MARIGOLD™

How to Run a Punch Card Program

TECHNICAL LOYALTY BASICS

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

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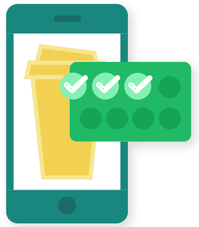


What is a *punch card program?*

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. By giving your customer a visible goal they need to hit (i.e. a set number of times they have to purchase from you), it incentivizes them to repeat that action until they achieve their goal. These repeat actions directly increase customer retention and engagement.

Rewarding your customers for their repeat business also shows that you appreciate them, building onto the emotional connection and the relationship you have with the customer.

Part 1: Design your punch card program

STEP 1: Set goals for your punch card program

Consider what you'll want to achieve with your loyalty program as this will help you with punch card marketing ideas. You'll want to understand what your primary objectives are and the metrics you'll want to measure. Some questions you'll want to answer are:

- What are you looking to achieve with a punch card program?
- Are you looking to increase engagement or customer LTV?
- Are you looking to increase sales or the average order value?
- What metrics are you looking to track?

Giving your overall loyalty program a north star will help you measure the success of your punch card program.

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.

It makes sense that a customer would need to purchase at least 10 coffees compared to the 5 massages before they receive their subsequent rewards.

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

STEP 3: Choose how you'll reward your customers

Determine what types of rewards your customers can receive. 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 can 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 (CM). 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 CM.

STEP 4: Develop a messaging framework and email marketing to introduce your program

Now that you have the foundational strategy of your punch card program, you'll want to plan how you'll market the program and introduce it to your customers! You'll want your messaging to be consistent, compelling, and concise so that you're effectively communicating the value of your referral program to your customers. Be sure to introduce and explain your program across all of your channels, such as:

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

And don't forget to personalize the messaging in these channels! Cater your online messages to promote the most amount of engagement. You can promote high value rewards to customers with the highest LTV or personalize the message that appears on banners or images on your website/emails.

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.

As always, you want to avoid any bad actors from taking advantage of your program so be sure to establish your program's rules, like earning/redemption rules, expiration policies, and penalties for fraud.

STEP 6: Adjust your FAQ 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. Make sure you create a helpful FAQ that identifies the most common questions around referrals. You'll want to anticipate your customer's concerns and provide clear instructions.

STEP 7: Create automated messages

Write messaging that customers in your loyalty program will receive. You'll want to 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

STEP 1: Set up your punch card data in CM

If you're just starting your punch card program, you'll need to make sure your list has the following recommended custom fields. These fields will allow you to run a loyalty program smoothly in CM. Create a **new list** with the following:

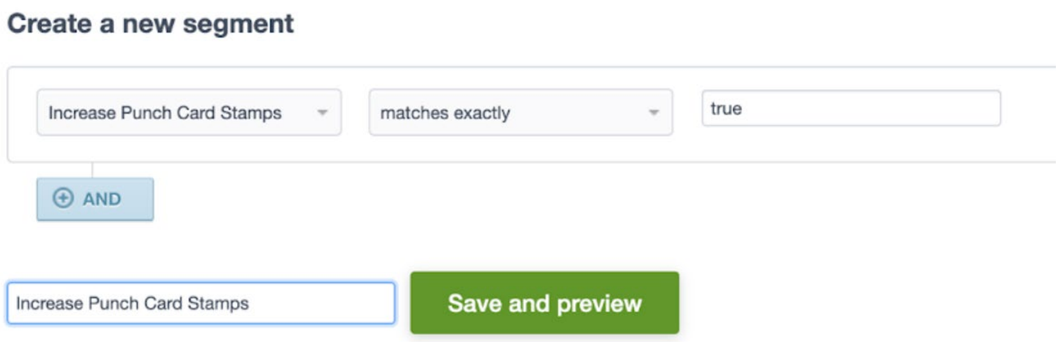
Custom Field Name	Data Type	Personalization Tag	Description
Punch Card Stamps	Number	[PunchCardStamps]	Count of how many stamps a customer has accrued.
Completed Punch Cards	Number	[CompletedPunchCards]	Count of how many punch cards a subscriber has completed.
Last Order Count	Number	[LastOrderCount]	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 CM UI or you are free to use the **Lists API** to add these fields.

