

Loyalty Programs

A Proposal For Increasing ROI Using
Loyalty Marketing

Innoviti Embedded Solutions



Agenda

- What are loyalty programs?
- Why are they relevant?
- How to design loyalty programs?
- LIME: A tool for loyalty management
- Benefits
- Next steps



What Are Loyalty Programs?

- **A marketing initiative for**
 - **Developing long lasting relationships with most valuable customers**
 - **Creating and delivering unique, consistent and memorable engagements**
 - **Developing better business understanding for driving footfalls and increasing ROI**
 - **Managing customer churn**



Are They Still Relevant?

- They are intrinsic to most marketing strategies, however?
 - Proliferation of programs questions their differentiating capability
 - Value addition to customers is debatable?
- Is it the kind of product new marketers should consider?



Relevance For India

- India is a nascent market for loyalty programs, holds tremendous potential
- Consumer choices are being shaped through unparalleled access to information



The Evolving Indian Consumer

- **Becoming increasingly sophisticated**
- **Exposure to modern retail formats**
- **Increasing awareness of fashion and brands**
- **Time of higher value than money**
- **Becoming more experiential**
- **Plethora of choices**
- **Want to be served when they want and where they want**



Some Public Facts About Loyalty Programs

- **76% of US retailers and 75% of US shoppers are engaged in loyalty programs**
- **Shopper's Stop claims more than 60% of sales from loyalty members**
- **Subhiksha claims 80% of sales comes from loyalty members**

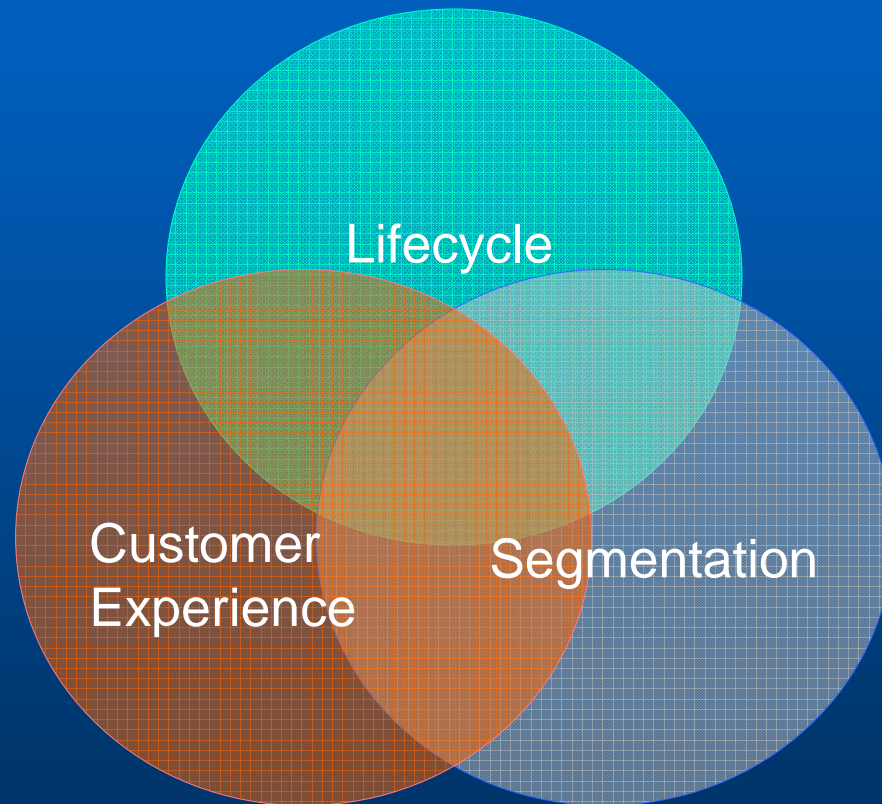
The importance of loyalty programs cannot be more emphasized..

Developing Loyalty Programs

Principles and Practices



Principles Of Loyalty Management





Steps Towards Starting Loyalty Programs

- **Setting the expectations from the program**
- **Determining what customer information and buying behavior data to gather**
- **How to gather data, analyze, run campaigns and monitor ROI?**



First Step: Setting Expectations – Some Possibilities

- **Identifying your loyal customer and their buying behavior**
- **Using customer data for new product campaign and new outlet identification**
- **Improving margins and revenue through direct marketing campaigns**



Second Step: Determining What Information To Gather?

