

LIVELIKE

HOW TO BUILD AN EFFECTIVE LOYALTY & REWARDS PROGRAM

Why Are Loyalty Rewards Programs Important?

In a day and age where consumers have access to almost anything at the click of a button, standing out from your competitors is more crucial than ever. And one of the **best ways to differentiate yourself as a brand and keep your customers coming back** is by rewarding the users who return to your platform.

With so many options for where they can spend their time and money, consumers want to feel connected to the brands they choose to support, and appreciated for their loyalty.

In fact, “58.7% of internet users worldwide cited earning rewards or loyalty points as one the most valued aspects of the retail shopping experience.”

Establishing a **loyalty rewards program** promotes customer retention as well as customer acquisition; it’s a way to engage with the biggest fans of your brand, incentivize them to continue to be a part of your brand experience, and build a network of brand advocates.

“Consumers who engage in high-performing loyalty programs are twice as likely to increase their frequency of purchases.”

Source:

<https://www.emarketer.com/content/millennials-gen-z-less-inclined-to-participate-in-loyalty-programs>
<https://sloanreview.mit.edu/article/why-customer-experience-is-key-for-loyalty-programs/>

Key Considerations

What will be the main goal of your loyalty rewards program?

Will it be to attract new platform users? Lower customer churn? Increase your customers' purchase frequency? Keep in mind that these objectives may change, and the loyalty and rewards tools that make sense for your business now may need to be revised later on. The important thing to note is that nothing is set in stone; as your company goals evolve, so too can your program.

What Behaviors Do You Want to Reward?

Which actions do you want to reward users for taking?

Referrals? Purchases? App Logins?

This will differ from brand to brand, and be unique to your own industry, customer journey and end goals. Map out your user journey and consider each action you ask your customers to take when engaging with your platform. Think carefully about which of these steps are the most important or valuable to your business and that you would most like to encourage.

Key Considerations

How Do You Want to Reward Your Users?

With points? Badges? Swag? Store discounts?

Again, the type of rewards you offer will be specific to your unique user attributes as well as your specific industry. If you're in sports, tickets to a game might be the ultimate reward; if you're in retail, perhaps a loyalty card scheme where the 5th purchase is free is more appropriate; if you're in entertainment, discounted event tickets might make the most sense. Think about your industry as well as your unique target audience and what kind of rewards might motivate them.

Marketing Your Program

Letting your users know that you're rolling out a rewards program and giving them a reason to get on board is key. Consider offering signup incentives to create excitement and drive adoption.

First-Party Data

Creating a loyalty rewards program presents an opportunity to better understand your users' behaviors and learn more about what motivates them. It's also a chance to drive user profile registration to be part of the program. Simply connect the LiveLike platform to your preferred CRM to start sharing your data.

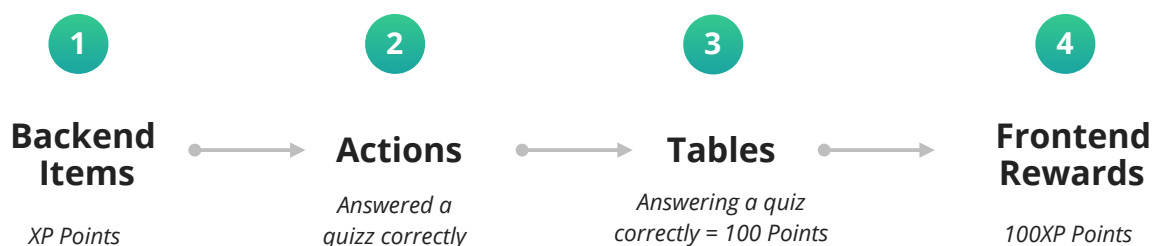
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Create a Rewards System

Rewards are digital goods such as points and badges that users can earn and collect by performing certain actions. The LiveLike Rewards system provides customization, inventory management, balance tracking, and rule-based automation to allow you to design the exact experience you need to engage your audience.

