

# PwC and Salesforce Usher in New Era of Customer Loyalty Programs with Focus on Experience





## Break the monotony of loyalty indifference.

Imagine you're about to make a purchase. The cashier asks if you're a member of the loyalty program - and you honestly can't remember if you are or not. The cashier might offer to look up your phone number, but you say it doesn't matter and move on with the transaction. Now think about how often this happens.

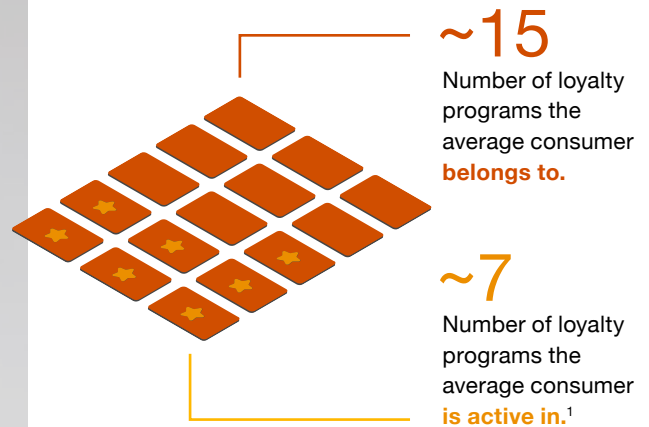
**This indifference to loyalty participation is problematic for brands. Traditional cookie cutter loyalty programs with tiers and points translating to dollars are no longer effective when consumers are asked to participate in one almost everywhere they shop.**

In today's experience economy, both B2B and B2C brands need a loyalty experience that excites customers, connects with their humanity, and helps establish deeper and more meaningful engagement. To drive customer demand and retention, and ultimately increase revenue, a loyalty program must anticipate customer needs, activate experiential strategies that create an emotional connection, and measure return on experience (ROX).<sup>2</sup> This becomes increasingly important as companies look to loyalty and membership programs to drive first party data strategies as reliance on third party cookies decreases from initiatives like IDFA.



## Experiential loyalty

is an intangible human connection between an individual and a brand; it goes beyond traditional point-, discount-, or coupon-based programs that attract and retain customers through economic switching costs, by cultivating mutually beneficial and emotional relationships, and creating value beyond transactional savings and ROI.



