



Connect, Convert, and Retain Customers

WITH CAMPAIGN MONITOR BY MARIGOLD

Get up and running with Punch card Programs in
Campaign Monitor by Marigold



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It's no secret that customers love personalized email experiences tailored to their unique interests. For years, brands across every industry have invested serious time, money, and effort into collecting every data point possible on a potential buyer before serving them the most relevant, engaging, and—ultimately— effective email messages possible. But what do you do with that information? How can you use it to build long-lasting relationships with your customers? One of the solutions is a loyalty program.

Before we jump in, let's discuss loyalty programs and punch card programs.



What is a loyalty program?

A loyalty program rewards or incentivizes customers to keep them coming back to your shop. When a customer buys more products or interacts with your brand, they earn rewards like discounts or free products. To put it simply, a loyalty program is designed to keep customers engaged and maintain allegiance to your brand!

There are many loyalty programs out there, such as punch cards, referrals, points, and tiers. But in this guide, we will focus on a *punch card program*.



What is a punch card program?

A punch card program is a type of loyalty program that incentivizes customers to keep purchasing products or services from your brand in exchange for a reward after they've purchased a certain amount of products or services. Examples of rewards include:

- A free product
- A free service
- A discount on a purchase

Traditionally, punch cards are business cards that show the number of stamps required for getting a reward and can be stamped after every purchase. These days, many businesses have opted into creating digital punch cards that a customer can access from their phone or on a mobile app.

How can a punch card program be valuable to you?

Punch card programs are an effective way to increase customer retention and engagement. Giving customers a visible goal they need to hit (i.e. a set number of times they have to purchase from you) will incentivize them to repeat that action until they achieve their goal. These repeat actions directly increase customer retention and engagement – as well as customer satisfaction.

Part 1: Design your punch card program

BUILDING YOUR PUNCH CARD PROGRAM

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STEP 1

Set goals for your punch card program

What are you ultimately looking to achieve with a loyalty program? Spend some time thinking about your goals and identify the relevant metrics you'll want to measure. Some questions to consider are:

- Are you looking to increase engagement or customer lifetime value (LTV)?
- Are you looking to increase sales or the average order value (AOV)?
- What metrics are you looking to track?

Traditionally, punch cards are business cards that show the number of stamps required for getting a reward and can be stamped after every purchase. These days, many businesses have opted into creating digital punch cards that a customer can access from their phone or on a mobile app.

STEP 2

Determine how many punches your punch card should include

Not all businesses are made the same, so it's important to consider how many purchases a customer needs to make before you reward them. For example, a customer can purchase coffee from a coffee shop 5 times a week, but will only purchase a massage once a month. A coffee also costs a lot less than a massage.

Decide how often a customer needs to purchase from you before they receive a reward.

STEP 3**Choose how you'll reward your customers**

This is an important part of the process as the perceived value of the reward is what drives your customers to engage with you. Remember, your customers aren't interested in the stamps that appear on their punch card – they're interested in what they can get from you in return! Some options of what you can reward your customers with include, but are not limited to:

- A free product or service
- A discount or gift card

Note: At this time, rewards must be managed outside of Campaign Monitor. We recommend generating coupons for the types of rewards you'd like to provide within your e-commerce system. These coupons can then be emailed to subscribers by a campaign in Campaign Monitor.

STEP 4**Create an email marketing strategy that introduces your program**

Now that your foundation is set, it's time to decide how you will market the program and introduce it to your customers! Be sure that your messaging is consistent, compelling, and concise so that you're effectively communicating the value of your referral program to your customers. We recommend introducing your loyalty program across all of your channels such as:

- Website
- Email
- Mobile App
- Social media
- In-store materials
- External channels (ads, radio, etc)

Focus on the benefits your customers will gain from joining and be sure to highlight that throughout your messaging across each channel.

STEP 5**Add your punch card program to your existing terms and conditions**

If you don't already have existing terms and conditions about your loyalty program as a whole, you'll want to specifically call out the program's purpose, rewards, eligibility, and/or restrictions. If it already exists, you'll want to include how punch cards affect those topics.

Be sure to include details about the benefits, the rules for redemption/earning, expiration policies, and penalties for fraud associated with their involvement. **Make it crystal clear.**

STEP 6**Adjust your FAQs to include your punch card program**

There's a high likelihood that you'll receive a lot of questions about your loyalty program and how punch cards fit in. To alleviate confusion, we recommend creating a helpful FAQ that identifies the most common questions about earning points, redeeming points, and the consequences of falsifying information.

