

# The Magic of Member Rewards

## GET THE FACTS

### Why Reward?

Current Members are More Profitable



The cost to acquire a new customer is 5 to 10 times that of retaining an existing one, and the average repeat customer **spends about 67 percent more.** (*Inc.com*)

A Lot More Profitable



A 5 percent increase in customer retention can lead to a **25 to 100 percent increase in profit.** (*Fred Reichheld, author of The Loyalty Effect*)

Especially When Rewarded



Fifty-four percent of those surveyed by ClickFox would **spend more with a brand for a loyalty reward**, and 46 percent said they already have.

### Getting Started:

#### What to Ask a Potential Provider

How many in-store merchants are in your rewards program?

Can I add my own custom local merchants?

Will your mobile app integrate with my banking app via SSO?

Do you have a self-service campaign management tool for marketing?

### Engaging Members:

#### The Do's and Don'ts

Do	Don't
✓ Keep your program simple, based on one "currency," such as points.	✗ Confuse members with a complicated redemption structure.
✓ Make rewards part of a larger loyalty strategy.	✗ Expect rewards to make up for member service issues.
✓ Include local merchants. Your members shop there.	✗ Miss this opportunity to leverage your local cachet.
✓ Designate someone within the credit union to "own" loyalty.	✗ Leave members without a rewards point person to call.
✓ Make it fun for members with games and contests.	✗ Be afraid to go social—Reward Likes, Tweets, Pins, Posts, Shares and Comments.
✓ Market rewards at every member touch point.	✗ Forget to talk about rewards in the branch. They are a great conversation starter—your members want to hear about them.

### 10 Reasons to Reward

- 1 Paying with a credit or debit card
- 2 Visiting an ATM
- 3 Downloading a new mobile app
- 4 Signing up for online bill pay
- 5 Making a P2P transfer
- 6 Opening an account in your branch
- 7 Applying for an auto loan
- 8 Refinancing a mortgage
- 9 Posting on social media
- 10 Any time a member does business with you

### 10 Rewards Members Value

- 1 Cash back
- 2 Discounts
- 3 Coupons
- 4 Exclusive offers
- 5 Gift cards
- 6 Product samples
- 7 Free services
- 8 Airline tickets
- 9 Hotel upgrades
- 10 Restaurant vouchers

### Bottom Line:

#### Why Rewards Work

**"Today's consumer values, redeems—and expects—rewards. In fact, few marketing initiatives deliver short- and long-term ROI like an effective loyalty strategy."**

– Andrew Gates, CEO of Azigo, Inc., and Member Rewards by CO-OP consultant for CO-OP Financial Services

#### Average Conversion Results (From Augeo Marketing)

