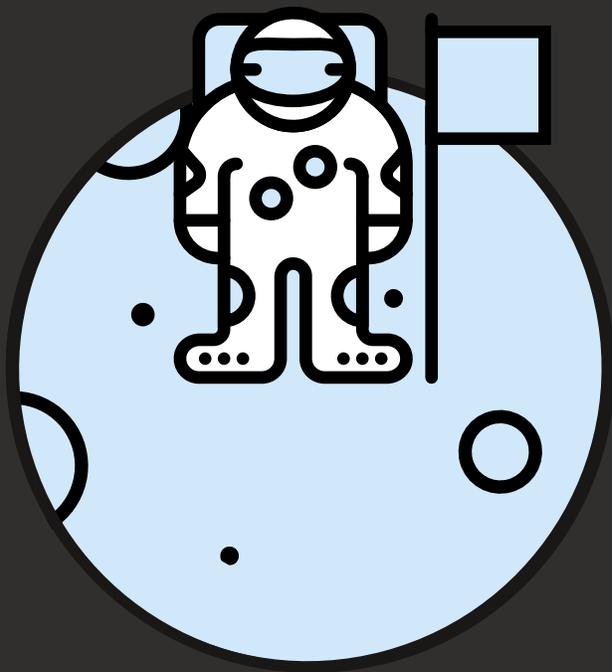


☺ smile.io

How to launch an **online** **rewards** **program.**



Set a launch date & elect a community manager



Set a launch date

If you don't set a tangible date it becomes easy to let things slide. Working towards a date will keep your launch on track and keep your team more accountable.



Your rewards program is the ultimate tool for building your brand community, so if you want your launch to go as smoothly as possible you need to have someone running point.

Elect a community manager

Your brand community manager will become an expert on your program and rewards in general. This will not only help you launch faster but also ensure you have a rewards expert on staff to make changes and tweaks to your program down the road.



Set your rewards program goals



Now that you know who is going to spearhead building your program, you can determine the specific goals that you want your rewards program to accomplish. It might be tempting to simply say “we want to build a strong brand community and to increase customer loyalty,” but if you don’t define exactly how you are measuring those goals, you will never know if the project is a success. The best way to set your program goals is to establish a baseline for each of the metrics you’d like to improve.



If you don’t know where you are starting, you will never know how far you go.

The following are a few key metrics that will best help you understand the health and success of your rewards program and brand community. With the ultimate goals of building a strong community and improving customer retention, there are a few key metrics you should measure and assess periodically to determine the health and success of your rewards program.

Guest checkout rate



What is it?

Guest checkout rate is the percentage of your purchases that come from customers who have not registered for an account with your store.

What does it mean:

A high guest checkout rate is a sign that customers are only visiting your store for a single purchase and aren't interested in joining your brand community. This means that you want to have as low of a guest checkout rate as possible.

When customers create an account at your store, it not only makes their next purchase easier but also gives you the opportunity to continue showing them the value of your rewards program and, by extension, your community.

This repeat engagement is essential for fostering lasting customer loyalty that will ultimately lead to more customers discovering, joining, and participating in your brand community.

Average order value (AOV)



What is it?

Average order value tracks how much money customers spend on a typical order at your store.

What does it mean?

When a customer is loyal to a brand, they will inevitably spend more per order. In a study by Bain & Company, they found that an average customer's fifth purchase with a brand will be 40% larger than their first.

As a result, your customers will keep coming back and purchasing in higher amounts when your rewards program is performing well.

Total Revenue
(365 days)

— ÷ —

of Orders Taken
(365 days)

LEARN MORE ABOUT
AVERAGE ORDER VALUE



Purchase frequency



What is it?

Purchase frequency measures how often the average customer is making a purchase at your store.

What does it mean?

An increase in purchase frequency indicates that customers find the rewards you're offering valuable and want to continue earning points to redeem them by making more purchases with your brand.

**Total # of Orders
(365 days)**

— ÷ —

**# of Unique
Customers
(365 days)**

You can quickly identify if your program is performing well by regularly assessing this metric. If it's trending in the right direction, you know you're on track to a stronger, more engaged brand community.

**LEARN MORE ABOUT
PURCHASE FREQUENCY**



Churn and retention rates



What is it?

Customer retention rate measures how many of your customers are churning, or leaving your brand community.

