# Rich Rewards Gives Your Store a Customized Loyalty Program

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**WHAT YOU'LL LEARN**

- Why customer loyalty is so important

- Cost of acquiring new customers

- Advantages of greater customer retention

- Steps to creating loyal customers
  - Benefits of a loyalty program for customers
  - Benefits of a loyalty program for merchants

- Rich Rewards
  - Setting Rewards options
  - How to customize your loyalty rewards program
  - Creating customer accounts
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# Why customer loyalty is so important



- 65% of the average company's business comes from existing customers.

- 43% of consumers spend more money at businesses they're loyal to.

- 57% of young American consumers have less customer loyalty than they did prior to the pandemic.

*Sources: Harvard Business Review, McKinsey & Company, Invesp*

# Why customer loyalty is so important



- Loyal customers stay loyal
  - Highly engaged customers will make a purchase 90% more often.
  - The probability of selling to an existing customer is 13 times greater than it is selling to a new shopper.
  - On average, highly engaged customers spend 60% more per transaction.

- Referred customers are better customers
  - They're 18% more loyal than those acquired by other means.
  - Have a 16% higher lifetime value.
  - Have a 13.2% higher spending rate.

# Cost of acquiring new customers

**Customer Acquisition Cost (CAC)**

$$CAC = \frac{\text{Marketing Expense} + \text{Marketing Staff Expense} + \text{Sales Staff Expense}}{\text{Number of New Customers}}$$

Where:
- **Marketing Expense** includes media, agency fees, freelancers & other promotional expenses.
- **Marketing Staff Expense** includes relevant salaries & overhead
- **Total Sales Staff Expense** includes relevant salaries & overhead

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- It can cost four to five times more to acquire a new customer than it does to retain an existing one.

- Over the past five years new customer acquisition costs have increased by almost 50%.

## Advantages of greater customer retention

- Did you know?
  - If a store increases customer retention rates by 5% their profit increases by 25% to 95%.
  - Studies show that existing customers:
    - Are 50% more likely to try new products.
    - Spend 31% more than new customers.
- Data indicates that stores offering a loyalty program have increased customer retention and higher sales than stores without a loyalty program.

## Steps to creating loyal customers



- Friendly and helpful customer service.

- Clean and well-organized environment.

- Serve both depth and breadth of product.

- Make purchase history available to customers.

- Implement a customer nurturing campaign.

- Implement customer surveys – NPS (Net Promotor Score) program.

- Offer a customer loyalty program.

- Start a social media buzz.

# Benefits of a loyalty program for customers

- Customers feel connected and a sense of belonging.

- Improves their shopping experience.

- Provides added conveniences like:

  - Historical purchase lookups.

  - Instant coupons.

  - Customized sales and promotions.

  - Acknowledgments for being a loyal customer.

  - Cashing in on special offers.

LOYALTY CARD

1 SHOP

2 +1 POINT EARN

3 REDEEM

## Benefits of a loyalty program for merchants



- Improves chances of increased store visits and greater ticket amounts.

- Loyal customers are more likely to participate in upsell opportunities, which lead to higher profit margins.

- Easier to collect customer information for direct mail or email campaigns.

- Allows stores to track loyal customer purchases and conduct targeted marketing campaigns.

- More likely to gain more new customers through loyal customer referrals.