The Rewards system is made up of three components that can be configured to create a customized experience for your users:

1. **Items:** An item is a blueprint of a reward that a user can earn. You can set up as many items as you would like. Users can collect and accumulate items that can be categorized as scores, collectibles, or XPs.
2. **Actions:** An action is something a user can perform in order to earn rewards. There are a number of built-in actions for users such as voting on polls and answering quizzes correctly. You can also create your own custom actions, rewarding users for having "invited a friend" or "completed a profile."
3. **Tables:** A table is a set of actions and items that determines the rewards users can earn for performing those actions. You can have many tables so that many scenarios can be supported concurrently. For example, you might want different tables for different sports, or for regular seasons and playoffs.

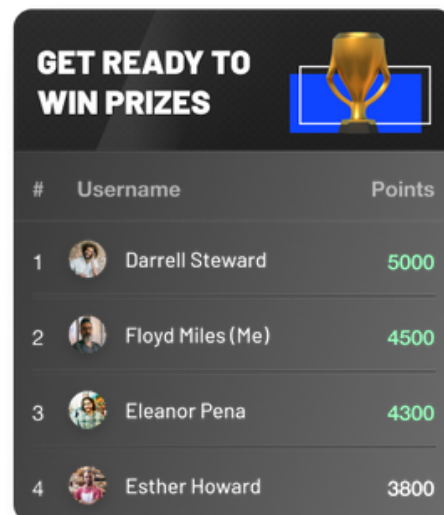
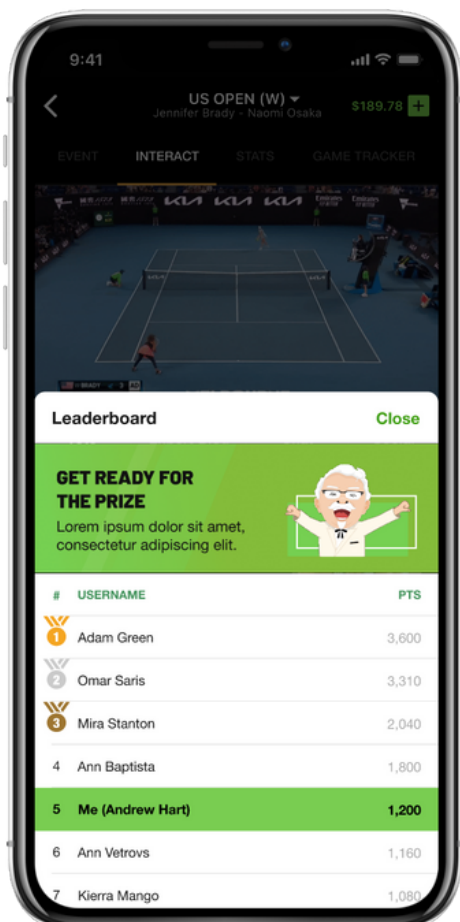


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Once you have created your relevant items, actions, and tables, your users will be able to earn points by interacting with your platform. However, keep in mind that points should be only one part of your loyalty strategy. Alone, they are not a powerful enough incentive to engage your audience on a daily basis and encourage them to return to your platform. So, what can your users do with their points?

Set Up a Leaderboard

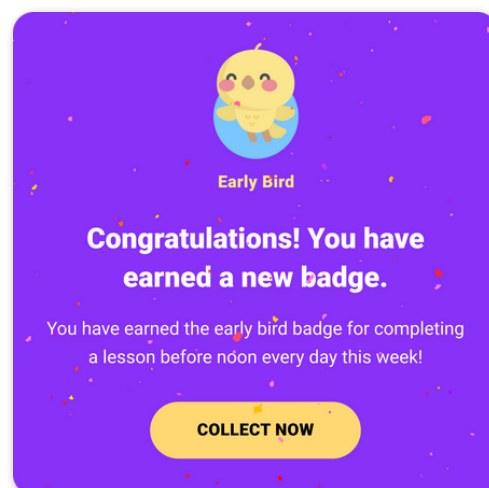
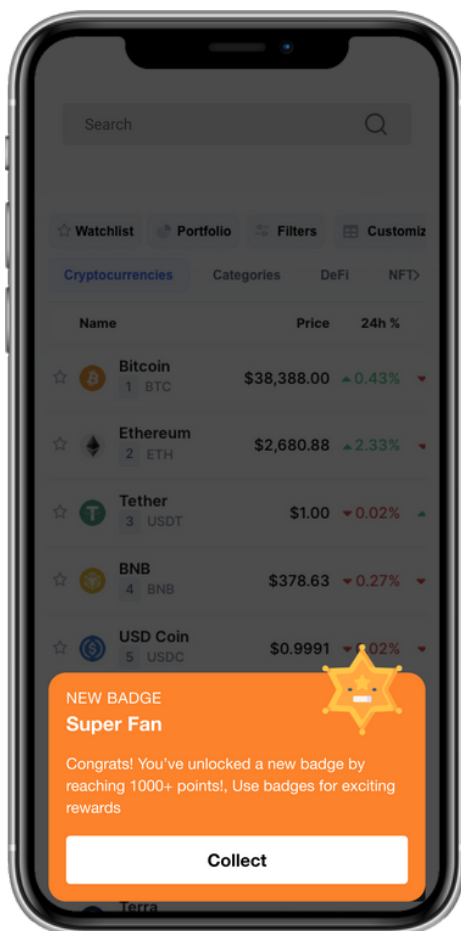
The next layer of building and maintaining a strong rewards system is taking those points and using them to create a sense of competition between your users. When paired with a [Leaderboards](#) system, the earning and collecting of points can make for an exciting, challenging experience that keeps your users coming back for more. You can create as many leaderboards as you want (such as all time, seasonal, or single event leaderboards), and can even mix and match them, allowing you to better structure your experiences.



