

LOYALTY IS BETTER BUSINESS

Why gift and loyalty programs make your business better.



BUSINESSES WITH LOYALTY PROGRAMS ARE **60% MORE PROFITABLE** THAN THOSE WITHOUT



FOR THE 2013 HOLIDAY SEASON, **MORE THAN 80%** OF CONSUMERS INTENDED TO PURCHASE A GIFT CARD



CONSUMER **SPENDING IS 46% HIGHER** WITH COMPANIES THAT OFFER LOYALTY PROGRAMS



78% OF CARDHOLDERS USE THEIR LOYALTY CARD **EVERY TIME THEY SHOP**



COMPANIES CAN **BOOST PROFITS BY ALMOST 50%** BY RETAINING JUST 5% MORE OF THEIR CUSTOMERS



OVER 94% OF HOUSEHOLDS PARTICIPATE IN AT LEAST ONE CARD-BASED LOYALTY PROGRAM



10 WAYS LOYALTY PROGRAMS CAN IMPROVE YOUR BUSINESS

1 RETAIN CUSTOMERS

A no brainer. If you can offer your current customers extra incentive to continue buying a product or service from you, you'll have a hard time losing them to your competitors.

2 ACQUIRE NEW CUSTOMERS

As you probably know, the competitive marketplace can get pretty fierce. Customers have a lot of options out there and are always looking for a perk to sway them one way or another. Your loyalty program can be that perk to bring in new faces.

3 CUSTOMER RELATIONS RESCUE

Turn a bad customer experience around and say "We Apologize" with a gift card. While that may not always remedy the situation immediately, it almost always results in the customer returning and making future purchases.

4 RECOVER LOST CUSTOMERS

It costs more to acquire new customers than to keep the ones you have happy. What better way to keep the customers who you haven't heard from in a while happy than with a 'We've Missed You' campaign tied to your loyalty program?

5 CREATE ADVOCATES

Word of mouth is the most effective form of advertising. Positive experiences encourage shoppers to share said experiences. Loyalty programs can give customers those warm and fuzzies every time they earn by shopping with you. Warm and fuzzies = sharable experiences.

6 TARGET YOUR BEST CUSTOMERS

We all appreciate a little recognition. Same goes for your best customers. A loyalty program makes it possible to accurately identify who those customers are so you can return a little of the love they've been ending you so much of.

7 KEEP RETURNS IN-HOUSE

Almost 9% of all merchandise purchased during the holidays is returned. Use this opportunity to exchange returned merchandise for store credit using a gift card. That way the customer can choose their own gift, while you still keep the profits. Plus, it puts your brand in their hand.

8 RESPOND TO COMPETITIVE CHALLENGES

Loyalty programs offer you the flexibility to quickly respond to competitive challenges, whether they are a competitor opening up across the street or an online merchant entering your space. Rewards promotions can reduce your defection rate and effectively handle any competitive threats.

9 SELECT PRODUCT LINES EFFECTIVELY

Another bonus that the data generated by loyalty programs provide is foresight – the foresight to precisely predict customer buying habits. You can make sure your shelves are stocked with all of your customers' favorite accessories.

10 REDUCE PROMOTIONAL AND ADVERTISING COSTS

Advertising ROI is often times hard to track. You know what isn't hard to track? The effectiveness of a loyalty program. Such programs add the ability to offer the right customer the right offer at the right time.

COMPREHENSIVE SOLUTION SET

A gift card today, a rewards card tomorrow. They should not be mutually exclusive and you need to pick a partner whose platform supports both today.

Your gift card program should be incorporated into your business' overall marketing plan, not just an alternative form of payment for your customers. Providing your customers with a comprehensive, single-source card that doubles as a rewards card has many advantages.

Heartland provides the combination of a reloadable gift card and loyalty program in a single card. We help your franchise customize a loyalty program that's right for you and your customers to create a loyalty program that works best for your business. Cards are swiped on existing payment terminals or on a virtual terminal. Comprehensive web-based reporting tools offer insights into customer spending and purchasing habits allowing you to see how your loyalty program is working for you.

