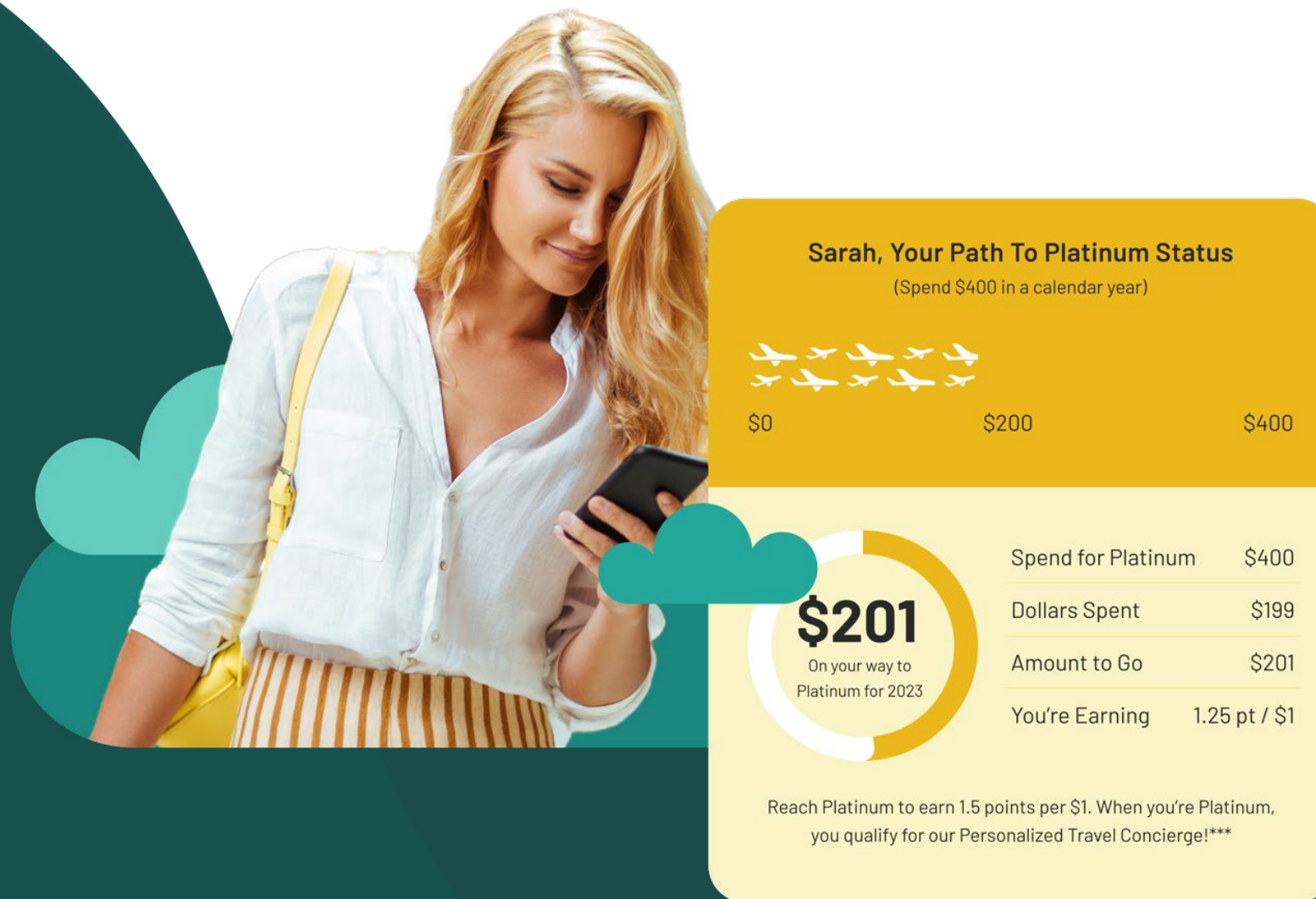# MARIGOLD™

Delight Customers & Drive Loyalty

WITH CAMPAIGN MONITOR BY MARIGOLD

Get up and running with Tier Programs in
Campaign Monitor by Marigold

Table *of* Contents

Sarah, Your Path To Platinum Status
(Spend $400 in a calendar year)

