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# How a CX Mindset Can Power Your Loyalty Marketing Program



Today's marketers are increasingly seeing customer experience (CX) fall under their umbrella of duties. So much so that *Harvard Business Review* claims that customer experience "has become the new marketing...[because] it influences brand perceptions and impacts business performance just as strongly as traditional marketing." The HBR got it right. CX programs are a new marketing approach that matches its predecessors—and its impact will only grow.

However, many still confuse CX efforts with traditional strategies like loyalty marketing programs. But there's a fine line between the two—and marketers should be warned that this is a place where "similar" definitely does not mean "equal." In this paper, we'll discuss the differences between loyalty marketing programs and CX programs, and why a CX mindset can empower your loyalty program.

## WHAT'S THE DIFFERENCE?

### Loyalty Marketing Programs Versus CX Programs

Loyalty marketing programs refer to company-wide initiatives that is focused on growing and retaining existing customers by selling them more. CX programs help businesses understand the customer/brand relationship and what makes the customer loyal to the brand in the first place.

**The key difference between the two is in their approach: loyalty marketing is selling—often through incentives—while customer experience focuses on the ongoing conversation with the customer to then drive a deeper sense of loyalty.**



**Forrester reports that 76% of executives say improving CX is a high or critical priority and many companies have established a C-level position to oversee it.**

## LOYALTY MARKETING PROGRAM

*noun*, a company-wide initiative that is focused on growing and retaining existing customers by offering exclusive deals, access, and other perks.



This is where a traditional approach to loyalty programs goes wrong: At the end of the day, your customers don't want to be bought with coupons, infrequent freebies, and discounts. While customer appreciate them, those benefits do not make them more loyal to your brand. Customers want to feel valued and heard. If you look through the lens of customer experience, you can reset your loyalty marketing programs to take a more holistic, relationship-centric approach that will truly impress your customers.

#### HOW DO YOU DO IT?

## Three Ways a CX Mindset Takes Your Loyalty Program to the Next Level



### A CX Mindset Aims for a Consistent Experience

According to [Forbes](#), the Advertising Research Foundation found in a 2019 survey report that U.S. consumers are less likely to share their personal data (e.g. home address and email) with companies compared to a study conducted a year before. This should come as no surprise with the [yearly increases in data breaches](#) as well as the recent [LinkedIn data leak](#) that exposed 700 million users.

When you're trying to expand your memberships, this can be a massive problem. Loyalty programs almost always require customers to enroll by sharing some form of personal data. So how can a CX mindset help you solve this possible customer objection? One word: consistency.

Customers need to know that they can trust your brand from the get-go. If they're receiving mixed messages in policy, employee interaction, or overall experience, they aren't going to know what to expect and will be less likely to trust you with their information. But if you approach this problem with a CX mindset, you know that you need to dedicate resources to unearth areas of brand inconsistency so you can streamline, hire, and train appropriately and put the best foot forward before asking for customer data.

When customers have a great impression of who you are as a brand, their positive and consistent experiences will inspire the trust they need to join your loyalty program.



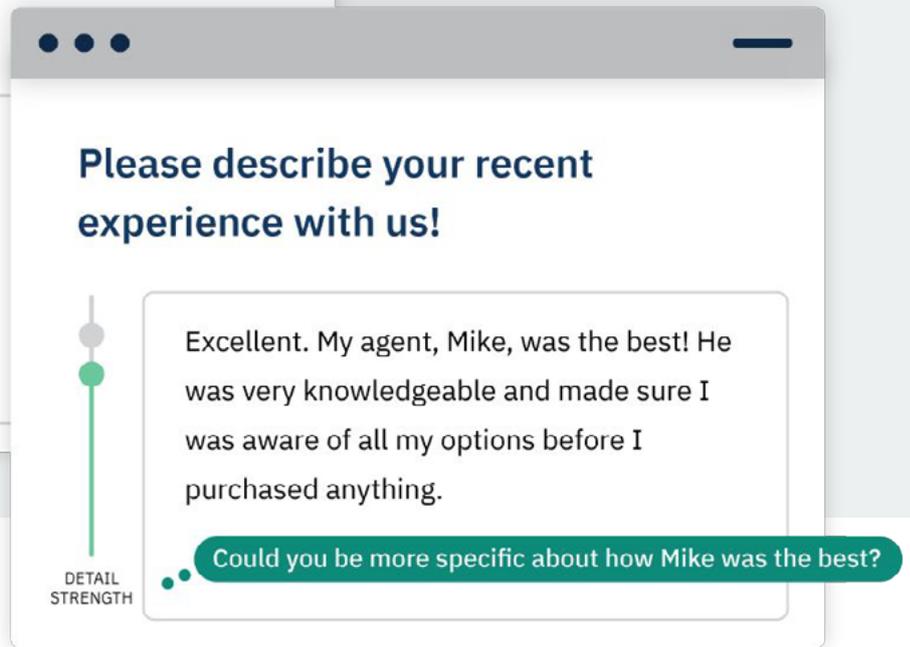
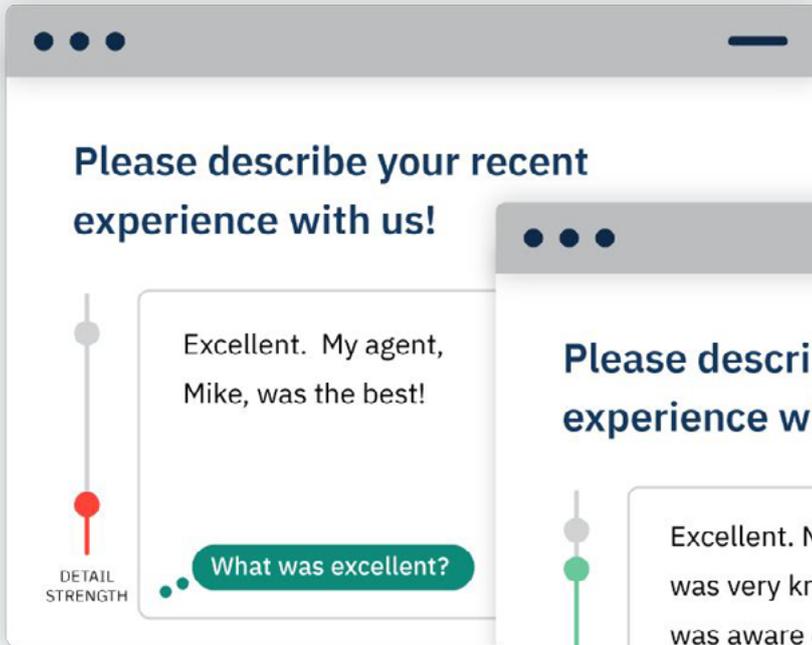
#### CLIENT SPOTLIGHT:

