

# Is it the right time to invest in customer loyalty?



Charlie Casey, CEO

# Charlie Casey

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- Co-founder / CEO of LoyaltyLion
- UK economist
- Deloitte Technology Consultant
- First business at 9 years old



Foreign &  
Commonwealth  
Office

**Deloitte.**





- Data-driven customer loyalty and engagement platform
- Over 4,000 merchants worldwide
- £15 return for every £1 spent with LoyaltyLion

**Dr. Axe**  
FOOD IS MEDICINE

LIVELY

theCHIVE

ASTRID & MIYU

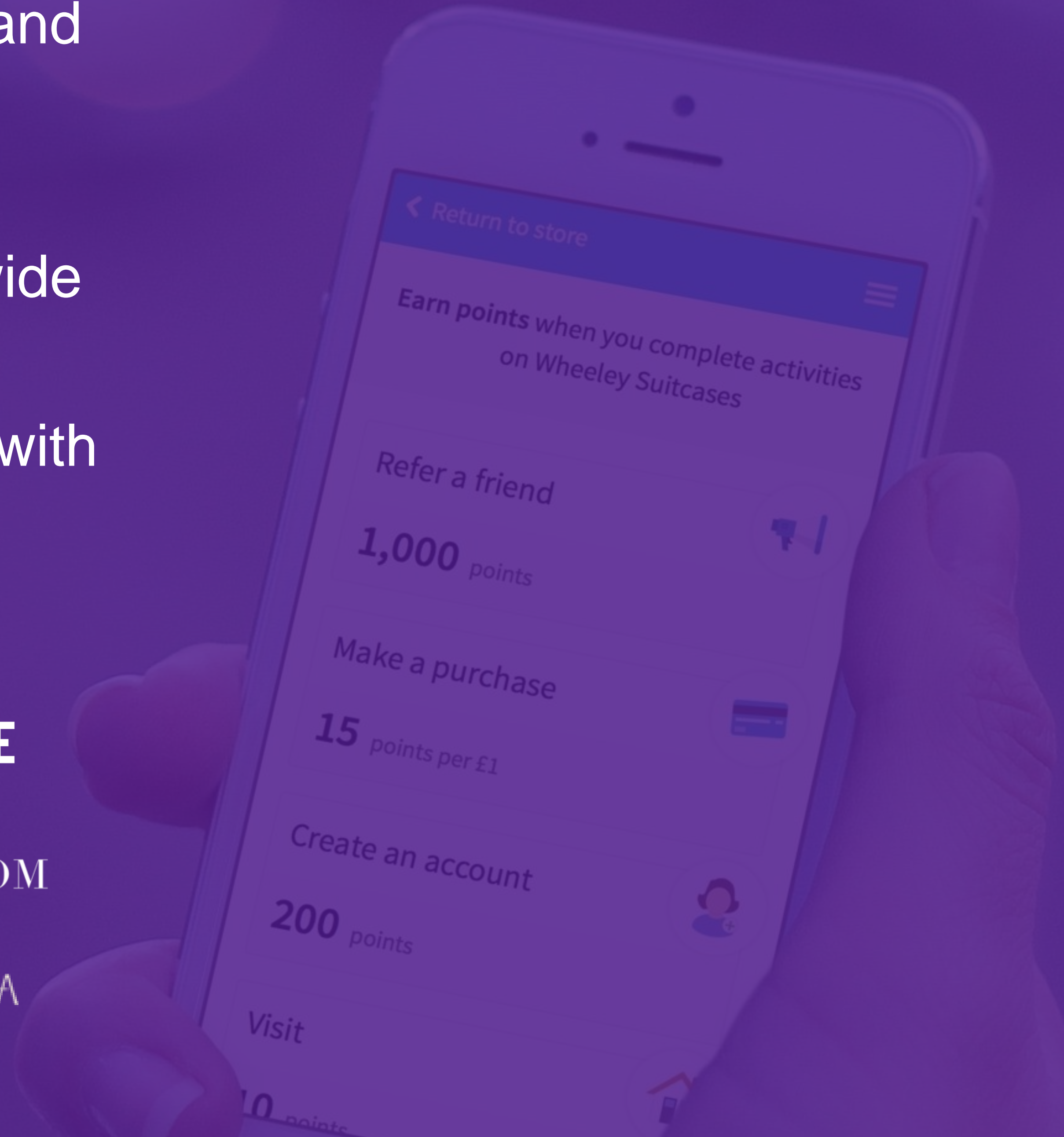
  
HARNEY & SONS  
MASTER TEA BLENDEERS

BIKINI.COM

100%  
Pure 

PEACH & LILY

PACIFICA





