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How to build a rewards program in **supplements.**



Did you know that supplements are perfectly suited to rewards programs?



HIGH CUSTOMER LIFETIME VALUE

A healthy lifestyle is a long term commitment, meaning your shoppers have the potential for a very high customer lifetime value.



HIGH PURCHASE FREQUENCY

Shoppers need to replenish supplements every few months, leading to a high purchase frequency for your store.



HIGH AVERAGE ORDER VALUE

As a direct result of higher than normal customer lifetime values and purchase frequency, the average order value of each purchase is also quite high.

A rewards program shares a percentage of your margin with your customers. Obviously, you need to have the margins to support this. Any company with margins above 10% is suite for a rewards program.

Since most supplement companies have greater than a 10% margin, a high purchase frequency, and a healthy AOV, they are very well suited for a rewards program.



The average supplement margin is

10%+



Low Competition

High Competition

Competition is very high within the supplements industry, making it a “race to the bottom” to see who can offer their products at the lowest price. Not only is this business model not very sustainable, but there can also only be one winner, and chances are it’s not going to be you. With this in mind, your brand needs another surefire strategy to stay profitable. The answer? Loyalty rewards!



Congratulations!

Your brand is perfectly suitable to capitalize on the benefits of a loyalty rewards program.

Program Strategy



The supplement industry is one of the best industries to be in online. High customer lifetime value combined with a high purchase frequency and average order value, makes a great combination for online sales. Unfortunately, this ideal market has attracted a lot of competition.

This competition has made it very difficult for supplement companies to garner customer loyalty and repeat business. Shoppers jump between providers and choose whoever has a sale at the time they need to buy.

Loyalty rewards create a switching barrier that your customers will find hard to ignore. The strategy behind an effective supplement rewards program is to focus on using points to drive purchases that are more profitable by encouraging higher order values, or directing shoppers to higher value items such as house brands. You can also use points to create a sense of community on your site. Reward points to customers that share your store on social media, refer their friends, and more.

A rewards program will help you build a community, boost your profitability, and discourage customers from choosing competition based on sale prices.

Program Objectives



ACQUIRE

You already have some profitable customers, but it's always great to have more! Providing potential customers with a loyalty program that offers clear value will separate your brand from your competitors. Getting more bang for your buck is always attractive, and demonstrates a commitment to excellent customer service.

RETAIN

Once you've got your customers hooked, it's important to ensure they stay there. Developing a reward program that recognizes the longevity of your customer's spending habits is vital to keeping them engaged and satisfied with your products and services. Offering multiple ways to earn and redeem rewards will make your program more enticing, and keep more shoppers actively engaged.

NURTURE

Brand advocates are an essential tool for promoting your business, but they're not always easy to come by. Rewarding your customers for both sharing about their experiences with your products and referring friends to your business is an excellent way to develop a relationship with your key customer base. By actively investing in this relationship, you'll be building trust with your customers that can't be outbid by competitors who offer nothing more than a low price.

Outlining the purpose of your program will allow you to better track success and make valuable changes later on.



Let's talk supplement specifics & recommendations.



OFFER MORE REWARDS FOR HOUSE BRANDS

If you produce your own house brand of supplements, a rewards program is a great way to encourage customers to try them. You make more per item sold from your house brand than any other item, so encourage people to buy it! Giving extra points when a customer purchases the house brand gets them to try your brand and potentially gets them hooked. This ultimately means more money in your pocket.



USE YOUR SWAG AS REWARDS

Since you already have tons of branded swag lying around, why not use some of it as a reward in your rewards program? This works because the perceived value of the item is usually much higher than the actual cost to your business. Shoppers see that it sells for \$10 and value it at \$10, when it really only costs you \$2 to manufacture.



BUILD A COMMUNITY

Whether they're novice athletes or professional UFC fighters, people are looking for a community. Cultivate your own "fit fam" by designing a program whose name and currency speak to your customers' values and interests. Using words like "power", "strength", and "champion" clearly indicate what customers can expect to feel as a member of your program.



