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How Retailers Can Create a Highly Effective Loyalty Program with Annex Cloud

Customer loyalty programs used to be something associated with grocery stores and coffee shops. Today, every segment of B2B and B2C has recognized the importance of building a loyal customer base. Gas, food, camping gear, video games—every retailer is looking for ways to keep their customers coming back again and again.

Digital transformation has helped customer loyalty programs become more sophisticated. Using a mutual value exchange, customers share data—email, phone numbers, and other personal information to help companies not just recognize them as a loyal buyer but remember them and get to know them over the life of the relationship. Instead of offering discount cards or coupons, today's loyalty programs deliver personalized, relevant engagement across the buyer's journey. And, a Rosetta Consulting Study reports **highly-engaged customers are five times more likely to buy only from the same brand, buy 90 percent more often, and spend 60 percent more per transaction.**
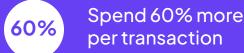
Today, first-party data—data that's collected directly from the customer—is king. But are companies really making the most of the data they are collecting? Are they creating value for both the shopper and the business?

Now that competition is tougher than ever, it's time to pay careful attention to the customer experience you're serving up as a retailer to see if it's driving repeat business and building loyalty. According to Forbes, **repeat customers can increase sales by 47 percent, and customers that belong to loyalty programs typically spend up to 18 percent more than non-members.**

Highly engaged customers:

5X   Are 5X more likely to buy only from the same brand in the future

90%   Buy 90% more often

60%   Spend 60% more per transaction

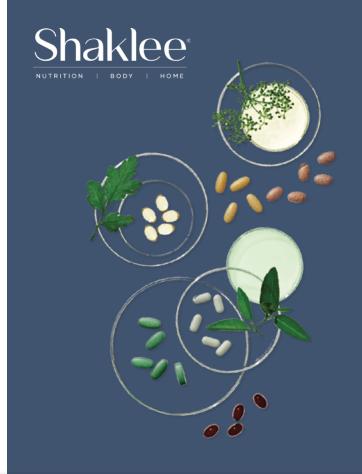# Customer Loyalty Programs: Solving Top Retail Challenges

Although most retailers understand the importance of offering top notch customer experiences, doing so isn't always easy. Loyalty technology and strategies not only significantly elevate the customer's experience, they help retailers overcome some of their toughest business challenges. So what challenges are keeping most retailers up at night?

1 **Lack of a seamless omnichannel experience.** Omnichannel experiences are incredibly important for brands to master, but often easier said than done. Retailers often struggle to unify online and in-store experiences for customers.

2 **Creating meaningful connections.** With so many customers now shopping online, many retailers are struggling to create and develop relationships. Customers expect to have the same high-touch experience online that they do in-store, which can be tough to replicate.

3 **Increased customer acquisition costs.** Customers have more options than ever before. This fierce competition is pushing retailers to find new ways to stand out and has nearly doubled acquisition costs.

4 **Disjointed systems and silos.** Data is at the core of customer experience, but some retailers don't collect first-party data across all channels, leaving them guessing or working in the dark. Disjointed, disconnected systems leave departments working with incomplete or inaccurate customer profiles. Deloitte reports that 62 percent of U.S. retailers have more than 50 systems housing customer data.

5 **Lack of operational effciency.** Digital trends have forced retailers to become nimbler, and better manage merchandising and operations.

Customer Success Story

Where Health Meets Science Meets Nature. Shaklee was launched in 1956 with an unwavering commitment to eco-friendly products before it was a thing. It was the first company in the world to be certified Climate Neutral. Shaklee's nutrition, beauty, weight management, green home, and sports products include only the purest ingredients—backed by proven performance and guaranteed satisfaction.

