Mobile apps are changing the future of loyalty

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By Smadar Landau

The future of loyalty is mobile and card free. The explosive growth of mobile applications has provided an obvious avenue for consumers to reduce the number of loyalty cards they carry.

While some consumers will always prefer plastic cards in their wallet, the way ahead is primarily seen as digital.

Coming back for more
The main function of loyalty programs, whether card-based or digital-based, has not changed. They are a way to identify customers, especially repeat customers.

But with the evolution of technological data being used to reward correct consumer behavior, it also affords customers greater control in how they interact with retailers and brands.

Retailers, for their part, engage in an exchange: they provide value by encouraging customer trust and, in doing so, make the customer's life easier by improving the shopping experience. Therefore, the loyalty program should extend to every aspect of the customer touch point.

In an increasingly mobile world, repeat customers are all about engagement.

Retailers and brands need to go beyond traditional card and transaction-based loyalty programs and determine the optimum way to engage consumers to build trust.

However, any customer rewards need to be relevant, not take away from existing revenue streams and, above all, they need to be easy to redeem.

Making the entire customer experience personalized and customized is the order of the day.

A mobile app addresses many loyalty issues by making real-time purchase data available, while at the same time placing coupons and rewards in one place optimally alongside some sort of payment method, such as the Starbucks mobile app.

Fingerprint logins can also be used to make use of the app faster and easier.

Not just on paper
Despite the seemingly inevitable march towards everything digital with regards to loyalty programs, it is worth remembering that lumped in with that goal of improving the customer experience, there needs to be personalization. And with personalization comes choice.

While most brand or retail customers would probably embrace an all-encompassing mobile app, there will also be those that still prefer the plastic card and paper coupons and paper receipts.

With consumers, even though it would be easier, one size does not fit all. But it is that very accommodation to the individual that will generate loyalty and repeat customers.

While the in-store experience and the mobile app experience need to be seamless in their efforts to optimize the customer relationship, the rewards have to justify the time being put in using the app.

Constant engagement with the customer, even if the customer does not often buy, is the key.

WHILE THERE IS still a time and a place for old-school push marketing, it needs to be used sparingly.

Indeed, loyalty programs are already moving on and focusing more on both the customer experience and using the consumer's personal data within a context.

At the end of the day, loyalty is not just about coupons and rewards. It is about brands and retailers being willing to relinquish control in an effort to both improve the customer experience, while at the same time giving the customer a voice.

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