STEP 2: Create your segments in CM

In order to trigger Punch Card Program-specific journeys in CM, you'll need to create segments in your loyalty list. Navigate to your loyalty list in CM and create the following segments.

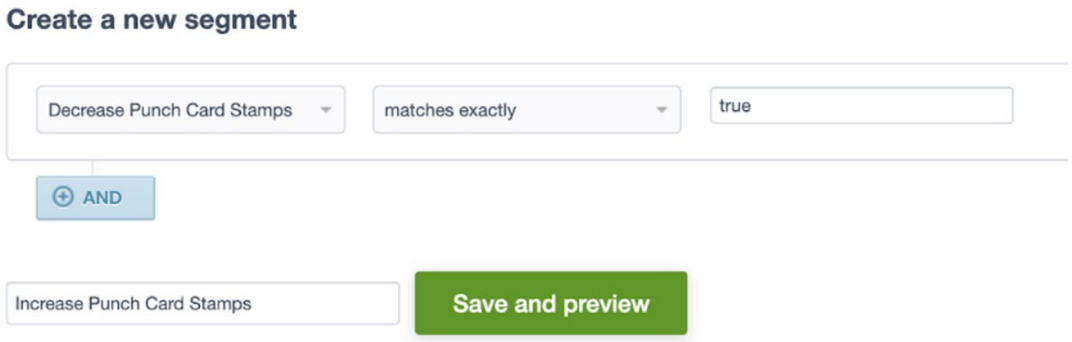
A segment that subscribers join when their punch card stamps need to be increased:



This segment will be used to enter subscribers into a journey that increases their **Punch Card Stamps**. Create a rule where the "**Increase Punch Card Stamps**" custom field *matches* exactly the word "true".

Name this segment "Increase Punch Card Stamps".

A segment that subscribers join when their punch card stamps need to be decreased:



This segment will be used to enter subscribers into a journey that increases their **Punch Card Stamps**. Create a rule where the "**Decrease Punch Card Stamps**" custom field *matches* exactly the word "true".

Name this segment "Decrease Punch Card Stamps".

STEP 3: Initialize punch card data in CM

There are currently 3 ways to populate loyalty data in CM 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
ann.t@example.com	Ann Tenor	unknown	0	0	0
isla.b@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.

POST `https://api.createsend.com/api/v3.3/subscribers/{listid}/import.{xml|json}`

```
{
  "Subscribers": [
  {
    "EmailAddress": "anita@example.com",
    "Name": "Anita Biernow",
    "CustomFields":[
      {"Key": "PunchCardStamps", "Value": "0"},
      {"Key": "CompletedPunchCards", "Value": "0"},
      {"Key": "LastOrderCount", "Value": "0"}],
    "ConsentToTrack": "Unchanged"
  },
  {
    "EmailAddress": "ann.t@example.com",
    "Name": "Ann Tenor",
    "CustomFields":[
      {"Key": "PunchCardStamps", "Value": "0"},
      {"Key": "CompletedPunchCards", "Value": "0"},
      {"Key": "LastOrderCount", "Value": "0"}],
    "ConsentToTrack": "Unchanged"
  },
  {
    "EmailAddress": "isla.b@example.com",
    "Name": "Isla Bebach",
    "CustomFields":[
      {"Key": "PunchCardStamps", "Value": "0"},
      {"Key": "CompletedPunchCards", "Value": "0"},
      {"Key": "LastOrderCount", "Value": "0"}],
    "ConsentToTrack": "Unchanged"
  }],
  "Resubscribe": false,
  "QueueSubscriptionBasedAutoResponders": false,
  "RestartSubscriptionBasedAutoresponders": false
}
```

NOTE:

The Subscriber API requires you to pass `ConsentToTrack` for each subscriber. Be sure to include this parameter for each subscriber.