REDUCE COSTS

Look for ways to allow gift cards to be used as cash rewards or designed to accommodate a separate currency. This way you can utilize the same plastic for multiple purposes and save on card production and inventory costs. Plus, running multiple programs through a single processing provider will lower your total transactional costs.

LEVERAGE PROVIDER KNOWLEDGE

Depending on the provider chosen, packaging your gift card and reward programs can help you increase revenue via the benefit of business intelligence and consultative services. The provider can offer you insights from customer data analytics and other industry expertise to optimize your program and grow your business while controlling costs.

THINK "FUTURE STATE"

Always think ahead about where you'd like your program to go. Look for a provider that can move you into the virtual and mobile space—if it's right or when you're ready—and can offer new technologies as they become available. The reason is pretty clear: the average amount loaded on a digital gift card is up to 15% more than a plastic gift card and more than half of retailers plan to offer this service by 2015.

MAKE IT AUTOMATIC

Getting customers to reload a gift card encourages return visits. Look for a provider that allows customers to set-up auto reload by minimum balance or by frequency (monthly, bi-weekly). You can also encourage gift card reloading by offering a bonus ("Reload \$20 on your card and receive an extra 20%").



BEST PRACTICE:

THINK LONG TERM

Don't just think about payment processing and gift card swipes. Consider how you can get a total solution in one package. A gift and rewards/loyalty program bundled together can save you money and give you much more opportunity to grow over time.

PROGRAM SUPPORT



LOOK FOR A PARTNER, NOT JUST A PROVIDER

Putting a program in place is about more than just picking a processing provider and choosing a fancy card design. Your success is entirely dependent on your rollout and training efforts. That's why you should choose a processing provider with an established track record and a rollout and training methodology that's been tested and proven over time. Heartland is committed to customizing these plans and materials to fit your business's unique setup and culture.



MERCHANT TRAINING

All employees must share the commitment to a successful gift card program, so training and execution are critical. Employees must know the basics of how to load, redeem, and run end-of-day reports. This may sound simple, but it creates a sense of uniformity amongst your staff.

Put your terminal training materials next to your POS or register for employees to refer to as needed, implement employee incentives during the gift card kickoff period and key holiday promotional periods and provide webinars and regional training for store managers. Heartland is dedicated to providing all of the materials necessary to ensure the success of your team's training.

ABOUT HEARTLAND PAYMENT SYSTEMS

In 1997, Bob Carr founded Heartland Payment Systems to provide merchants with fair credit, debit and prepaid card processing at clear and straightforward pricing. Under Bob's leadership, Heartland is now a Fortune 1000 company processing more than 2.8 billion transactions annually on behalf of more than 250,000 business and education locations nationwide.

A staunch merchant advocate, Heartland is committed to reducing merchant costs and providing them with representation with the card brands. Heartland helps protect consumers, financial institutions and other processors through its founding and continued involvement in the Payments Processor Information Sharing Council (PPSIC).

Heartland processes all card transactions on its proprietary networks, and helps merchants of every size grow their business with value-added services such as data security, payroll solutions, managed network solutions, and loyalty, gift card and rewards programs.

A SAMPLING INCLUDES:

- E3™ – end-to-end encryption protects card data from the moment of card swipe through the Heartland network—not at just certain points of the transaction flow.
- Heartland SmartLink – a managed network solution that maximizes connectivity and lowers overall costs across all of your locations.
- Heartland Marketing Solutions provides high-powered, customer-engaging, multifunctional services for merchants and restaurateurs that want to acquire new guests and grow existing client relationships.
- Mobuyle™ lets you accept payments anywhere with a smartphone or tablet.
- Our comprehensive suite of payroll and human resources-related solutions helps ensure your employees are paid accurately, and your chances of costly litigation and regulatory audits are reduced.