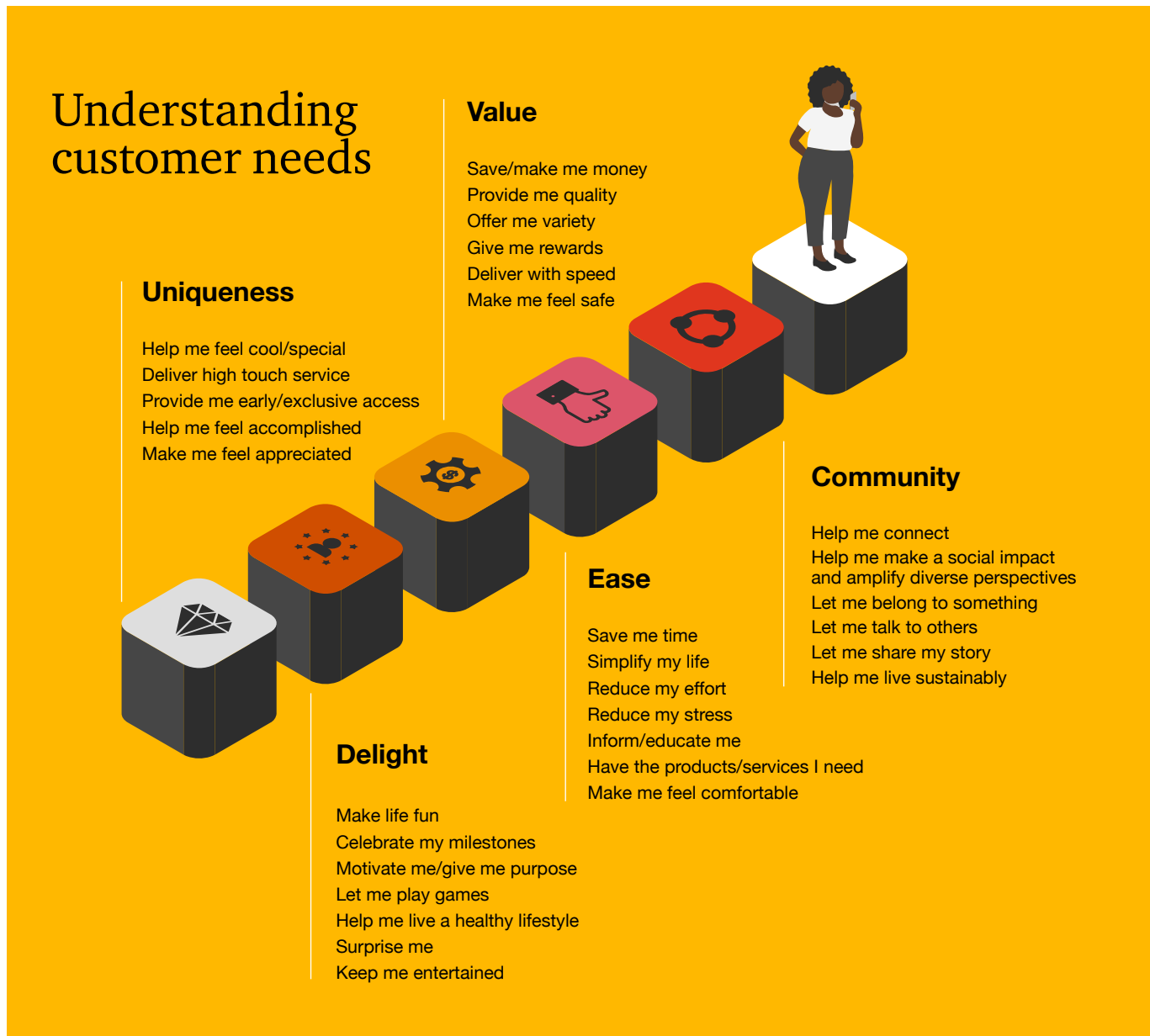
An experiential loyalty program can instill a genuine sense of belonging and brand loyalty by offering participants rewards and incentives that provide them real value, connect them to a community, or make their lives easier or more fun. This white paper will show how the combined power of PwC's Loyalty Center of Excellence and Salesforce's Loyalty Management will help your brand create a modern and impactful experiential loyalty program.

# Prioritize relationships and engagement, value will follow.

There are three key components to creating a successful experiential loyalty program that fulfills customers' emotional and functional needs.

## The first component is understanding customer needs.

What do they value? What delights them? What would make their life easier? What makes them feel unique while also being part of a community? Only by understanding these things can a brand create an experience that is truly meaningful and that will forge a strong and durable relationship with customers.



