How to Create a Highly Effective Loyalty Program with Annex Cloud

It used to be that customer loyalty programs were something associated with grocery stores and coffee shops. Over time, every segment of B2B and B2C commerce recognized the importance of building a loyal clientele. Gas, food, camping gear, video games—everyone began looking for ways to keep their customers coming back again and again.

Digital transformation has helped customer loyalty programs become more sophisticated. Using a mutual value exchange, customers are asked to share data—email, phone numbers, and other personal information to help companies not just recognize them as a loyal buyer, but remember them and get to know them over the life of the relationship. Instead of offering discount cards or coupons, today's loyalty programs deliver personalized, relevant engagement across the buyer's journey. And, a Rosetta Consulting Study reports highly-engaged customers are five times more likely to buy only from the same brand, buy 90 percent more often, and spend 60 percent more per transaction.

Today, first-party data—data that's collected directly from the customer—is king. But are companies really making the most of the data they are collecting? Are they creating value for both the shopper and the business? According to our research **Experience 2030: The Acceleration of Digital Engagement, Personalization, and Trust**, 83 percent of brands are rethinking what it means to deliver superior customer experiences.

That's why now is the right time for organizations to pay careful attention to the customer experience they're serving up to see if it's driving repeat business and building loyalty. According to Forbes, repeat customers can increase sales by 47 percent, and customers that belong to loyalty programs typically spend up to 18 percent more than non-members.

Highly engaged customers:

- Are 5X more likely to buy only from the same brand in the future
- Buy 90% more often
- Spend 60% more per transaction

Source: Rosetta Consulting Study

Customer Loyalty Programs: Solving Top Retail Challenges

Although most retailers understand the importance of offering top notch customer experiences, doing so is not always easy. Loyalty technology and strategies not only significantly elevate the customer's experience, they help retailers overcome some of the toughest business challenges. The following is a look at the top retail industry challenges, an exploration of how loyalty and other technology solutions can help address these challenges, and the positive outcomes retailers can expect.

Lack of a seamless omnichannel experience. Omnichannel experiences are incredibly important for brands to master, but we also know that it's often easier said than done. Retailers often struggle to unify online and in-store experiences for customers.

Creating meaningful connections. With so many customers now shopping online, many retailers are struggling to create and develop relationships. Customers expect to have the same high-touch experience online that they do in-store, which can be tough to replicate.

Increased customer acquisition costs. Customers have more options than ever before. This fierce competition is pushing retailers to find new ways to stand out and has nearly doubled acquisition costs.

Disjointed systems and (incomplete) silos. Data is at the core of customer experience, but some retailers don't collect first-party data across all channels,

leaving organizations with incomplete or inaccurate customer profiles. In other instances, organizations are challenged by disjointed, disconnected systems that often leave them working in the dark. Deloitte reports that 62 percent of U.S. retailers have more than 50 systems housing customer data.

Lack of operational efficiency. Lastly, digital trends have forced retailers to become nimbler, and better manage merchandising and operations.

Loyalty is Good for Business–the Loyalty Experience Platform™ by Annex Cloud Delivers

Loyalty is no longer a nice to have for business, it's an absolute must in today's climate, where customer sentiment is often centered on a "What have you done for me lately" mindset.
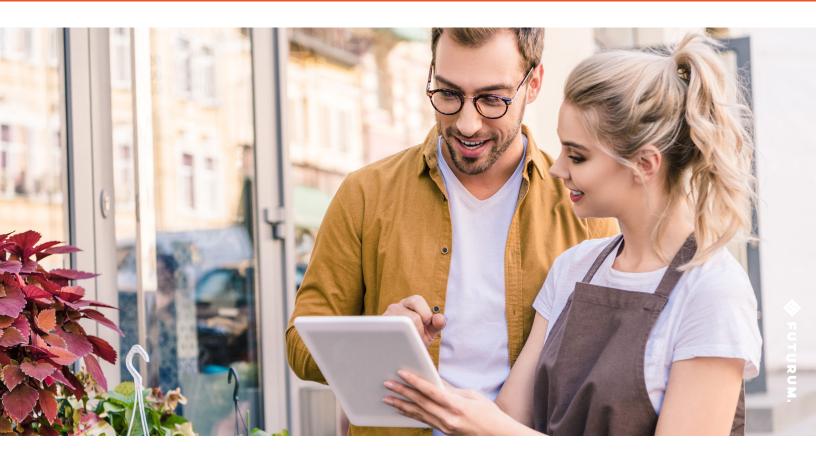
That is what led us to evaluate Annex Cloud's Loyalty Experience Platform integration for industry cloud solutions from SAP, including SAP Marketing Cloud, SAP Commerce Cloud, and SAP Sales Cloud. This modular solution enables enterprises to buy what they need and easily add features and functionality as they grow. With an easy-to-use interface that integrates seamlessly, Annex Cloud's Loyalty Experience Platform ensures that enterprises can effectively manage their loyalty strategy with access to detailed reports, analytics, and 360-degree customer views. This enables brands to see everything that's happening at a glance, act on the data, and make adjustments in real time, which