## Paladin's customer loyalty program
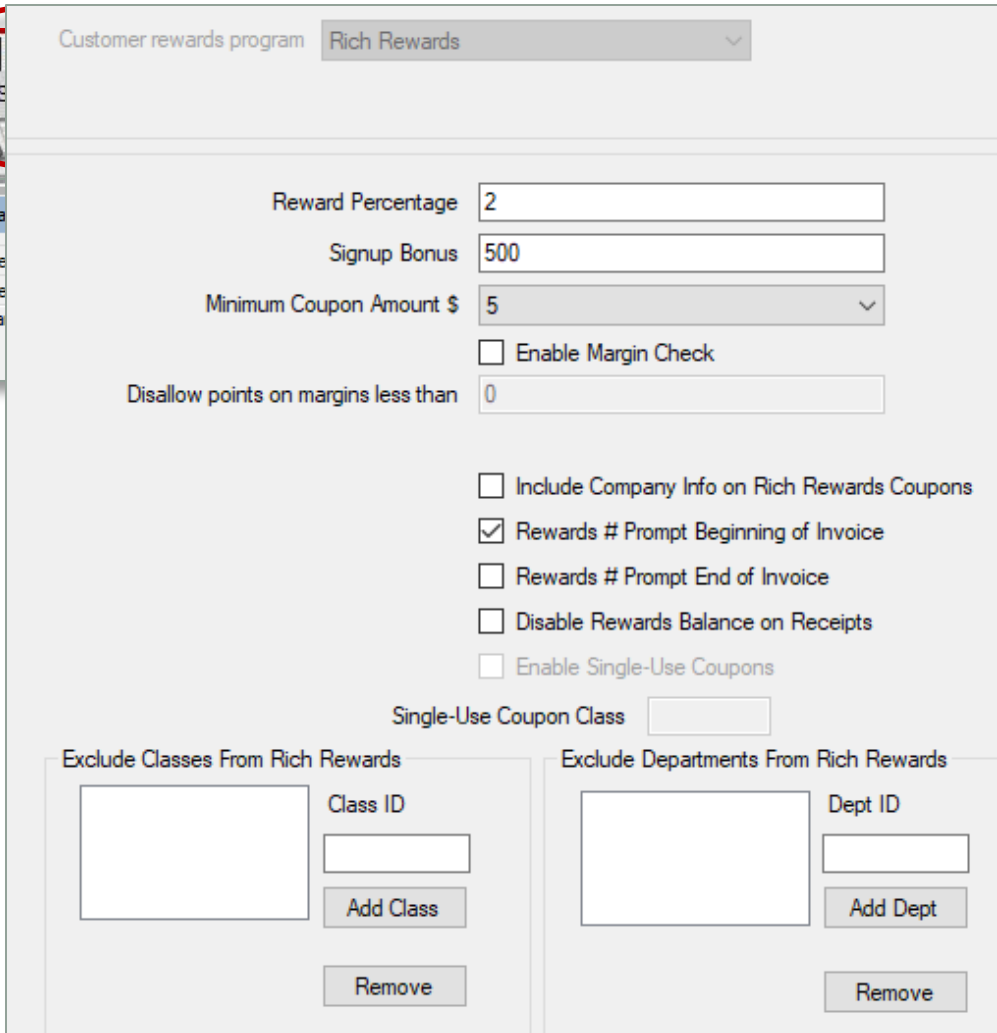


# Rich Rewards…

- Is Paladin's royalty-free customer loyalty program.

- Is free and included in Paladin Point of Sale software with simple activation.

- Works through Paladin Point of Sale to track purchases and calculate rewards points automatically.

- Is customizable for any store.

# Setting Rewards options



1. From the main menu, select **File > Setup**.
2. Select the **Rewards** tab.
3. The following options are available:
   a) Determining the Rewards percentage
   b) Setting signup bonus (points)
   c) Minimum coupon amount (5-50)
   d) Enable margin check
   e) Set minimum margin with margin check
   f) Include company info on coupons
   g) When to prompt for Reward number
   h) Disable rewards balance on receipt
   i) Enable single-use coupons
   j) Exclude classes and/or departments

# Customizing Rich Rewards

- By default, Paladin's Rich Rewards window is titled Rich Rewards and has the Rich Rewards image.

- This can be changed to reflect the store's name and logo.

