



The 5 steps to Loyalty Maturity



Loyalty maturity can't be measured just by the length of time that your programme has been running or the number of people you have registered. To reach the holy grail of loyalty maturity your programme needs to have become its own entity, supported and guided by the principles and objectives of your business but with its own budgets, strategies, team and channels.

We can liken the stages of loyalty maturity to growing up:



Concept to Birth

Your programme is in its conceptual stages, it has unlimited possibilities and needs to be shaped and defined. Before implementing anything you should work out what your business needs and why you believe a loyalty programme will help. Once you have your internal ideas then you should conduct some audience interviews to assess what your audience wants. These can be tricky to run as you need to make sure you aren't 'leading the witness'. Most people are going to say yes to 'free' rewards so you need to make sure that you understand what your customers like about your business, what they would improve, why they buy from you and what makes them come back. Conduct these interviews with different types of customers- declining, growth, lapsed and active, so that you can get a good cross section of data.

Once you have gathered the data, start to map out the behaviours you want your customers to emulate and, with your customer 'hat' on, think about what they would value in return.



Toddling Around

Your loyalty programme needs to find its feet. This stage is twofold: it is about testing boundaries, trying new things, seeing what is possible; it is also about building relationships, making sure that you have the backing of your team, and that they know what you are doing and why.

Test and learn is a popular concept in many industries and yet it rarely happens in loyalty. A loyalty programme gives you an excellent platform and opportunity to try new ideas, gather data and analyse reactions without giving too much away.

Your team should be your biggest advocates so have them on side ready with the right messages and willing and eager to share the news about your programme to customers. They should also feel some ownership of the programme and have the ability to give feedback and share reactions.

At this stage you need to create a feedback and assessment system which enables you to easily monitor, track and analyse performance against your metrics. Listen to the feedback and see whether it tallies with the data you are seeing. Be willing to adapt and change, try new things, see what works and what doesn't. Remember though: be clear in your communications, be transparent and be relevant.

Teenage Angst

We all remember our teenage years. We thought we knew who we were, then something new popped up and we wanted to change and adapt to suit the new trend or fad. There was all the angst of growing up and wanting to be treated like an adult but still wanting to behave like a child. Your loyalty programme will go through these stages, where ideas you thought worked really well suddenly seem to be failing.

No loyalty programme will continue to perform well without evolution. There are continual small (sometimes large) shifts in the business landscape, your environment, your team, your product or service and your customers. You need to be able to evolve your programme. Don't jump into every new trend, make sure it will work for your audience before committing spend or resource. Keep monitoring and assessing performance and relevance and make sure it is staying true to your original objectives. If it isn't, firstly check that your strategic objectives are still the same and, if they are, then analyse what has changed in your programme. If your original objectives have changed then that's fine, just go through the same initial process of creating a strategy for your programme and communicating that out to your stakeholders.

Adulthood

Your loyalty programme has now been around for a while, it has responsibilities now, it features in your communication plans, in your advertising, in your internal strategy.

You are rewarding more than just transactions and you have a solid customer base who are invested, active and engaged. You can segment your customers not just by spend, but by a whole range of behaviours. You understand their emotional attachment to your brand and you know where to place your spend to have the biggest impact.

Your loyalty programme is truly embedded in your business. It is a strategic part of the business goals and objectives. It has its own life force, its own team, its own budget lines and its own marketing strategy.

Loyalty maturity is an exciting place to be, it allows you to delve deeper into the psyche of your customers, to understand more about their behaviours and how you can influence them.





Planning for Retirement


Don't be afraid to exit a programme if you need to. A loyalty programme doesn't have to be for life. If it isn't working for you, enact the exit plan you set out right at the start and remember, be transparent, honest and open with your audience.


We hope you don't need to exit a programme and that you have been able to evolve and learn with your audience. Bring back some of the methods you have used in the other stages to revitalise a programme or to test something new. Continuous evolution is key to the success of any programme.

About the Author



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Stream's co-founder, Melanie, became the first British woman to become accredited with the CLMP from The Loyalty Academy. Passionate about all things loyalty, Melanie cuts through the technical jargon and gets to the real business issue. Melanie loves to develop engaging digital solutions that appear simple whilst creating long lasting partnerships that add value to all.

We love talking about all things loyalty – if you fancy a loyalty chat, we'd love to hear from you!

About Stream

Stream are passionate about loyalty – we are the experts after all!

As a tech-enabled consultancy, we seek to understand your business challenges and your audience and work with you to craft a loyalty solution that delivers value. We are both consultants and implementers and use our extensive expertise and software capability to deliver proven, lasting results.

Loyalty is not 'one size fits all' and our team of commercial experts work to ensure that your loyalty strategy is right for you.

Whether you need to increase revenue, grow breadth of spend, or create a referrer programme, we have the experience to help sculpt the right solution. Our proprietary loyalty software- LoyaltyStream® helps to: retain customers, change buying behaviours, build brand loyalty and drive referrals.

Our LoyaltyStream® software is deployed globally, helping our clients to build trust that delivers brand loyalty and commercial rewards.

We guarantee to be able to help you Keep, Grow and Win customers for life.



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