

Mobile Loyalty Isn't Coming, It's Already Here

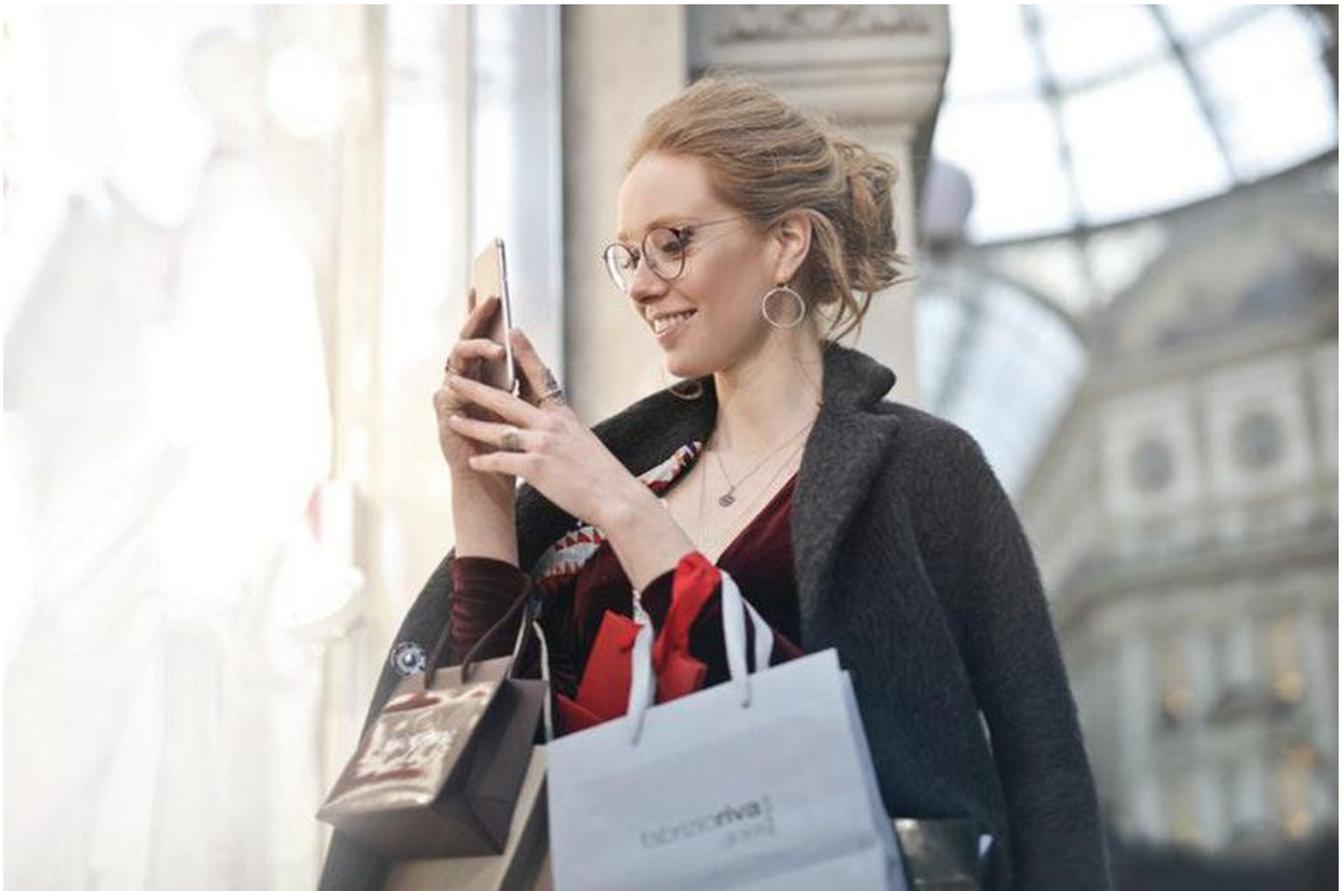


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More people than ever before are online while on the go. In fact, the growth of broadband in the home has actually slowed. A full **20%** of Americans primarily use their smartphones instead of having internet access at home, according to Pew Research Center. This means the need to explore and take advantage of the possibilities of mobile loyalty programs is increasingly urgent. Mobile technology offers unique opportunities

to both retailers and customers to instantly add points and redeem personalized, location-based rewards. This, in turn, drives engagement and increased loyalty.

