

A woman with curly hair, wearing a red top and a brown blazer, is looking down at a tablet device. She is in a classroom setting, with a chalkboard and a sign that says "LOVE IT" visible in the background. Other people are partially visible in the foreground and background, but they are out of focus.

3-Step Guide to Creating Loyal Customers

Introduction

Customer retention is essential to running a successful business. Its profound impact on sales and revenue has been proven many times over. For example, [research](#) shows that **15% of the most loyal customers drive 55-70% of a retailer's sales, and in the hospitality industry 20% of loyal customers should comprise 80% of restaurant sales.** As competition in the business world intensifies, customers become ficker than ever, abandoning their previous shopping carts or dinner plans as soon as the next attractive deal shows up. To keep your customers from moving to your competition, you have to offer them compelling reasons to come back specifically to you.

Yet many businesses are at a loss when it comes to nurturing and developing lasting customer relationships. They don't know how to get their hands on the technologies and best practices that enable them to keep their customers.

Why Customer Loyalty Counts:

69% of loyal customers buy more from the brands they're loyal to
(Source: [Zendesk](#))

78% spread the word about these businesses (Source: [Zendesk](#))

+30% On average, loyalty program members spend 30% more than nonmembers (Source: [Como](#))

5-25x Acquiring a new customer typically costs between 5 and 25 times as much as keeping an existing customer (Source: [Harvard Business Review](#))

+67% On average, a repeat customer spends 67% more than a first-time customer (Source: [BIA/Kelsey](#))



Customer retention comes down to engaging with customers and truly building lasting relationships. The key to doing so is through a comprehensive customer loyalty program, one that delivers the essential elements of rewards, engagement, and business insights.

1. Reward Your Customers to Bring Them Back

It all starts with remembering that customers want to be treated as individuals. The online giants meet consumers' need for an emotional connection with personalized, targeted communications and recommendations, based on customer preferences. Treating each customer as an individual has been critical to these online leaders' towering success. Here are some examples of personalized customer engagement tactics that motivate customers by making them feel understood and appreciated:



Amazon knows customers want relevant offers. Amazon profiles customers based on their past purchases or page views to recommend the specific products that would entice them. In fact, [35% of purchases](#) on the e-commerce site come from personalized product recommendations.



Sephora knows that makeup is for life. As the company says, "Product addiction can be a very beautiful thing." Loyalty program members are rewarded for their obsession with free beauty classes, makeovers, and recommendations based on their profile, in addition to accumulating points.



Seafood Pub Company knows its locals. This chain of pubs and inns in northern England has 10 locations so far—each with a different character, a different menu, and a different clientele. To personalize the customer experience, Seafood Pub Company uses [Como Sense](#) to send push notifications and offer coupons suited to each club member's preferred location.



2. Engage Customers with Your Mobile App

The millennial demographic—roughly 25% of the global population—is one of the most influential forces in the consumer market today. This, along with their overwhelmingly digital lifestyle, makes them key targets of customer loyalty programs. They expect original rewards, they demand convenience, and they thrive on interaction.

And this is where your business's own branded mobile app comes in. To reach out and relate to these trendsetters, you must communicate with them on their constant companion—their phone. Here are some features that make the most of this essential channel to millennials and all your customers:



Integration with social networks: Millennials live on social media, and when these potential ambassadors share your posts or mention your business, it's a valuable form of word-of-mouth advertising. In fact, [over 60%](#) of this segment report they're more likely to become loyal customers to a brand that engages them on social networks.



Push notifications: There's just no better way to communicate with your customers quickly, directly, and in real time than through push notifications. The best thing about push notifications is that they reach customers even when they don't have your app open. For example, you can send millennial-friendly coupons like "Leaving work? Stop by for a 1+1 appetizer on your way home."