# What we're going to cover

- Times we operate in
- Time of your company lifecycle
- Loyalty case study



## Challenge #1

Ecommerce is impersonal by nature



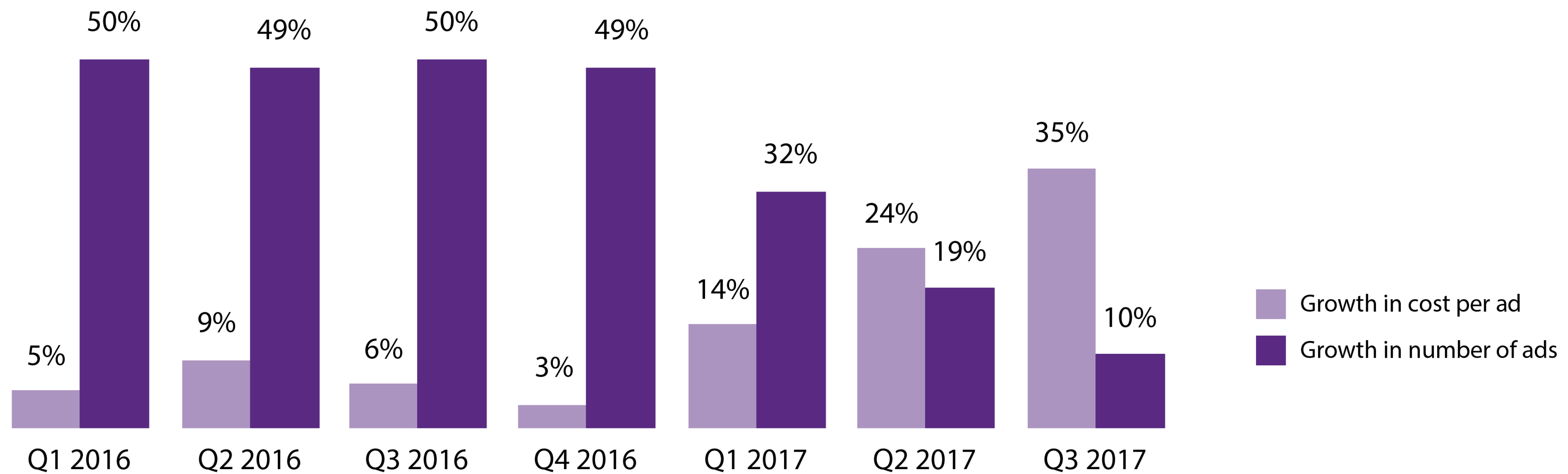
## Challenge #2

It's harder than ever to reach customers



## Facebook Ad Cost Growth Trends

A view of the growth in number of Facebook ads vs. growth in cost per ad over 2016-2017



Facebook disclosures via Bloomberg





Only 9% of digital ads are viewed for  
more than one second

Source: Marketing Week



## Challenge #3

Most competitive market in the world





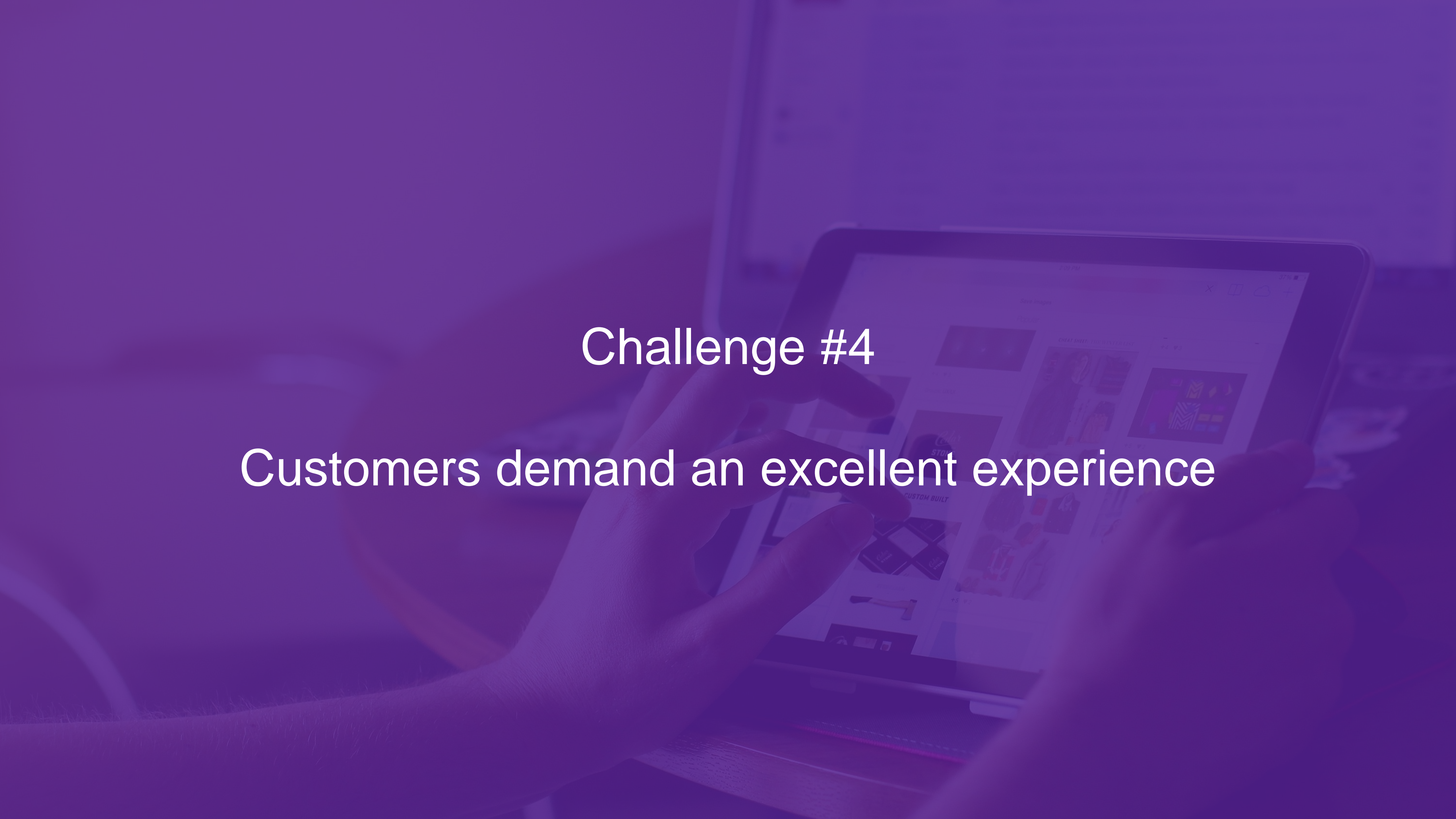
Amazon accounts for 43% of  
online sales.