$0 $200 $400

$201
On your way to
Platinum for 2023

Spend for Platinum $400
Dollars Spent $199
Amount to Go $201
You're Earning   1.25 pt / $1

Reach Platinum to earn 1.5 points per $1. When you're Platinum,
you qualify for our Personalized Travel Concierge!***

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 tier 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 *tiered program*.
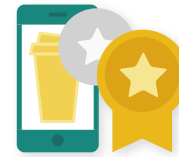
What is a tier program?

A tier program is a type of loyalty program that provides customers with different benefits depending on the tier they're in. Tiers typically take a hierarchical structure in that customers in the lowest tier typically receive less or more limited benefits than the highest tier. For example, a tiered program could look like a "bronze, silver, or gold" membership. In order to be categorized into tiers, customers typically:

- Interact with your brand (also known as an engagement-based tier program). Customers earn points based on purchases and interactions. The more points they earn, the higher the tier they'll be categorized into.

- Pay for membership for different benefits (also known as subscription-based tier program). Customers pay to be categorized into a specific tier. The higher the tier they pay for, the more benefits they receive.

As customers join different tiers, you can provide your customers with updates to their benefits, special discounts, coupons, and invites to exclusive events!

What are the benefits of a tier program?

Similar to other loyalty programs, tier programs boost customer retention by strengthening the relationship between you and your customers. Rewards and benefits — especially exclusive ones — not only make your customers feel valued, but they also incentivize them to keep engaging with your brand to maintain access to those benefits.

Now that you're clear on the benefits of loyalty programs (specifically tier programs), let's get started with setting up your tier program. Keep reading to get a step-by-step guide on how to do so within Campaign Monitor by Marigold.

Part 1: Design your tier program

☐ **Step 1: Set goals for your tier program**

Consider what you'll want to achieve with your loyalty program. Are you aiming to reduce the amount of customers leaving? Or are you looking to increase the amount that each customer spends with your business?

It's important that you define primary objectives and the metrics that you want to measure. Giving your loyalty program a north star will help you measure the success of your program.

Step 2: Determine how customers become part of your different tiers

There are two ways for customers to enter a tier program and increase their membership level:

1. Earning points through continuously purchasing your products or services or engaging with your brand

If you decide to move forward with a points system, you'll need to decide how your customers will generate points. Some ways programs allocate points to customers are when they:

• Create their own account/sign-up bonus

• Purchase a product or service

• Spend a specific amount of money

• Share a product or article with a friend

• Interact with social media posts

• Provide a product review

• Submit answers to a poll or survey

• Refer a friend to create an account

• Refer a friend to purchase a product or service

You'll want to make sure there are multiple ways for your customers to earn points. You'll also want to take into consideration how your customers are interacting with your brand today.
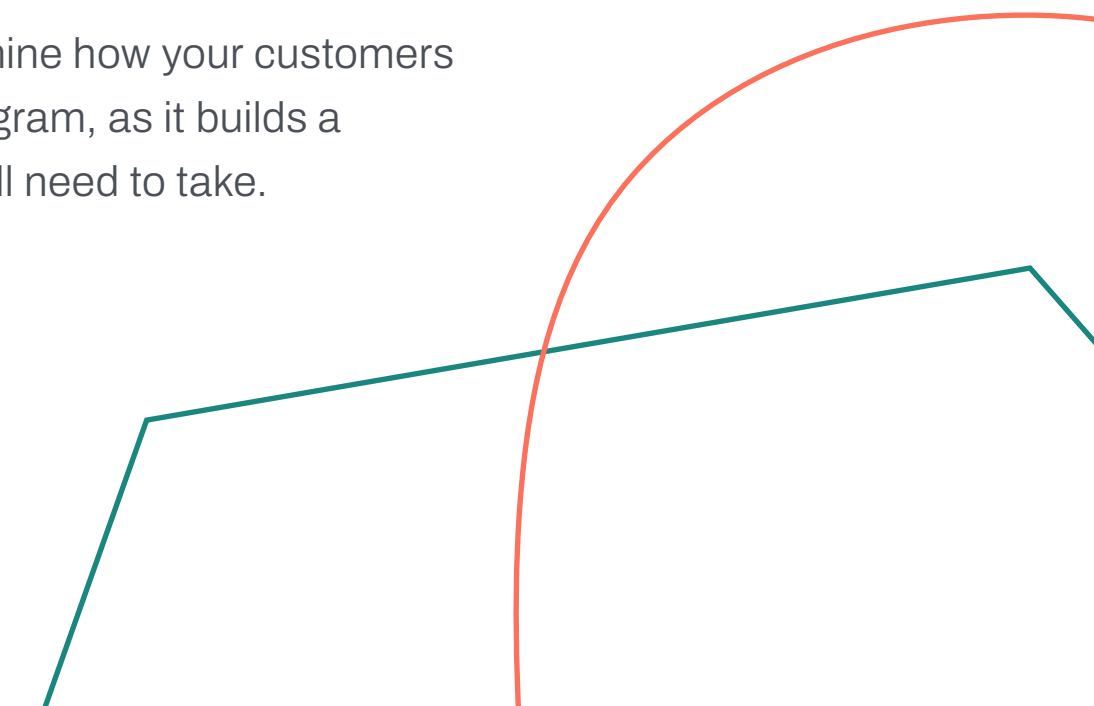
Rewarding customers for actions that they already partake in today will prompt them to continue that behavior.

2. Paying for a subscription to a specific tier

If you decide to move forward with a subscription program, you'll want to consider the following:

• How often will customers need to pay for their membership?

• How much will each membership tier cost?

It's extremely important to determine how your customers become a part of your loyalty program, as it builds a foundation for the next steps you'll need to take.

☐ Step 3: Determine the term length of each tier

It's essential to understand how long customers can stay in a tier and the time needed to collect points for a tier upgrade when creating a tier program.

"Tier term length" refers to the length of time your customer will keep their tier status once they enter your program or enter a specific tier.

Check out our **technical guide** for more information and examples.

☐ Step 4: Identify your program's membership tiers and their benefits

Once you've decided how customers can enter your loyalty program, the next step is to decide what your loyalty tiers are. Many businesses typically offer a free tier to quickly drive conversions. As you build your tiers, you'll want to be sure you're offering value at every level. Remember, customers aren't interested in signing up for your program — they're interested in the benefits they'll receive by participating in it. If the rewards provide little value to customers, there's a high chance that they'll stop engaging with your program soon.

Furthermore, different tiers will receive different rewards. So the messages that each tier receives will differ depending on the level. This is where segments come into play.

To keep your customers interested, some rewards you can provide include, but are not limited to:

- Exclusive access to events, contests, or products/services not typically for sale

- Birthday and anniversary gifts

- Exclusive discounts and coupons

- Free shipping

- Points multipliers

Pro tip: Give your tier levels exciting names! Incentivise customers to engage with you by giving your tiers names that reflect your business and better target your customers.

For instructions on how to build segments, read **here**.

☐ **Step 5: Develop a messaging framework and email marketing plan to introduce your program**

Now that you have the foundational strategy of your tier 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 tier 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! Create online messages that will generate high engagement. You can also promote high-value rewards to customers who spend the most. Or, take it a step further and personalize the message that appears on banners or images on your website/emails.