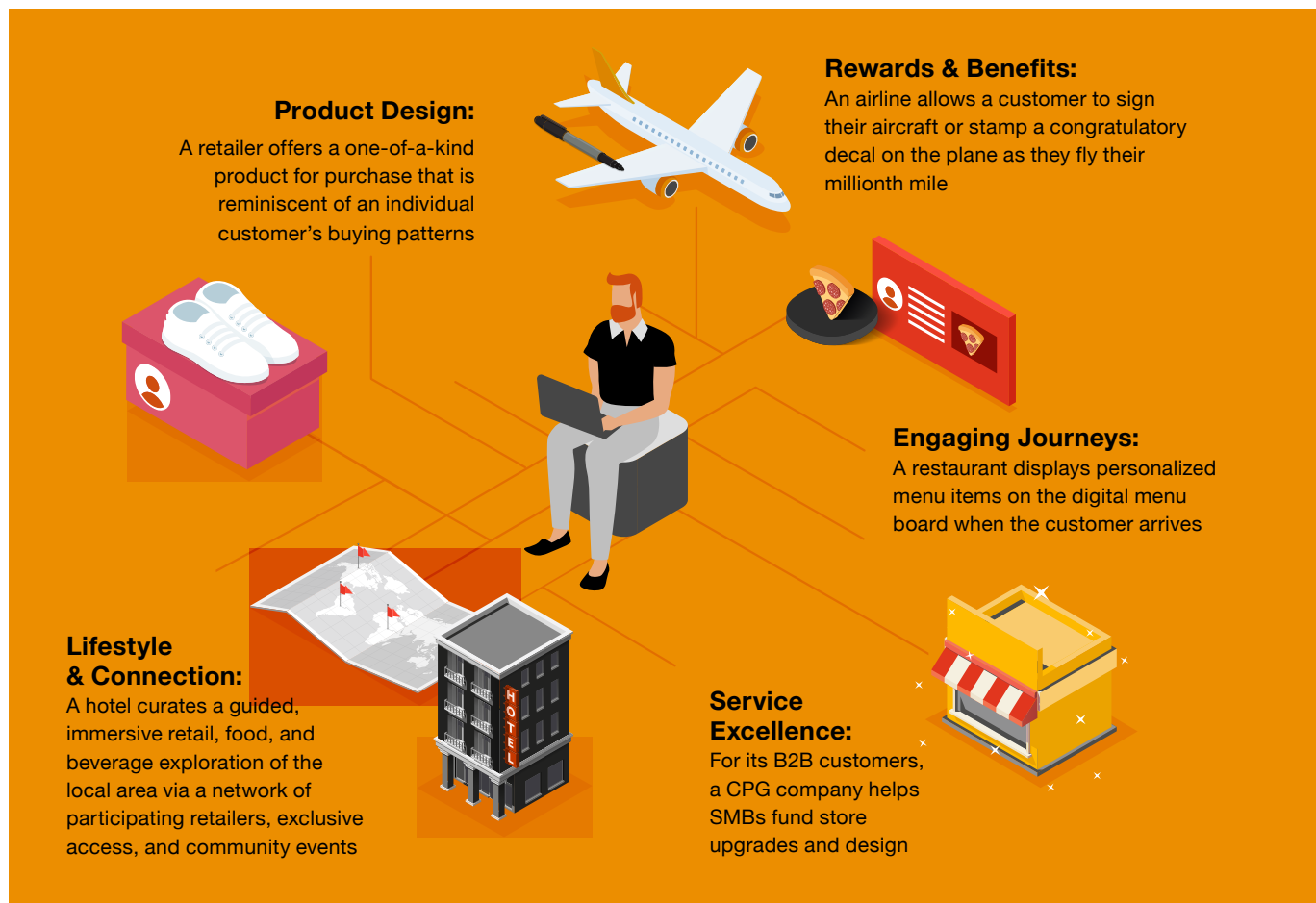
## The second component is to activate experiential strategies and tactics.

