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## **MARKETING OF LOYALTY**

Loyalty Program is a form of marketing which is aimed to creating long-term relationships with customers in order to make them patrons. Loyalty allows us to understand customer's needs and to develop those services that they need.

The task of loyalty programs is a stable customer base formation.

Basic tools of the loyalty program are: 1) discount programs, 2) prize draws with people who have made some purchases in a given period of time, 3) accumulative discount programs, 4) incentive bonus programs.

Also an important component of customer loyalty programs is gift certificates and different types plastic cards.

Popular types of loyalty programs is the multi-brand discount. Both offline («Bill-card», «City Card», etc.) and online Discount («Ukrainian online shopping») in Ukraine.

The development and implementation of customer loyalty programs must comply with the «12 laws of customer loyalty»:

1. To form staff loyalty: to please their employees, and they, in turn, will cater to customers.

2. Apply rule 20/80: about 80% of the income you receive from 20% of clients.

3. Create stage loyalty and make sure that customers move from one to the other: the customer is loyal to the company and its products and services gradually, step by step.

4. Firstly serve, and then sell: consumers believe that they are coming to you, because your services are pleasant, productive, and addressed to them personally, and if it is not - they're gone.

5. Carefully find out customer's complaints, that are worse of all, the negative reviews of customers.

6. Be responsive: the speed of response is closely related to notions of good customer service. More and more customers rely on room service.

7. Know what is valuable to customers: to invest in the customer loyalty, which will help to understand how you satisfy customer needs.

8. Return lost customers: to return to the old client is 2 times more likely than persuade new.

9. Use a variety channels in order to serve the customer well: customers often change channels, but everywhere expect good service.

10. Do training professionals working with clients.

11. Collaborate with partners controlling the entire supply chain to ensure quality service to the end consumer, you are beyond the reach of competitors.

12. Keep information in one centralized database: data from all points of contact with customers must be kept in one centralized customer database.

The main thing in loyalty programs is privileges, alleged to participants. Only offering customers the privilege, really have in their eyes, a high value, you can rely on the effectiveness of the program. To determine the optimal ratio of tangible and intangible benefits, you should follow the value-oriented customer approach. This approach involves three stages of privileges selection:

- The first step is the creative development of the list of the privileges defined by the needs of target groups.

- The second phase involves conducting a small pilot study obtained the list, which aims - highlight of the proposed benefits of more or less interesting.

- The third stage is a large-scale survey of customers.

Loyalty programs are not created on the basis of policy discounts or price manipulation. Customer loyalty can not be bought. It must be diversified. Consequently, the main benefits should be intangible, and expressed in the level of service, special treatment and handling. However, the discounts should not be forgotten. Offering discounts to customers, you need to follow to such a targeted strategy, in which both company and customers are winners.