

Creating a loyalty program

Loyalty programs are great for encouraging repeat sales.

Here is a quick start guide that will help you through where to start and provide you with the framework for setting up your own loyalty program.

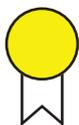


Do your research



Loyalty programs have been around for a long time and many other businesses have been right where you are now and gone on to have great success with them.

So why not spend a few hours on the internet seeking out some of that wisdom? There are countless websites, blogs and business community groups available to help you.

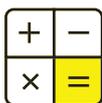


Choose your reward type



There are four basic rewards to choose from; freebies, discounts, points or status.

- **Freebies:** is simply where enough purchases of a product gets the customer a free one. These are ideal for frequent purchases.
- **Discount:** if you offer bigger, less regular purchases, you could provide a discount once a customer reaches a certain milestone.
- **Reward points:** are often used on websites whereby points are assigned to a purchase and once customers accumulate enough points, they can be swapped for rewards.
- **Status:** which is a tiered system that could open certain doors like event invites or exclusive deals once a customer achieves a certain level.



Crunch the numbers



Once you've considered what you might offer as a reward, think about how much it might cost your business to give the reward or discount away. Give away too much and it's not good for business. Give away too little and customers may not see any value in it. So find the ideal balance.



Talk to existing customers



Once you have the reward type and have a few ideas on what you might give away, talk to your existing customers and ask them what they think about your new program. Is the reward achievable? Is it something they value? And make sure they easily understand how it all works and what they have to do to get the reward.



Get set and tell the world



You'll need to promote it. So tell your customers. Put signs up. Create a pop up on your website to let new customers know about it.

The more customers you can get onboard your loyalty program, the more likely they will be loyal to you and come back to purchase from you.