Source: Inc.



## Challenge #4

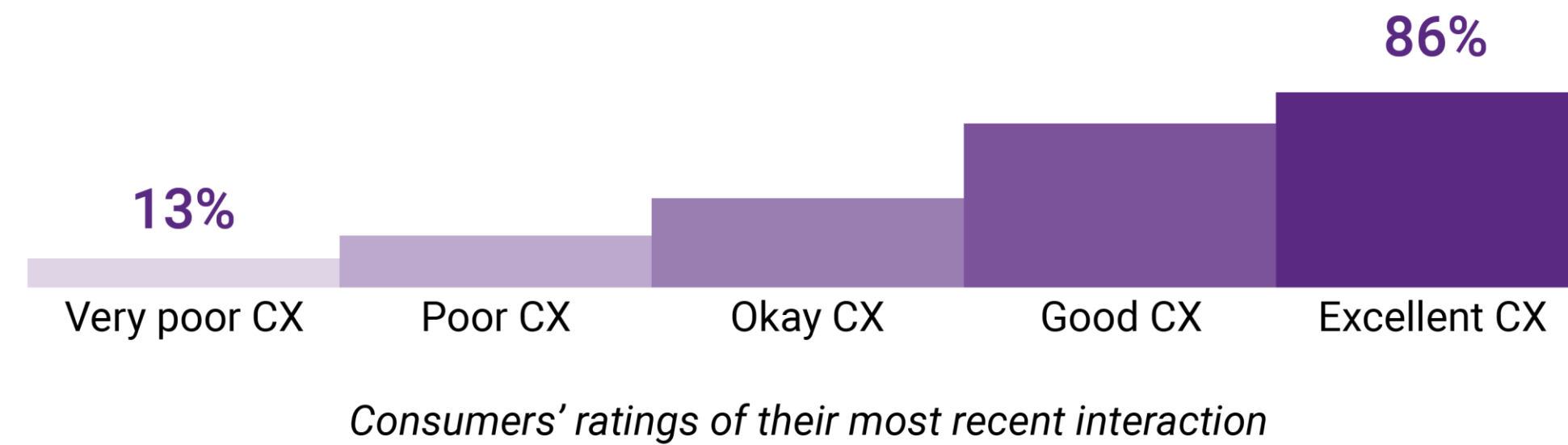
Customers demand an excellent experience