## Customizing Rich Rewards







To change the Program ID to reflect the store's name and logo:

1. From the main menu, select **File > Setup**.

2. Select the **Rewards** tab.

3. In the **Rewards** pane, select **Rich Rewards** from the **Customer** rewards program list.

4. In the **Rich Rewards** pane, under the **Rebrand Configuration** sub-pane, enter the store name in the **Rewards Program Name** box.
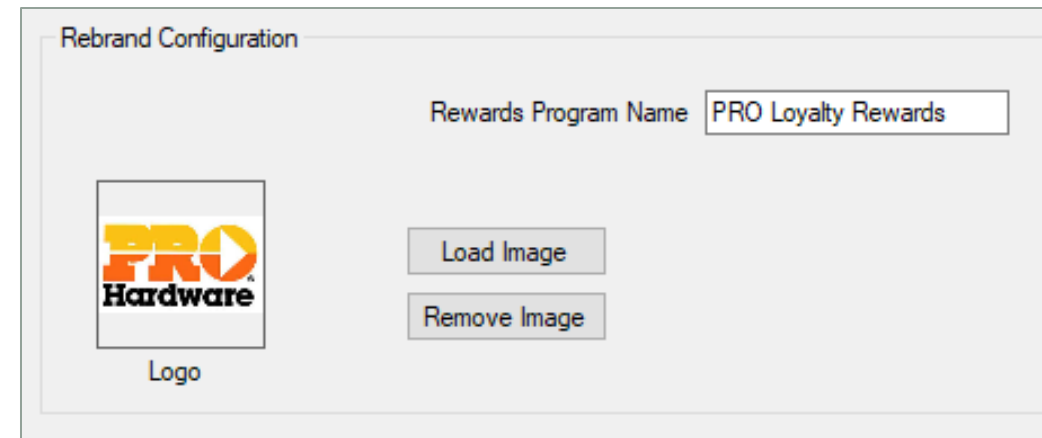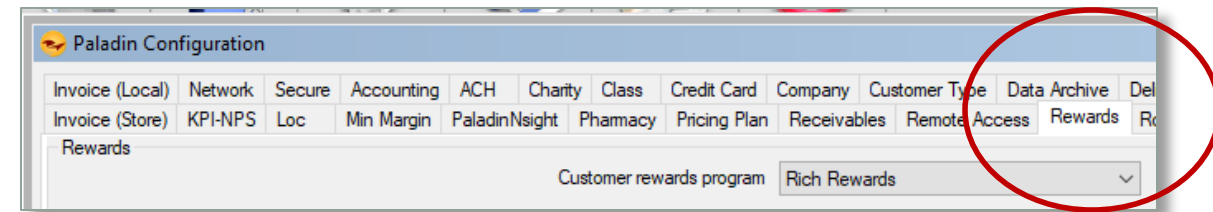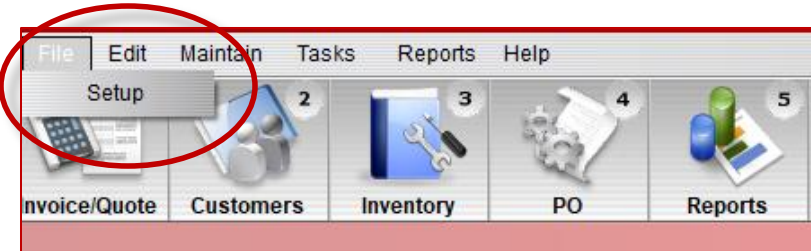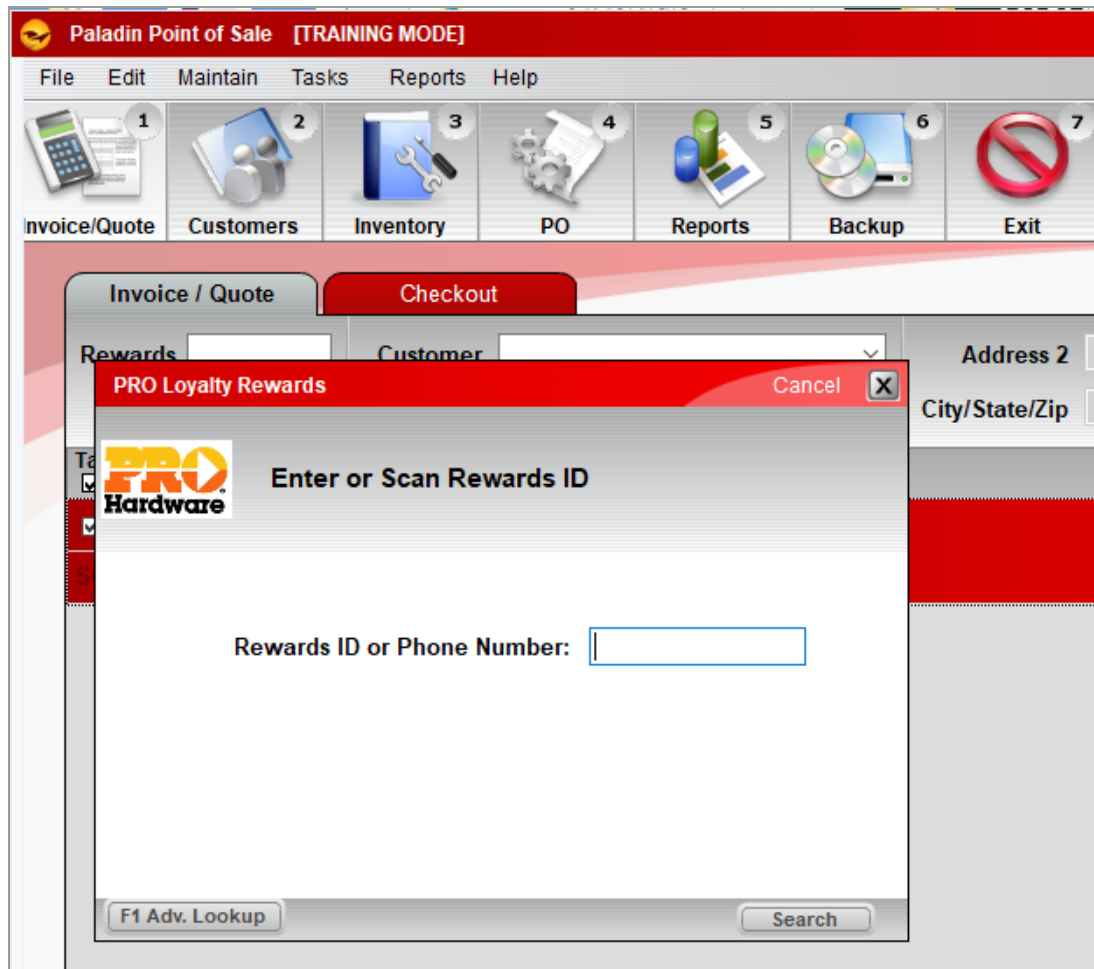
# Customizing Rich Rewards