"When we embarked on our digital transformation, we chose Annex Cloud's Loyalty Experience Platform for loyalty. We chose this technology because it allows us to easily and comprehensively drive customer-centric outcomes by capturing customer data and seamlessly acting on it to create truly individualized customer experiences," commented Tracy Hawkins, VP of Product Management at Shaklee Corporation. *"Since the start of our loyalty program in 2020, our loyalty orders have dramatically increased while our sales and marketing teams have more motivating levers to pull to drive engagement and revenue."*

Shaklee®
NUTRITION | BODY | HOME

Loyalty Is Good for Business—the Loyalty Experience Platform™ by Annex Cloud Delivers

Loyalty is no longer a nice to have for retailers, it's an absolute must in today's "What have you done for me lately" climate. Annex Cloud's Loyalty Experience Platform was a clear choice to integrate with Microsoft's Marketing, Sales, and Service Clouds, as well as Insights.

This modular solution enables retailers to buy what they need and easily add features and functionality as they grow. With an easy-to-use interface that integrates seamlessly, Annex Cloud's Loyalty Experience Platform ensures retailers can effectively manage their loyalty strategy with access to detailed reports, analytics, and 360-degree customer views. This enables brands to see everything that's happening at a glance, act on the data, and make adjustments in real time, which dramatically improves the customer experience. Here are a few benefits brands can realize through an effective loyalty strategy and how Annex Cloud's Loyalty Experience Platform can help:

Increased Customer Lifetime Value. Not all customers are created equal. In fact, just 20 percent of first-time buyers make a second purchase, and 80 percent of future profits can be attributed to 20 percent of customers. By using Annex Cloud's Loyalty Experience Platform, retailers can move to a data-led strategy that enables them to identify and reward their best customers.

Accelerated Growth without Discounting. Too often brands believe discounts are the way to keep customers, but with the Loyalty Experience Platform, we see brands can accelerate growth easily without having to discount products. In fact, mature brands gain **85 percent of their growth** from loyal customers. Value-based engagement is what creates lasting bonds with the customers most likely to spend long-term.

Increased Customer Acquisition. Retailers can overcome rising acquisition costs and drive growth more cost-effectively. Annex Cloud's Loyalty Experience Platform offers a unique Engagement Experience Manager that allows companies to create brand advocates, reward referrals, and manage influencers all in one place.

Reduced Churn & Stronger Emotional Bonds. Connecting with customers between purchases is as important, if not more so, than the connection that drives transactions. The Loyalty Experience Platform's Engagement Experience Manager boasts the widest range of engagement options—including gamification, contests, User Generated Content, and more—allowing retailers to deliver meaningful interactions across every touchpoint, building lasting emotional bonds. Gallup reports that companies that provide an emotional connection with customers outperform the sales growth of competitors by 85 percent.

A Truly Omnichannel Experience. Aberdeen Group reports a 91% year-over-year increase in retention rates among retailers with an omnichannel customer engagement management strategy. Annex Cloud's Loyalty Experience Platforms allows businesses to collect and leverage first-party data at scale to individualize interactions across the entire journey. The Loyalty Experience Platform integrates with the entire tech stack to seamlessly deliver personalized recommendations, communications, promotions/offers, and rewards online, in-store, on mobile, and at point of sale.

More Predictable Customer Behaviors & Rewards. The Loyalty Experience Platform leverages sophisticated data and analytics to build business value using a unified 360-degree member profile. With granular insights, retailers can better predict what customers want and when—allowing them to establish more meaningful loyalty incentives.

Annex Cloud Makes Sense

Annex Cloud's Loyalty Experience Platform is a no-brainer for retailers. Improving customer loyalty is a critical and strategic way to positively impact your bottom line and Annex Cloud is head and shoulders above the competition. It's a modularized, flexible platform that allows retailers to design programs that meet their specific needs. It enables true human connections by delivering engagement modules for emotion and empathy. Customers aren't just a number—Annex Cloud helps retailers leverage these relationships into something more. Finally, Annex Cloud's extensive partner network and predefined integrations make it easy and fast to go to market, so retailers can deliver frictionless experiences to their customers.

Annex Cloud's Loyalty Experience Platform is unlike any other on the market. It enables retailers to collect first-party data at scale and fully leverage their customer data to create value-based, meaningful interactions across every touchpoint—driving repeat business and building lasting emotional bonds—both essential for standing out in today's crowded marketplace.

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