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Implement Badges

Another way to incentivize your users is to provide them with the chance to earn badges. Badges can be earned either by performing specific actions or interactions, or by collecting a certain amount of points. You can create as many badges as possible; some can be more complicated and rare while others can be used as quick wins to incentivize users early on.



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Introduce “Real” Rewards

At this stage, you might be asking: Why should my users care about being at the top of a leaderboard? What do they gain from collecting badges? Of course, you can't rely on all your users being motivated by sheer competition. Instead, the success and traction of your loyalty program will rely on your ability to turn those digital rewards into “real rewards”—tangible rewards that really matter to your users. These can include digital or physical gifts, discounts on your products or services, VIP experiences, and more.

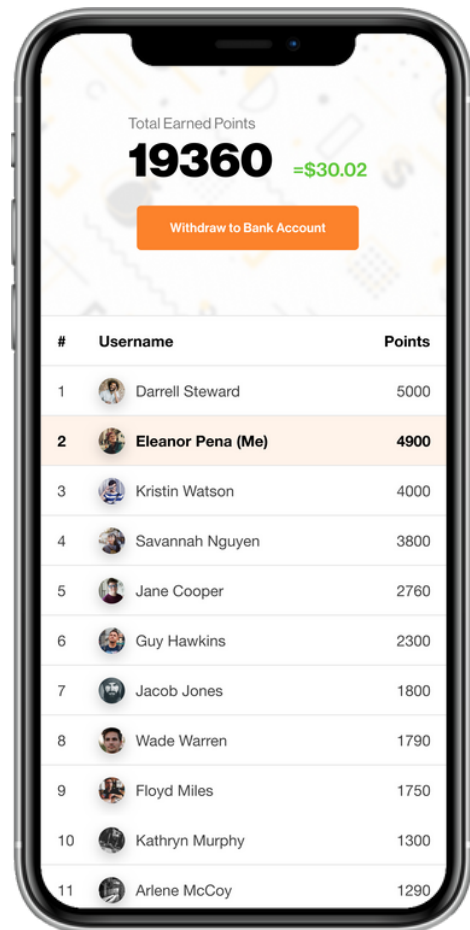
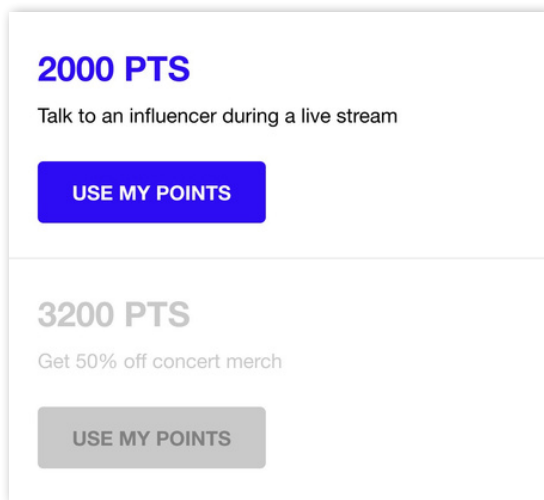
Of course, you also need to make sure your real rewards are not empty promises. If you promise (or your partner promises) a car to the top place holder of the leaderboard on a certain date, you or your partner must stick to that promise, which includes communicating to the winner when they will receive their prize. This will allow you to provide proof of the exciting outcome of your rewards program, and reinforce the incentive for your audience to engage with your platform.

