

## Is your local, loyalty strategy aggressive? Or (gasp) an afterthought?

**Whether you own one shop, several locations, or are part of a national brand, your survival depends on happy customers and repeat business.** No easy task in the heat of thick, local competition. But costly

if outdated or ignored. Research states:

- 46% of consumers are likely to switch providers<sup>1</sup>
- U.S. “switching economy” is up 29% since 2010 as companies struggle to keep up with the nonstop customer<sup>1</sup>
- 82% of companies agree that retention is cheaper than acquisition<sup>2</sup>

To help you reduce risks, time and expense, we’ve put together this guide.

### 10 ways to build loyalty for your local business



1. Deliver brand consistency and relevant value
2. Know your competition and differentiate your business
3. Leverage your data
4. Advertise in your communities
5. Use hyper-local targeting online and offline
6. Adjust and optimize to improve performance
7. Make personalization a priority
8. Develop coupon and loyalty programs
9. Be social and create a loyalty app
10. Ensure you get positive reviews

Sources: <sup>1</sup>Accenture “Switching Economy” Research, 2015; <sup>2</sup>“Marketers More Focused on Acquisition Than Retention,” Econsultancy, 2014

# #1: Deliver brand consistency and relevant value

Consumers lead busy lifestyles today and shopping local has become very attractive. Seeking instant gratification as well as money-saving deals, the majority of consumers prefer to shop at a physical store, even millennials:

- 92% of millennials plan to shop in-store as often or more than they did in prior year<sup>1</sup>

To keep customers coming back, you've got to meet their expectations and be consistent with your brand voice in every interaction, whether spoken or written – in your print ads, flyers, emails, digital/mobile ads, reward programs, and your website.

**Deliver relevant, local, value-oriented messages.** What will be irresistible and appreciated by those who frequent your place and can spread the word? Deals matter. For example, among customers who visit quick service restaurants (QSR):

- 29% switch for new item promotions and coupons
- 12% go for lowest prices and discounts<sup>2</sup>

**Local advertising revenue is forecasted to increase to \$146.6 billion in 2016.**<sup>3</sup>

Prepare to defend and cut through the crowd – no matter the size of your business.



Sources: <sup>1</sup>TimeTrade, State of Retail 2015; <sup>2</sup>NPD Crest, 2016; <sup>3</sup>BIA/Kelsey, U.S. Local Advertising Forecast 2016

## #2: Know your competition and differentiate your business

Study the competition. What makes you different? Capitalize on your unique strengths or create new ones. For ideas on what will resonate with customers, keep tabs on industry news. Subscribe to industry publications or online newsletters. Ask yourself what you're missing out on. How can you beat your competition to the punch? Current customers typically welcome new reasons to visit you if it adds value to their day.

**National brands, keep in mind that a local strategy** is not just the national strategy with a smaller font. If you've lost perspective on the competitor around the corner, it's time to take a closer look. In the Chicago area, for example, local independent grocers have reshaped that entire market by tailoring their product selection – especially produce – to the surrounding neighborhoods. Because of this, these fiercely competitive, quality local grocers have been consistently growing their market share in Chicago. In fact, according to Trade Dimensions data, from 2012 - 2015, local grocers in Chicago have increased their grocery store market share by 43% (31.5% in 2015 vs 22% in 2012). What's the comparable story in your vertical?



## #3: Leverage your data

Like many time-starved marketers, you may wrestle with your advertising message and overlook your own secret weapon – **the customer buying behavior embedded in your transaction data.** Failure to mine this data to understand the unique geographic and psychographic characteristics of your customers is a big risk. It will help you locate lapsed customers and your big fans, and customize offers that show you understand them.



At a high level, differences like these – urban versus rural and warm versus cold climates – provide prime opportunities to tailor your messages and enhance relevancy. Drill down and analyze specifics. Track as much data as you can about customers, sales, promotions, competitors, marketing and advertising, web traffic... the list goes on. Analytics tools may show past results and patterns.

Find a partner who will provide expert analysis and actionable insights. Valassis excels here as part of our intelligent media delivery.

## #4: Advertise in your communities

When we travel, the best sources of recommendations are local residents, right? When you advertise, go where the locals go, with at least part of your media spend.

