Increase market share with an internal reward and recognition program

In today's world where experience is everything, we all know that an individual can make or break the customer experience. A more engaged and motivated workforce will lead to better retention, saving the business time and money on recruitment and inductions. Even if you ignore the fact that staff turnover costs time and money, an engaged and happy workforce will have a significant impact on customer experience.

When asked what leaders could do more of, in order to improve engagement, *58% of respondents replied: "give recognition".*
An internal reward and recognition programme should be considered as a part of a larger employee retention and engagement strategy in order to fully reap the benefits in your business.

Reward and recognition, what's the difference?

Rewards are the physical, hard benefits (technology items, experiences, etc) that are given to your employees. Usually, they are more memorable to the recipient as they're tangible items and have an economic value; and in the case of experiences, they can even foster lifelong memories.

Recognition, on the other hand, is one of the soft benefits that add emotional value and attachment to the company. Recognition is the emotive behaviour that represents the business culture, such as announcing accomplishments and praising behaviours or actions.

Rewards are usually associated with achieving targets, and therefore are more anticipated than recognition. Neither should be run in isolation; they work best when designed to complement each other when highlighting appreciation to employees.

If your budgets are stretched across multiple departments, and rewarding employees is where you're falling short, then start by introducing a recognition framework which will cost you nothing. Set the structure for recognition at the outset, so that your team understand how and when recognition might be received.

Think about:

Could you introduce a mechanism for employees to recommend their peers for recognition? This can often bring a bigger feeling of pride than being recognised by a manager. 41% of companies that use peer-to-peer recognition have seen positive increases in customer satisfaction.

Once you have the recognition framework in place, then you can build up to the rewards. A targeted and measurable reward programme can start with a small budget. Running a rewards programme alongside a long-term retention plan will be worth your investment.

Brands need to make sure that they are considering employees needs and how to create culture and engender loyalty. An internal reward and recognition programme can be the first step towards a larger loyalty culture strategy designed to thank employees.

Essentially, looking after your employees has never been more important. With the rise in remote and hybrid working, employees have access to a much wider job market than ever before. As cost-of-living rises start to impact employees (and we haven't even seen the worst of it yet), introducing a loyalty programme with reward and recognition at its heart will help support them through the tough times ahead.

Using Employee Loyalty to Promote Advocacy

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Referrals

customer and employee

Content Sharing

social engagement or sharing of articles

Testimonials

video, audio or written testimonials that can be shared

Reviews

written reviews that can be used the business or reviews on a specific platform

Content shared by employees attracts **8x more engagement than** that shared by the business. Word of mouth advertising from your employees can have a big impact on new customer acquisition. **61% of consumers** are more likely to research a product or service after seeing a friend's social media post about it.

Getting Started with Employee Loyalty

There are numerous ways to get started with loyalty. You can either put a tender out to external loyalty agencies, or platform providers, or you can create something internally. If you decide to use an external agency to help you with the strategy, implementation and launch, then have a look at some **questions** we would recommend asking those agencies.
This article also includes some things to think about, should you decide to run the programme in house.

Agree the behaviours and actions that you want to reward. We have provided some examples above which you might want to include initially. What is the value to the business of each behaviour and action? For example, if an employee provides a video testimonial what value does the business place on that activity.

Once you have identified the activities and the value, then you can start to build a financial model for the programme. Make sure that, when you model the return on investment, you consider what would happen if the programme were to become too successful. This sounds ridiculous, but if all your employees start completing the activities and earning rewards will the programme still be deemed successful?

Highlight the KPIs (key performance indicators) for the programme. What output will mean that the programme can be seen to have been a success? How long do you envisage that process taking, and what happens if the timeline extends or is met early? If you are using an external agency, then they should assist you with answering all these questions. Make sure that you have the data available to monitor, and that the actions are measurable, to enable you to easily assess the programme's impact.

Create an employee focus group which will act as the voice of the employee throughout the implementation, and beyond, if that is feasible. You should use this group to assess the rewards, behaviours, actions and tactical delivery of the programme.

With everything that we have mentioned already about the rising cost-of-living, inflation being at an all-time high and employees' salaries being stretched ever tighter, think about the rewards you can offer. We always talk about making them meaningful, but this is now going to be more relevant than ever.

Rewards that help the member to stretch their monthly budgets:

- Discounts on utility bills

- Discounts on supermarket shopping

- Discounts on insurance products

- Monthly petrol budgets

- Gym membership

- Extra holiday

- Access to staff benefits

Rewards that provide the luxuries which we might all have to do without for a while:

- Lifestyle products

- Group or personal experiences

- Travel and holidays

- Technology products

The final key thing to consider is how to design the tactical delivery of the programme. There are numerous platforms around to tap into which feature all the employee loyalty and customer loyalty tools that you would need. Consider how the programme will be able to grow with you, as your loyalty maturity grows, so that you don't have to re-platform in the future.

Key Takeaways:

1. A great customer experience is crucial to creating sustainable brand loyalty. Without the positive reinforcements and interactions of your staff, you will struggle to achieve an outstanding customer experience.

2. Introduce recognition and rewards to generate brand loyalty, but start small and don't dive in without testing the market.

3. Employee advocacy can be a great way of encouraging customer acquisition.

4. Employee loyalty can generate higher engagement with customers.

5. Link your employee loyalty programme to your customer loyalty programme to create a joined up, shareable experience.

   Let your employees be a positive voice in the marketplace, because they believe in what you are trying to achieve.

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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