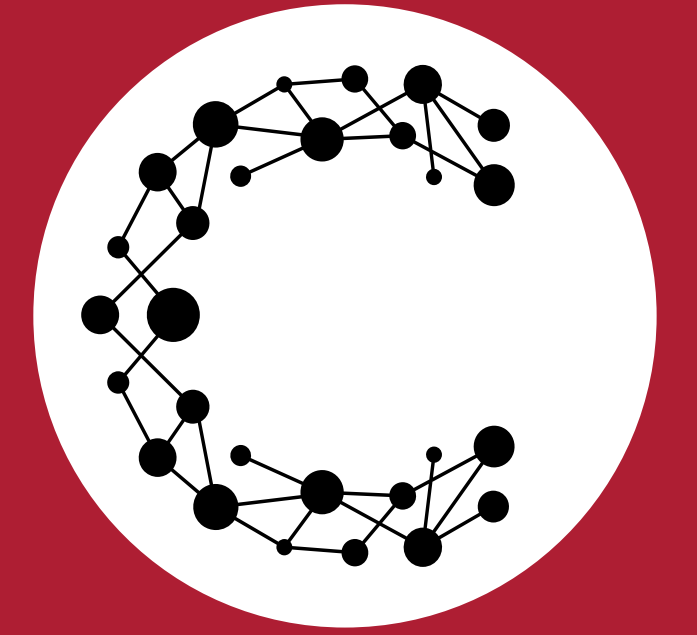


Switching Your Loyalty Solution Provider



[CLICK HERE](#) to view
accompanying video

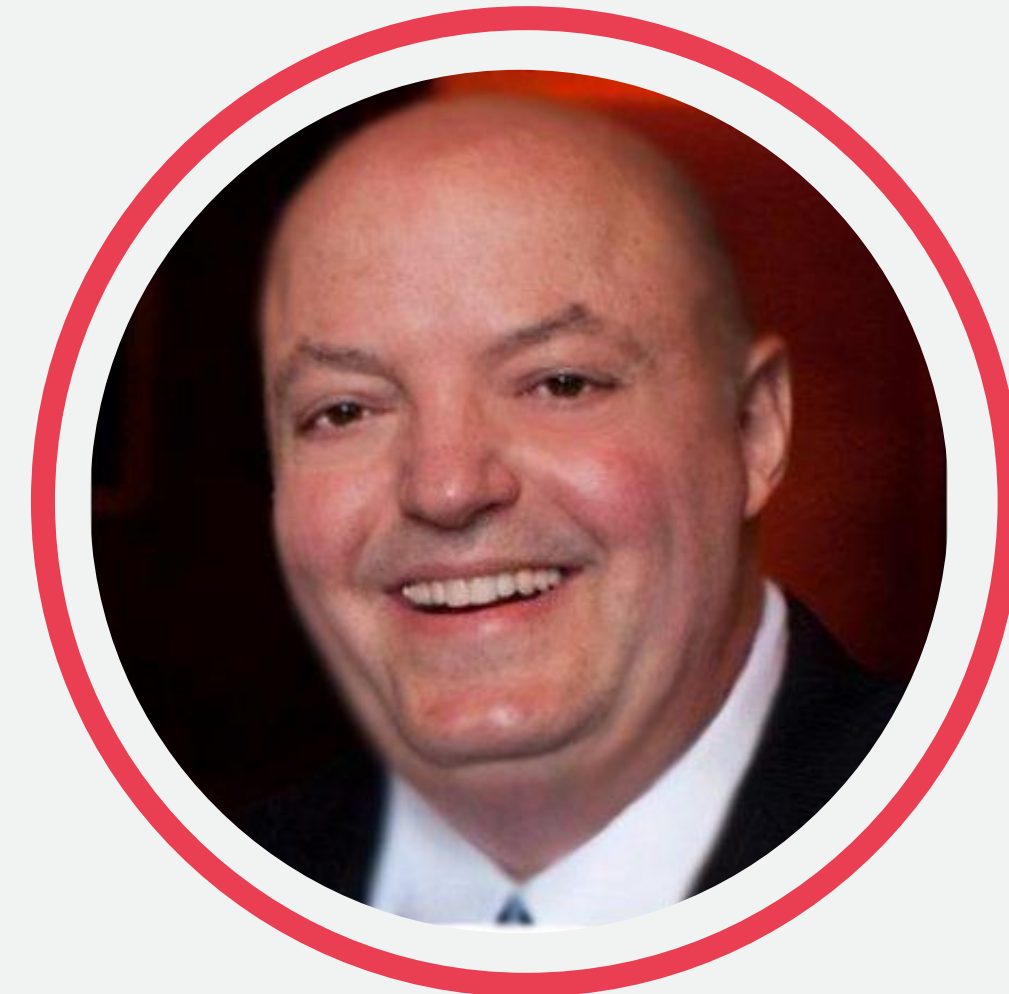
Meet Your Hosts



Jon Siegal
SVP, Global Loyalty Sales
Cheetah Digital



CHEETAH DIGITAL



David Slavick
Co-Founder and Partner
Ascendant Loyalty Marketing



ASCENDANT
LOYALTY MARKETING

**Your Martech strength is
essential to your brand's
lifetime value.**



Overview

Choosing a loyalty program service provider is an essential building block to program success. Whether an in-house built/managed solution or outsourced licensed platform, the connectivity and dependencies are deeply embedded across the business enterprise.

Considering a platform replacement is a decision that should not be made lightly.

The slides and **accompanying video** will provide the questions to ask yourself and your team, and a guide that will ensure you make the right choice and achieve a smooth transition.



Resources



Reasons for Switching



Creating the Business Case



Process Flow



Building Blocks





Reasons for Switching

Reasons for Switching

Technology issues

- The solution does not provide advanced feature/functionality that can help drive program success.
- The program design/strategy is constrained by a slow development process.
- The solution is inadequate (digital or social weakneses, scalability) and not evolving for the needs of your customers/members.
 - Falling behind competitors; Lack of a progressive development roadmap

Value of the solution

- The program is working, but the price is high for what you are getting in return. Lack of commitment to evolve the technology through self-funding.
