

3 tips for optimizing your loyalty program using data quality

Loyalty programs are essential to driving customer retention. Playing a vital role for retailers, loyalty programs function in two ways: Influence new and existing customers to buy more and grow your business faster.

[We learn in a Forbes' article that](#), "Increasing customer retention rates by 5 percent increases profits by 25 percent to 95 percent, according to research done by Frederick Reichheld of Bain & Company." An effective loyalty program will help retailers reach the right customers with competitive incentives, driving company profits.

As a retailer, it's important for you to establish a loyalty program that is right for your brand and customers. What's more, you need to make sure you can effectively reach each of your customers. So, how can you enhance loyalty? By leveraging high-quality consumer insights.

Customer data can give you everything from accurate contact information to in-depth knowledge of your customers' lifestyle. Here are three data-driven tips that will help you build a successful loyalty program.

1. Analyze your database to drive customer loyalty.

Your customer database is full of bits and pieces that are waiting to be discovered. Whether it's finding the root cause of misinformed decisions or shining light on new market opportunities, your database has a lot to tell you.

First, follow the journey of your data. Think about how customer information is captured, where it's stored, how it's analyzed and by whom, and lastly, how it's used to

drive business initiatives. [Our latest research reports](#) 86 percent of business leaders say almost every employee across the business should be using data insights to improve their performance.

Once you have a better understanding of how data is used within your retail organization, think about how your loyalty program can leverage consumer insights. This could be anything from deliverability to personalization.



As a retailer, be curious about the state of your consumer data. Once you have a complete and trustworthy database, use it to drive customer loyalty.

2. Verify contact data to reach customers.

Before you start leveraging inaccurate data for your loyalty program, make sure your contact data is validated. [Our data management report states](#), 28 percent of current customer and prospect data is suspected to be inaccurate in some way. Working off clean data streamlines processes while saving you time and money down the road.

[Verifying your contact data](#), like addresses, emails, and phone numbers, will ensure that your loyalty marketing efforts reach all the right places—your customers' inbox, doorstep, and phone. Not only does this make you confident that your marketing campaign is being delivered, but you are also ensuring a positive customer experience.

Here's an example: You've revamped your incentives for your loyalty members and want to send an email campaign announcing the exciting news. By verifying your email data, you can be certain emails are reaching loyalty members, you limit your email bounce rate, and your sender reputation stays intact.

The key to building customer loyalty is to ensure efficient deliverability of your offers and messages. Now it's time to take your loyalty efforts a step further by capturing your customer's attention with personalized messaging.

3. Enrich customer data to personalize marketing efforts.

[Data enrichment](#) gets you one step closer to knowing your customers and providing a one-to-one experience. By enriching your data, you can enhance each customer record with data attributes, like financial data, buyer propensity, automotive data, and more. With this information, you can define which incentives and messaging will be the most compelling to each of your customers.

[Tom's Passport Rewards](#) is a great example of a personalized loyalty program. The program is free to join and allows loyalty members to earn points. Furthermore, those points can be used to make donations through Tom's Passport Rewards program. This brand knows what is important to their customers and gives their loyalty members incentives to donate even more to great causes.

As a retailer, you hold vast amounts of customer data. By enriching your consumer records, you can home in on your customer's lifestyle and demographics, giving you the details needed to enhance your loyalty efforts.

Data quality tools that validate and enrich your data help you build a foundation of ongoing trustworthy insights, but also give you the opportunity to improve your customer experience in unique ways. In turn, boosting customer loyalty.

Driving customer loyalty secures the future for your brand. With a data-informed loyalty program, you can be certain that you are reaching new and existing customers with competitive offers.

Are you interested in finding out how other brand name retailers are boosting their loyalty programs?

[Learn more](#)