

# Unlocking ROI: How to Fix the Most Costly Mistake in Loyalty

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# Featured Host



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Chief Revenue Officer, Marigold



# Today's Agenda

- **Market Headwinds for Brands**
- **Unpacking Loyalty's Dirty Little Secret**
- **The Art of Zero Party Data**
- **The Magic of Golden Moments**
- **Optimizing Discounting & Building Irrational Behavior**
- **Best Practice Examples**
  - KFC, Donatos, Great Clips
  - How Taylor Swift mastered loyalty marketing



# Market Headwinds for Brands



# We've Listened Deeply to What Consumers Want



Show me  
you know me



Make it worth  
my while



I'll love you  
back



# Over the last few years a lot has changed

## The Buyer Journey

The buyer journey is directed by the consumer. People have learned how to get what they want **on their terms**.

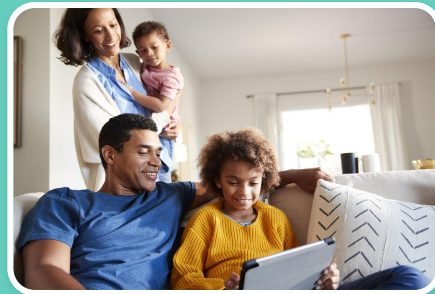
Brands are in many ways catching up to the consumer.



## Spending Habits

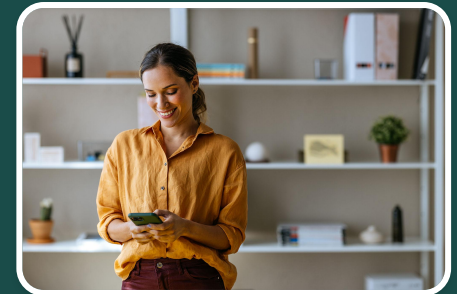
Post-Pandemic, followed by an economic downturn, has accelerated conscious consumption.

**Convenience** and **price** are the key drivers.



## Technology

Consumers are navigating across technologies in service of their preferred shopping needs. While some are actively **limiting tech** in their lives.



# Let's take a step back

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- ❖ Research shows that **over three-quarters** of loyalty programs **fail in their first two years**.
- ❖ Loyalty programs can accelerate customer profitability only if they are part of a **larger loyalty strategy**.  
*- Harvard Business Review*
- ❖ **Solution:** Avoid critical design flaws and pursue a proven loyalty ROI framework to retain customers, and drive truly incremental revenue.





# Unpacking Loyalty's Dirty Little Secret



# Forget Something?

Two areas often overlooked in program design for better ROI



## Acquisition

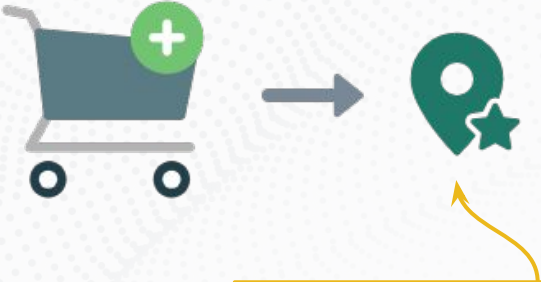
- Enrolling more than you are churning?
- Do you have quality net replacement?
- Do you have an onboarding journey that works?



## Incrementality

- How much do you depend on discounting?
- What are your key moments to charge full price?
- Can you identify potential incremental shifts in purchasing behavior for your customers?

