

Martinyuk Y.
S. M. Dovgan, research supervisor
National Mining University

LOYALTY PROGRAM IS THE SUCCESS IN THE BUSINESS

Today's customers are saturated with marketing messages – as many as 2,000 each day. Client loyalty is serious business, and if you want to expand your base of best customers and reap the rewards of true loyalty, you need outstanding loyalty marketing programs.

Many companies focus on rewarding customers who have repeat purchases. Such reward programs have their place in assuring customer loyalty. However, if the product or service doesn't meet customer needs, no reward program will keep them returning. For success in the long run, an organization must:

- Continuously improve
- Quickly identify and resolve problems to the customer's satisfaction

Loyalty programs are structured marketing efforts that reward and therefore encourage, loyal buying behavior — behavior which is potentially of benefit to the firm.

In marketing generally and in retailing more specifically, a loyalty card, rewards card, points card, advantage card, or club card is a plastic or paper card, visually similar to a credit card or debit card, that identifies the card holder as a member in a loyalty program. Cards typically have a barcode or magstripe that can be easily scanned, and some are even chip cards. Small keyring cards (also known as keytags) which serve as key fobs are often used for convenience in carrying and ease of access.

A retail establishment or a retail group may issue a loyalty card to a consumer who can then use it as a form of identification when dealing with that retailer. By presenting the card, the purchaser is typically entitled to either a discount on the current purchase, or an allotment of points that can be used for future purchases. Hence, the card is the visible means of implementing a type of what economists call a two-part tariff.

The card issuer requests or requires customers seeking the issuance of a loyalty card to provide a usually minimal amount of identifying or demographic data, such as name and address. Application forms usually entail agreements by the

store concerning customer privacy, typically non-disclosure of non-aggregate data about customers. The store uses aggregate data internally as part of its marketing research. These cards can be used to determine, for example, a given customer's favorite brand of beer, or whether she is a vegetarian.

Where a customer has provided sufficient identifying information, the loyalty card may also be used to access such information to expedite verification during receipt of cheques or dispensing of medical prescription preparations, or for other membership privileges.

How loyalty program can help to your business?

- Attracting new customers and users
- Keeping new customers and users
- Stimulate purchase and repeat purchasing
- Gathering information.

What are the advantages of using loyalty programs?

- Reduced marketing costs through better targeting
- More personalized service through more accurate consumer data
- Lower acquisition costs;
- Reduced cost of sale through increased customer loyalty.