# The impact of customer experience on loyalty

Customers who are likely to **repurchase**



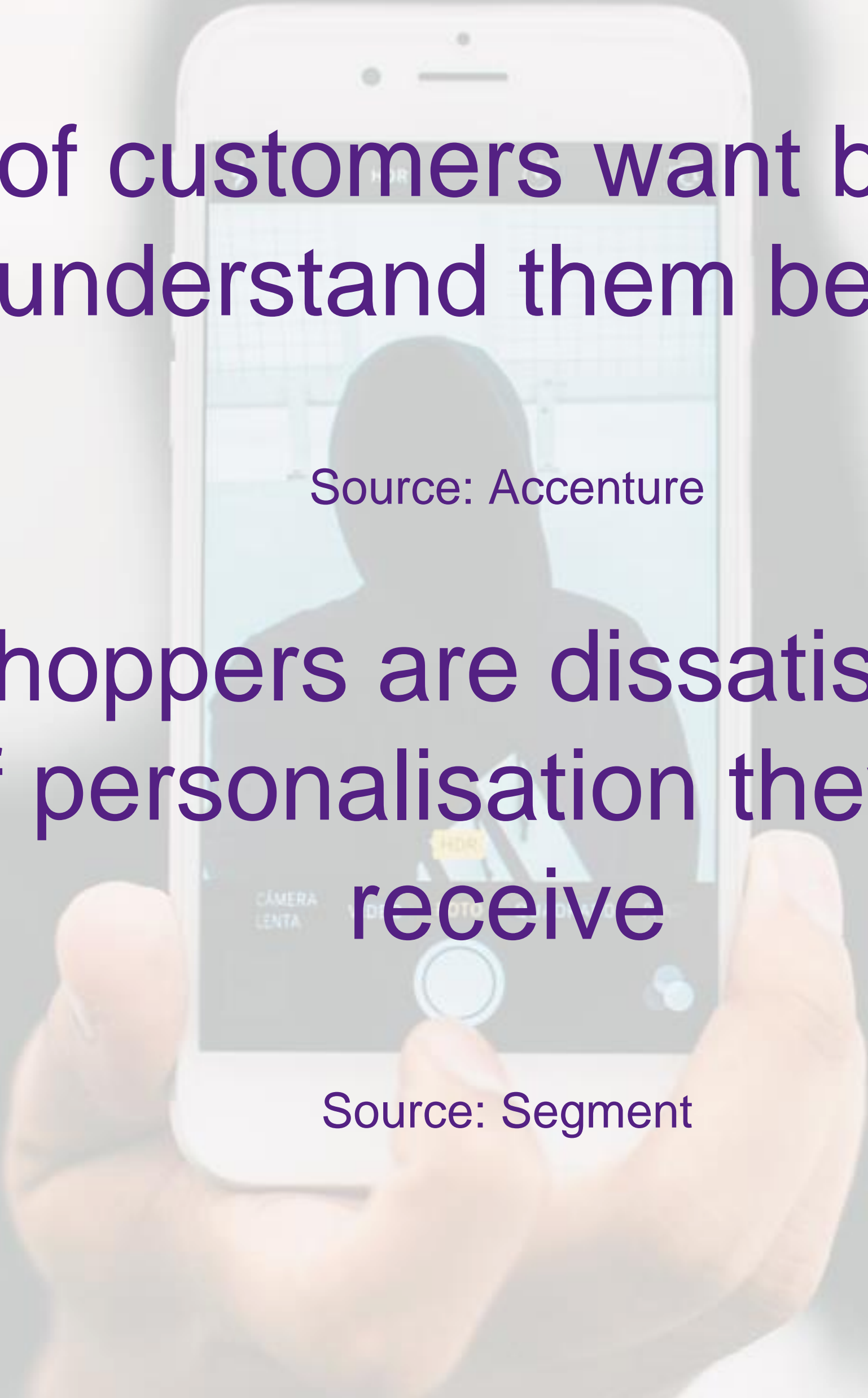
Customers who are likely to **recommend**



Customers who are likely to **trust**







**81% of customers want brands to understand them better**

Source: Accenture

**78% of shoppers are dissatisfied with the level of personalisation they currently receive**

Source: Segment





Loyalty as a strategic priority





Board Level



Chief Marketing  
Officer



Chief Relationship  
Officer



Chief Customer  
Officer



Chief Experience  
Officer



Marketing  
and Ecommerce



Customer  
Service



Customer  
Experience



CRM



Data and  
Analytics





For top performing companies, **>50% of revenue** is from repeat customers by the end of **year three.**”

Source: RJ Metrics



A woman in a dark jacket is holding several shopping bags. One bag is white with the 'fabrizioriva gioielli' logo. Another bag is pink. She is also holding a smartphone to her ear. The background is blurred, showing what appears to be a retail environment.

Customers at larger stores are **x2** more likely to repeat purchase, **>50% revenue**