- 63% SMB owners say: Marketing/selling directly to the local community is a key component of our company's success<sup>1</sup>
- 50% of national companies surveyed expect the ROI on local marketing expenditures to be higher than that from national campaigns (up from 37% in 2012).<sup>2</sup>



**You don't have to spend a lot; there are plenty of budget-saving, creative ways to advertise in your communities.** For example, Clipper Magazine (also published as Local Flavor, Mint Magazine, Savvy Shopper, Home & Décor Ideas, and Prestigious Living) is a community-oriented, direct mail magazine that is proven to increase visibility, store traffic and sales. Learn more at [clippermagazine.com](http://clippermagazine.com).

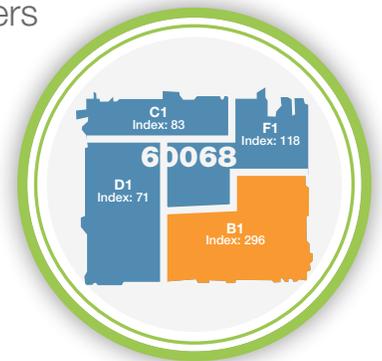
Sources: <sup>1</sup>The Business Journals, 2016 SMB Insights; <sup>2</sup>Baliho Research study, 2015

## #5: Use hyper-local targeting – online and offline

**Other ways to “get local” in your advertising?** Consider targeted online and offline media options around your community footprint. Bolster neighborhood marketing support around stores and in areas that are key growth opportunities or that face increased competitive pressures.

Of course, when building loyalty is the objective, the closer you can get to reaching individuals or household-level targeting the better. Next best is sub-ZIP Code or neighborhood-level, which also helps you scale your program. Oftentimes, birds of a feather flock together. If you find a pocket where loyal customers live, there are likely to be more who fit the same profile and it would be worth sending your advertising offers.

Ask Valassis about our superior, hyper-local print and digital targeting and media options.



## #6: Adjust and optimize to improve performance

**Local media allows you the flexibility to adjust quickly and react to area needs, all the while keeping local relevance a focus.** That's a win for any advertiser – large and small.

When (nearly) real-time data is available from digital and mobile campaigns, you can see what is and isn't working, and implement changes fast.

The ultimate solution is a combination of print and digital to engage and activate your customers when and where they prefer. How do you know where to allocate your media spend? You can start by inquiring what has worked for other similar businesses. Launching your own program and analyzing results, of course, will allow for making improvements to consecutive campaigns.



Check out the unique Valassis Apio™ capability that fuels cross-channel campaign optimization. See video on [Valassis.com](http://Valassis.com).

## #7: Make personalization a priority

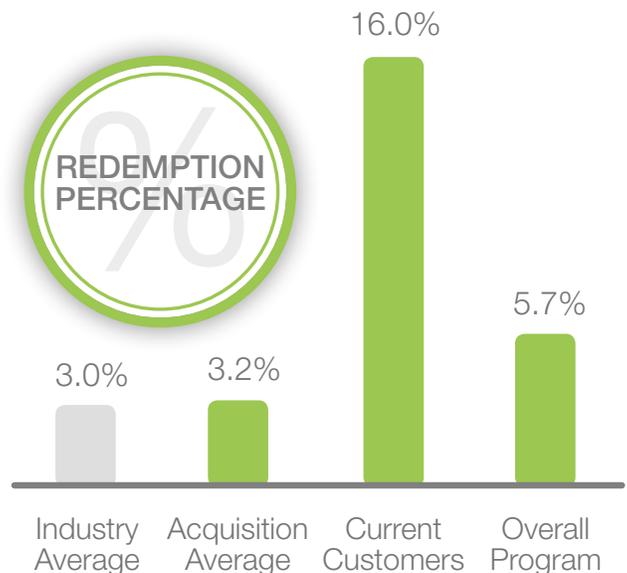
**By personalization, don't just think Dear Jessica.** Here's where your customer database can be most valuable. Personalization is the trend and is destined to become the norm. It's the supreme loyalty tactic. After all, patrons give their personal information expecting you to use it – wanting something meaningful and useful in return.

- 79% of consumers expect personalization<sup>1</sup>
- 40% of senior marketers say higher loyalty and retention are a benefit of personalization<sup>2</sup>

Personalization takes many forms, including the customer's desired way to receive advertising and information, as well as timing and frequency. Relevancy is demonstrated when you apply household data (such as marital status, presence of children and pets, purchase history, coupon responsiveness, interests, lifestyle, etc.) to design your message and offer.