3. If you have an existing CRM that captures this information and you've integrated the CRM to CM, this data will automatically be passed into CM via the integration. Note that the information must be stored at the subscriber level. See 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 CM:

- **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**

Redemption journeys

At this time, in relation to punch card programs, CM supports automatically providing a customer a coupon code when they complete a punch card. The customer will ideally receive another coupon when they've completed another card.

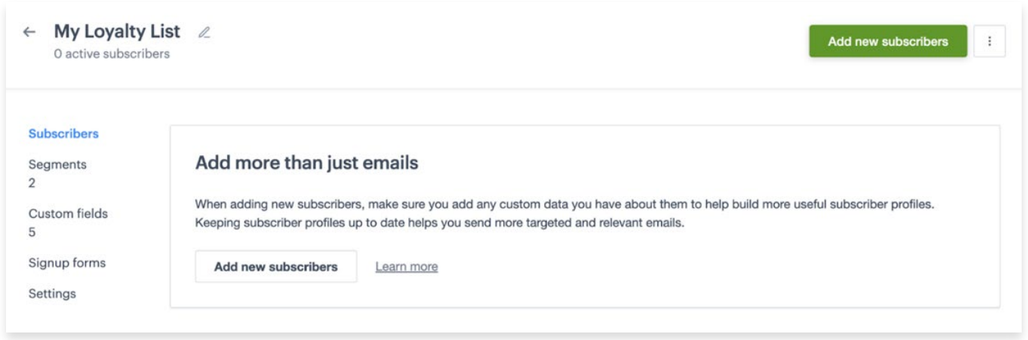
STEP 5: Update the "Increase Punch Card Stamps" or "Decrease Punch Card Stamps" custom fields to trigger automations for your subscribers

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.

Follow your method of choice to update these fields appropriately

STEP 5 | METHOD 1: Upload a file to CM



If you have no technical resources, uploading a file with the most up-to-date data is the simplest way to make sure your loyalty journeys are triggering appropriately.

Setting "Increase Punch Card Stamps" to TRUE for subscribers who have purchased a product or service:

1. When a custom completes an action that **increases** their punch card stamps, add the following information to a single spreadsheet.

email	name	last order count	increase punch card stamps
anita@example.com	Anita Biernow	3	TRUE
ann.t@example.com	Ann Tenor	1	TRUE
isla.b@example.com	Isla Beach	0	

2. Find your loyalty list in CM and upload your file of updated subscriber information.

Important: Be sure you are only including subscribers who need to have their **Punch Card Stamps increased** to make sure you are not giving free stamps away.

Setting "Decrease Punch Card Stamps" to TRUE for subscribers who have canceled a product or service:

1. When a custom completes an action that **decreases** their punch card stamps, add the following information to a single spreadsheet.

email	name	last order count	decrease punch card stamps
anita@example.com	Anita Biernow	3	TRUE
ann.t@example.com	Ann Tenor	1	TRUE
isla.b@example.com	Isla Beach	0	

2. Find your loyalty list in CM and upload your file of updated subscriber information.

Important: Be sure you are only including subscribers who need to have their **Punch Card Stamps decreased** to make sure you are not mistakenly taking away valid stamps from subscribers.

STEP 5 | METHOD 2: Call the CM API

For those with technical resources, calling the CM API is the most flexible way to run a loyalty program. If you've followed the steps listed in **Part 2 - Step 1**, those custom fields are available for you to adjust when a subscriber does an action that will increase or decrease their punch card stamps.

Note: You will need to have access to the subscriber's email and list they're in to update a single subscriber's information via API call.