5. Click Load Image to open your File Explorer and find the location of your image. Select the image and click Open. The image appears in the Logo box.

6. When opening Paladin's Invoice/Quote module, the new "PRO Loyalty Rewards" window appears with the new loyalty rewards name and image.
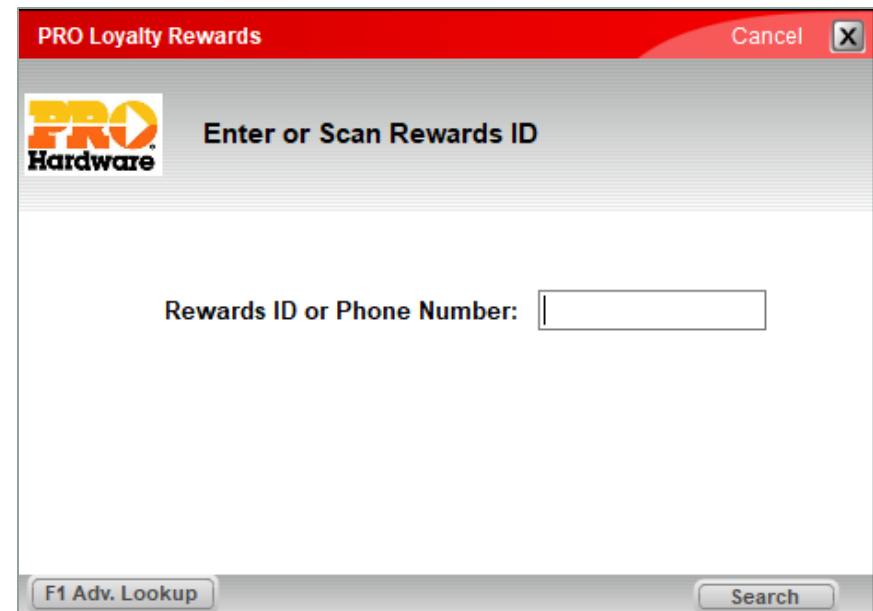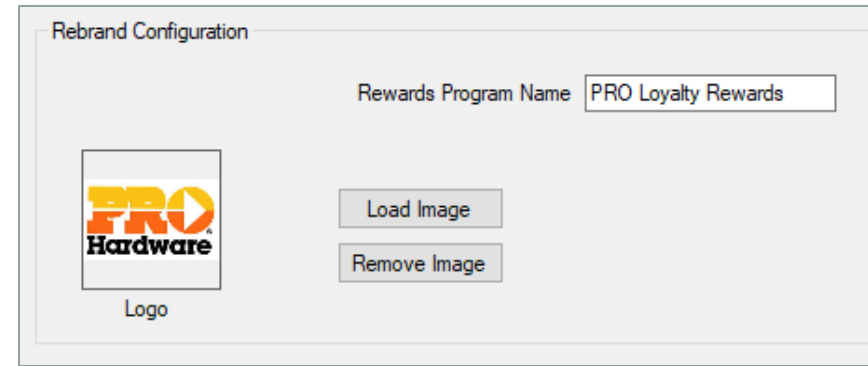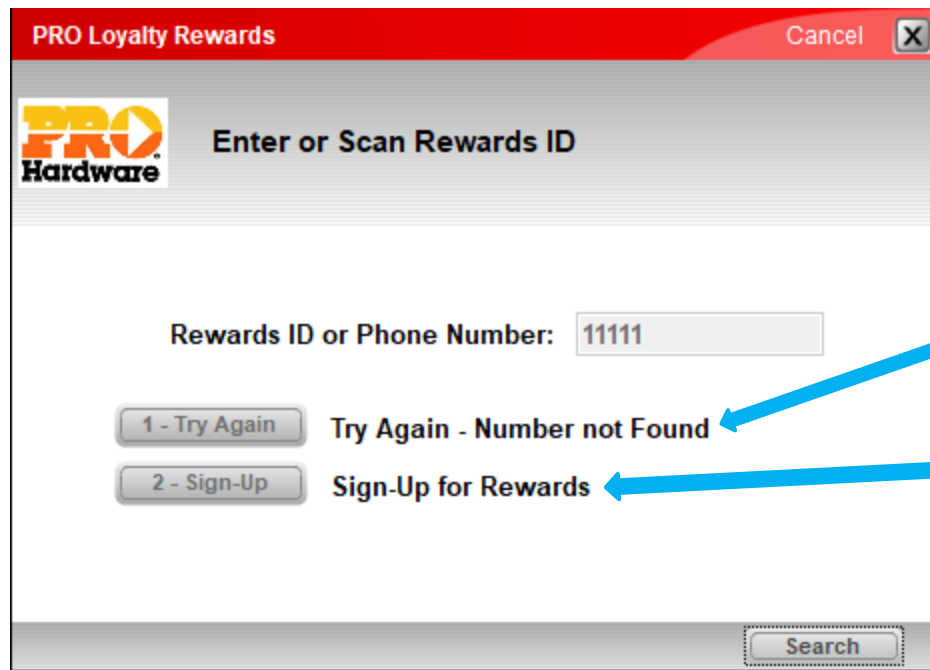
# Create a Rewards customer account



- On the top ribbon, select the **Invoice/Quote** module and the **Rich Rewards** window opens (determined in setup).

