

It Takes More Than Rewards to Build Loyalty

Brands need to drive repeat purchases to turn consumers into customers

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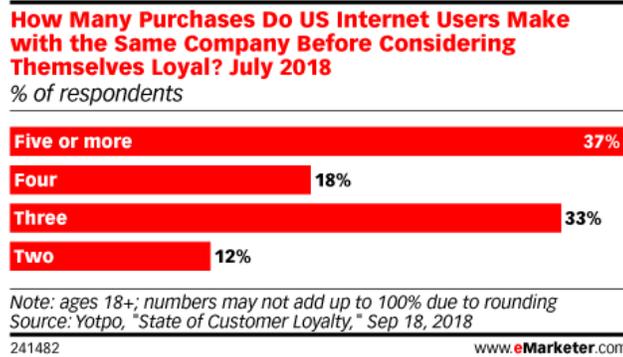
Building loyalty has long been a marketing goal, but discrete loyalty programs don't always work for retention. Many members **never engage beyond a sign-up interaction** to collect a reward.

A more holistic **customer experience** approach has been the retail focus du jour, but when it comes to creating loyalty, products matter most, according to a new study. In a July 2018 survey of US internet users by **AYTM** for digital commerce solutions provider **Yotpo**, a majority (55.3%) cited products as the leading factor that makes them loyal to a brand. Great deals were the biggest influence among one-quarter of respondents, trailed by customer service (7.1%) and convenience (5.7%). And being affiliated with a cause (1.8%) didn't sway many of those surveyed.

Conversely, poor product quality was the No. 1 reason why a brand would lose a customer's loyalty (51.3%).

Brands are fooling themselves if they think a consumer will turn into a loyal customer after one purchase. In fact, the greatest number of US internet users (37%) polled said it took more than five purchases before

they became brand-loyal. Just 12% considered themselves loyal after two buys.



As far as spurring these repeat purchases, fair pricing (64.5%), free shipping (61.3%) and online reviews (57.3%) were motivators.

Freebies weren't offered as a choice, but a survey by [Dotcom Distribution](#) found small free items like a sticker or sample **increased the likelihood of a US digital buyer making a repeat purchase** from a retailer—especially among younger consumers.

Bonus gifts did turn up in the Yotpo study when asked what buyers would expect from a brand in return for their loyalty. Free items ranked third (43.4%) behind more frequent discounts (71.0%) and free shipping (58.4%).

Of course, in the increasingly personalized world, loyalty program participants don't all want the same thing. For instance, Sephora is known for beauty product rewards based on money spent, plus generous samples. [Amazon](#) offers two-day free shipping and access to digital content for a membership fee. And [Dunkin' Donuts](#) provides convenience with its **mobile payment app in addition to discount perks**.

According to Michela Baxter, senior director of loyalty at digital marketing agency [HelloWorld](#), **brands should diversify their offerings**. "You might use five tactics to reach your loyalty members, but in the future you might need 50, because people will choose different ways to engage with you," she said.