

# eCRM: Loyalty programmes

The best scenarios to  
encourage repurchase

  
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Previously we looked at definitions of Loyalty, its objectives, components and requirements. Now we are going to look at how those elements act together to reinforce customer brand loyalty to bring about mutual economic benefits.

## How does a brand actually go about fulfilling a customers' needs?

One way is by creating customer scenarios. Scenarios are a journey which the customer goes along with you. At various junctions of the path, the customer makes decisions which result in further actions. In developing a loyalty programme for your brand, you are looking at the various junctions where decisions/actions take place and plan appropriate brand reactions to keep the customer moving along while reinforcing their attachment to the brand.

What are some of these scenario actions? Let's look at some examples.

## Cross-sell & Up-sell

From the brand's point of view, the first objective of cross-selling and up-selling is to increase the customer purchase basket. From the customer point of view, there is more to it than just selling them stuff they didn't know they needed, you are suggesting additional products which will make their enjoyment of the principal product better. For example, if you buy a barbeque, you might want to buy barbeque utensils which will make it easier for you to cook on your new barbeque, or a cover to protect it from the rain. While these purchases do increase the purchase basket, they also increase the customer's pleasure in using their item.

Up-selling would involve pointing out that while a charcoal barbeque grill works fine, a gas barbeque allows much more control of the grilling temperature and takes a lot less time to heat up - meaning more summertime barbeque fun for your customer.

## Triggered scenarios

The main brand objective of triggered scenarios is to reassure the client about their interactions with the brand. This is a series of responses which are triggered by customer actions clarifying the customer journey and reinforcing the brand and its regards for their customers. In practice, this usually takes the form of a series of transactional emails, including:

- Purchase confirmation
- Delivery notification
- Online invoicing
- Payment confirmation

## Automated scenarios

Your automated scenarios are to track the level of customer satisfaction and to react appropriately if the responses indicate your customers are unhappy.

What's the best way to know the satisfaction level of your customers?

Ask them. Regularly.

After a purchase you can have an automated customer satisfaction survey which goes out. You might offer a coupon as an incentive to get them to complete the survey. The data collected from these surveys can help to gauge if you are on the right path with customer satisfaction allowing you to recalibrate, where required.

## Personalised Offers

Who doesn't like to feel that they are special?

There are many ways that you can communicate to your customers that you appreciate them. For retail customers, some options include:

- Branded store cards (credit cards) which



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not only allow you to track specific spends within your store, but are an easy way to reward those who reach certain spending targets

- The cash till receipt can contain branded information, customer messages and spell out your returns policy
- 'Special' customers can have a reserved checkout available for them or offer an instore valet service
- Early warning of sales and special advance opportunities for promotions or new product launches reinforce brand loyalty in high-spend customers
- Your elite customers might receive invitations to special events, discount vouchers or premium services such as additional guarantees or extended return periods
- How about acknowledging your customers' birthday every year with a card and a discount voucher?

## Community management

Community management is about keeping a steady dialogue going with your customer. Keeping them apprised of your news and making them feel as if they are part of the 'family.' A regular newsletter – whether electronic or in print – is a great way to keep your brand in front of your customer on a timely basis. It provides an opportunity to promote future products and provide additional information on how to enjoy existing products. Newsletters can feature profiles on staff or customers. Either way it reinforces that the customer is part of something larger than themselves.

Social media affords further opportunities to engage with your customers as part of a community. Whether it's with Twitter – tweeting company news, but also monitoring the Twitter community for any adverse news/comments about your brand and responding to them; or whether it's with Facebook – setting up a fan page which you can encourage customers to *like* and *share*,

helps to connect with your customers on a planned basis reinforcing key brand messages. Social media can be used to attract new customers by offering discount vouchers which fans of your page can share with their friends.

A game or sweepstakes can also be used to generate interest in your brand and attract new customers. Your existing customers also have the chance to win prizes or rewards by participating and sharing your game/sweepstakes.

All of these communication channels allow you to stay front and centre in your customers' world while reinforcing your key brand messages.

Now let's view some of this in action.

## Case study – L'Oréal

**Challenge:** The challenge was to build a coaching programme running in eight countries for a L'Oréal beauty product. The goal was to keep in touch with users over a 60 day treatment programme encouraging the customer to continue to use the product until they were able to see visible results. Additional objectives were to build customer loyalty and increase sales

**Solution:** Cabestan worked with L'Oréal to build an automated personalised email campaign which would vary according to user behaviour and engagement with the product.

**Components:** The campaign had two main features:

1. Individual messages – these included a welcome email programme, testimonial email, login/password email, reward email, and an email to request advice from one of the beauty expert consultants
2. Automated emails – these augmented the user experience by adding dynamic content and product recommendations to



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improve timing, relevance and increase cross-purchasing

**Marketing scenario:** This particular product is made up of 20 capsules – one to be used each day. To enter into the coaching programme the customer was required to buy their first box of 20 capsules. Inside the box was a code which they used online to participate in the programme. The coaching programme was then 20 days in length and repeated three times for a total of 60 days. At the end of the 20 days, the customer was required to buy a new box of capsules to continue in the programme.