STEP 7**Create automated messages**

Once customers have opted in, you want to make sure that they remain informed with relevant updates. Be sure to generate messages for both the referrer and the referee. Some message examples are as follows:

- Account creation (includes referral reward)
- Account deletion (includes deletion of any unredeemed rewards/how re-enabling accounts are affected by future referrals/etc.)
- Actions that accrue "stamps" on the punch card (purchases)
- Actions that decrease or reset "stamps" on the punch card (reward redemptions)
- When rewards are successfully claimed (coupon used)

Part 2: Build your punch card program

BUILDING YOUR PUNCH CARD PROGRAM



STEP 1

Set up your punch card data in Campaign Monitor

If you're just starting your punch card program, you'll need to make sure your list has the following custom fields. These fields will allow you to run a loyalty program smoothly in Campaign Monitor.

Create a **new list** with the following fields, which can also be found in our [technical guide](#).

Custom Field Name	Data Type	Personalization Tag	Description
Punch Card Stamps	Number	[PunchCardStamps]	Count of how many stamps a customer has accrued.
Completed Punch Cards	Number	[CompletedPunchCards]	Count of how many punch cards a subscriber has completed.
Last Order Count	Number	[LastOrderCount]	Count of how many items were purchased in the Last order.
Increase Punch Card Stamps	Text	[IncreasePunchCardStamps]	A custom field that is set to "true" or "false" used to enter a subscriber into a segment - pulling them into a journey that will adjust the punch card stamps.
Decrease Punch Card Stamps	Text	[DecreasePunchCardStamps]	A custom field that is set to "true" or "false" used to enter a subscriber into a segment -pulling them into a journey that will adjust the punch card stamps.

Adding these fields can be done within the Campaign Monitor UI or you are free to use the [Lists API](#) to add these fields.

STEP 2

Create your segments in Campaign Monitor

In order to trigger Punch Card Program-specific journeys in Campaign Monitor, you'll need to create segments in your loyalty list. Navigate to your loyalty list in Campaign Monitor and then view our [technical guide](#) on how to create recommended segments.

STEP 3

Initialize punch card data in Campaign Monitor. *There are currently 3 ways to populate loyalty data at this time, you can either:*

1. Upload a CSV file in Campaign Monitor with **Punch Card Stamps**, **Completed Punch Cards**, and **Last Order Count** custom fields populated for each subscriber by going to your loyalty list and uploading the updated subscriber data.

Email	Name	Permission to track	Punch card stamps	Completed punch cards	last order count
anita@example.com	Anita Biernow	Yes	0	0	0
anita@example.com	Ann Tenor	Unknown	0	0	0
anita@example.com	Isla Beach	No	0	0	0

2. Call the **Subscriber API** to update the Punch Card Stamps, Completed Punch Cards, and Last Order Count custom fields for each subscriber in your list. Find information on how to set up in our [technical guide](#).
3. If you have an existing CRM that captures this information and you've integrated the CRM to Campaign Monitor, this data will automatically be passed into Campaign Monitor via the integration. Note that the information must be stored at the subscriber level. See a list of available CRM integrations [here](#).

If you are just starting out your loyalty program, the values for each custom field will be set to "0". Otherwise, populate these fields with the appropriate values from your existing program.

STEP 4**Build your loyalty automations to increase or decrease punch card stamps**

Automations are necessary to run your loyalty program smoothly and efficiently, as well as send relevant messages to customers related to your loyalty program. You'll want to create different journeys based on the type of message that needs to be sent, but the typical flow will look as follows:

*When a customer completes an action,
Increase or decrease their punch card amount,
(Optional) And follow-up with a message confirming the action.*

In order to update a subscriber's punch card stamp count and send them rewards, they'll need to be added to a journey. For instructions on how to build punch card journeys, here is a list of example journeys you can build, including directions on how to set them up in Campaign Monitor:

- **Increase punch card count when a subscriber purchases a product or service and send a reward when applicable**
- **Decrease punch card stamp count when they cancel a purchase or reservation**

STEP 5**Update the “Increase Punch Card Stamps” or “Decrease Punch Card Stamps” custom fields to trigger automations for your subscribers**

Since punch card data will primarily be updated from inside an automation, you'll need to add your subscribers to a journey based on a segment entry. You created your segments earlier in **Part 2 - Step 2**. So when either the **Increase Punch Card Stamps** or **Decrease Punch Card Stamps** custom field is set to true, they'll be added to a journey you've created.

You'll also want to know how much to increase your subscriber's Punch Card Stamps. For instance, are you increasing their Punch Card Stamps based on every order made or based on the number of products/services purchased in each order? This can typically be found in your eCommerce or POS system and should be stored in the Last Order Count custom field.

Learn more about the different methods available in our [technical guide](#).