What does it mean?

Perhaps the most obvious way to determine if your community building efforts are going well is to look at your churn and retention rates. If customers are churning, that means they aren't finding enough value in your community to continue being a part of it. Similarly, the higher your retention rate the more valuable your community is to your customers, making these two metrics incredibly informative.

$$\frac{\left(\begin{array}{l} \text{\# of Customers} \\ \text{(End of Period)} \end{array} - \begin{array}{l} \text{\# of Acquired Customers} \\ \text{(throughout Period)} \end{array} \right)}{\begin{array}{l} \text{\# of Customers} \\ \text{(Beginning of Period)} \end{array}}$$

Decide how to structure your program



Now that you know what you are looking to achieve with your community, you need to create the rewards program framework that will get you there.

3 Steps to Community Building



This process, combined with your rewards program's goals, will help you decide how to structure your program. This includes what you want to reward points for and the types of rewards you will offer your shoppers.

We have a number of resources available to help you structure the perfect program for your brand!

WHAT ARE LOYALTY POINTS WORTH?



WHY VIP TIERS ARE GREAT FOR LOYALTY

WHY YOU NEED MULTIPLE REWARDS



TRANSACTIONAL VS EXPERIENTIAL REWARDS



Take action

Discover how to use the 3 steps of community building to create an out-of-this-world rewards program!

[GET THE FREE GUIDE](#)

Give your program a name



If you want your program to be a true reflection of your brand community, you need to treat it as such. What you choose to call your program will have a huge impact on how it fits into the rest of your brand experience, and goes a long way towards making a positive first impression that prompts customers to join your community.

The best program names do two things:



1. Establish an emotion

You want your program name to create an emotion in your shoppers that echoes the values of your brand. If you are a cosmetics company, you may want that emotion to be elegance.



2. Incorporate a currency

What you choose to name your program and what you call the points in your program should be closely connected. These names work better when they work together to demonstrate what makes your brand community an exciting place to belong.

Above all, creativity goes a long way to help increase interest and engagement in your customers. By building on an emotion and unique currency, your rewards program will become an extension of your customer experience that brings customers back again and again.

Need some inspiration? Check out these amazing examples of rewards program names:



e.l.f. Cosmetics



One Love Organics



GONGSHOW Gear



Glow Recipe

Here are a couple of our favorite reward currencies:



Pixi Dust
Pixi VIP Program
by Pixi Beauty



Pages
Bibliophile Rewards
by Frostbeard Studio



Tokins
Retro Rewards
by Retroactive Smokeshop



Jules
Beauty Box
by Julep

Design community communications



Starting a rewards program does not mean anyone will actually join. You know what they say - you can bring a horse to water, but you can't make him drink. The good thing is you can encourage them to!

The first step after starting your program is letting your customers know how to join, how to earn points, and how to spend those points. This information arms them with the information they need to see the value in joining your brand community.

There are lots of ways you can communicate all of this information, but we've found that 3 ways are more effective than others.



3 most effective ways:

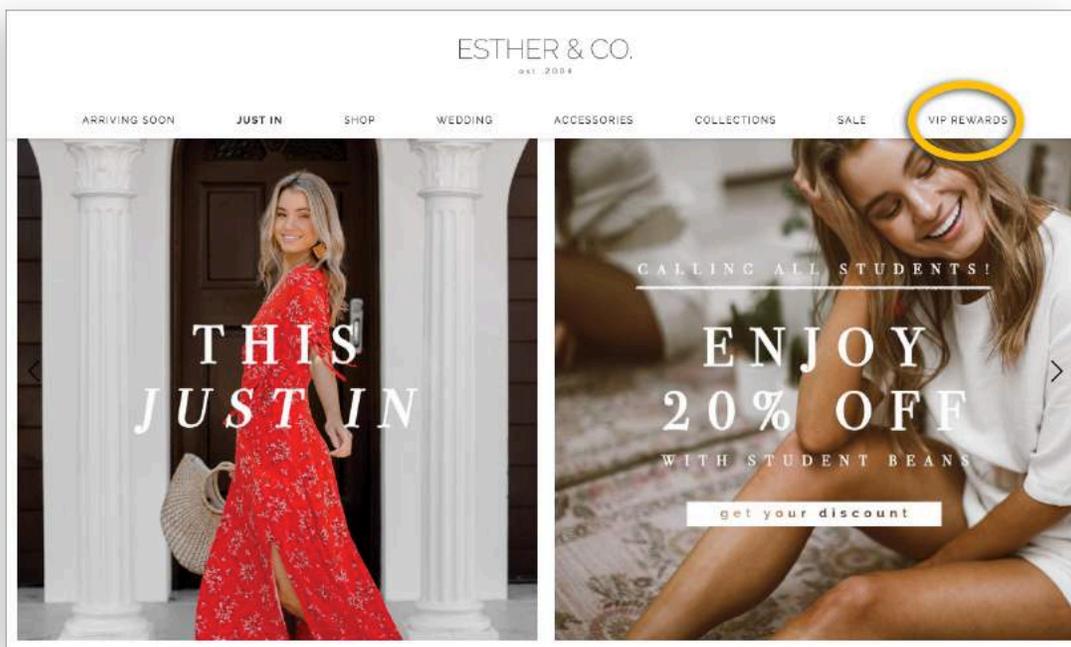
- Homepage callout
- Explainer page
- Program specific emails