The image displays three reward cards from the LiveLike platform. The first card, titled 'Money Sack' and 'Penny Saver', features icons of a money bag and a piggy bank. It offers a 10% discount on purchases of \$100 or more, earned by collecting 5 new badges, and is valid until 30th December 2021. The second card, 'WIN A SIGNED JERSEY', shows a soccer player in a red jersey and is awarded for collecting 5 new badges, also valid until 30th December 2021. The third card, 'THE ROCKSTAR' and 'THE VIP', features icons of a guitar and a VIP badge. It offers a 50% discount on purchases when the user earns 'The Rockstar' badge, earned by collecting 5 new badges, and is valid until 30th December 2021.

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Use Reward Items as Virtual Currency

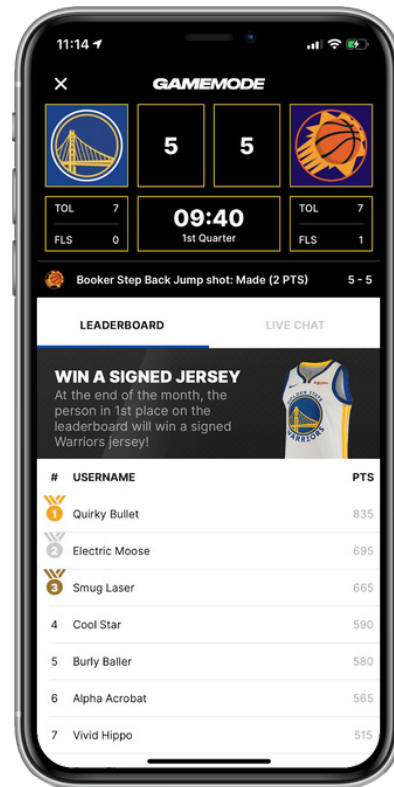
The final way to assure your users of the benefits of your rewards program is to allow them to use their points as virtual currency. In this case, points become much more valuable and users can decide for themselves how they will spend them. On your end for this strategy, you will simply need to make sure that somewhere on your platform is a place where users can spend these points in exchange for exciting rewards of their choice.



Case Studies

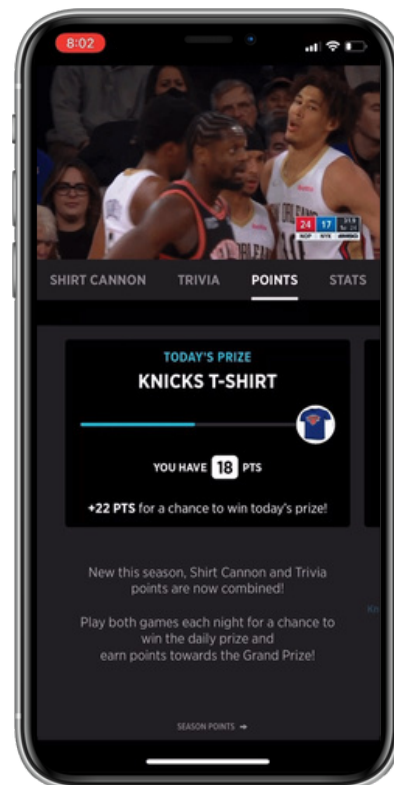
Golden State Warriors

GSW combined the use of our widgets, our Rewards system and our Leaderboard feature to engage with their Game Mode users during games on their mobile application.



MSG Go

MSG Go use our interactive widgets and our Rewards system to enable their fans to purchase team merchandise with their points.



About LiveLike

LiveLike is a technology company dedicated to empowering digital experiences that enable deeper fan engagement, increased retention rates, and new monetization opportunities.

Media companies from around the world and events like the Super Bowl, FIFA World Cup, NBA Playoffs, and the French Open turn to us to transform their platforms and events into communal and interactive experiences, bringing their fans closer to the action.

Our mission is to empower digital experiences and convert audiences into engaged fans!



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