



# CREATING A CUSTOMER LOYALTY STRATEGY FOR YOUR CPG BRAND

A customer loyalty program helps to create repeat customers and encourage ongoing sales of your CPG products by offering rewards for certain purchases and behaviors. If your CPG brand wants to offer incentives or benefits to frequent customers, here is a guide to setting up a loyalty program.

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**STEP  
01**

## DECIDE ON PROGRAM TYPE

There are many types of loyalty programs, including the following:

- ▶ **Reward Redemption**—Customers earn points and redeem them for rewards or discounts
- ▶ **Tier-based Reward Program**—Customers earn progressively better rewards the more they spend
- ▶ **Perks Program**—Gives special benefits and rewards to all participants regardless of purchases they make
- ▶ **Gamification Model**—Gives rewards for game-like interactions within the program
- ▶ **Hybrid Program**—Combines two or more different reward types

The best way to choose a program type is to consider what behavior you most want to reward. However, you are not locked into only one program; you can start with one benefit or model and introduce others as your thinking evolves or your customer behaviors change.

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**STEP  
02**

## IMPLEMENT RECOGNITION LOYALTY

Rewarding purchases only will not keep your brand top of mind between purchases and encourage brand-building by loyal customers. Recognition loyalty builds in rewards that encourage behaviors other than purchases but leads to more sales and repeat buys in the end.

**STEP  
03****SURPRISE AND DELIGHT**

When you build some surprises into the program, it will keep customers engaged to find out what comes next. They will check your site and/or social pages more often to find out what's new or next because they never know when it's coming.

**STEP  
04****CONFIGURE MOBILE PASSES**

When reward members can access their membership on their mobile wallet or through an app, they are more likely to use it. Online loyalty cards that can be accessed through the mobile phone are a must-have if you want customers to stay easily engaged; it is also the simplest way to track customer behavior.



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**STEP**  
**05****PROMOTE**

Your customers should not be able to visit your site, your store (if you have one), or even their **email inbox** without **being aware** of your loyalty program. Store employees should be trained to ask each customer about signing up, and it should be on multiple pages of your site. Offering a discount at sign-up is one effective way to get more sign-ups while getting purchases at the same time.

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**STEP**  
**06****MEASURE RESULTS AND ADJUST**

It's important to know whether your efforts are working since there is a cost to loyalty programs. By measuring purchases made through the program, you can see whether there are increases and whether the program is growing. You can then make adjustments to the program to get even better results.





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