

LIQUID BARCODES' GUIDE ON HOW TO MAKE THE BEST LOYALTY CARDS



This document is a guide for creating loyalty cards, both digital and printed cards.

Products

- > It is usually quite obvious which products are natural candidates for loyalty cards – **it's your hero products, your top sellers.**
- > For the card to be a success, the products have to be purchased with quite **high frequency.**
- > To increase the frequency of purchase, you can **combine more products on one card.**
Eg. include the full beverage bar on one loyalty card instead of having one cold drinks loyalty card and one hot drinks loyalty card.

Bonus product frequency

- > **Margins are key to decide the bonus frequency:** the loyalty card should be profitable even with high bonus coupon redemption rates.
- > **Competition:** if there are comparable loyalty cards in the market, you have to consider how your cards will stand out from the competition.
- > **Branding:** can you tie the loyalty card frequency to your branding?
- > **Give the bonus product as a separate coupon.** That way, customers can choose when to use the coupon or give it away to friends and family.

Levels

- > Digital loyalty cards give you complete history for each customer's loyalty card. This allows you to target special rewards to your best customers.
- > What is the one thing all loyalty card users have in common? They love the product on that loyalty card! The best reward for them is more frequent bonus products.
- > **Example:** after completing **5 rounds** on your every 6th coffee for free loyalty card, customers become gold members that get every 5th coffee for free instead of every 6th coffee.
- > **Example:** after completing **3 rounds** on your every 6th car wash half price loyalty card, customers become gold members that get every 6th car wash for free instead of half price.
- > Customers that stop using the card should automatically be downgraded.
- > Make sure to keep the mechanics simple for customers to understand, eg. only two levels.

Surprise and delight

- > **There are two types of rewards:** expected rewards and surprise rewards.
- > The bonus products are expected rewards, they are inherent to the loyalty card mechanic and the fulfilment of a contract.
- > If you want to reward customers more, surprise rewards create more positive feeling because they come as a positive surprise.
- > Surprise rewards also give you great **flexibility** in terms of **timing, budget and type of deals.**
- > Keep surprise reward products tied to your loyalty card product **to further strengthen the loyalty card.**
- > **Use 'Select prize' so that customers can choose their reward:** it gives room for branding and the reward becomes more relevant for the customer, thus inducing an even more positive feeling.
- > Issue surprise rewards with a low probability on every loyalty card stamp – it's efficient operations and your loyalty card now becomes a game where you always have the opportunity to get a surprise reward!

Frequency drivers

- > **Follow ups:** issue discount coupons with limited expiration date, eg. same day, after each loyalty card purchase to incentivize new purchase.
- > **Issue VIP zone coupons** that incentivize customers to purchase the loyalty card product more often.
Example: if a customer currently buys coffee twice a week, issue a VIP zone card that gives customer a discount as long as she keeps buying the product three times per week.



In store

- > Make it easy to use your loyalty card in store!
- > **Example:** register payment card and get stamps automatically.

Why bother with print?

- > We advise having loyalty cards both on print and in app.
- > On print because the onboarding is super easy to get started - grab a card and you're in.
- > In app because you avoid the costs for printing and distributing physical cards, you can personalize communication and customer is exposed to a lot more of your communication.
- > Make sure to have a clear onboarding strategy from print to app. **Example:** print loyalty card gives every 7th free, in app gives every 6th free. The backside of the print card is devoted to information about the app - the better deal and how to register.
- > If you have loyalty cards with levels, make it possible for customers to move their paper card into the app. Set up your POS to notify store employees that the customers with sufficient number of paper stamps will become gold member in the app.

