

# Rewarding customer loyalty, building brand ambassadors increases profits

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In order to stand out from the rest, brands have introduced programmes that reward customer loyalty. Statistics have shown that increasing customer loyalty by just 5% could lead to an increase in the average profit per customer 25-100%.



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However, while this tactic has worked in the past, consumers' overall engagement in traditional loyalty programmes has declined, forcing brands to refocus their loyalty programmes in order to compete effectively.

According to an infographic, put together by customer analytics guru Invesp, retailers believe that a loyalty programme is the best way for brands to connect with customers today; unlike in the past when saving money was the main drawcard for consumers. Customers love to feel valued. Feeling as if you are part of the bigger picture and valued for your investment in a brand's success, is one way to make sure you go back for more.

While it is starting to become clear that customers have much to benefit from loyalty programmes, so do brands. The infographic has also shown that 49% of customers say that they are willing to spend more money on a brand if they have signed up for a loyalty programme – possibly because they are getting something in return. If customers are spending more and recommending the brand to more people, profits are sure to increase steadily.

## Building a lasting connection

Customer lifetime value (CLV) is the net profit attributed to the relationship a brand maintains with a customer. This measures how valuable customers are to you now and how valuable interactions with them will be in the future. Studies have shown that a loyalty programme can help increase this value relationship with customers.

It is clear that brands need to do much more than simply throw money at traditional advertising. They need to be clever about their targeting and encourage customers to build a long-term bond with them. By giving them a reason to come back time and time again, brands have the ability to build brand ambassadors out of their customer base. Moreover, those ambassadors will then go out, spread the message of the loyalty benefits, and convert more strangers into leads.

At our company, we are passionate about rewarding loyalty and giving back to those who help us grow into the brand we want to be. While it is a work in progress, we are confident that our dedication to rewarding travellers for being loyal to us will help us take our brand to the next level.

## ABOUT JUAN-PIERRE DU BUISSON

Juan-Pierre Du Buisson is the customer care manager at Greyhound South Africa.

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