BUSINESS INTELLIGENCE REPORT - GOLDEN MORN MARCH 2024

OVERVIEW

Recent economic downturns and inflationary pressures have created a challenging environment for businesses, leading to consistent price increases on goods and services. This trend poses significant challenges for brands as they strive to maintain customer loyalty and interest in their products. In response, it becomes crucial for brands to adopt and invest in productive strategies to navigate these challenges effectively.

It is important that brands understand the customer buying journey and how to effectively navigate each stage. With a focus on the customer retention stage, this stage is essential for brands looking to build lasting relationships, drive loyalty, and maximize the lifetime value of their customer base.

By prioritizing customer needs, delivering personalized experiences, and fostering strong relationships, brands can increase retention rates and achieve sustainable success in the marketplace.

CUSTOMER RETENTION

Acquiring a new customer can cost five times more than retaining an existing one. While acquiring new customers is important, it's the loyal ones that truly fuel lasting success. Existing customers not only provide consistent revenue but also become brand advocates, thereby reducing acquisition costs. Prioritizing retention is the key to long-term profitability and business endurance.

Customer retention is the ability to keep existing customers over a period of time. It's a measure of how successful a company is in retaining customers and preventing them from switching to competitors. Customer retention is crucial for business because it typically cost less to retain existing customers than to acquire new ones.

1
AWARENESS

2
CONSIDERATION

3
PURCHASE

4
RETENTION

5
ADVOCACY

CUSTOMER BUYER JOURNEY
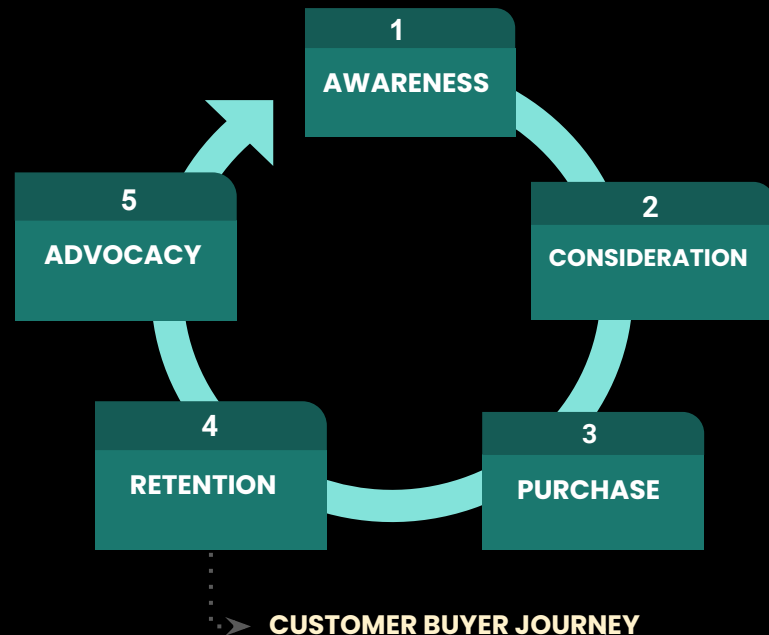
WHY BRANDS SHOULD PRIORITISE CUSTOMER RETENTION

BUILDS BRAND LOYALTY

When customers are happy with a brand, they will always repeat purchase and often share their positive sentiments with others.

INCREASES PROFIT

Loyal customers spend more over time.

REDUCES CUSTOMER CHURN

A high churn rate slows growth and ties up the sales team's efforts.

ROOM FOR INNOVATION

Open doors for experimentation with marketing and branding on a willing audience.

IMPROVES CUSTOMER ENGAGEMENT

This allows brands to fine-tune our product offering to meet customer's demand and improve the buyer journey at every stage.