STEP 6**Update existing campaigns in Campaign Monitor that reflect punch card data**

Keeping customers informed on how many stamps they have on their punch cards and how many more stamps they need until their next reward can drive your customers to purchase more from you. A message that says “you need to buy 3 more coffees for your next reward” incentivizes the customer, driving them towards a finish line!

For instructions on how to surface loyalty information in your emails, view this [article](#).

STEP 7**Create new, automated campaigns that are triggered based on punch card data**

Earlier, you outlined a strategy to inform your customers with relevant information and now is the time to create those messages! Use Campaign Monitor to create individual campaigns based on the action each user takes. Once those campaigns are created, trigger these messages to be sent to your customers automatically.

STEP 8**Define and monitor your punch card program KPIs**

The first step you took in planning a successful loyalty program was to **set goals**. Based on the goals that you made, the first step you took was to set goals and now it's time to start monitoring the key performance indicators (KPIs) related to them. For example, was your goal to increase the amount each customer spends? Then track how much revenue customers within your loyalty program generate before they disengage from you.

These KPIs will vary depending on your goals, but you can view metrics within your CRM, Google Analytics, or other analytics platform of your choice and filter that data based on the segments you've created within Campaign Monitor.

Part 3: Launch your punch card program

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STEP 1

Train your staff members

Make sure your teams are educated about the program. Take the initiative to prepare training materials for frontline team members, customer support, social media moderators, and more.

Supportive training material should cover:

- How to use the punch card system properly
- What the punch card program is about and its goal
- Detailed rules of how the program is run
- Core benefits for customers
- How to recommend and sell the program (include sample scripts if necessary)
- FAQ for employees
- A method to report any issues, problems, and suggestions

STEP 2

Prepare a roll-out checklist

To launch successfully, you'll want to prepare a checklist with all the touchpoints that you need to verify during the day of release. Below are a few things to consider and review:

- Technology – CRM, e-commerce systems, websites, Campaign Monitor, etc.
- Loyalty account/general account creation
- Punch card issuance
- Punch card rewards
- Visibility and accuracy of data in reports



STEP 3

(Soft) Launch!

If you aren't ready to fully launch your loyalty program, we recommend doing a soft launch to a small group of highly engaged customers.

A soft launch ensures you can capture and quickly resolve any bugs this group may have found or improve any gaps in your program.

STEP 4

Gather customer feedback

Now that you've launched your program, you'll want to gather feedback from customers who were quick to jump into your program.

Doing so will help you identify areas that you need to improve and refine.

Part 4: Manage and optimize your punch card program

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STEP 1

Monitor and analyze your performance data

Now that your program is running, it's important to continuously analyze the performance data of your program. With Campaign Monitor, you can look at how your customers are engaging with punch card campaigns within our [Insights](#) tool. You can also cross-compare the engagement of your loyalty campaigns with other existing initiatives to see what is working the best. This will help communicate the value of the program to your stakeholders.

STEP 2

Conduct program reviews

As you monitor the KPIs you set up for your program, you'll want to make sure that the program continues to align with your business goals. If you find that certain goals for KPIs are not being met, adjust your program as necessary.

STEP 3

Look for bug fixes and make improvements based on feedback

Monitor which rewards your customers are driven to, how often customers are completing punch cards, and how often they're redeeming their rewards. If there are coupons customers aren't using or there's a low rate of punch card completion, adjust them as necessary so that your program evolves with your customers' needs and desires.

STEP 4**Optimize your communication strategy**

Be sure to continuously communicate the benefits of your loyalty program to all customers – whether they are in the program or not. This will differ based on each group so we recommend creating a loyalty calendar that defines the messages that non-loyalty customers receive – as well as what channels you target and the segments you'll market your program to so you can continue driving participants.

You'll also want to refine the messages you send to those who've already signed up for your program to drive further engagement with your brand.

STEP 5**Refine the redemption process**

After a few customers have redeemed rewards from completed punch cards, you'll most likely receive feedback on this process. Improve this step of your program based on that feedback to increase customer satisfaction and show customers that your program is always evolving and providing constant value.



Wrap Up

Building a successful loyalty program is not a one-and-done activity.

To make the most out of your program, you'll want to constantly improve any glaring issues or experiment with different approaches as you learn more about how your customers interact with your program.



Where *relationships* take root.

Marigold's approach to relationship marketing stands alone in a world of one-size-fits-all marketing technology companies. Our solutions are designed for your specific size, industry, and maturity, giving you the technology and expertise you need to grow the relationships that grow your business, from customer acquisition to engagement to loyalty. And, with a team of strategists that provide insights into what's working, what's not, and what's changing in your industry, you're able to maximize ROI every step of the way.