Homepage callout

Your homepage is the best place to advertise your new rewards program because it gets the most traffic. As a result, all of your site visitors have the opportunity to discover it and get engaged.

This call out can take the form of a Launcher or a spot in your hero image/home banner and will ensure your program is seen as a cohesive part of your community experience.

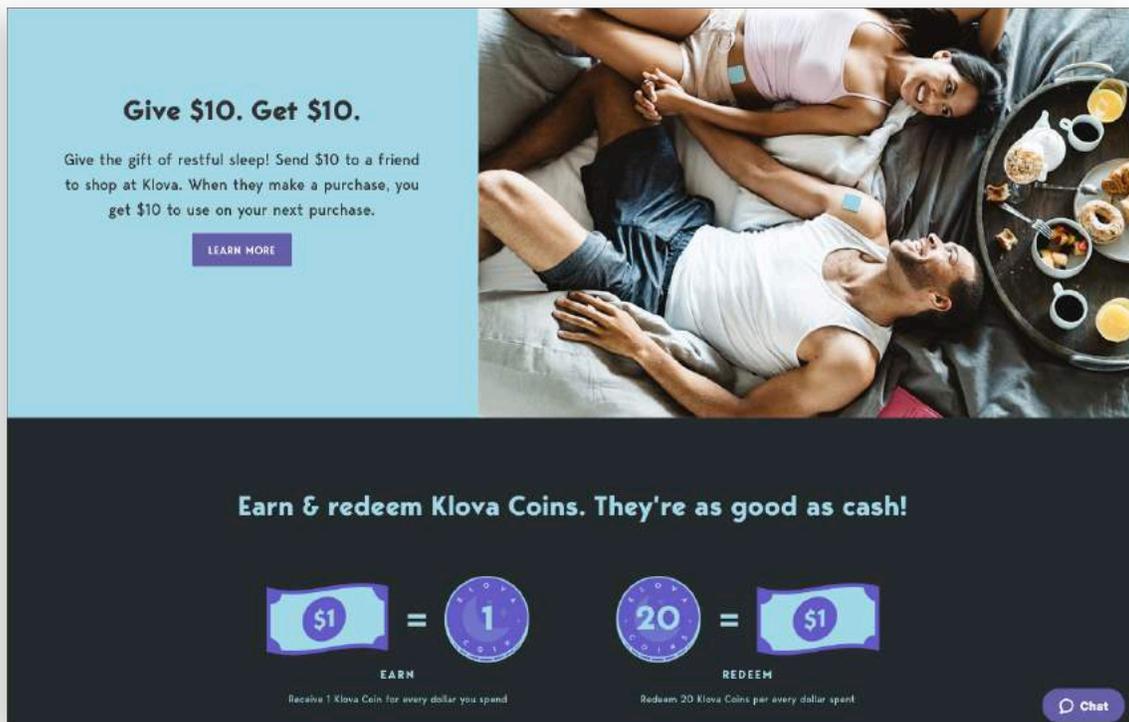
Here is an example of what that might look like:



Explainer page

An explainer page is a page on your site dedicated to your rewards program. Ideally this page is simple, visual, and showcases all the value for your customers in joining your rewards program and brand community.