CUSTOMER RETENTION STRATEGIES THAT WORK

Focus on long-term goals

Build Brand Trust

Reward loyal customers

Be proactive in communication

Prioritize Product Quality

Collect and implement customer feedback

Source: Qualtrics.com
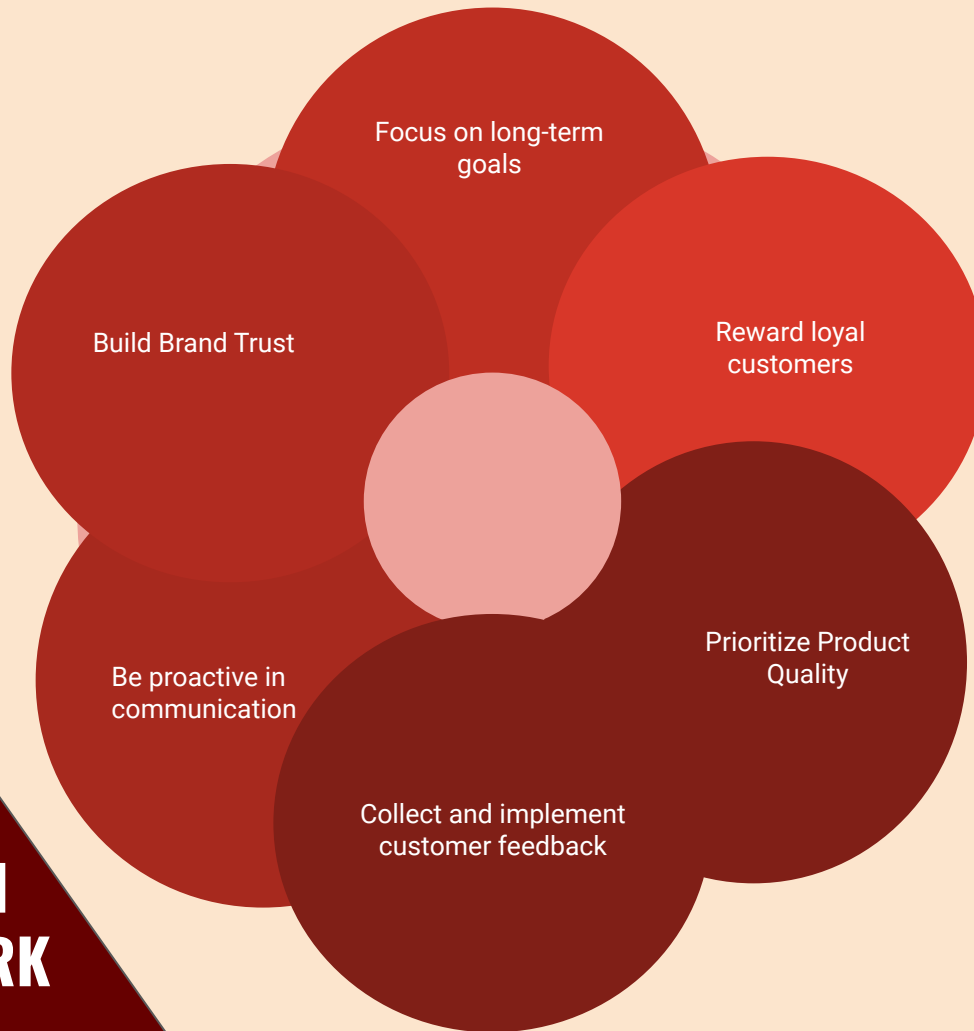
CUSTOMER RETENTION TRENDS FOR 2024

01 EMOTIONAL LOYALTY

Establishing emotional loyalty involves delivering tailored experiences, outstanding customer service, and fostering community and inclusion around the brand. Individuals with high emotional attachment choose their preferred brand for a specific item 82% of the time, whereas less emotionally engaged individuals do so only 38% of the time.

02 GAMIFICATION

Gamification is a growing trend in customer loyalty involving game-like elements in non-game situations, such as marketing and customer engagement. This approach utilizes points, badges, and rewards to motivate customers to interact with a brand, thus enhancing customer loyalty programs and retention.

03 PERSONALISATION

Personalization is a vital tool for businesses, setting them apart and creating deep emotional customer loyalty. Even when alternatives are available, emotionally loyal customers remain committed. Personalization fosters strong emotional bonds with customers, leading to increased visits and spending.

04 TIERED BENEFITS

This aim to incentivize customers for each purchase, encouraging them to spend more. These programs provide customers with different benefits based on their engagement and spending. Customers can unlock rewards like gift cards, coupons, complimentary items, loyalty points, and reduced prices when they reach specific spending thresholds.

05 ARTIFICIAL INTELLIGENCE

Artificial Intelligence (AI) is revolutionizing how businesses interact with customers and shaping customer trends in several ways. AI enables businesses to leverage predictive analytics to anticipate customer behavior. By analyzing historical data and identifying patterns, AI algorithms can predict customer preferences, buying habits, and future actions.

TOP 10 BRANDS WITH THE MOST LOYAL CUSTOMERS IN 2023

Rank	Brand	Category
1	Apple	Smartphones
2	Amazon	Online Retail
3	Domino's	Pizza
4	Netflix	Video Streaming
5	TikTok	Social Networking
6	Nike	Athletic Footwear
7	WhatsApp	Instant Messaging
8	Samsung	Smartphones
9	Amazon	Video Streaming
10	Apple TV	Streaming Video
11	YouTube	Social Networking

Source: Qualtrics.com

CASE STUDY: HOW DOMINO'S CREATE LOYAL CUSTOMERS

DOMINO'S LOYALTY PROGRAMs

Dominos Pizza made it to number 3 on the top 10 companies with the most loyal customers in 2023.

The pizza chain's transactions increased in Q4 of 2023, largely due to the unique buy-one, get-one-free promotion and growth in its reconfigured Domino's Rewards loyalty program.

The company added 3 million active loyalty members, 2 million since the change to the program, and Domino's Rewards now has 33 million active members.

Fueling that growth was the company's "Emergency Pizza" promotion in the quarter in which the company gave customers a voucher for a free, two-topping medium pizza that can be redeemed within 30 days.

The Emergency Pizza program required users to join Domino's Rewards, which drove up membership. Also, Domino's stock rose more than 6% during this period.

Domino's loyalty relaunch draws 2M new members

The pizza chain's updated rewards offering, strengthened by its emergency pizza marketing stunt, helped bolster traffic and comparable sales.

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THANK YOU