- **Why do customers buy this brand?**
- **Why are customers dissatisfied?**
- **What is the current buying behavior?**
 - **By time, day**
 - **Existing customer segment**
 - **Brand or price conscious**
 - **Product and/or service**



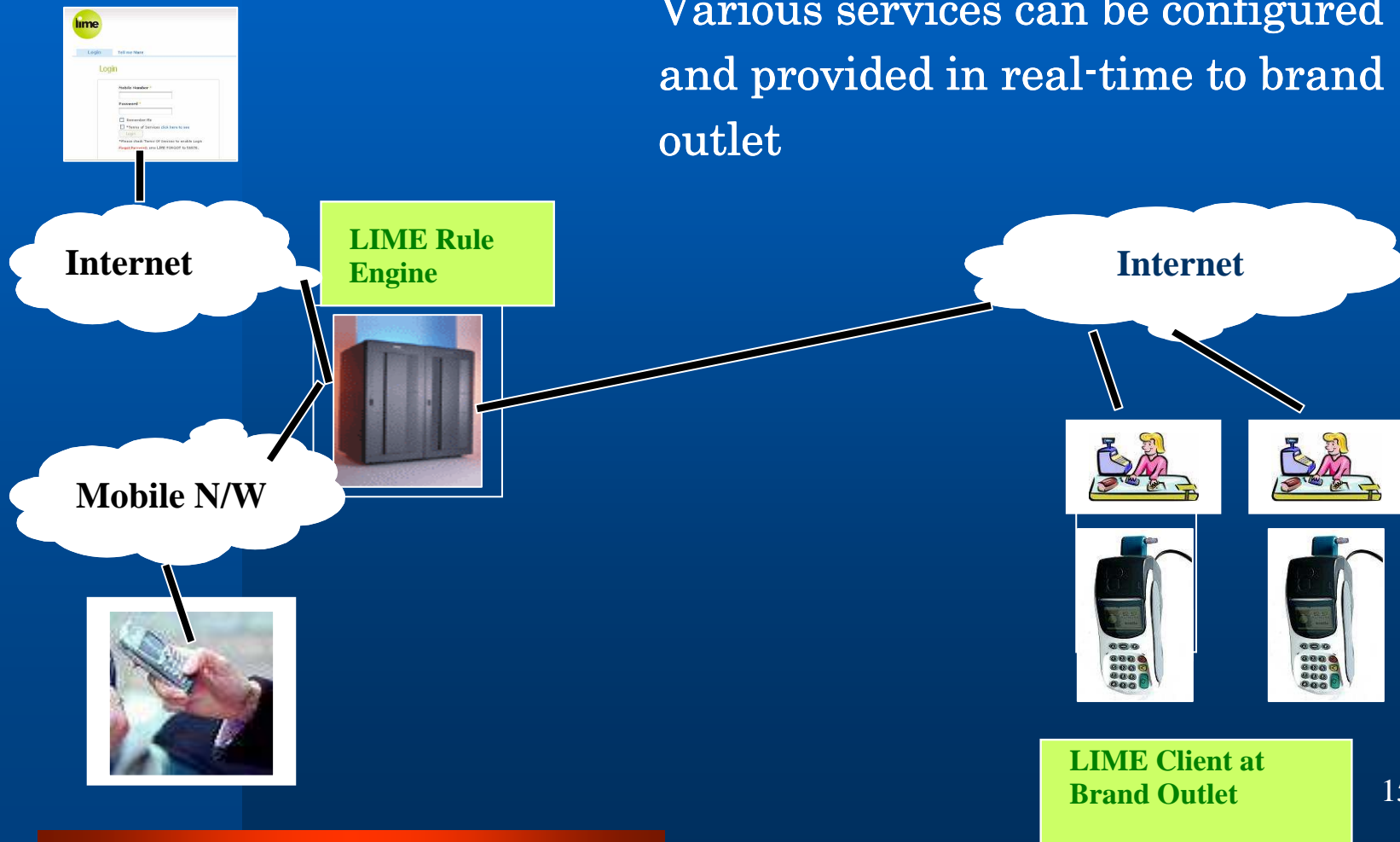
Third Step: Implementing The Program

- **Implement using Innoviti's LIME, a comprehensive loyalty management tool - provides**
 - Data gathering
 - Data analysis
 - Direct marketing campaigns
 - Information access for customer and brand
 - Monitoring ROI from campaigns