# Loyalty is Backwards...



Most brands invest 100% of incentives to occur after the transaction

# Consider Rewarding the Entire Journey for Better ROI



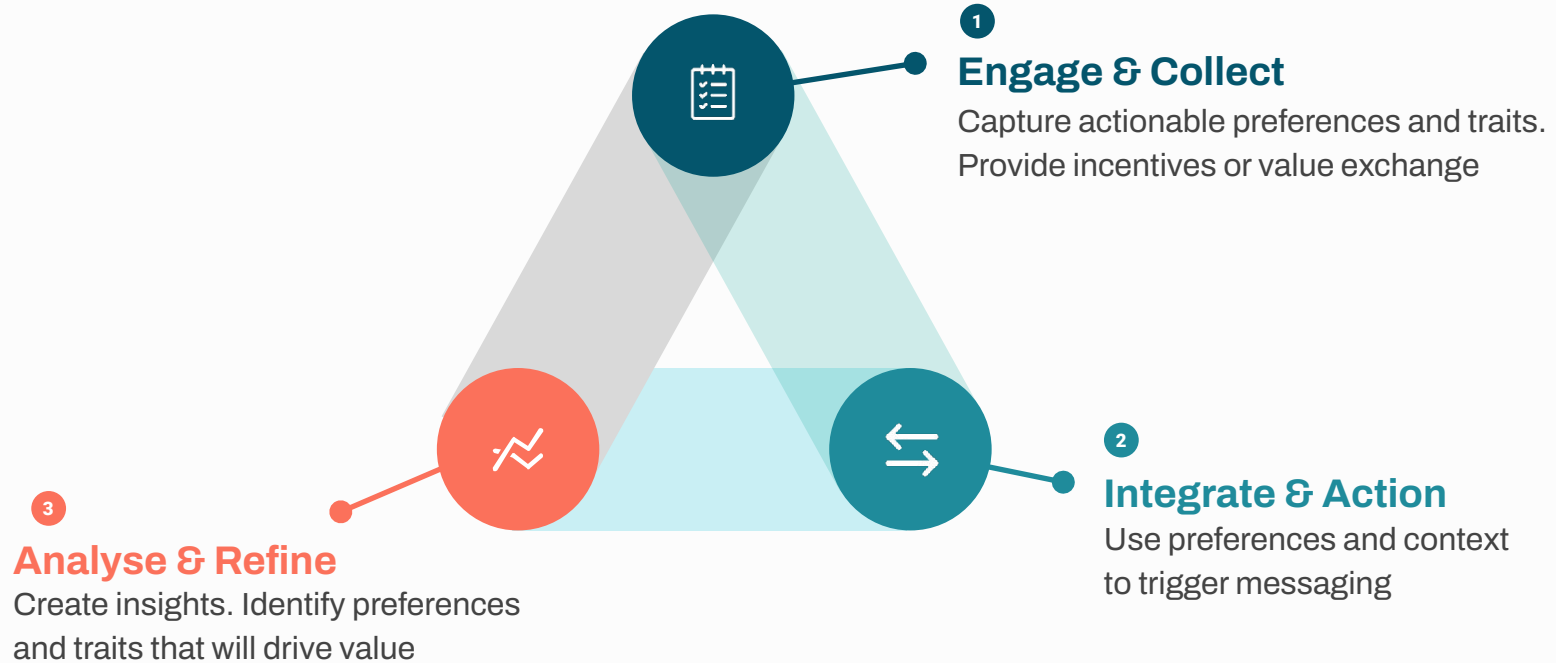
Offer smaller increments  
**before the sale.**

*EG. Reward for **completing challenges**, providing zero party data, non-transactional engagement such as **clicking on an Email**.*

*Continue to invest in points after the transaction -  
**now you have better attribution!***

# The Art of Zero Party Data

# We have a Proven Zero Party Data Model that Works!



**Answer a couple questions to customize your offers**

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**Are you vegetarian?**

Yes, don't show me offers with meat.

No.

**What type of drink do you prefer?**

Iced: Cool off and uplift

Hot: Warm up and get going

**5**

Submit & Earn 5 Points

## Build Engagement Habits with Responsible ZPD Collection

If there is any doubt what will resonate with customers just ask them using surveys in Challenges

- Never ask for more than you need
- Store responses as attributes that can be used to personalize journeys to increase effectiveness.
- Quickly use limited and purposeful data to power offers before customers forget they shared it with you.





# ZPD-Driven Offers are Effective in Driving Incrementality

Next Best Action using preference information from members.

## Business Objective:

- Create incremental landscape
- Supplement Artificial Intelligence
- Maintain conversational dialogue
- Establish routine reinforce irrationality

Answer a couple questions to customize your offers

Are you vegetarian?

Yes, don't show me offers with meat.

No.


What type of drink do you prefer?

Iced: Cool off and uplift

Hot: Warm up and get going

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Submit & Earn 5 Points

Earn **75 Bonus Points** Oct 10-15 

**Step 1:** Order any hot vegetarian breakfast item 3 times

**Step 2:** Order any iced beverage 3 times

**Challenge:** Complete both steps by October 15th.

We're rooting for you, you can do it!