 - Price:Value = weak return on investment



Reasons for Switching

Program metrics

- The program's KPIs are slowing down with zero to no growth. Technology is constraining program potential. It's worth exploring whether a new service provider may be the key to lifting member vs. non-member metrics.

Service issues

- Technology not achieving Service Level Agreement standards, personnel assigned turning over too often, not providing timely/responsive thought leadership.

Budget cuts

- The solution in place has services you are not likely to use anytime soon.
- You need to cut the budget and deliver and even better ROI from the program.



Program Challenges & Solutions

OVERSPENDING	INEFFICIENCY	MIS-SEGMENTED
<p>Problem: Your program is delivering incremental sales but it's costing you too much.</p>	<p>Problem: The program is doing OK, but can be providing more value. The issues here usually lie within operations.</p>	<p>Problem: The best loyalty programs are founded on a high-quality customer segmentation schema. Low response and limited incremental lift is often due to incorrect segmentation.</p>
<p>Solution: Determine the cost-cutting goal, review the entire program budget, determine the changes needed to allow for profits to flow through, implement those specific changes and measure results.</p>	<p>Solution: Review each operational area and find gaps between the ideal state and the current state. Prioritize them based on lost value and implement changes to add significant value to the program.</p>	<p>Solution: Review the segments and their demographic definitions. Test new segments with communications and offers to help lift performance.</p>