- In the **Rich Rewards** window, in the **Rewards ID** or **Phone Number** box, enter the information or scan the barcode image on the back of the rewards card being issued.

- ***Coming soon:*** Ability for customer to enter their rewards number or phone number into the credit card machine (BlockChyp devices).

# Create a Rewards customer account



- If the ID or phone number is not found in the customer reward accounts, you have two options:
1. To search again with another ID or phone number, click **Try Again**.
2. To create a new Rich Rewards account, click **Sign Up**.

# Create a Rewards customer account



- If you choose to create a new Rewards account, a **Rewards** window opens.
- Enter a rewards number/phone number and scan their driver's license when in the **First Name** field (2-D scanner required) or manually enter the new rewards number/phone number and complete the desired fields.
- Then click **F12 Finish**.
- After you complete the signup process, the new Rich Rewards ID is added to the invoice and points begin accumulating.

# Create a Rewards customer account
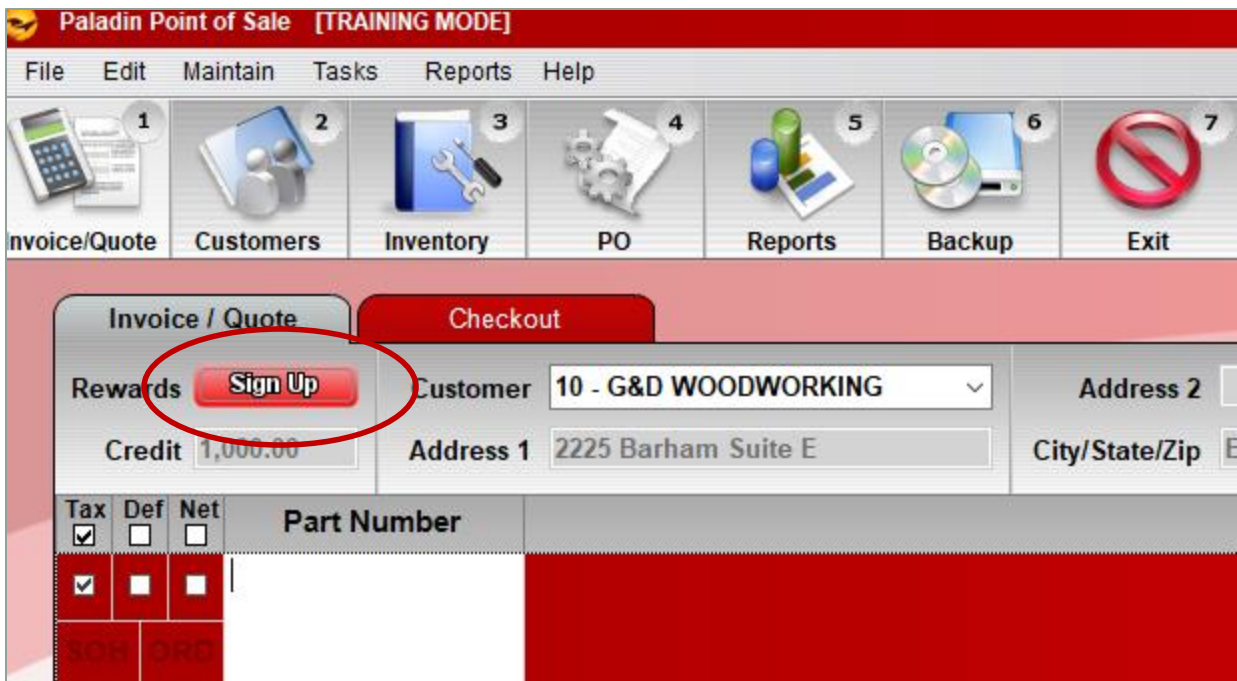


- Alternately, you can sign up new customers in both the **Invoice/Quote** and **Customer** modules.