Start Challenge



# The Magic of Golden Moments

# Golden Moments Occur after Redemption



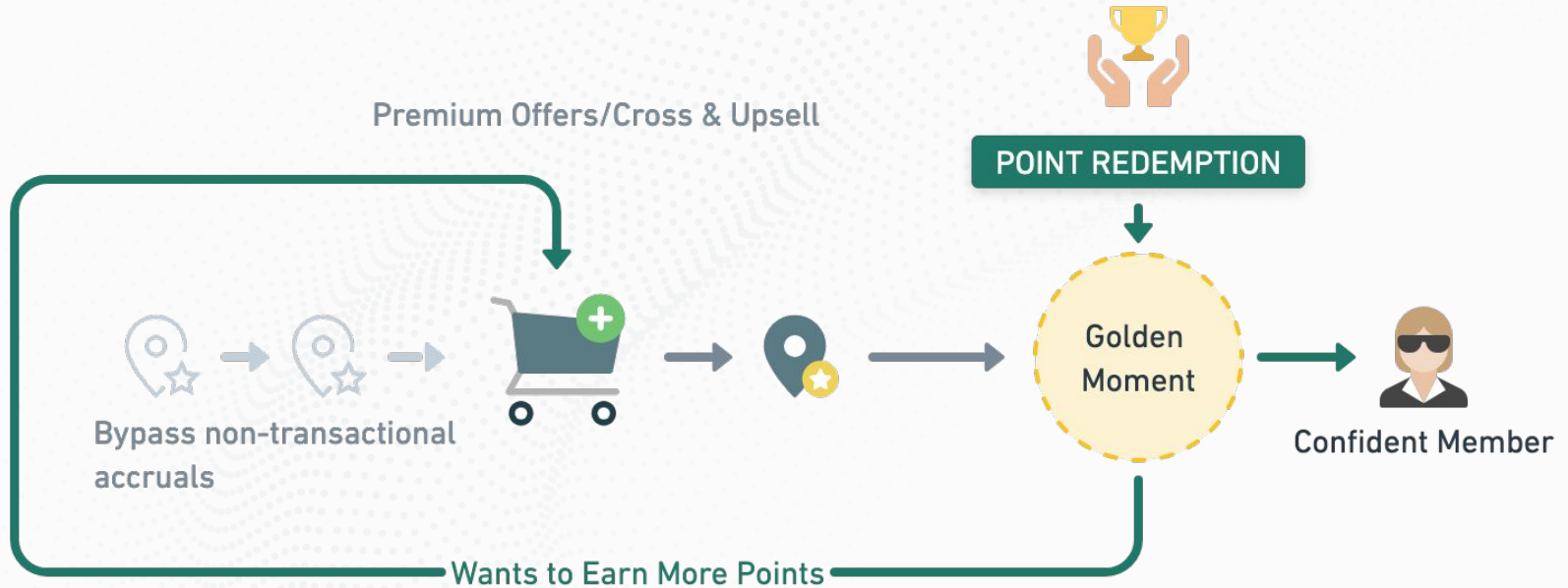
POINT REDEMPTION




Our Strategists help to determine the timing and duration of a Golden Moment

# Most Powerful Element in Loyalty

Perfect time to invest in bonus points to drive incrementality





A group of diverse people in business attire are looking through a doorway. On the right side of the doorway, a glowing neon sign reads "BLACK FRIDAY". The scene is dimly lit, with the primary light source being the sign. The overall mood is one of anticipation and excitement.

# Optimizing Discounting & Building Irrational Behavior

# The Transformation Towards Irrationality



## Reward

Foundation of points accrual and redemption

## Retain

Segmentation and the perception of loyalty/brand switching costs

## Deeper Engagement

Zero Party Data driven & Gamified

Establish sense of loss with expirations and exclusivity (eg. Tiers)

## Emotional Loyalty

Temporal and Value Shifts

Lifecycle Management



Transactional

Relationship & Emotional

Irrational Behavior





# Optimize Discounts with Lifecycle Management

Profitable loyalty is **irrational** and **migrational** - driven by loyalty currency