Larger stores **AOV** is **66% higher**

**Top 20%** of customers generate **over 53% of total revenue** – same for all

Source: LoyaltyLion





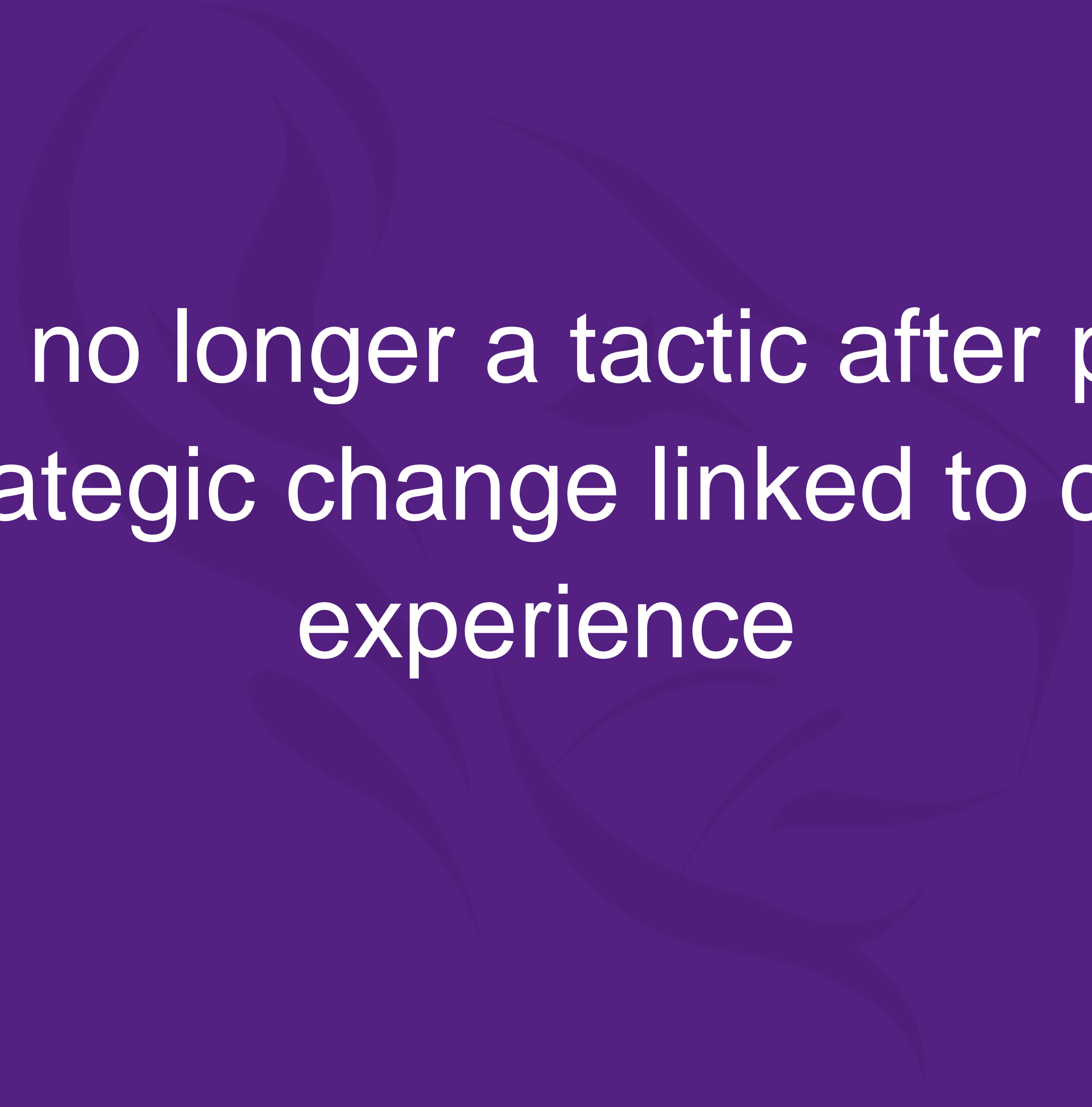
Loyalty  
stamps

Loyalty cards

Loyalty  
Apps + engagement

Lifecycle +  
ecosystem





Loyalty is no longer a tactic after purchase,  
but a strategic change linked to customer  
experience