Most Americans now own cell phones, with 77% owning smartphones, according to the aforementioned study. A separate [study](#) by Pew Research Center found that the same percentage of Americans are online daily. Additionally, more than one-quarter say they are rarely offline, while 43% say they are on several times per day. Mobile users are particularly likely to turn to the internet frequently, with 89% online daily and nearly one-third online almost constantly.

All that time is not just spent surfing the web. The average adult owner of a smartphone spends [two hours per day](#) using apps. Consumers also use their phones at every stage of the buying process, from exploring what is available to using coupons, purchasing a product and then continuing to engage with the company. [More than half](#) use their phones to look up prices in the store.

Brands With Mobile Powered Loyalty Programs

The loyalty program examples below demonstrate the range of approaches brands are using to engage and reward customers. Several concepts are important in the development of mobile loyalty programs. Customers are happier when there are fewer steps to accumulate and activate rewards and when the experience is as fast as possible.

More than [90%](#) of customers surveyed by Vibes who use digital wallets say they are likely to keep personalized coupons and other offers in their wallets. More than half say they would have a higher opinion of a company that offered this. Therefore, this is another way to drive greater engagement with a brand.

Location-based offers ensure that coupons and other perks customers receive are relevant. Giving customers a choice of how to engage with a retailer, whether it's through mobile apps, text or another channel, increases the likelihood of that engagement.

Amazon Prime Now App

One of the most well known mobile loyalty programs is Amazon Prime Now. From groceries and restaurant food to electronics, household items and more, with the Prime Now app, customers can have items delivered to them within two hours. Amazon Prime Now is available to those who are already members of Amazon Prime. Prime Now operates every day from morning to night.

Kohl's App

Kohl's loyalty program uses the mobile wallet concept to allow its cardholders to leave their cards at home and use their mobile app to shop instead. Furthermore, the app stores all the information about the customer's loyalty points and rewards, and push notifications let customers know when their Kohl's Cash is on the verge of expiration.

The app can also be used to scan barcodes, shop store inventory, have merchandise in stock at other stores shipped for free and pay bills. Additionally, it includes a feature that allows users to take a photo of an item and search for a similar product from Kohls.

Target Circle

Target Circle is a mobile loyalty program being tested by Target in Charlotte, Denver, Indianapolis, Kansas City and Phoenix. Target Circle allows shoppers to earn 1% on every trip. This is on top of the 5% off already offered to Target REDcard customers. Target Circle members also receive free next-day delivery on essentials with Restock and 50% off the first-year membership on same-day delivery with Shipt.

To make the program more compelling and relevant to members, Target is offering “surprise and delight” personalized offers tailored to what customers purchased in the past. In addition, Target recognizes that corporate social responsibility matters and they want their customers to help guide where they donate. Target Circle members can earn votes to help direct where Target donates in the community.

Walgreens App

Walgreens has taken a number of steps to consolidate many different functions into its app and deliver a robust customer experience. With GPS data from mobile phones, Walgreens can deliver store-specific coupons. The company has integrated its Balance Rewards program with paperless coupons to allow app users to add coupon savings to their loyalty cards. Customers can also use the app to make appointments at the healthcare clinic.

What Makes Mobile Loyalty Programs Successful?

Consumers using mobile internet have become accustomed to instantaneous results. Old approaches to loyalty programs that require customers to take action after purchasing or, in some cases, even remember to carry a card can seem unnecessarily cumbersome in this new environment. The most successful mobile strategies will integrate various

aspects of the program and make the experience as frictionless as possible for the customer.

For example, research by Nielsen found that a mobile wallet appeals to 67% of program participants worldwide since it allows them to earn and use rewards automatically. In the United States, 38% of participants said they appreciate third-party apps that keep all loyalty program information in one place.

However, it is important that companies are not overly reliant on apps. Customers have different preferences for how companies communicate with them and offer rewards. This is where omnichannel comes in. Email, text messages, social media, mobile apps and digital wallets are all ways to keep customers engaged with the program and the brand using the platform the customer prefers.

Personalization is a powerful tool for successful loyalty programs. The potential of big data to offer a staggering amount of information about customer behavior and preferences allows a company to tailor the experience to the individual. In addition to providing the incentives the customer wants, personalization can also increase brand loyalty and engagement.

The rapid adoption of mobile technology and the on-the-go use of the internet has been revolutionary for all types of companies. While competition from online retailers can be fierce, brick-and-mortar retailers have the opportunity to offer shoppers the best of both worlds. The best loyalty programs combine an understanding of individual customer behavior, a seamless shopping experience and valuable rewards that give consumers a reason to return to the retailer again and again.

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