## Power of Small

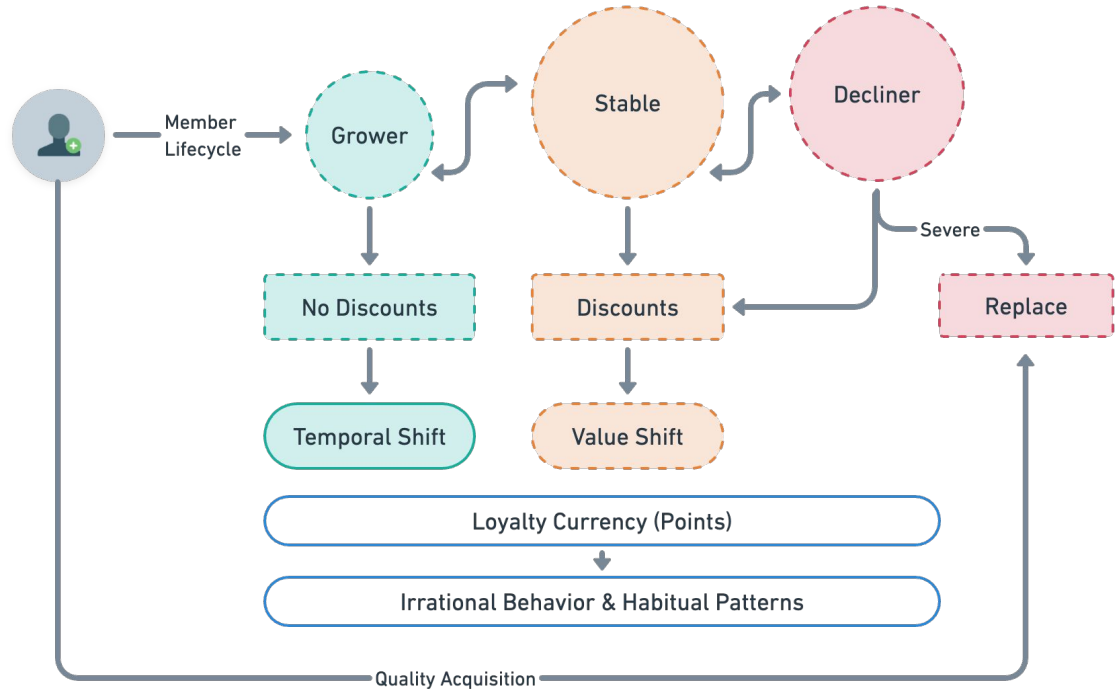
- Growers are the minority
- Outcomes can be exponential
- Preserve margins, no discounts

## Discount with Purpose

- Stimulate stagnation
- Reinforce value proposition

## Member Health

- Stay within cohort's ROI threshold
- Maintain quality net replacement



# The Right Loyalty Strategy Drives Real Returns

*Brands that provide consumers a loyalty program as part of their brand relationship have experience results like these...*



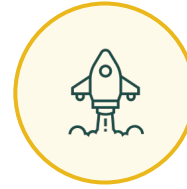
**5-10%  
Increase in  
Purchases**



**12%-18%  
HIGHER AOV**



**Reduce Churn  
by 5-15%**



**47% More Likely to  
Make 2nd Purchase**



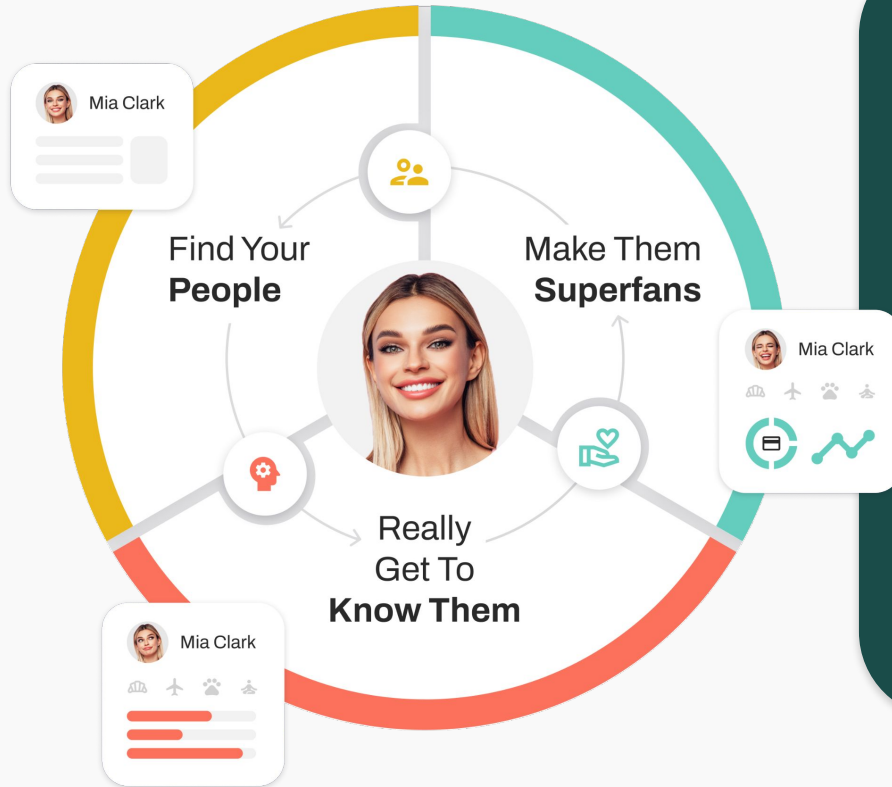
**Referral Programs  
Account for  
10%-15%  
INCREASE in  
Customers**