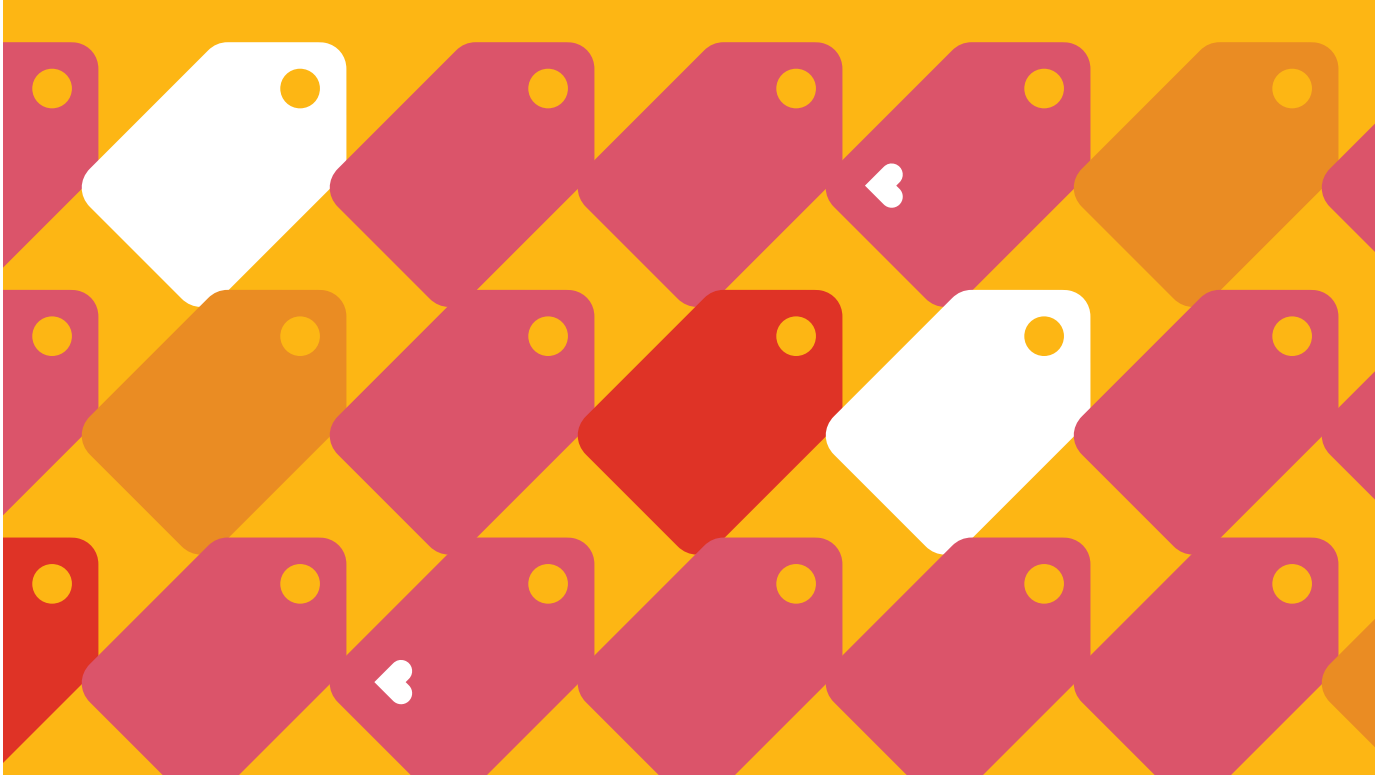
Experiential loyalty programs help brands engage customers anytime and anywhere, transcending traditional end-to-end customer journey paradigms, creating opportunities for evolving interactions that drive delight, ease, and uniqueness. And rather than simply providing rewards for purchases at the point-of-sale, brands can make customers feel valued by providing special and exclusive benefits.

In fact, you can completely rethink reward accrual and redemption with an experiential loyalty program. Whereas a traditional program often limits accrual of rewards to a sales transaction and redemption of rewards to a discount on another purchase, an experiential program moves beyond points as currency to establish an emotional connection between the brand and a customer.

# 80%

of millennials have reported an interest in getting rewards not just for purchases but also for engagement with brands.<sup>3</sup>





**The final component of a successful experiential loyalty program is to measure Return on Experience (ROX).**

ROX speeds the insight to action loop by combining experience data (pulse surveys, social sentiment, and text analytics resulting from call centers and chatbots) with operational data (financial, CRM, loyalty, sales and marketing, supply chain, PLM, human capital management). The resulting insights help inform actions that will drive desired outcomes.

An experiential loyalty program built with these components is designed to drive adoption and sustained engagement, regardless of whether it's a free, subscription, or paid membership model. The goal is to reframe loyalty as a relationship with your customers rather than a series of transactions, and ultimately drive greater purchase frequency, bigger basket size, greater brand advocacy, and increased digital behaviors.



**37%**

of customers are willing to pay to upgrade to an enhanced tier of a loyalty program.<sup>4</sup>

# Executing pragmatic loyalty strategies

**PwC's Loyalty Center of Excellence has collaborated with clients across industries to help solve their most complex loyalty challenges for over a decade.**

PwC has a multidisciplinary team including loyalty specialists, analysts, technologists, accountants and liability specialists, experience designers, and change management specialists. This team has a thorough understanding of how to design and implement B2B and B2C experiential loyalty programs. In fact, it is responsible for the design of some of the world's most innovative and successful loyalty experiences.



## PwC Case Study

### Chipotle

PwC worked with Chipotle to create a loyalty program to drive remarkable relationships, target loyal visitors, and help grow the business. Using PwC's BXT approach, the two companies reimaged loyalty from strategy and experience design to market testing and nationwide roll-out.