# Introducing loyalty from the start





# Introducing loyalty to an established brand





# Growing brand and loyalty together

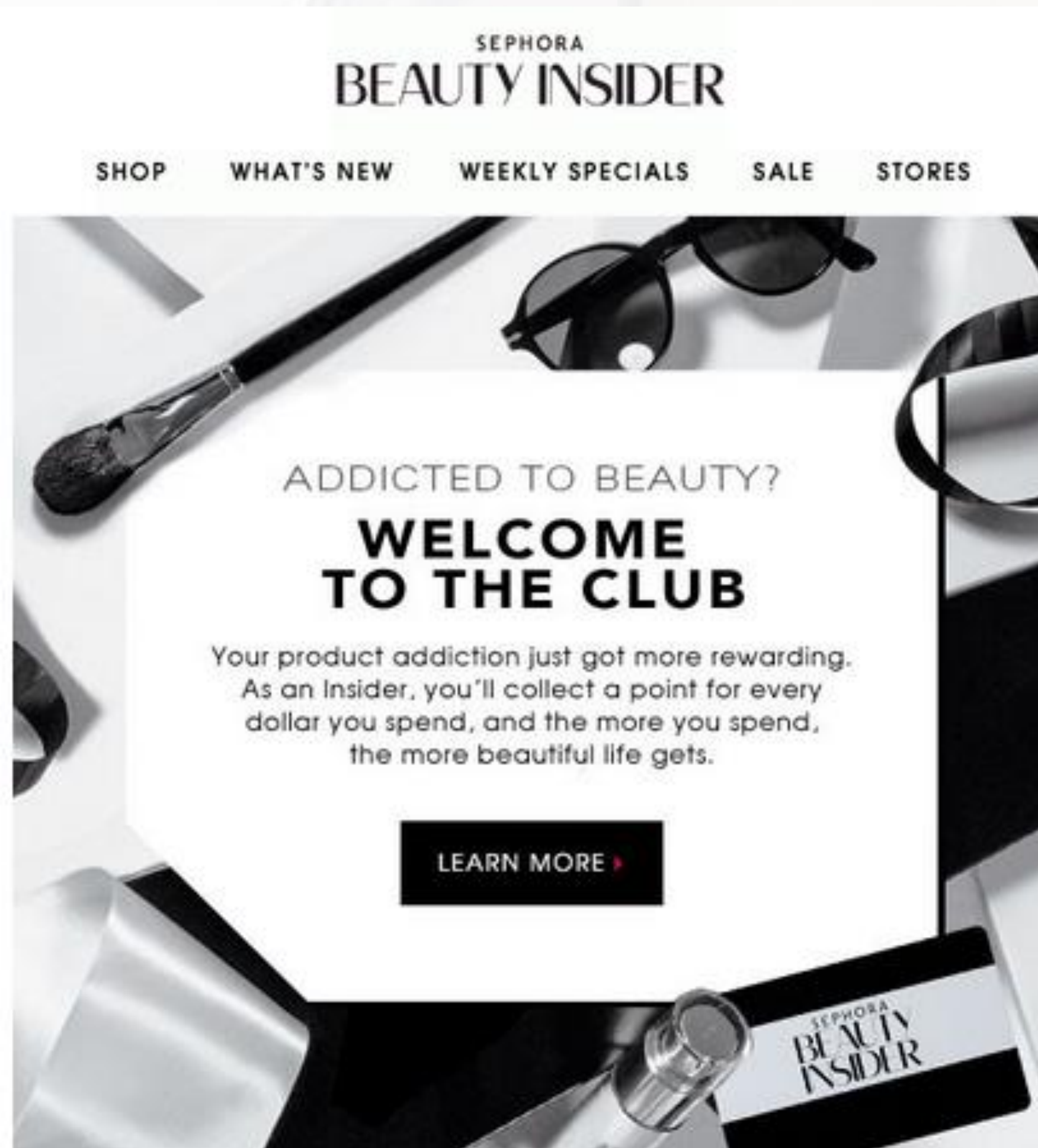
SEPHORA  
**BEAUTY INSIDER**

SHOP WHAT'S NEW WEEKLY SPECIALS SALE STORES

ADDICTED TO BEAUTY?  
**WELCOME TO THE CLUB**

Your product addiction just got more rewarding.  
As an Insider, you'll collect a point for every dollar you spend, and the more you spend, the more beautiful life gets.

**LEARN MORE**


The image shows a Sephora Beauty Insider welcome page. At the top, the Sephora Beauty Insider logo is displayed. Below it is a navigation bar with links to SHOP, WHAT'S NEW, WEEKLY SPECIALS, SALE, and STORES. The main content area features a large, bold heading "ADDICTED TO BEAUTY? WELCOME TO THE CLUB" and a subheading "Your product addiction just got more rewarding. As an Insider, you'll collect a point for every dollar you spend, and the more you spend, the more beautiful life gets." Below this is a "LEARN MORE" button. The background of the page is a collage of various beauty products, including a clear plastic container, a black makeup brush, a pair of sunglasses, and a black and white striped box with the Sephora Beauty Insider logo.

*Beauty*INSIDER

Things are more beautiful on the inside. Rewards for shopping is just the beginning. Tap on a benefit below to learn more.

	INSIDER	VIB	ROUGE
Spend per calendar year	FREE	\$350	\$1000
Birthday gift	●	●	●
Rewards Bazaar	●	●	●
Access to the Beauty Insider Community	●	●	●
Free Beauty Classes	●	●	●
Monthly gifts		●	●
Free Custom Makeovers		1X	●
Flash 2-day shipping on all orders*	\$10/yr	\$10/yr	FREE
Private hotline			●
Invitations to exclusive events			●


**SEPHORA TO GO APPS**  
Beauty on the go has its benefits.



**IPHONE**

- Scan products in store to instantly read Ratings & Reviews
- Receive notifications about special offers
- Access unique photo editing tools and filter features for The Beauty Board


Download on the App Store



**IPAD**

- Get inspired by the latest trends on the Sephora Glossy
- Watch HOW TO videos on Sephora TV
- Shop inspiring beauty photos and post your own looks on The Beauty Board

Download on the App Store



**ANDROID**

- Track and redeem points with your digital Beauty Insider card
- Easy shopping on all Android mobile phones
- Post and tag your latest looks on The Beauty Board

ANDROID APP ON Google play





Your company –  
knowing when to invest in loyalty



A woman with long dark hair is sitting on a dark-colored couch. She is holding a white credit card in her right hand. She is wearing a light-colored, long-sleeved top. The background is a blurred interior space with a bookshelf and some decorative items. The entire image is covered with a semi-transparent purple overlay. The text 'Warning sign' is centered in the middle of the image in a white, sans-serif font.

Warning sign

Diminishing returns on your ad spend





Warning sign

You're caught in a race to the bottom





Warning sign

Your Net Promoter Score is declining





Warning sign

There's a surge of competition





# Loyalty as a strategic response

## Case study: Dr. Axe



# Dr. Axe

FOOD IS MEDICINE

Dr. Axe has created the second most visited natural health website in the world, boasting over 10 million monthly visitors. Topics include nutrition, natural medicine, fitness, healthy recipes, home remedies and trending health news.

The screenshot shows the Dr. Axe website header with a teal background. On the left is the Dr. Axe logo and the Ancient Nutrition logo. In the center is a search bar with the placeholder text "What are you looking for...". To the right of the search bar is a phone icon and the number "855-803-1275". Further right are links for "Dr. Axe Rewards", "Sign in", and a shopping cart icon with a "0" badge. Below the header is a teal navigation bar with three dropdown menus: "Shop All Products", "Shop By Health Concern", and "Shop By Diet". The main content area has a dark blue background with the text "DR. AXE REWARDS" in large white letters, followed by "Start earning points for free gifts today". Below this is a red button that says "JOIN OUR REWARDS PROGRAM". Under the button is the text "Already a Member? [Log In](#)". At the bottom left, there are images of Dr. Axe products, including a box of "ORGANIC BONE BROTH" and a packet of "COLLAGEN". At the bottom right, there is a blue button with a gear icon and the text "Privacy settings".

Dr. Axe

ANCIENT NUTRITION

What are you looking for...