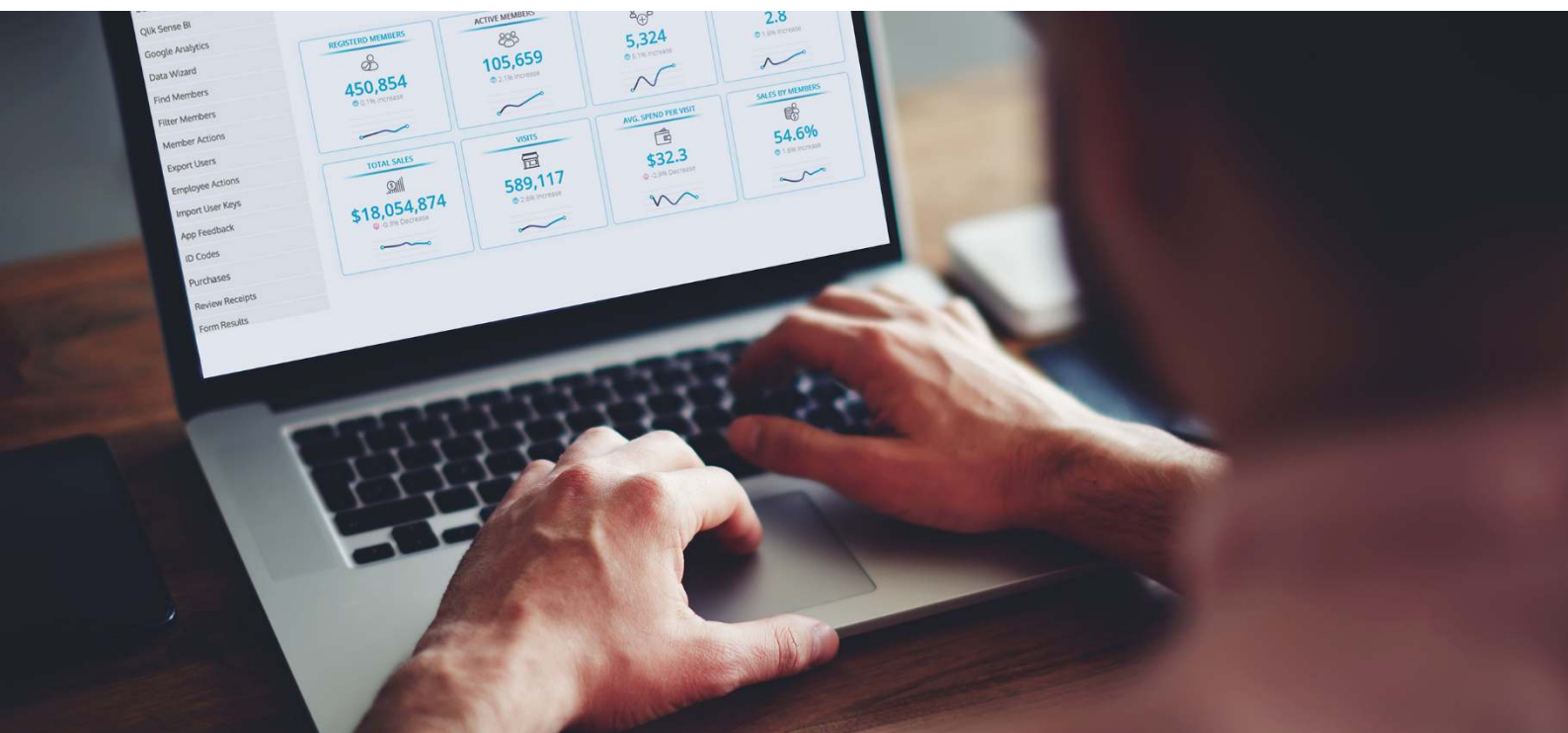
Mobile ordering: As mobile ordering continues to dominate ever-bigger chunks of hospitality sales, customers have come to expect easy access to your restaurant from their mobile devices. Give your customers the convenience of ordering takeout or delivery right through your app. The value of this channel is greatly increased when you add the revenue stream of in-app top-ups or deals. Exclusive app rewards and benefits coupled with shopping convenience make a killer combination that grows customer loyalty and sales for you.



3. Gather Business Insights for Business Gold

A loyalty program, especially for businesses with multiple locations, should be part of a comprehensive solution that includes business intelligence—the critical information that helps you understand your customers by leveraging their purchase history and then targeting them effectively to bring them back. When your customers sign up for your loyalty program to receive rewards you get valuable information, such as their name, preferred branch, and phone number. [Some customer engagement solutions](#) integrate with your POS to help you understand customer preferences and send them the right personalized offers that will drive them back. Here are a few examples of how to do so:

- **Send messages based on preferences:** mark customers according to their shopping habits, such as vegan or vegetarians, and only send them the offers that they would likely redeem
- **Lapsed customers:** Send a “We miss you!” message with free points or punches to customers that haven’t frequented in a while
- **Customers with low point balances:** Tempt customers back by notifying them of exciting new items in the point shop
- **VIP buyers:** Tell customers who made large purchases in the last few months that their next purchase will earn double points



The magic is in the automation

If all this is starting to sound time-consuming, then consider the magic word: automation. With automation, you can preset the rules to run your customer engagement activities—in fact, they practically run themselves! The mighty combination of customer data and automation means you can continually engage the right customers with the right offers. You can easily plan an unlimited number of multistep flows in advance and have them all run cost-effectively at the same time. Here are a few examples to give you the idea:

- **When a new member joins:** Send a “Welcome to the loyalty program!” push notification, with a joining gift such as free starter points
- **When you’re promoting new items:** Send a notification to inform customers about a new dish or a benefit they’ve earned
- **After a customer makes a purchase:** Remind customers that they’re rewarded with each purchase by sending a notification of the points earned or upcoming promotions post-sale



Summing It All Up

There’s no question that building customer loyalty is essential in today’s competitive business environment. Taking note from the online giants, when you communicate with customers and reward them for their purchases, they are much more likely to return to your business—bringing with them a significant increase in spend and profitability.



About Como

Como empowers businesses with the technology behind the online giants through an end-to-end customer engagement platform. With Como Sense™, retailers and restaurants can gather data about customers and purchases and then deliver ever-more personalized experiences.

Como Sense™ connects with POS software to create a seamless solution with data-driven tools that work together: a branded and customized mobile app, wide choice of loyalty programs, actionable business insights, and marketing automation. Burger King, Quiznos, Conway Panama, PAUL, Creams, Carl's Jr., and Chuck E. Cheese's are some of the major chains in Como's client portfolio.

We also strengthen POS companies by expanding their offering with next-generation customer engagement for their business clients. We are number one in POS integrations, connected with more than 75 POS companies including Micros, Revel Systems, NCR, PAR, and Posera.

A pioneer in cloud-based customer engagement solutions since 2005, Como is a global company with offices in the US, the UK, and Israel.