## DSV Panalpina Commits to Consistency

DSV Panalpina wanted a structured and consistent voice of customer (VoC) program that integrated customer-centric culture into the DNA of the company, bringing the added value of customer experience to the core of all the company's deliveries. With InMoment's help DSV launched their CX program in 46 countries, and with over 2000 customer-centric super and frontline users that together represent more than 90% of DSV's total annual turnover.

#### HERE ARE THE RESULTS:

- + Positive changes in corporate culture and behaviour in **more than 56,000 DSV staff** and executives who actually communicate with the company's customers on a day-to-day basis.
- + **Improvement in customer retention** and increased customer growth.
- + Significant increases in NPS since implementation, and **high engagement levels**.



## A CX Mindset Provides the Right Perks

Though perks alone won't drive true brand loyalty, they are incredibly necessary to provide what customers expect when they sign up. However, your efforts can be all for nought if you aren't providing the *right* incentives.

- **Customers Are Less Likely to Share Without the Right Incentives:** According to our [CX Trends report](#), customers are less likely to share their info when a program simply offers to make interactions easier, more efficient, or to deliver personalized recommendations. The problem with the benefits just mentioned is that they don't guarantee a quality exchange between the consumer and business. Having ease, efficiency, or personalization doesn't necessarily give the customer added value to their purchases.
- **Customers Want VIP Treatment:** What consumers do value is receiving exclusive access to sales, events, or products. Essentially, today's customers are more willing to share their data if they're given VIP treatment. In fact, based on a [Microsoft study](#) called *The Consumer Data Value Exchange*, 99.6% of those surveyed would give information if there is a cash reward, 89.3% would if a discount is involved, and 65.2% would for loyalty points towards services and products. To truly drive brand loyalty, you need to invest in customers, even if it means giving substantial prizes. After all, how else will you incentivize?
- **Find Out What Really Drives Participation for Your Brand:** No industry is the same, and your company might need a specific set of incentives that differs from other brands. The [listening capabilities](#) of a CX platform can help narrow down what perks will drive participation in your loyalty programs. By listening to the voice of customer (VoC), your business can elevate data collection and analytics to find out what customers are saying about membership benefits.



## A CX Mindset Focuses on Relationships, Not Memberships

### Why Stop at Satisfaction?

Sure, customer satisfaction is a short-term win. After all, if a customer was able to purchase the product or service they were looking for, they might be more willing to become a loyalty program member. But why stop there? When you provide excellent brand interactions over and over again, you have a customer that will come back, buy more, and recommend you to others. That's the kind of customer you create when you focus on relationships and loyalty over merely satisfaction.

### Customers Are Human at Heart

The key to going beyond “good” and creating excellent experiences is **emotion**. When InMoment studied **unstructured customer data**, we found that when discussing memorable experiences, most customers concentrated on the interactions they had with brand representatives and, even more importantly, the emotions they evoked. In a **2021 customer service trends report**, it was reported that 68% of customers believe the key to great customer service is a polite customer service representative. Ultimately, it's not the 20% off coupons that inspire emotional experiences, it's the meaningful human interactions that keep customers around in the long run.

## WRAPPING IT UP

### Seeing the Bigger Picture

Though loyalty marketing programs and CX programs both have similar goals, it's vital that marketers recognize customer experience goes beyond the membership/incentive mindset.

By being a consistent and reliable brand you can inspire trust and loyalty within your customers. Through listening to what customers really want their needs become clear. And, when you approach customers as a human being rather than an additional number to your memberships, it's more likely that customers will want to stay for the long run. When you focus on customer experience, you can enrich all areas of your business, including your loyalty program.

Looking for more details about how customer experience can enrich all areas of your business?

Check out these other assets:

- + [Connecting CX & Marketing: How to Create Customer-Centric Experiences That Deliver Business Results](#)
- + [The Value of Building a Stellar CX Reputation](#)
- + [The Four Pillars of Customer Experience ROI](#)

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