855-803-1275

Dr. Axe Rewards Sign in

Shop All Products Shop By Health Concern Shop By Diet

## DR. AXE REWARDS

Start earning points for free gifts today

JOIN OUR REWARDS PROGRAM

Already a Member? [Log In](#)

Privacy settings

## Aims:

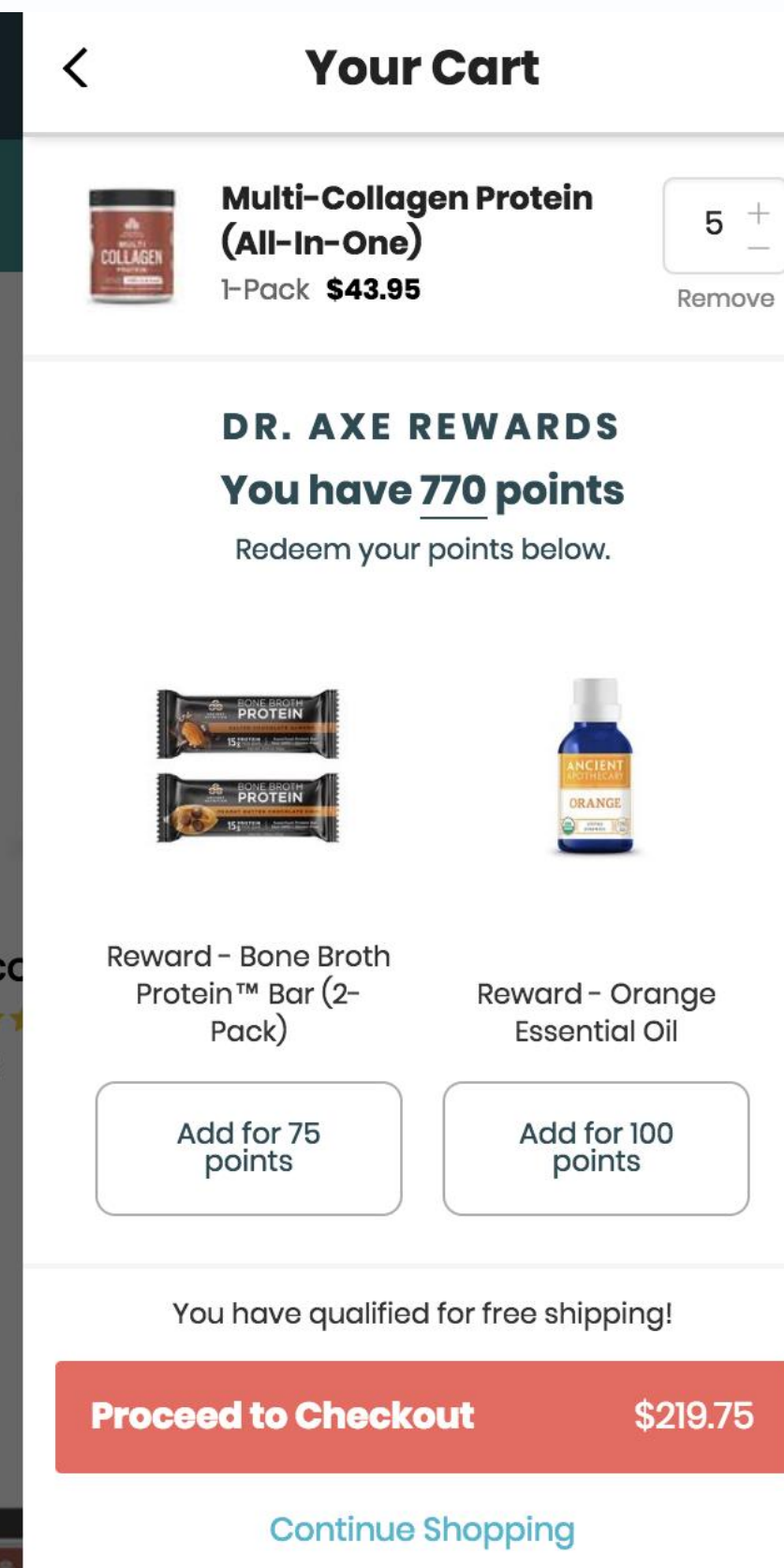
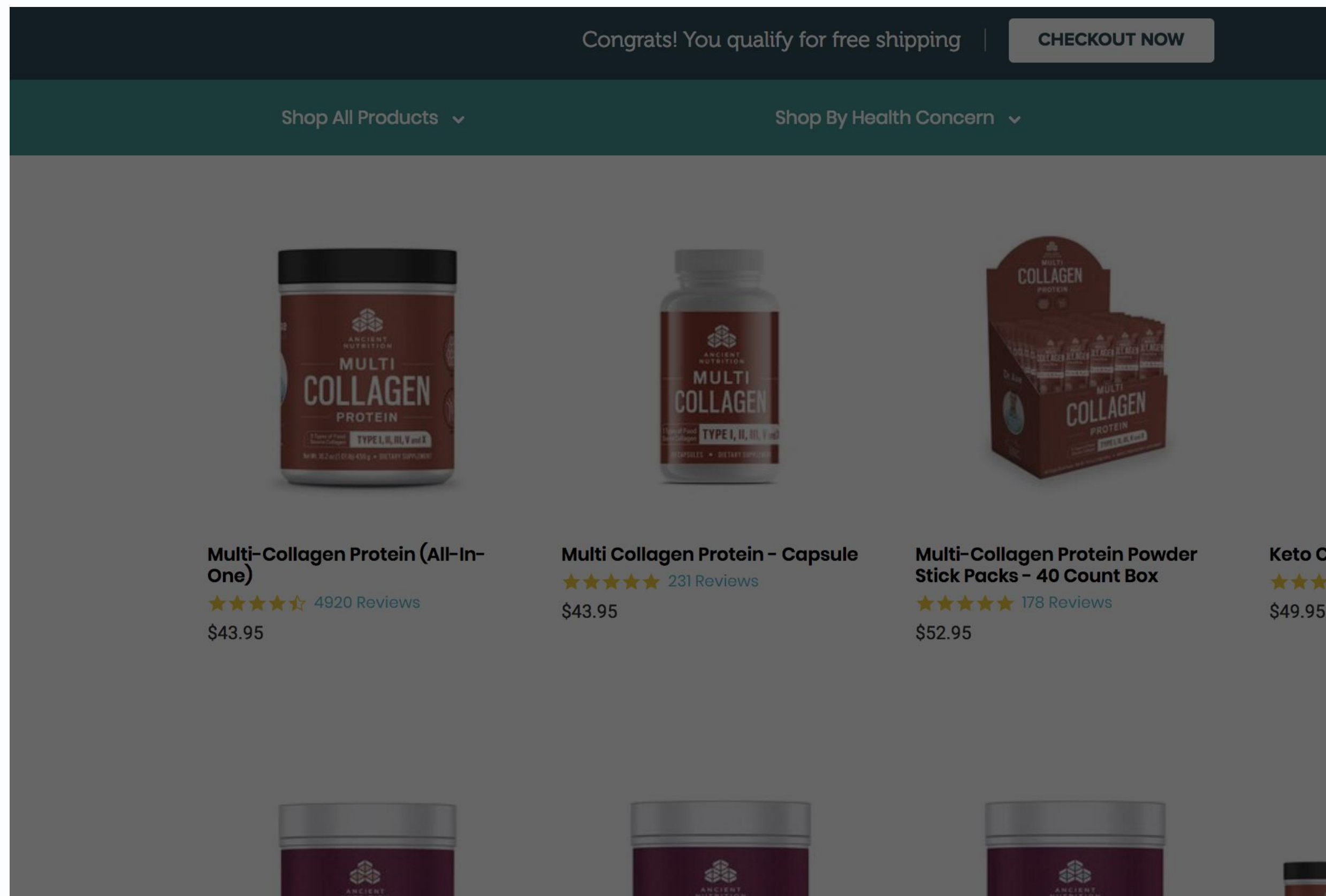
- Increase reward redemption
- Drive recurring revenue
- Increase AOV