☐ **Step 6: Add your tier program to your existing terms and conditions (T&Cs)**

If you don't already have existing terms and conditions for your loyalty program, you'll want to specifically call out the program's purpose, rewards, eligibility, and/or restrictions. If T&Cs already exist, you'll want to include how loyalty tiers 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 7: Create your FAQs or adjust an existing one to help customers with common questions**

There's a high chance that you'll receive a lot of questions about your loyalty program and how tiers fit in. You'll want to anticipate your customer's concerns and provide clear instructions with clear FAQs.

☐ **Step 8: Create automated messages**

Draft the messages that will be sent to customers in your loyalty program. Some message examples include:

- Account creation (includes the current amount of points/points gained/etc.)

- Account deletion (includes deletion of points/link to terms and conditions/etc.)

- Actions that accrue points (purchases/reviews/shares/social media actions/etc.)

- Actions that decrease points (reward redeemed/point expiration/etc.)

- Tier upgrades or downgrades

- Program updates
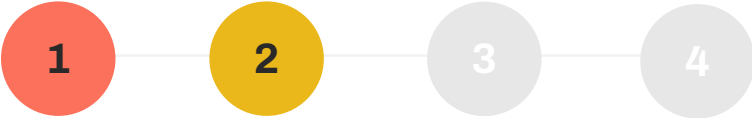
Part 2: Build your tier program

☐ **Step 1: Set up your loyalty data in Campaign Monitor**

If you're just starting your loyalty 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 Campaign Monitor.

Create a **new list** with the following fields.

Custom Field Name	Data Type	Personalization Tag	Description
Current Term Points	Number	[CurrentTermPoints]	Subscriber's current amount of loyalty points for the tier term.
Total Points Earned	Number	[TotalPointsEarned]	Total loyalty points the subscriber has earned all time.
Tier Level	Text	[TierLevel]	Subscriber's current tier level.
Tier Term Start	Date	[TierTermStart]	Date of when the loyalty tier term starts.
(Optional) Tier Term End	Date	[TierTermEnd]	Date of when the loyalty tier term ends.
Last Order Value	Number	[LastOrderValue]	The dollar value of the subscriber's last order.
Increase Points	Text	[IncreasePoints]	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 Points	Text	[DecreasePoints]	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**

To trigger Points 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 create the following segments:

- A segment for each tier

- A segment that subscribers join when their points need to be increased

- A segment that subscribers join when their points need to be decreased

Check out our **technical guide** for more information and visual examples.

☐ **Step 3: Initialize loyalty data in Campaign Monitor**

There are currently 3 ways to populate loyalty data in Campaign Monitor at this time. You can either:

1. Upload a CSV file in Campaign Monitor with the **Points Balance, Total Points Earned, Total Points Redeemed**, and **Last Order Value** custom fields populated for each subscriber.

2. Call the **Subscriber API** to update the **Points Balance, Total Points Earned, Total Points Redeemed**, and **Last Order Value** custom fields for each subscriber in your list.

3. If you have an existing CRM that captures this information and you've integrated the CRM into Campaign Monitor, this data will automatically be passed to Campaign Monitor via the integration. Note that the information must be stored at the subscriber level. See the list of available CRM integrations **here**.

If you are just starting your loyalty program, the values for each custom field will be set to "0", the basic tier level, and the default term start date. Otherwise, populate these fields with the appropriate values from your existing program.

Check out our **technical guide** for more information and visual examples.

☐ **Step 4: Build your loyalty automations to increase or decrease points balance**

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 points balance,
(Optional) And follow up with a message confirming the action.

or

When a customer completes an action,
And their tier changes,
Follow up with a message confirming the action and tier change.

To update a subscriber's points amount and send them rewards, they'll need to be added to a journey. For instructions on how to build points program journeys, please visit our **technical guide**.

☐ **Step 5: Update the "Increase Points" or "Decrease Points" 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. As a reminder, you created your segments earlier in Part 2 (Step 2). So when either the **Increase Points** or **Decrease Points** 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 **Current Term Points** if a purchase was completed. Specifically, you'll want to increase their **Current Term Points** based on the dollars spent on their last order (not including shipping and/or taxes). This can typically be found in your eCommerce or POS system and should be stored in the **Last Order Value** custom field.

