



The Digital Journey to Customer Loyalty

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By [Rodney Davenport](#), Vice President, Corporate Affairs and Head of the Strategic Insights Group, Alliance Data

For marketers, the most important sale to a customer is the *second* one. If a retailer or brand can get a customer to come back after a positive first experience, it signals the beginning of a relationship – the spark of loyalty.

A recent study from loyalty research company [Colloquy](#) indicates that American households are enthusiastic about building those brand relationships, with the average household belonging to 29 loyalty programs in retail, financial services, travel and various other sectors. For brand marketers, this level of consumer interest represents both an opportunity and a challenge –engaging those consumers with their brands among all the programs in which they hold memberships.

Technology may hold the answer for igniting the important spark that begins the loyalty relationship.

The marketing industry is now at a tipping point. Technology has finally caught up with marketers and provided a platform and tools to deliver real-time customer relevance that is highly curated for the customer's interest, and also for the moments when they're most likely to be open to behavior change. In other words, technology gives marketers the power to move marketing programs toward what they were always designed to do – reach consumers at the individual level with a message that is singularly relevant to them.

Various studies have shown that the performance power of information technology doubles every 18 months. So how should marketers harness this power to engage consumers and build loyalty?

There are three core areas where technology can help marketers on the digital journey to customer loyalty:

Personalization

Retailers and brands have been collecting data about customers for years, but technology now helps marketers know exactly who customers are, whether they know them individually or anonymously through their devices or search histories. Now, instead of focusing on channels, marketers can place a strong focus on the individual. For example, marketers in the past relied on consumers to provide information during the sign-up process for a loyalty program. But today, the use of technologies enables marketers to learn about habits not only through cookies and online search histories, but also through cross-device tracking layered with anonymization tools, to avoid crossing any privacy boundaries.

Relevance

Once marketers know the customer, technology can help them understand what motivates the individual, and when they're receptive to the message. By understanding where they are on the path to purchase, marketers can tailor an offer based on that individual's behavior. For example, when a consumer opts in to geolocation tracking at a favorite retailer, the marketer can deliver offers and personalized communication in the retail environment based on the shopper's interests in real-time.

Engagement

The key element to building long-term loyalty is engaging the consumer, keeping them connected to the brand. A brand must give the consumer a reason to shop more or to spend more of their discretionary dollars with the brand, and encourage them to take actions such as downloading a brand's app. As the brand engages the consumer this way, technology can enrich the customer's profile by creating models based on behaviors, and surrounding the customer in an omnichannel approach. For example, in the past marketers aggregated information about groups of shoppers and built models around demographics or psychographics. But today, technology enables marketers to bring the offline and online worlds together, to get to know consumers even better to deliver more targeted, engaging offers and communications.

The true value of technology for marketers and brands is the ability to create relevance that is meaningful to the consumer as a way to optimize loyalty. When technology is used to combine meaningful consumer engagement with drivers of profitability for a brand, the result is a spark that ignites a loyal relationship, with measurable value for both the consumer and the brand.

Read more on this topic... [Epsilon's Dino Michetti shares his thoughts on engagement and how Millennials are changing the loyalty landscape on A Brand New View.](#)