Are you concerned about cost? Look into our Variable Data Postcard (VDP) product, which offers 1:1 messaging at saturation pricing. See how it performed for this local client.

*Farm & Home Hardware store mailed (Variable Image) VDPs, delivering different creative offers to members and non-members. Proved their reward members are very loyal and promotion sensitive.*



Sources: <sup>1</sup>AgilOne Consumer Survey, 2014; <sup>2</sup>eMarketer, CMO Council, "Brand Attraction from Enriched interaction," 2015

## #8: Develop coupon and loyalty programs

**Who doesn't like rewards?** Whether it's a higher discount, gold-member perks, or free drinks, food, gasoline or fitness classes, they all keep customers coming back for more. Everyone is accustomed to grocery and drug store loyalty cards, and local businesses' paper punch cards. But look at your smartphone-dependent shopper and expand your thinking.

*"Don't set out to create a 'mobile coupon program' or a 'mobile loyalty program.'*

***Rather, create a loyalty or coupon program that integrates aspects of online and offline** and that makes the most unique sense for your customer. It may make sense for a coffee shop to integrate payment with its mobile loyalty program, but it might not make sense for a warehouse store."*

— EContent, May 23, 2016

**Rutgers Business School professor, Stacy Smollin Schwartz, recommends omni-channel marketing.**

## #9: Be social and create a loyalty app

**Maximize customer engagement.** Only 80 percent of small businesses are active on social media.<sup>1</sup> So join Facebook, Twitter, LinkedIn or as many sites that make sense to promote your business. Your loyal customers are likely to share and spread the love.

A hot new ticket that is gaining momentum – similar to when businesses saw the beauty of having their own websites – is developing your own mobile app.

- Non-game app downloads are estimated to grow 23% through 2020
- Include your menu or product/service offerings with a price list
- Send push notifications

To make it easy for local businesses, Clipper Magazine is creating “Total Loyalty Solutions” mobile apps. Over 1,000 SMBs are already reaping the benefits.

For example:

***“Our restaurant’s push notifications bring customers through our doors.*”**

*Then our app’s punch card brings customers back for additional visits. In fact, we’ve had over 1,000 visits generated by the app in just a few months.”*

**Owner of Ocean Thai Cuisine, attests to the success of its TLS-built app.**

Sources: <sup>1</sup>“Small Business Statistics & Trends,” RMP Capital Corp., Feb 2016; <sup>2</sup>Mobile App Forecast, Biznessapps, Feb 2016

## #10: Ensure you get positive reviews

**Provide quality. Not just in your products, food or service, but also in your interactions with customers.** Bend over backwards to ensure their experience is beyond satisfactory and to further elevate your company's reputation.



**90% of consumers are more likely to buy when helped by a knowledgeable associate<sup>1</sup>**

Also, monitor the internet and see what people are saying about you. According to BrightLocal: **92% of consumers now read online reviews<sup>2</sup>**



Create a good impression and favorable reputation with readers by responding to each review. There are online tools that will track feedback for you. Also, check business listings for accuracy so you can easily be contacted and located.

Sources: <sup>1</sup>TimeTrade, State of Retail 2015; <sup>2</sup>BrightLocal, 2015 Local Consumer Review Survey

## Everybody loves a great come-back story.

Put these Top 10 practices to use and prepare for a lift in returning customers. All in all, by leveraging your data, personalizing your locally-targeted advertising, and integrating print, digital and mobile, you'll gain ground with consumers and stay high on their list of favorite local places.

## About Us

**Valassis** is a leader in intelligent media delivery, providing over 58,000 clients with innovative media solutions to influence consumers wherever they plan, shop, buy and share. By integrating online and offline data combined with powerful insights, Valassis precisely targets its clients' most valuable shoppers, offering unparalleled reach and scale. NCH Marketing Services, Inc., Promotion Watch, and Clipper Magazine are Valassis subsidiaries, and RedPlum is its consumer brand. Its signature Have You Seen Me?® program delivers hope to missing children and their families. Valassis is a wholly owned subsidiary of Harland Clarke Holdings Corp.