#### Business:

Slowdown in demand was a wake-up call as Chipotle realized it didn't have a 1:1 relationship with customers or a way to reach them meaningfully. PwC worked with Chipotle to help create a new kind of loyalty backed by a financial model showing how the program would impact the bottom line.

#### Experience:

A cross-functional design session brought everyone to the table to imagine a new experience, and what it would mean for everyone who interacted with it. A customized change management playbook and training execution program made every employee a change agent.

#### Technology:

PwC technologists defined and influenced the design and tech requirements, enabling Chipotle to build a foundation for loyalty agility through test and learn capabilities.

21 million+

people enrolled in Chipotle Rewards since it began<sup>5</sup>

1 million

enrollments in the first week

99%

increase in digital sales

13.2%

YoY revenue increase





## PwC Case Study

### A Global Beverage Company

PwC worked with a global beverage company to help create a leading B2B loyalty program, where points and transactions are the foundation but the experience is the differentiator. For example, customers can redeem points to earn promotion visibility and early access, put their company's name on a bottle, get free digital advertisements, earn a custom store makeover, and have a celebrity or influencer special appearance.

Leveraging PwC's BXT approach, the company designed the vision and concepts to support the strategic objectives of the company.

#### Business:

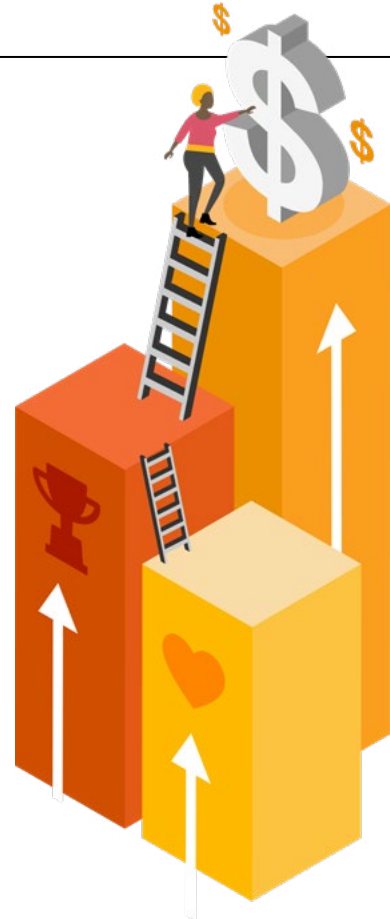
Relationships with small- and medium-sized retailers were transactional in nature and brand loyalty and product breadth was suffering. PwC worked with the company and helped align to a set of KPIs focused on driving increased revenue, margin and loyalty.

#### Experience:

A concept visioning session brought a cross functional team together to imagine experiential concepts that would drive engagement from retailers, support company objectives, and provide financial benefits for both the retailer and the company.

#### Technology:

PwC technologists helped define the loyalty technology and data ecosystem required to fuel the loyalty program, offer customers unique experiences, and provide associates with new insights.



**The program is designed to help drive brand love, customer success, and lifetime customer value through a personalized and rewarding customer experience.**

# Salesforce Loyalty Management

**There has been a gap in the market for an enterprise grade loyalty platform designed to meet the modern needs of the omnichannel world we're living in.**

Limitations in technology meant that it was difficult to pull in data from multiple engagement sources and mine it to create a personalized loyalty strategy. These barriers disappeared with the introduction of Salesforce Loyalty Management, an all-in-one loyalty management platform for B2B and B2C customers that is structured for experiential and personalized loyalty. The platform is built on Salesforce Customer 360 and seamlessly integrates with Salesforce Sales, Service, Commerce, Marketing, and Experience Clouds.

This integration allows a brand to create a complete picture of a customer's likes and dislikes, and buying and browsing habits, to offer each individual tailored rewards and incentives designed to motivate them.

Salesforce Loyalty Management allows for industry and partner-specific configuration, and includes three key priorities that brands are looking for in a market-leading solution:

- Offers a robust feature set that delivers foundational capabilities required to run the program
- Can be scaled for global brands
- Is flexible for future innovation

Loyalty Management is the loyalty technology for both B2C and B2B customers that makes it easier for the brands to manage the program, draw insights, and service the customer through linkage to other cloud offerings like Service Cloud Voice and AMZ Connect.

