

Eight Ways to Boost Customer Loyalty & Generate Referrals

POS | Retail

Competition is fierce in retail today.

Brands and retailers must continuously find new ways to deliver value to their customers and stay top of mind, and with loyal customers being, on average, worth up to 10 times as much as their first purchase,¹ it's obvious that customer engagement and retention should be the highest priority. Here are eight tried-and-true ways to do just that.

1 Offer a personalized experience

Whether you're developing events, promotions or product launches, it's critical to use your POS customer and sales data to segment your customer base and develop targeted, personalized experiences. There's no doubt that this requires additional work, but the rewards are worth it.

Retailer Scout & Molly's, a franchise with over 40 stores, reported an increase in attendance and ROI once they started training franchisees to segment their customer database when developing events. Think about it: While your brand or retail business may have a product selection that caters to all ages, a 23-year-old shopper is likely going to have very different tastes in events than your average 53-year-old shopper, both in format and focus. Many 20-somethings are looking for dresses to wear to their graduation, bridal shower or rehearsal dinner, so a White Dress Event will resonate well, whereas it may turn off a more mature customer.

Marketing and inviting everyone to everything can easily backfire, as the experiences will become stale and alienate certain clientele.

2 Find ways to give your most loyal customers VIP treatment

Concierge services, exclusive offers and unique rewards are all ways to treat your most loyal customers. Considering that roughly 20% will produce 80% of your future revenue,² it pays dividends to cultivate and nurture that 20%. Find ways to make them feel special and add value at every interaction:

- Free personal styling sessions
- Invite-only events with designers
- Handwritten thank you notes
- Preview or pre-sale events

Remember that CRM software integrated within your POS offers a holistic view of each and every customer across your enterprise — whether they are shopping online or in multiple brick-and-mortar locations — so you're able to maintain that personalized experience no matter which store they visit.



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3 Build a community around your business

Train your customers to think of your stores as more than physical spaces where they go to buy clothes. Offer events that allow them to connect with the brand and like-minded customers:

- Do you focus on athleisure? Host free morning yoga classes.
- Work wear? Monthly networking cocktail parties, or a panel dedicated to working moms.
- Resort apparel? A craft-your-own-cocktail bar on the first Friday of every month.

These community-building events serve to connect with your customers on a deeper level and provide value above and beyond product.

4 Cultivate relationships with other brands

Cross-promotion is one of the most valuable forms of marketing, as both businesses get to profit from it. Apparel and lifestyle brand Lilly Pulitzer is no stranger to successful collaborations; they've partnered with Pottery Barn, S'well Bottle, Georgetown Cupcake, Estée Lauder and Make a Wish Foundation, just to name a few, and in doing so have been able to leverage each other's customer base to bolster brand awareness.

Collaborations can be sought out at a local level too; empower your managers to look around and evaluate strategic partnerships that can help drive brand awareness and foot traffic.

- Collaborate with a local caterer to provide tastings at a trunk show.
- Invite a local florist to set up shop at the store over Mother's Day weekend.
- Work with a nonprofit to run a monthly clothing drive.
- Hire local influencers to come in and curate custom collections and displays.

5 Add charitable elements to your mission

A recent Nielsen report found that 66% of consumers are willing to spend more on a product if it comes from a sustainable brand. When you add in generational factors, like 81% of millennials expect their favorite brands to exhibit corporate citizenship,³ it's clear that incorporating a charitable or socially conscious component can offer a boost to your bottom line.

Retailer Madewell has become known for its Blue Jeans Go Green partnership with Habitat for Humanity: Customers bring in old pair of jeans (which are later recycled into housing insulation for HFH projects) and in turn receive \$20 off a new pair.

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6 Pay attention to the little things

Often it's the details that really stick with customers, so don't overlook them. Is the parent demographic driving your business's foot traffic and profitability? Offering a place for their little ones to color can go a long way. Hot day? Keep a display of bottled water by the door. Free gift wrapping, a gift registry, a thank you card — all of these things show you really appreciate their business and care are about making their day a little easier. It doesn't go unnoticed, and your customers will return the favor by spreading the word.



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7 Keep reward programs simple & easy

Whatever type of loyalty or referral program you offer, remember to keep it straightforward, easy to use and listen to your customers' feedback. Punch cards, memberships, spend-level rewards: regardless of the program, if it's confusing or full of fine print and exceptions it will fall flat. Integrating a loyalty program with your POS system will make it easier to identify just what kind of incentives customers respond to.

8 Measure & adjust your marketing

You might not get it right on the first try. That's where data analysis comes in, giving you the opportunity to fine tune your loyalty program, digital marketing, events, promotions and more.

Build reports using your POS data and look at metrics, like which online channels drive the most engagement, how much traffic events and promotions drive versus actual sales, how many new members have enrolled in a rewards program over time and which sales associate has signed up the most customers. Use this data to refine your strategy until you get it right.

¹ [White House Office of Consumer Affairs](#)

² [Gartner](#)

³ [Horizon Media](#)

Heartland Retail is a cloud POS and retail management platform designed for retailers, by retailers.

Highly flexible, comprehensive and data-centric functionality that gives you the edge to compete.

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