The cycle of emails played out as follows:

- Day 0: welcome email
- Day 6: if they haven't visited the website since they signed up, they receive a newsletter with information, support and advice for beauty professionals
- Day 10: if the participant still hasn't connected online they receive a retargeting message
- Day 13: if they haven't visited the site in the last six days they receive another newsletter with further tips and tricks, advice from professionals and support
- Day 18: a notice to remind them to purchase their next 20 day supply
- Day 19: a further newsletter if they haven't visited in six days with further news, advice and support from beauty professionals
- Day 20: If they haven't visited the website since inscription, they receive a message with an invitation to discover the advantages of the beauty product

This scenario is repeated a further two times for a total of 60 days.

Further emails received by the participant include:

- A welcome pack of information
- An email if they forget their password
- Reward email after completing the three cycles which gives them a free box of capsules

A reminder email for those who fail to enter in their second or third code

## Analysis

You can see how this scenario is designed to lead the customer through an experience interacting with them as they go, reinforcing the brand and ensuring the customer has a satisfactory experience. In this case, by encouraging the customer to use the product for 60 days in order to fully realise its benefit, they have greatly increased their chances of fostering a client who is loyal to this product and this brand.

## Conclusion

Customers grow and change alongside your brand. A successful brand keeps that customer relationship moving forward reinforcing key brand messages and encouraging repurchasing. Like all things in marketing, your Loyalty programme takes effort and know-how to set up. But its rewards certainly outweigh the set-up and running costs.

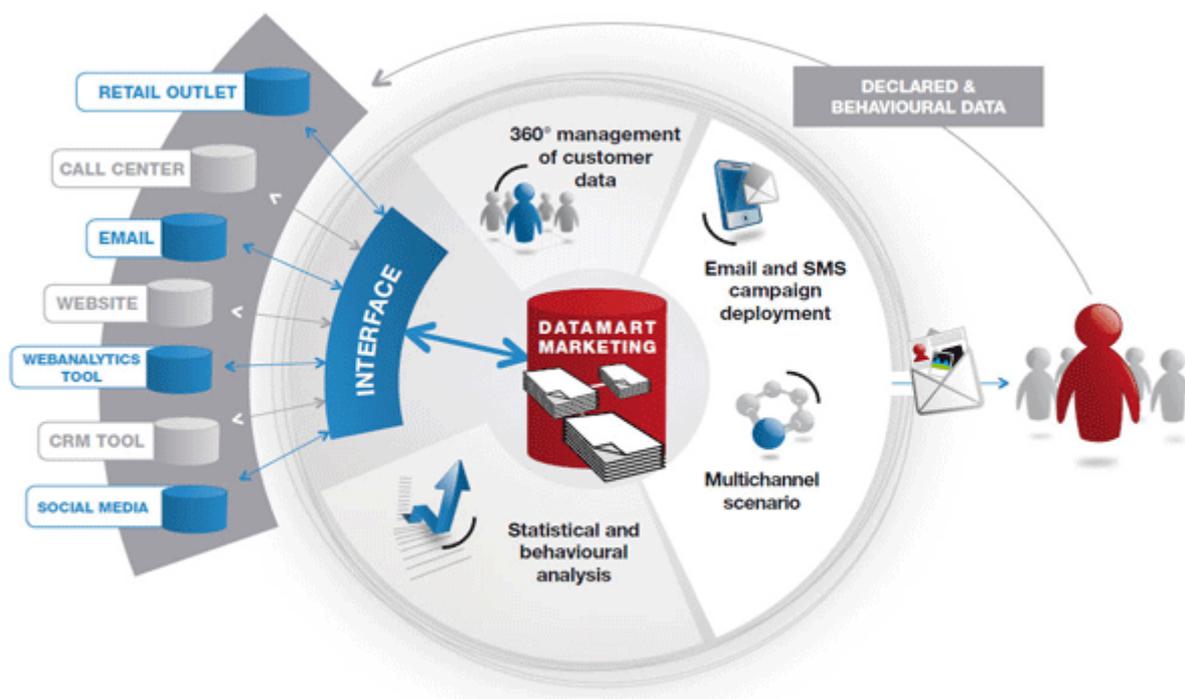
Join us next month for third part of our look at *Multi-channel Campaign Scenarios* where we will be looking at *Client Churn – how to prevent losing clients and what the best scenarios are to increase purchase frequencies*.

## About Cabestan

**Cabestan** are specialists in consumer engagement by Email and SMS.

As industry leaders for over 12 years, Cabestan develops the only SaaS platform to coordinate and orchestrate your marketing campaigns. The **Cabestan** platform provides a flexible way to manage your relationships across the entire customer lifecycle.

Our solutions give you a 360° view of customer data allowing you to plan and deliver personalised and real time marketing communications resulting in greater marketing effectiveness.



**Cabestan's** platform delivers the following powerful tools:

- 360° management of customer data
- Email and SMS campaign deployment
- Multi-channel campaign management
- Statistical and behavioural analysis with real time data

Companies using **Cabestan's** campaign management platform include: **Axcion, General Electric, Toys "R" Us, Estee Lauder, Symantec, Yves Rocher, GDS Suez and Renault.**

**Cabestan** is a global company with offices in London, Paris, Madrid, New York and Montréal.

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