- Simply click on the **Sign Up** button in the top left-hand corner of the screen.

- Their contact information will be auto-filled in based on the information that has already been collected.

# Recalling a Rewards customer
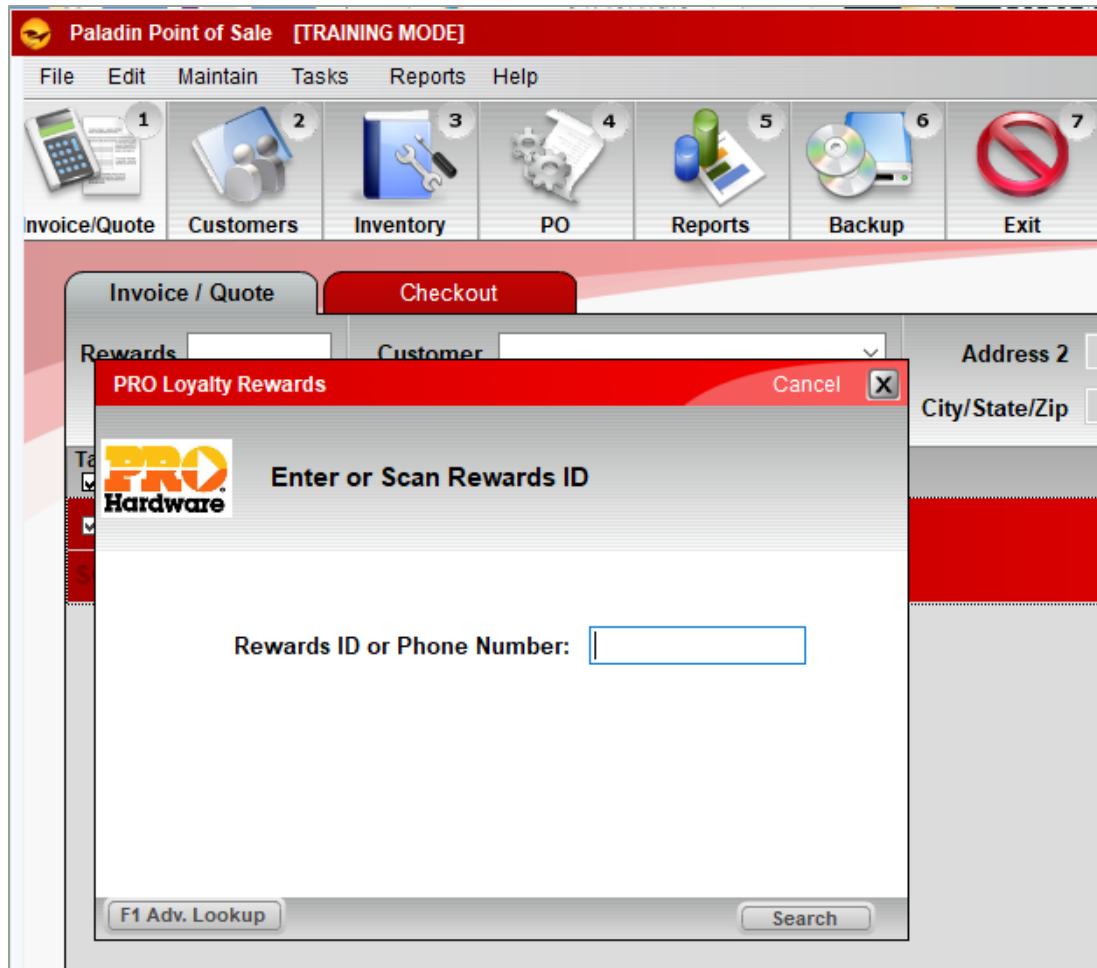


- In the **Invoice/Quote** module, enter the customers phone number or rewards number into the Rewards ID or Phone Number box.

