cloud and you access it online, through the Vicinity Dashboard. Each time a customer makes a purchase, you can enter demographic or product information onscreen during the transaction. The customer simply taps their Vicinity card or gives you their phone number, which calls up their Vicinity 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. You can use Vicinity to segment customers into groups based on purchasing history or status—new, at risk, inactive, or VIP. To send targeted messages, you 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 use Vicinity to 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

The Vicinity Dashboard is an analytics portal that helps you monitor, extract and "marketize" customer data. It shows how much revenue each customer generates for your business and displays useful graphs that help you track customer visits, loyalty program sign-ups, program referrals, and reward points or promotional redemptions. It's actionable information because you can launch email and text campaigns from within the Vicinity Dashboard from any computer. So if you want to win back customers who haven't visited in awhile with a special promotion, it's easy to do.

*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 1,000,000 cardholders across Canada. To learn more, call 1-844-284-2464.*