dramatically improves the customer experience. Here are a few benefits brands can realize through an effective loyalty strategy and how Annex Cloud's Loyalty Experience Platform can help:

Increased Customer Lifetime Value. Not all customers are created equal. In fact, just 20 percent of first-time buyers make a second purchase, and 80 percent of future profits can be attributed to 20 percent of customers. By using Annex Cloud's Loyalty Experience Platform, retailers can move to a data-led strategy that enables them to identify and reward their best customers.

Accelerated Growth without Discounting. Too often brands believe that discounts are the way to keep customers, but with the Loyalty Experience Platform, we see that brands can accelerate growth easily without having to discount products. In fact, mature brands gain **85 percent of their growth** from loyal customers. Value-based engagement is what creates lasting bonds with the customers most likely to spend long-term.

Increased Customer Acquisition. One feature we especially like is the ability to incentivize more cost-effective acquisition strategies. Annex Cloud's Loyalty Experience Platform offers a unique Engagement

Experience Manager that allows companies to create brand advocates, reward referrals, and manage influencers all in one place.

Reduced Churn & Stronger Emotional Bonds. Connecting with customers between purchases is as important, if not more so, than the connection that drives transactions. The Loyalty Experience Platform's Engagement Experience Manager boasts the widest range of engagement options—including gamification, contests, User Generated Content, and more—allowing retailers to deliver meaningful interactions across every touchpoint, building lasting emotional bonds. Gallup reports that companies that provide an emotional connection with customers outperform the sales growth of competitors by 85 percent.

More Predictable Customer Behaviors & Rewards. The Loyalty Experience Platform leverages sophisticated data and analytics to build business value using the 360-degree member profile. With granular insights, businesses can better predict what customers want and when—allowing them to establish more meaningful loyalty incentives.

CUSTOMER SUCCESS STORY

Shaklee®
NUTRITION | BODY | HOME

While we were evaluating Annex Cloud's Loyalty Experience Platform, our team was able to hear from some of Annex Cloud's customers about how the solution solved problems for them. Here is what convinced us.

Shaklee Corporation, an American manufacturer of natural nutritional supplements, weight-management products, beauty products, and household products, turned to Annex Cloud's Loyalty Experience Platform to improve customer loyalty.

"When we embarked on our digital transformation, we chose SAP's Hybris Platform for ecommerce and Annex Cloud's Loyalty Experience Platform for loyalty. We chose these technologies because, together, they allow us to easily and comprehensively drive customer-centric outcomes by capturing customer data and seamlessly acting on it to create truly individualized customer experiences," commented Tracy Hawkins, VP of Product Management at Shaklee Corporation. "Since the start of our loyalty program in 2020, our loyalty orders have dramatically increased while our sales and marketing teams have more motivating levers to pull to drive engagement and revenue."

Annex Cloud Makes Sense

Annex Cloud's Loyalty Experience Platform is a no-brainer to us. Improving customer loyalty is a critical and strategic way to positively impact the bottom line and Annex Cloud is head and shoulders above the competition. It's a modularized, flexible platform that allows retailers to design programs that meet their specific needs. It enables true human connections by delivering engagement modules for emotion and empathy. Customers are not just a number on a screen or in a database. Annex Cloud helps retailers leverage those relationships into something more. Finally, it has an extensive partner network with predefined integrations that makes it easy and fast to use so retailers can deliver frictionless experiences to their customers.

Annex Cloud's Loyalty Experience Platform, **available now on SAP Store**, is unlike any other on the market. It enables retailers to collect first-party data at scale and fully leverage their customer data to create value-based, meaningful interactions across every touchpoint—driving repeat business and building lasting emotional bonds—both essential for standing out in today's crowded marketplace.

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Available on **SAP Store**