## Complement user journey



300% increase in  
reward redemption

x2.7 increase in  
spend when members  
use rewards





Reward subscribers and increase LTV

## Using loyalty tiers to incentivise subscription purchases

### DR.AXE REWARDS

Start earning points for free gifts today

#### Dr. Axe Rewards Levels

**REWARDS MEMBER**

Simply create an account to start earning points for rewards.

**SUBSCRIBE & SAVE MEMBER**

Sign up to receive your favorite products on a monthly subscription and unlock other exclusive perks.

#### Member Benefits

	REWARDS MEMBER	S & S MEMBER
Earn points for shopping with us	●	●
Earn for engaging with Dr. Axe on social	●	●
Free shipping on all orders	○	●
2X rewards points on all purchases	○	●
Early access to new products	○	●

### Want free shipping all the time plus up to 25% off?

Learn More About our Subscribe & Save Program Here

[LEARN MORE](#)





Drive ongoing engagement

In 3 months loyalty program members spent \$2.35m more than non-members

Click to Redeem Your Gift - While Supplies Last

TODAY ONLY

### Flavor Upgrade in a Pinch.

Grab a FREE Truffle Salt and enhance your meals with an elegant, earthy, rich taste

[Click to Redeem](#)

ORDERS \$50+

**\$20**  
VALUE

SEMI-ANNUAL  
**STOREWIDE  
SPRING  
CLEANING**

## 20% OFF + 2X REWARDS

ON EVERYTHING

[USE CODE: SPRING20](#)

Dr. Axe

What are you looking for...

Need Help? Call 855-803-1275  
Email Customer Service

Top Sellers Supplements Essential Oils Shop Health Concern

My Rewards My Account My Cart

THIS WEEK ONLY

## Earn 3x Rewards Points Storewide

[SHOP TOP SELLERS](#)

SEE

BONE BROTH PROTEIN™ FIT THERMO BURNER

### Back In Stock

THIS WEEK ONLY

### EARN 3X REWARDS POINTS ON EVERYTHING!

**Get Triple Points! (This week only)**

Great news! This week ONLY, you can earn 3x points on ANY product in our store. All you have to do is sign up for our rewards program and place an order. That's it.

With one purchase you could be well on your way to free products. How will you spend your points?

[Get 3x Points NOW »](#)



Your future success depends  
on your existing customers

Questions?