Below are 3 ways you can update these fields:

   ☐ Method 1: Upload a file to Campaign Monitor

   ☐ Method 2: Call the Campaign Monitor API

   ☐ Method 3: Update data via Zapier integration

For instructions on each of these methods, please visit our **technical guide**.

☐ **Step 6: Update campaigns in Campaign Monitor to surface loyalty points**

Keeping your customers informed on how many points they have — or how many points they need to reach the next loyalty tier — can entice your customers to purchase more products or engage more with your brand. A message that says "You need 10 more points to become a VIP member" incentivizes the customer, driving them towards a milestone or finish line!

For instructions on how to surface loyalty information in your emails, view this **article**.

☐ **Step 7: Generate campaigns in Campaign Monitor to create loyalty messages triggered in Automations**

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

☐ **Step 8: Define and monitor your loyalty 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 the amount each customer spends? Then it's a good idea to track how much revenue each customer is generating within your loyalty program.

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 tier program

1   2   3   4

Now that your data is ingested and your journeys are set up, it's time to send your first campaign! Below are a few steps we recommend you do:

☐ **Step 1: Train your staff members**

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 points and tier system properly

- What the tier 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 loyalty program. To launch successfully, you'll want to prepare a checklist with all the touchpoints that you need to verify during the day of release.

- Technology — CRM, e-commerce systems, websites, Campaign Monitor, etc.

- Loyalty account / general account creation

- Tier assignment

- Tier Benefits

- Points issuance

- Points redemption (if applicable)

- Visibility and accuracy of data in reports
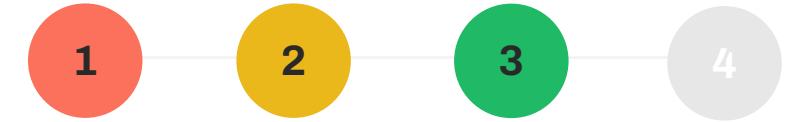
☐ **Step 3: (Soft) Launch!**

Launch your 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 tier program

1 — 2 — 3 — 4

Launching your loyalty program was just the beginning. Now it's time to keep your customers engaged.
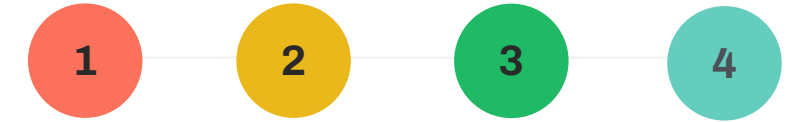
Step 1: Monitor and analyze your performance data

Now that your program is running, you'll want to continuously analyze the performance data of your program. Within Campaign Monitor, you can look at how your customers are engaging with loyalty program-specific campaigns with our **Insights** tool.

You can also compare the engagement levels of customers who are in the program with those who are not to assess whether your loyalty campaigns and their content lead to more opens and clicks. This will help communicate the value of the program to your stakeholders.

Lastly, additional data around your program can be monitored within Google Analytics, your CRM integration, or the analytics platform of your choice.

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

Keep track of the rewards that attract your customers, how they earn points, and how they move through different tiers or utilize other program benefits. If you notice that certain benefits or tiers are underused or problematic for customers, make adjustments to ensure the program continues to meet their needs and preferences.

Step 4: Optimize your communication strategy

Once your program is up and running, it's important to keep promoting its benefits to both loyalty members and non-members. Create a loyalty calendar to customize your messaging for non-members, select your communication channels, and pinpoint target segments to increase participation. Additionally, refine your messages to current program members to boost their engagement with your brand.

Step 5: Refine the redemption process

Once customers start redeeming points or rewards, you'll likely receive feedback on the process. Use this feedback to enhance this aspect of your program, boosting customer satisfaction and demonstrating that your program is continuously improving and delivering ongoing 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

For more information, please visit our **technical guide**.

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