# Best Practice Examples

# How We Do It

Robust tech platform, solutions for all marketers



1. Cross Channel Journeys
2. Progressive Profiling
3. Triggers & Automation
4. Digital Customer Dialogues
5. Gamification
6. Retention Strategies
7. Non-Dilutionary Offers
8. Distributed Marketing
9. Actionable Insights
10. Testing & Optimization





## High Enrollment & Authenticity for a New Program

KFC U.S. launched a new loyalty program with Marigold earlier this year

**1M**

Members enrolled in the first month.

**3M**

Over 3M members within first 6 months

**70%**

Members with a second visit in 30 days



**SECRET RECIPE**

**VAULT**





## Partner on Strategy and Drive Bottom Line Results...

Donatos engages with the Marigold Strategy Team on a regular basis to review ROI

**+50%**

Of sales attributed to loyalty members

**CLV**

**Golden Moments:** High redeemers tend to have higher Customer Lifetime Value

**14%**

Of company incremental revenue generated is by members



"The Marigold Loyalty team has provided invaluable assistance with both strategy and implementation. New surveys and rewards can be created and published in minutes with no additional development work from our IT team."

**Erin Corrigan**

Director of Digital Marketing, Donatos Pizza



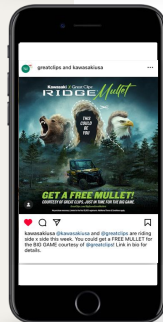
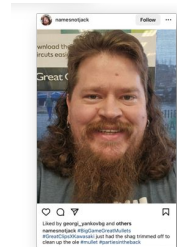
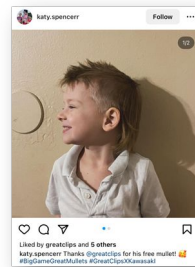
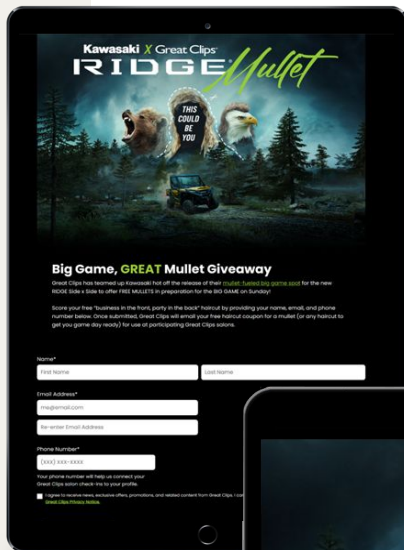


In February, the Kawasaki ad launched the new RIDGE side X side with a celebration of the iconic mullet haircut leading up to the Big Game. Great Clips partnered with them to bring this to life.

Using Marigold Grow, Great Clips launched the landing page and promotion *in a matter of days*, offering free mullet haircuts to the first **15,000** people who submitted a contact form.

### The Results:

- **15k+** coupons used within **several hours**
- **\$2-off coupon** after free giveaway limit reached
- **23%** mullet haircut redemption rate
- Captured valuable real-time insights
- Converted incoming traffic to email messaging subscribers for more personalized follow up



# Why Taylor Swift is a Masterful Relationship Marketer

FIND YOUR PEOPLE

REALLY GET TO KNOW THEM

TURN THEM INTO SUPERFANS



Rare feat, Swift **became a billionaire** through music and not ancillary businesses

**Exclusive high touch** outreach. Eg. “Swiftmas” fans receive Christmas presents from directly from Taylor

**Gamification** aligned with her brand’s authenticity. Eg. “Easter eggs” in her lyrics, album covers, and videos.

Relentless focus on her **best customers** and **proving her loyalty to them**. All without AI or ML!

