

# Seven Ways To Make Your Subscription Loyalty Program Irresistible



**Sallie Burnett** Forbes Councils Member  
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Subscription e-commerce is hot. In 2016, the largest subscription businesses generated **over \$2.6 billion** in sales — up from \$57 million in 2011. And as a result of the coronavirus pandemic, **22.5%** of companies have seen their subscription growth rate increase.

Despite these numbers, subscriptions do not sell themselves, and retention is key for subscription businesses. It is typically cheaper to retain existing customers than continually recruit new ones. A 2018 [survey](#) conducted by McKinsey & Company found that 40% of e-commerce subscribers had canceled, which I think shows that ongoing quality and incentives to stay are crucial. A loyalty program can help drive this retention.

## **Increase Retention With A Subscription Box Loyalty Program**

According to the McKinsey survey, convenience, value and a personalized experience were among consumers' top considerations when deciding to continue their subscriptions. In my opinion, the key is providing more value for subscription box subscribers, and the best loyalty programs can offer rewards that go above and beyond normal membership. Here are seven best practices you can use to drive more sales, improve customer retention and build stronger relationships with your subscribers.

### **1. Provide Unique Benefits**

Your brand and your subscribers will determine what constitutes valuable benefits, but the key is to offer them a range of different rewards for their loyalty. Convenience is a cornerstone of many subscription businesses, so fast or free shipping or making returns as painless as possible can be perceived as valuable. Amazon Prime excels in this area, with its savings, free two-day shipping and in-store benefits at Whole Foods, among other perks. By offering your subscribers rewards like these, you can encourage advocacy, referrals and loyalty.

### **2. Build A Community**

Engagement can help members feel as though they are part of something. By making it easy to engage across multiple channels and encouraging members to promote the brand, you can help your subscribers feel more invested and like they're part of a community. You could encourage members to post the meal they cooked with their meal kit subscription box on Instagram with the relevant hashtag, or share their unboxing activities on Facebook. This way, users are not only interacting with one another but creating content on your behalf. You can incentivize members by rewarding them for their activities.

### **3. Offer Rewards For Social Activities**

Reward subscribers for other types of social engagement as well. For instance, consider rewarding them for following you on Instagram or liking your Facebook page and sharing your posts. Providing rewards for referrals can help bring in new customers who already have a basis for trust in your brand. This is a low-cost way to build your customer base, and new referrals may go on to promote you within their social circles as well.

#### **4. Give Them Multiple Ways To Earn Rewards**

Ensure that members can earn rewards in a variety of ways. In addition to rewarding them for social engagement, activities and referrals, consider a traditional points-for-purchase scheme that rewards members for every box shipped. As subscribers accumulate points, cancellation becomes less attractive because it will mean losing all of those points. As the number of points grows, their value does as well. Combined with other methods for earning rewards, it can be a powerful motivator to continue the subscription.

#### **5. Encourage Customer Reviews And Dialogue**

While many brands are focused on getting customers to return a second, third and subsequent time, with a subscription business model, you have a built-in, ongoing customer base that you can establish a long-term relationship with. So think of reviews not just as a way to raise brand awareness and create referrals but as a way to better understand your customers, including their needs, preferences and pain points.

Beauty product subscription company IPSY encourages reviews by rewarding subscribers who post about the products they have received, and this in turn likely creates an emotional connection because subscribers feel they are being heard. Social media, surveys and customer support also provide valuable opportunities to listen to your subscribers and tweak your offerings based on their input.

#### **6. Personalize Your Program**

Loyalty programs make it easier to gather data on customers, and personalization can deepen customer relationships by making them feel as though they are special. For example, with ShoeDazzle, customers can generate a "Style Profile" by taking a short quiz and visiting a customized online "showroom" for recommendations. The athletic clothing line Fabletics asks a few questions about preferred activities and clothing and recommends products. Stitch Fix subscribers get five items of clothing each month and

return what they don't like, allowing their stylists to build an ever more detailed dossier of their preferences and send increasingly valuable subscription boxes each month.

## 7. Create A Mobile Experience

Consumers increasingly [shop using mobile devices](#), and mobile apps help make the experience as frictionless as possible. Furthermore, by allowing you to easily deliver your marketing content, apps can ensure that customers stay connected with your brand wherever they go. Ask yourself how your brand can use its app to help customers. What kind of content would they find useful? What kind of content would complement your brand's products? This is yet another approach that becomes increasingly valuable to members over time and makes it less likely that they will switch to a different brand.

In my experience, the best loyalty programs combine elements of all of the above, based on the brand, the product or service offered and the target audience. With these proven strategies in place, you can ensure customer loyalty leading to long-term customer retention and a successful subscription service.

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