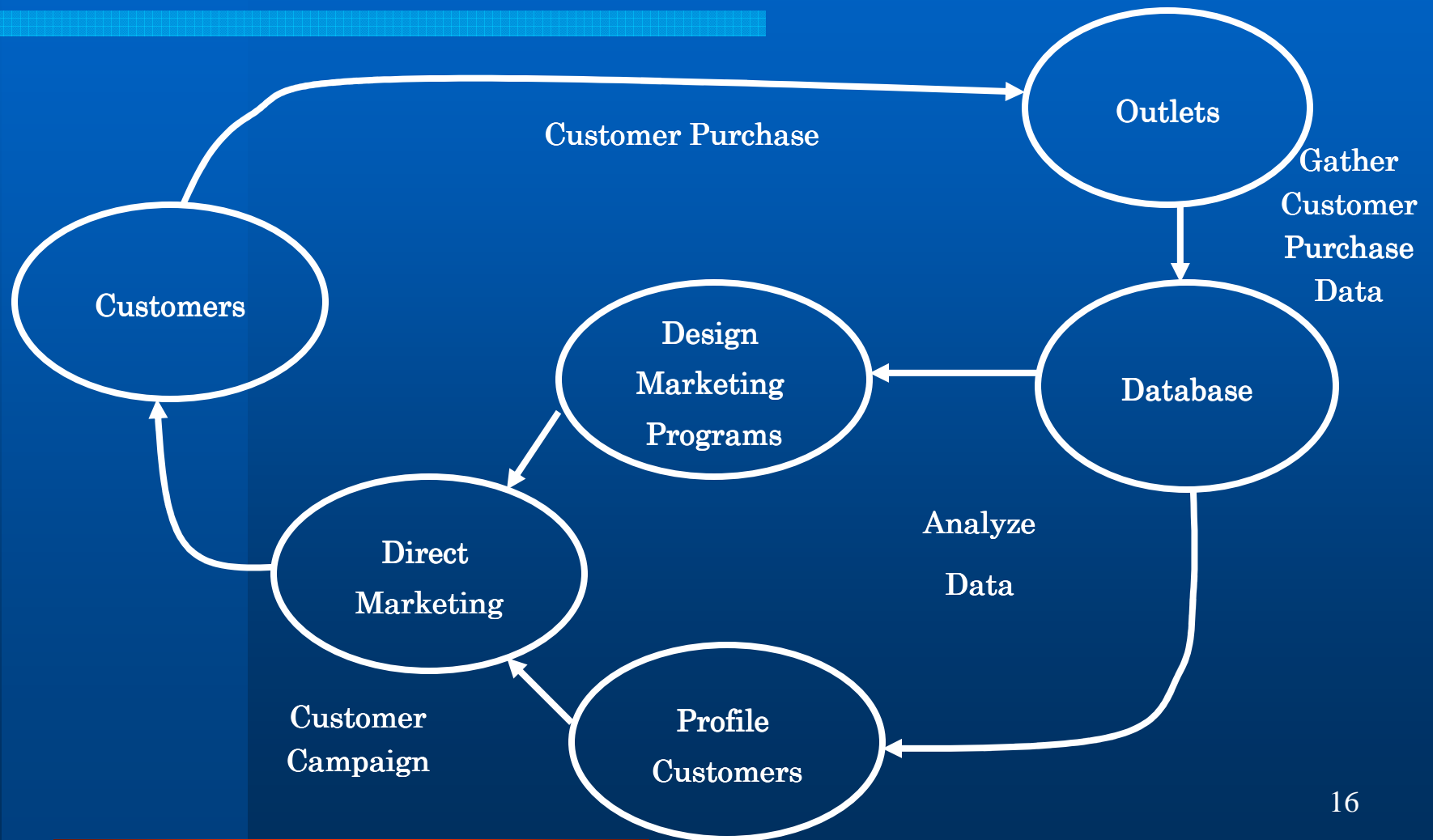
How LIME Works?

Various services can be configured and provided in real-time to brand outlet





LIME Business Process Cycle





Services

- **Enrollment:** Design custom forms and enroll on live database, issue cards, manage member grades
- **Data Gathering:** Online (over GPRS) rewards, redemption, query
- **Analysis:** Value, frequency, recent visits, customer personal data correlation



Services...

- **Marketing Campaigns: Email, SMS, Mailers, Events to customers selected from analysis**
- **Monitoring ROI: Correlating campaign to customer repeat buying**
- **Support: Customer and outlet support for program management**



Benefits Of LIME Based Loyalty Management

- **Single tool for managing end-to-end program**
- **Real-time data gathering, analysis and campaigns**
- **Increase ROI through effective marketing**



Next Steps

- How to help you introduce a loyalty program?
- Determining objectives, data to be gathered, tool customization

Thank You

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