Program Challenges & Solutions

APATHY	VALUE PROPOSITION	OPERATING IN THE BLIND
<p>Problem: Your rewards program is not engaging customers as expected. They are not providing additional visits or spending.</p>	<p>Problem: This issue often stems from the launch of a program and the fear that customers will not respond. But it is difficult to pull back once a value proposition is out there.</p>	<p>Problem: Well-designed programs need continual monitoring to ensure incremental lift goals are being met, liability is controlled, and the program is delivering on the pro forma. Operating without these controls in place often cause programs to veer off course.</p>
<p>Solution: Look at messaging, audience demographics, and partnerships. This is where you need to get creative and provide both value and engagement tactics to get your customer to notice.</p>	<p>Solution: First look to see if you can adjust the earning criteria, then look at redemption rules. Don't be overly concerned with a few zealots who complain. Stick to the plan and communicate.</p>	<p>Solution: Implement monitoring, analytics, and reporting to ensure the program stays on track.</p>





Creating the Business Case

Business Case Development

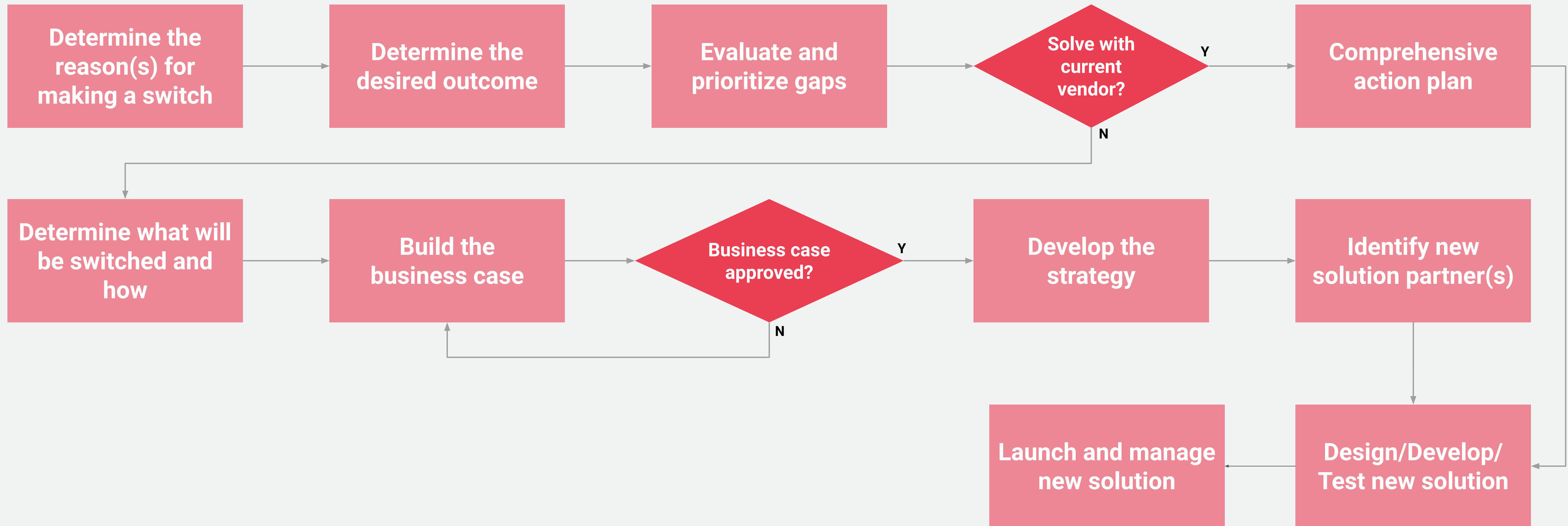
- **Functional gaps** in the current CRM/loyalty SaaS solution (technology and services)
- **Effort required to solve gaps**
 - Internally funded
 - Service provider supported
- **Financial pro forma**
 - Demonstrating better ROI through a more advanced feature/functional set of capabilities
 - Benefit from lower cost solutions vs. siloed solutions (example: POS + loyalty)
- **Timing:** specific timeframes that must be met for a switch/upgrade
 - Other corporate initiatives
 - Renewal timing/contractual considerations