Setting "Increase Punch Card Stamps" to TRUE when a purchase is complete:

When a custom completes an action that **increases** their punch card stamps, call the following endpoint and parameters:

PUT	https://api.createsend.com/api/v3.3/subscribers/{listid}.{xml|json}?email={email}

```
{
  "CustomFields": [
  {
    // This value will be used to calculate how much to increase the
subscriber's Punch Card Stamps.
    "Key": "LastOrderCount",
    "Value": "5"
  },
  {
    // This value should be set to "true" if a subscriber's Punch
Card Stamps need to increase.
    "Key": "IncreasePunchCardStamps",
    "Value": "true"
    }
  },
    "ConsentToTrack": "Unchanged"
  }
```

Setting "Decrease Punch Card Stamps" to TRUE when a purchase or reservation is canceled:

When a custom completes an action that **decreases** their punch card stamps, call the following endpoint and parameters:

PUT	https://api.createsend.com/api/v3.3/subscribers/{listid}.{xml|json}?email={email}

```
{
  "CustomFields": [
  {
    // This value will be used to calculate how much to decrease the
subscriber's Punch Card Stamps.
    "Key": "LastOrderCount",
    "Value": "5"
  },
  {
    // This value should be set to "true" if a subscriber's Punch
Card Stamps need to decrease.
    "Key": "DecreasePunchCardStamps",
    "Value": "true"
    }
  },
    "ConsentToTrack": "Unchanged"
  }
```

STEP 5 | METHOD 3: Update data via Zapier integration

If you have a Zapier integration, you can easily transfer data from your app into CM! Having a Zapier integration gives you access to data from any **app that it supports**! You won't need to worry about any overhead required to manually call APIs from your store or website.

For instructions on how to build your Punch Card Program with Zapier, view this **article**.

STEP 6: Update existing campaigns in CM to surface punch card data

Keeping your customer informed on how many stamps they have on their punch card 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: Generate new campaigns in CM to create punch card program messages triggered in Automations

Earlier, you made plans on creating automated messages that will help drive and inform customers about your punch card program. Now is the time to create those messages! In CM, create individual campaigns based on the messages you'd like to send off. Once those campaigns are created, trigger these messages to be sent to your customers within an Automation.

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, you'll want to define and start monitoring KPIs related to them. For example, was your goal to increase customer LTV? Then track how much revenue customers within your loyalty program generate before they churn/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 CM.

Part 3: Launch your punch card program

STEP 1: Train your staff members

You'll want to make sure your organization is able to support your loyalty program on all fronts. Imagine you and your teams are rowing the same boat. If your teams have conflicting directions, you'll have one team paddle in one direction and others paddling in another — you'll end up spinning your boat in circles!

Make sure your teams are educated about the program. To do this, you'll need to prepare training materials for frontline team members, customer support, social media moderators, and more. Supportive training material should cover:

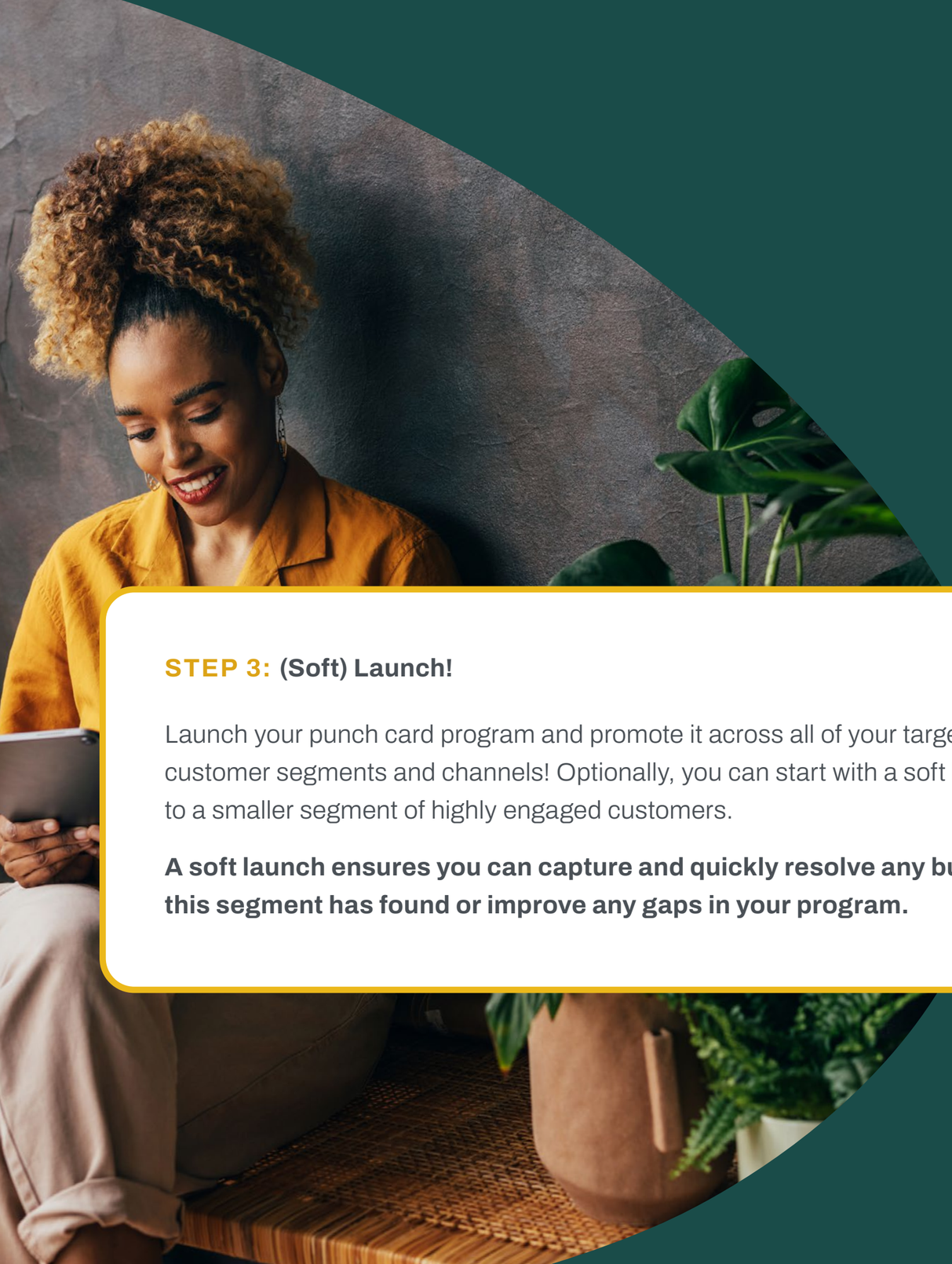
- How to use the punch card system properly
- What the punch card program is about and its goal
- Detailed rules of how the program is run
- Core benefits for customers
- How to recommend and sell the program (include sample scripts if necessary)
- FAQ for employees
- A method to report any issues, problems,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

STEP 2: Prepare a roll-out checklist

You've most likely created roll-out plans across multiple teams, technologies, and channels to support your referral program.

In order to launch successfully, you'll want to prepare a checklist with all the touch-points that you need to verify during the day of release:

- 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!

Launch your punch card program and promote it across all of your target customer segments and channels! Optionally, you can start with a soft launch to a smaller segment of highly engaged customers.

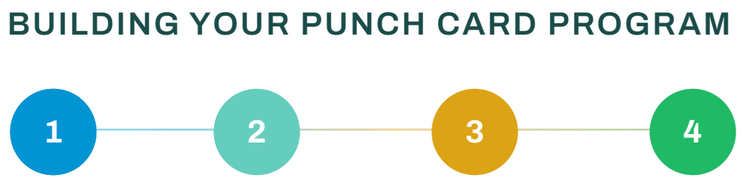
A soft launch ensures you can capture and quickly resolve any bugs this segment has found or improve any gaps in your program.

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



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. Within CM, you can look at how your customers are engaging with punch card campaigns within our **Insights** tool. You can also compare the engagement of customers within the program to those who are not participating to understand if your loyalty-based campaigns and the content within them drive further opens and clicks. 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

After you've launched your program, you'll want to continuously communicate its benefits to both loyalty and non-loyalty participants. You'll want to create a loyalty calendar designed to refine messages to non-loyalty customers, what channels you target, and the segments you market your program to to continue driving participants. You'll also want to refine 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 to show the customer 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.

MARIGOLD™