- When a **phone or rewards number** match is made, the customer information will be pulled into the invoice.

- The **Enter or Scan Rewards ID** window, can be set to prompt the cashier at the beginning and/or end of the invoicing process, or never.

# Recalling a Rewards customer



- Should there be accounts with duplicate phone numbers, and more than one rewards phone number match is found, all the matches are displayed in the **Advanced Lookup** window allowing you to choose the appropriate account.

# Rewards points balance



- A customer's Rewards points balance is displayed to the cashier during checkout and includes points awarded for the current purchase.

- The Customer's points balance is also printed on their receipt.

- If there are enough points (increments of $5) for an award, an instant coupon is printed on the receipt when the transaction is complete, and the customer's points balance is reduced.

# Rewards points balance



Points balances are printed on receipts by default. To turn off this feature:

1. In Paladin, from the main menu, select **File > Setup**.

2. Select the **Rewards** tab.

3. In the **Rewards** pane, select **Rich Rewards** from the **Customer rewards program**.

4. In the **Rich Rewards** pane, check **Disable Rewards Balance on Receipts**.

5. Click **Save**, then click **Close**.

# Rewards loyalty balance report

- You can view the rewards balance in an Excel spreadsheet for each of your customers.

- **Note:** You must have Microsoft Excel installed on your computer to create this report.

1. In Paladin, on the top ribbon, select **Reports**.
2. In Report Area pane, select **Customers** > **Customer List**.
3. In the Report List pane, click **Loyalty Balance**.
4. Click **F12 Run Report**.

# Rewards loyalty balance report

- On the bottom of the **Reports** window, the message Writing Report.. appears along with a red progress bar. When the report is complete, the message Report Complete appears at the bottom of the **Reports** window, and an Excel icon appears in the bottom taskbar of your computer. Simply click on the Excel report to view the data.

- The following Excel report format will appear.

| NAME | ACCOUNT NUMBER | ADDRESS | CITY | STATE | ZIP | PHONE | EMAIL | REWARDS BALANCE |
|---|---|---|---|---|---|---|---|---|
| SAMPLE CUSTOMER | 1 | 854 ROAD WAY | Bend | OR | 97701 | (541) 815-6370 | TESTING@EMAIL.COM | 498 |
| SAMPLE CUSTOMER | 2 | 855 ROAD WAY | Bend | OR | 97701 | (541) 380-8288 | TESTING@EMAIL.COM | 247 |
| SAMPLE CUSTOMER | 3 | 856 ROAD WAY | Bend | OR | 97701 | (541) 293-1717 | TESTING@EMAIL.COM | 450 |
| SAMPLE CUSTOMER | 4 | 857 ROAD WAY | Bend | OR | 97701 | (541) 207-7698 | TESTING@EMAIL.COM | 432 |
| SAMPLE CUSTOMER | 5 | 858 ROAD WAY | Bend | OR | 97701 | (541) 591-3932 | TESTING@EMAIL.COM | 58 |
| SAMPLE CUSTOMER | 6 | 859 ROAD WAY | Bend | OR | 97701 | (541) 849-7185 | TESTING@EMAIL.COM | 175 |
| SAMPLE CUSTOMER | 7 | 860 ROAD WAY | Bend | OR | 97701 | (541) 381-5556 | TESTING@EMAIL.COM | 323 |

# Learn More

To learn more, see the following resources in our Help Portal

- Rich Rewards

A recording of this webinar will be available at portal.paladinpos.com/webinars.

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# Next Webinar:
TBA

July 16, 2024

9am PT

https://portal.paladinpos.com/webinars/

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