ENCOURAGE CUSTOMER REFERRALS

With such high competition, referrals in the supplements industry are crucial to maintaining your business. As members of larger athletic communities, your customers have the power to bring prospective customers to your business and convert them into repeat business. Offering rewards for social sharing and referrals shows your customers how much you appreciate them and their assistance with growing your brand.

We've helped many supplement brands grow their business with rewards, including these amazing programs:



Here is what your rewards program should reward points for:



Earning Rewards

POINTS PER PURCHASE

How does it work?

Customers will earn a certain number of points (or rewards currency) for every dollar they spend or transaction they complete.

Why is this effective?

This type of reward is effective because it encourages members to perform the most valuable action on your site - making a purchase! The amount of points you offer will vary depending on your margins and what your direct competitors are doing.

SOCIAL SHARING

How does it work?

Customers are rewarded points for subscribing to your social channels such as Facebook and Instagram. They are also awarded points for sharing your brand to their social networks.

Why is this effective?

People love to share their fitness goals, results, and pretty well everything else on social media. You can harness that power and target it towards your brand by getting members to share where they buy their supplements. The average person has 634 social connections, so use points to reach them!

REFERRALS

How does it work?

Current members are rewarded for sharing your store with friends and family. When they refer a friend, both your current customers and the person they are referring get a reward, and you are rewarded with more sales.

Why is this effective?

Most shoppers who have had a positive experience are willing to refer their friends, however they seldom do. This is because they are not given a reason to. Reward points for a referral and you will turn your existing customer base into your most effective marketers!

TIERED REWARDS

How does it work?

Customers are given different rewards based on the tier they currently are a part of. The most effective way to classify members is with total points earned. The higher the tier, the more prestigious the rewards!

Why is this effective?

Tiered rewards allow your best customers to feel privileged and appreciated while still appealing to first-time or persuadable buyers. Whether they're new to cosmetics or veteran shoppers, all of your customers will be given access to prestigious rewards that make a lasting impression.

Having multiple ways to earn rewards makes your program more engaging, which ultimately makes it more profitable.

Now for the fun part: redeeming rewards.



Redeeming Rewards

DISCOUNTS

How does it work?

The following discounts are great rewards to consider when designing your rewards program: fixed discount (dollars or percentage off), free shipping, and store credit.

Why is this effective?

Customers always appreciate being rewarded with dollars off or a promised discount in the future because it reinforces their decision to purchase your products instead of someone else's. This method of redemption is also very easy to explain and even easier to understand.

PERKS

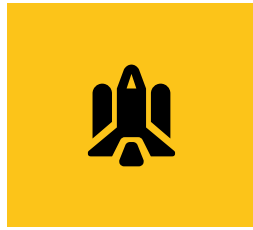
How does it work?

These rewards offer customers access to exclusive products and services that would be otherwise unavailable to them. Some examples include early access to new products, access to special events (product launches, company functions, etc.) and products designed exclusively for program members.

Why is this effective?

These rewards work best within a tiered or customer group based program. Offering these rewards only to those customers in higher tiers is an excellent way to increase the elitism of your program and inspire increased spending.

A great way to leverage this type of reward would be to host a sample party for your best customers. Inviting them to an event where they're given the opportunity to try a wide variety of your merchandise will make your loyal customers feel appreciated and give them the opportunity to discover their new favourite products.



Building a rewards program for supplements brands isn't rocket science.



DEVELOP A PROGRAM STRATEGY

which places excellent value and customer service at the core of your program.



REWARD YOUR CUSTOMERS

for referring friends to your business to encourage community.



PROVIDE MULTIPLE WAYS TO EARN REWARDS

focusing not only on dollars spent but on the complete experience.



OFFER REWARDS THAT INSPIRE A SENSE OF ELITISM

and provide additional value in their day-to- day routines.



REWARD MORE FOR HOUSE BRANDS

to keep your margins high while encouraging customers to try new products.



USE SWAG AS REWARDS

to deliver high value rewards at low cost.



BUILD COMMUNITY

by rewarding customers for referring friends and writing product reviews.



ENCOURAGE REFERRALS

to turn your customers into members of your outbound marketing team.

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