

Loyalty Program Audit & Refreshment

In Pursuit of Customer-Centricity

Most retailers have made statements indicating their desire to become more customer-centric. Some have proclaimed to shareholders or stakeholders that they are committed to becoming a customer-centric organization. We know this from reading information shared in 10Q and 10K reports for publicly traded companies, press releases, presentations, and other information disclosed by privately held companies, and our own direct contact with dozens of retailers each year.

Making the changes necessary to truly put the customer first in any business can be a challenging and complex task. Developing a thoughtfully designed and well executed Customer Growth Strategy is the foundation of reaching the goal. Whether that strategy includes a Customer Loyalty Program depends on individual retailer decisions.

Customer Loyalty Programs are Everywhere

Today, the use of loyalty programs by retailers as a means towards achieving customer-centricity is pervasive. Most of these programs were designed and launched five or more years ago. In some cases, the original program design needs to be reviewed and updated based on change in technology or customer preferences.

At the least, every program should be reviewed to document program financial performance, adherence of brand and financial goals, and alignment with current trends and best practices. Performing a loyalty program audit is the first step toward ensuring that your customer-focused marketing efforts remain relevant to your customers and contribute meaningfully to your organization.



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What Does a Loyalty Program Audit Include?

6 KEY COMPETENCIES

We approach a Loyalty Program Audit by reviewing the **Six Key Competencies of Loyalty Marketing™** and answering these questions and more in the process.

1. Strategy

- Does your loyalty program reinforce core brand promises?
- Does the program add to the value of the customer experience?
- Has your program offer been diminished by competitive offers?
- Does the program include employees and encourage their advocacy?



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6 KEY COMPETENCIES

2. Communications

- Are you communicating with customers in their preferred channel?
- Are you taking an omni-channel approach, using multiple digital channels?
- Does the program use mobile and digital channels to improve customer engagement?
- Do you have a communications plan to govern all messaging and offers across all channels?

3. Analytics

- How do you rate the hygiene of your customer data? Could you improve the utility of this data for better offer delivery?
- Are you able to extract insights on your customer's preferences and reflecting this in your program?
- Are you using the data you collect to improve customer experience?
- How is your reporting organized? Are you able to provide evidence of program performance to your leadership?

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4. Operations

- How is your loyalty services team composed? What skill sets could be added or improved through training?
- Where can you improve the effectiveness and efficiency of customer care? Have you adopted tools beyond a call center (kiosks, social, web, mobile, surveys)?
- Are you prepared to meet the requirements of data privacy and protection regulations (GDPR, CCPA)?
- What is your ability to respond to operational outages?

5. Technology

- Does your core loyalty processing technology meet current and future requirements? Where are the gaps?
- Are you up to date on cloud-based options that could add capability while reducing overall operating costs?
- What is the status of your mobile strategy? Do you have a mobile app and could it be improved?
- Do you have any point-of-sale migration or integration issues that need to be resolved?

6. Rewards

- What are you observing in reward redemption patterns? What is the redemption rate by program and by reward option?
- Have you reviewed your reward options and format? If you started with catalog, cash, or merchandise, is it time to change the mix?
- Are you taking advantage of CPG/vendor support for rewards and promotions? How could you improve in this area?
- Are you using gamification or charitable options in your rewards offer today?



BENEFITS OF A LOYALTY PROGRAM AUDIT

What are the Benefits of a Loyalty Program Audit?

Any retailer seeking continuous improvement on its journey to customer-centricity will benefit from a Loyalty Program Audit. Even if you think you're doing a great job and that the program is running smoothly, you still have one key reason to engage an audit: your customers.

A Loyalty Program Audit encompasses a scan of each of these Six Competencies and narrows a focus to the more prioritized elements that need attention, or where the greatest opportunity to improve your connections with customers exists.

What is Unique about the Impact 21 Approach to a Loyalty Program Audit?

Impact 21 delivers every Loyalty Program Audit with the goal of creating a clear ROI for your organization. We scan your program operations against each of the Six Competencies and prioritize the areas that need attention. Our recommendations are actionable and focused to create the biggest gains on the opportunities identified.

Program refreshment will pay for itself with improved customer behaviors, more efficient operations, and higher customer satisfaction.



► Get Started: Email us at loyalty@impact21.com or call (859) 219-3040.

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