Here is an example of an amazing explainer page:



Give \$10. Get \$10.

Give the gift of restful sleep! Send \$10 to a friend to shop at Klova. When they make a purchase, you get \$10 to use on your next purchase.

[LEARN MORE](#)

Earn & redeem Klova Coins. They're as good as cash!

EARN
Receive 1 Klova Coin for every dollar you spend

REDEEM
Redeem 20 Klova Coins per every dollar spent

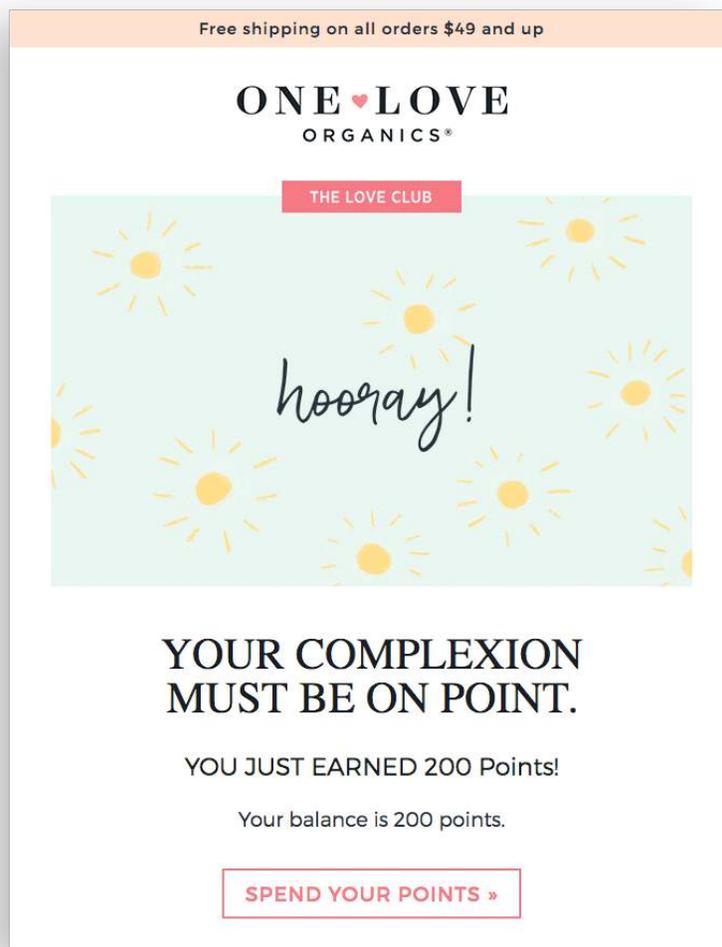
[Chat](#)

Program specific emails

Email is still one of the most effective ways to communicate with your customers, making it the perfect tool for letting customers know about your program. Rewards emails can be used to automatically inform a shopper that they have earned points, send them rewards they have earned, and welcome them into your community when they join.

You can amplify the effectiveness of these emails by styling them to match the rest of your online experience.

Below is an example of a great post reward earning email:



All of these communications set the tone/mood for your rewards program and become one of the main ways you will communicate with your brand community

Our team has put together some awesome resources to help you with your community visibility and promotion:

**EASY EMAIL & APP
INTEGRATIONS**



**HOW TO BUILD THE
BEST EXPLAINER PAGE**



**RUN A SUCCESSFUL
LAUNCH CAMPAIGN**



**4 REWARD EMAILS
YOU SHOULD SEND**



Configure, test & launch



Configure

If you've followed all of the steps in this guide, you should now be at a point where you are ready to configure your rewards program and set everything up. Since you've considered all your options during this process, it should be straightforward setting your program up.



Test

Once configuration is complete, thoroughly test your program internally in order to iron out any obvious wrinkles. Don't stress about perfection, though - you can optimize your program after launch. The key is getting your program live on your site so that your customers can start joining, engaging with, and sharing the value of your brand community.

Launch



When you've designed your program just how you like it, it is time to launch your program and tell the world! This is when you use all of that communication you designed a few steps back. Add your program to your website and start sending out those promotional emails!

Congratulations!

Your rewards program is now live, and your brand community is ready to thrive!



Ready to launch your rewards program?

Connect with our team and start using a rewards program to build your own brand community today!

[GET IN TOUCH](#)

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