## PwC's role as design and development partner

PwC loyalty strategists worked with the Salesforce product development team to help design and build the features, roadmap, and overall product. PwC has been a Salesforce partner since 2012 and has won 36 Salesforce awards, including over 25 innovation awards - more than any other systems integrator.

PwC has also developed a proprietary approach to loyalty that includes Loyalty Financial Management services, that enables PwC to integrate Salesforce Loyalty Management and your financial system to enable a suite of financial reconciliation and reporting functions.

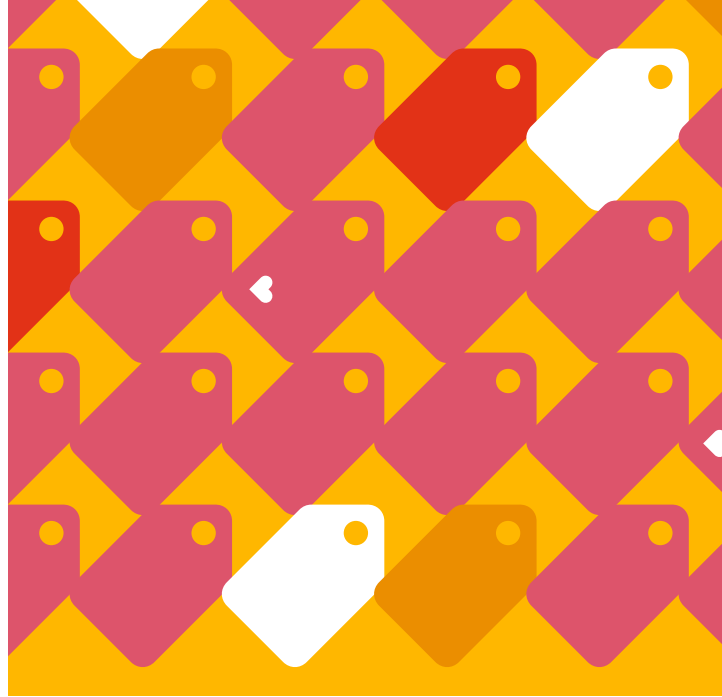
# Bringing the goal to life:

With the combination of PwC's Loyalty Center of Excellence and Salesforce Loyalty Management, the goal of using integrated data from multiple sources to help create a personalized, experiential loyalty program can become a reality.

**There is a 7.5 times lift in member satisfaction when loyalty programs meet customer demands for better, smarter, and enriched customer experiences.<sup>4</sup>**

Salesforce Loyalty Management helps companies pull in customer data from marketing interactions, purchase history, website visits, and more to create a unified view of the customer and inform the personalized promotions they receive. PwC works seamlessly with Salesforce to help you execute program development and achieve speed to market.

Loyalty programs aren't just for B2C audiences, and the time is now for B2B brands to employ experiential loyalty to differentiate themselves and drive increased volume, breadth, and higher margin products into distributors and channel partners.



**With a well-executed experiential loyalty program, PwC experience has shown it is reasonable to expect significant returns, including a:**

**3-10%**

basket size lift

**5-15%**

frequency lift

**5-6%**

margin lift

**60-70%**

Net Promoter Score lift

# Let's do this together.

**There can be no loyalty to the old ways of loyalty. Now is the time to rethink what loyalty means, how you enable it, and how you stand out to rise above the noise consumers experience with loyalty programs.**

The combined power of PwC's Loyalty Center of Excellence and Salesforce Loyalty Management helps both B2C and B2B brands create an experience-led program that will help acquire and retain loyal customers.

PwC's reputation for developing pragmatic global loyalty strategies and following through with effective execution is well known in the marketplace. PwC offers deep industry expertise, local market knowledge, loyalty transformation experience, and creative imagination.



## It's time for a change:

Only 22% of loyalty program members say they are very satisfied with the level of personalization they receive in the programs<sup>1</sup> and only 19% say their program makes them feel special and recognized.<sup>4</sup> In the travel industry specifically, as many as 70% of loyalty members are considering changing their brand loyalty when they return to travel, with 40% likely to do so.<sup>6</sup>



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### **Learn more at:**

[pwc.com/us/loyaltymanagement](https://pwc.com/us/loyaltymanagement)

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