

Mobility Plaza®

You might have a loyalty program, but do you have a strategy?



According to PDI's "The Road to Rewards Report," 64% of c-store retailers had a loyalty program in place in 2020. Fast forward to 2022 and it's worth asking how the 36% without a loyalty program are faring. Are they still in business or, better yet, are they now reaping the benefits of implementing such a program?

Either way, it seems clear that overall c-store business success is closely tied to how successful your loyalty program is. That's why it's always smart to pause and reassess: Have you been doing loyalty right?

Before you can begin answering that question, the first element you should examine is your loyalty strategy. This is something businesses running a loyalty program often forget. As a retailer, you should always consider your entire marketing strategy, not just the loyalty program itself. Connecting loyalty, customer communications, mobile technology, and data insights to build a holistic strategy helps ensure that you're continually delivering the type of experience consumers want with you, at

every touchpoint.

Loyalty Strategy: 6 Steps to Greatness

As with all “enterprises of great pith and moment”—as Shakespeare might say—even if you know that having a strategy is the cornerstone for guiding your decisions and actions, what exactly does a well-defined strategy entail? Let’s start with six essential elements.

1. Measurable goals and objectives

What’s the purpose of a loyalty program? Naturally, you want to attract and retain customers, and influence consumer behavior that adds to your profits. Profitability is something you should never forget in regard to your loyalty and overall marketing strategy. If something isn’t profitable, it’s not right. Loyalty has historically been one of the industry’s hottest topics—and for a good reason. Compared to non-members, loyalty members are much more likely to make an in-store purchase every time they fuel or charge their vehicle. They also tend to spend more per store visit. This becomes even more important when consumer trips and basket sizes fluctuate during times of crises.

2. Situational analysis

Assessing your current situation is critical to understanding what type of loyalty tactics align with your business goals, accelerate your business growth, and help you meet your customers’ expectations. Your approach should include a SWOT analysis on your business to understand how to position it better, a competitive analysis, and a customer behavior analysis. From here, you can create your customer personas and identify what loyalty program features will truly engage your customers. This analysis is the foundation for your loyalty strategy, and it guides many decisions around your loyalty strategy.

3. Budget

Budgeting can often feel a bit like the chicken and the egg. But assigning a budget helps you assess the scale of your loyalty program, your offerings, rewards, competition, and the loyalty software functionality that you can refine as you grow. Fully integrated loyalty platforms allow you to choose the loyalty functionality to suit your particular strategy and requirements. However, it’s vital that your loyalty platform can seamlessly integrate with your point-of-sale (POS) system and other marketing assets.

4. Tactics

Combining your research, budget, and loyalty software requirements helps you to develop a loyalty program strategy that aligns with your business goals and your customers. Outline the structure of your loyalty program, how it works on a day-to-day basis, and how it fits into the customer journey. From there, start thinking about which loyalty features are best suited to deliver your results, ranging from your loyalty host and customer engagement tools, all the way to data insights and analytics.

5. Processes

Do you plan to handle everything in-house, outsource it, or a combination of those two methods? The answer and execution mix depends on your size, operational complexity, intricacy of your tactics, in-house talent, capacity, and more. Remember that loyalty is a big undertaking, and it can take a lot of time and resources to get it right. Don't hesitate to seek help from experts with experience implementing and managing thousands of successful loyalty programs if you're not certain what the best approach entails.

6. ROI focus

Using loyalty KPIs that align with your business objectives and key results makes it easier to measure ROI and show the impacts of your loyalty program investment. For example, with the analysis of an existing program and the implementation of the right program enhancements, you can revitalize an underperforming loyalty program to engage customers, increase sales, and expand your business.

As mentioned before, if it's not profitable, it's not right. The right strategy mix and solution can help you gain a competitive advantage, attract and retain more loyal customers, and drive profitable consumer behavior with unique offers and insights. By doing so, you can:

- Improve sales with personalized loyalty offers that increase frequency of visits and wallet share
- Engage customers using best-in-class digital channel tools and expertise
- Increase profitability with a unified view of promotions and campaign effectiveness

Simplify and automate your marketing operations. In life and business, you can't achieve success in a silo. The same is true for your loyalty strategy. It's not about individual programs or tools. You need a holistic approach that utilizes the expertise of the right partners that have the industry knowledge and local presence to help you create solutions that engage shoppers and drive your profitability.

PDI has recently complemented its existing loyalty offerings with the **acquisition of Azpiral** and its feature-rich portfolio of marketing automation, rewards engine, customer profiler, business analytics, CO2 calculator, and other solutions.

Don't forget that loyalty is a journey, and PDI can help you every step of the way. Learn more about the PDI ecosystem for loyalty programs [here](#).

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