

How Intelligent Customer Engagement Takes Your Customers Beyond Loyalty

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As shoppers become increasingly tech savvy, access to more knowledge and options is breaking down the barrier to switching brands. As a result, more and more companies are starting rewards programs to engage and retain their customers. The result can provide them with a competitive advantage that supports their ongoing success.

However, not all rewards programs are created equal. Choosing the wrong model for your business can result in wasted marketing spend. If you're considering starting a rewards program or enhancing an existing one, start by understanding how an individualized, data-driven approach, like intelligent customer engagement¹, as opposed to the traditional approach to loyalty, can drive the most value for your business.

WHAT IS A TRADITIONAL CUSTOMER LOYALTY PROGRAM?

Traditional customer loyalty programs have been around for a long time. They are usually designed around tactics to encourage customers to make the next purchase and/or reward customers after-the-fact for their actions, and can take the form of:

- recommending the next best offer
- punch card-type offers – ie. buy 10, get one free
- mass discounts
- tiered rewards

These programs rely on past behaviors to determine the type and / or amount of incentive given to drive additional purchases, lower churn and increase customer life time value.

But traditional loyalty programs often provide rewards for customers who would have performed a behavior any way, resulting in decreased margins. They also tend to segment based on the past purchase habits of large segments of customers, not taking advantage of the powerful data and analytics capabilities that now exist to personalize and individualize each customer's loyalty experience.

WHAT IS INTELLIGENT CUSTOMER ENGAGEMENT?

Intelligent customer engagement programs place an emphasis on the creation of mutually beneficial customer-to-company relationships. They recognize that today's savvy customers understand the value exchange that is part and parcel of any customer/company relationship.

¹ <http://www.exchangesolutions.com/why-we-are-different/>

An intelligent customer engagement program has 5 key components:

1. It Motivates a Range of Behaviors

While traditional loyalty programs tend to focus on retention, intelligent customer engagement looks at every behavior a customer can do that provides value to the organization. Any customer interaction, such as creating an account, purchasing across categories or higher margin products, writing reviews, making referrals to friends, increasing frequency or length of site visits, participating in social sharing, sending an email instead of calling customer service, etc. can be measured, have a value assigned to it, and an associated incentive (of proportionate value) used to motivate behavior change.

2. Incentives are Individualized and Data-driven

The marketing industry has long been touting the benefits of personalization. Individualization takes one-to-one marketing to the next level by using data to completely customize each customer's engagement and experience. With the plethora of data available on every visitor and customer interaction, an intelligent customer engagement program can deliver a completely individualized offer to each customer - the right message, in the right channel, at the right time, with the right incentive value, to drive the most valuable behavior. By focusing on driving low propensity behaviors, intelligent customer engagement programs deliver *incremental* new profitability.

3. It Operates in Real-Time, in all Channels

Real-time, omni-channel customer engagement caters to each customer's desire to engage when and where they want to. In this way, an intelligent customer engagement program can offer a superior customer experience compared to traditional loyalty programs.

With omni-channel capabilities, engagement can happen seamlessly across all channels, providing a cohesive experience from store, to website, to mobile, to customer service center (or any other channel). By operating in real-time, an intelligent customer engagement program is able to capitalize on opportunities when customers are already engaged, rather than trying to re-engage them at a later stage, e.g. post-purchase.

4. It is Responsive

The reality for most companies today is that the customer landscape is constantly changing. No longer can companies view a customer engagement or loyalty program as one that they can "set- and-forget". Effective customer engagement requires constant renewal and optimization, responding to factors such as customer behavior changes and trends. An intelligent customer engagement program continually adapts to, and optimizes for these changes – and does so in real-time – in order to drive valuable customer behavior change, no matter what factors are at play.



5. It is Measurable and Profitable

Intelligent customer engagement programs provide advantages where many traditional loyalty programs fall short. The bottom line is: through rigorous measurement and focus on delivering incremental new behaviors at a cost less than business-as-usual marketing, customer engagement provides a measurable return on investment, unlike many traditional loyalty programs.

Exchange Solutions delivers intelligent customer engagement programs to retail/ecommerce companies², financial services³ and online businesses⁴. Our cloud-based platform helps us deliver quicker results and better ROI than traditional engagement or loyalty programs. We believe so much in our approach that we offer performance-based pricing at scale. Visit our website and check out our free quick-start offer⁵ to find out just how much more profitability you could deliver with an intelligent customer engagement program.

² <http://www.exchangesolutions.com/retail/>

³ <http://www.exchangesolutions.com/financialservices/>

⁴ <http://www.exchangesolutions.com/onlinebusinesses/>

⁵ <http://www.exchangesolutions.com/getstarted/>