Process Flow

Process Flow

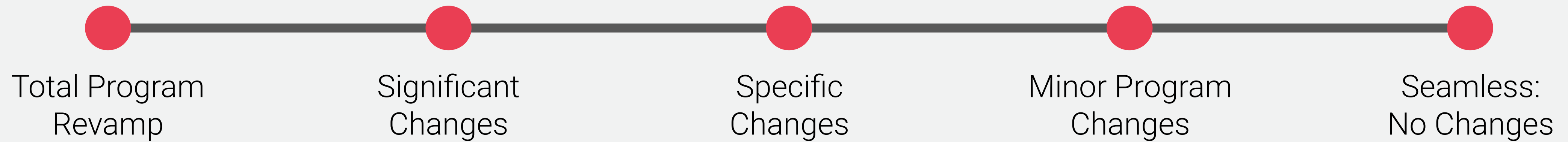




Building Blocks

Program Change Spectrum

By switching, are you planning to significantly revamp the program, make specific changes, or keep the essentials intact: program design/strategy, digital engagement, etc.



Solution Integration Considerations

Switching could entail centralizing or decentralizing the solution

- A wholesale change from one provider to another
- Extricating only the area(s) of concern from one supplier
 - Placing those with another supplier
 - Splitting up and placing with different suppliers
- Consolidating functions under one supplier



Switching Checklist

- ❑ Align senior leadership
- ❑ Assess the current state
- ❑ Identify the gaps in the current loyalty solution
- ❑ Build the business case for switching
- ❑ Initiate new vendor partner search
 - ❑ RFI/RFP development and management
 - ❑ List of best-in-class providers
 - ❑ Developing use cases and customer journeys to assess potential solutions
- ❑ Finalize the deal
 - ❑ Solution evaluation
 - ❑ Price/service negotiations for maximum value
 - ❑ Contract and timeline



Loyalty Provider Scorecard

Rate your current provider and those competing for your business against the following criteria:

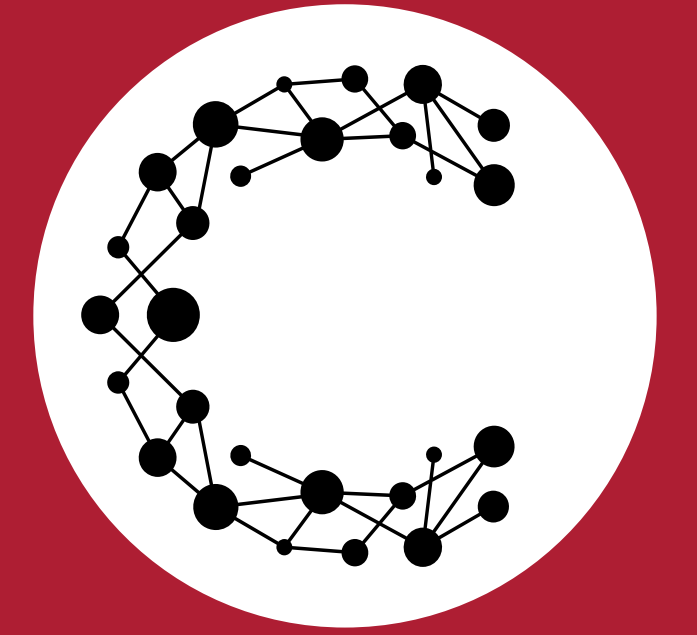
TECHNOLOGY		
FUNCTION	RATING	NOTES
Points engine and calculations		
Rewards processing		
Data ETL/ management		
System integrations		
Campaign management		
Customer interface		
Reporting		
Analytics		
Fraud detection/tools		
Partnership management		
Mobile solution		

SERVICES		
FUNCTION	RATING	NOTES
Client Service		
Consulting		
Data/Database management		
People/Stability		

KEY PERFORMANCE INDICATORS (KPIs)		
Metric	RATING	NOTES
Average Order Value		
Profit Margin On Goods		
Recency, Frequency		
Redemption, Retention Rate		



Thank you!



Want to talk more?

connect@cheetahdigital.com