

The Ultimate Guide to Building and Maintaining Customer Loyalty



Customer loyalty is vital to the growth and longevity of your business. In fact, increasing customer retention by 5% [increases profits between 25-95%](#). You want to break through the competition and bond with your audience in a way that encourages their devotion.

Here is your guide to developing and maintaining customer loyalty and ultimately, increasing your profitability.

Table of Contents

Chapter 1: What Is Customer Loyalty?	1
Why is customer loyalty important?	
How does customer loyalty improve brand image?	
How does customer loyalty minimize costs?	
How does customer loyalty improve forecast accuracy?	
Chapter 2: Strategies for Building Customer Loyalty	3
1. Provide outstanding customer service	
2. Reward customers with special offers and discounts	
3. Leverage user-generated content (UGC)	
4. Create a unique customer loyalty program	
Chapter 3: How to Build a Customer Loyalty Program	5
Know your customers	
Create a sense of community	
Get personal	
Chapter 4: How AdRoll Can Help You Increase Brand Loyalty	6

Chapter 1:

What Is Customer Loyalty?

Customer loyalty is achieved when customers purchase your product or service repeatedly, enthusiastically, and without much consideration of your competition. It's typically the result of offering a terrific product combined with authentic branding, personalized marketing, and excellent customer service. Most importantly, customer loyalty is the ultimate goal of nearly every company.

Why is customer loyalty important?

Loyal customers are one of the most valuable assets of any business. They provide a stable revenue stream, ongoing referrals, and strong social proof that serve as the lifeblood of any successful company. According to business.com, returning customers also spend [67%](#) more than new customers. Some other advantages include:

- **Savings on marketing costs:** Attracting new customers requires market research, advertising budget, time, resources, and strategy. On the other hand, existing customers are already in your email list, and many are engaging with your brand on social media.
- **Sell new products:** Assuming that existing customers enjoy their previous purchases, it should be relatively easy to convince them to try other products as well.
- **Build referrals:** [83%](#) of people rely on friends recommendations, and 66% trust online reviews. When you build customer loyalty, you're also building essential referral networks. These networks will help spread the message about your brand, get more eyes on your offerings, and boost conversions.
- **Increase sales and profits:** 65% of a company's revenue comes from existing customers. This poses a huge opportunity to increase your loyalty efforts by just a small percentage to see a jump in revenue.

How does customer loyalty improve brand image?

Loyal customers often share product and service feedback with your company and their networks. This type of social proof is a crucial part of the buying decision process for other consumers. You can share these testimonials, customer reviews, and feedback on your website or social media platforms.

Honest feedback can help you to improve products and service delivery, gain consumer trust, and boost sales. All of these activities will help retain customer loyalty and strengthen your brand image, beyond what brand awareness advertising ever could do alone.

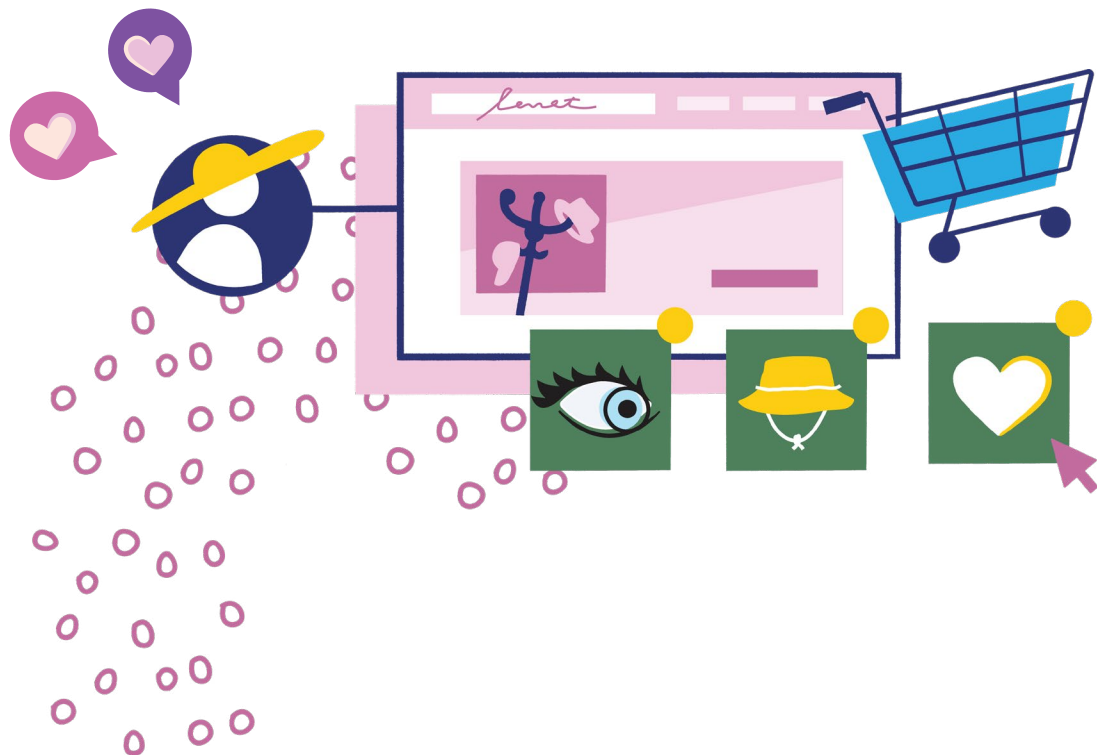
How does customer loyalty minimize costs?

Serving loyal customers is [very cost effective](#). These returning customers are already familiar with the products and services you offer and can help market them to their friends and family using word-of-mouth and social sharing. This free promotion will help minimize service and marketing costs. Since you already have their contact information, and they are likely following you on social media, it is free and easy to communicate with them about new products, sales, or other company information.

How does customer loyalty improve forecast accuracy?

Forecasting is a vital part of planning and running your business. Accurate forecasting makes it easier for companies to calculate growth rate, determine expenditures or discounts, and plan for emergencies. The feedback and testimonials from loyal customers will provide your business with valuable information about your product or service pricing, areas that need improvement, and the type of products these customers expect in the future. Since they purchase regularly, loyal customers can help you set realistic expectations for sales and stabilize or offset variations in buying patterns.

Now that you know all the reasons why you should prioritize customer loyalty, let's take a look at how to build it.



Chapter 2:

Strategies for Building Customer Loyalty

1. Provide outstanding customer service

Excellent service can help to create lifelong customers. According to American Express, about 60% of customers will consider switching brands after two to three instances of poor service. Listen to your customers' needs and provide a solution to their requests and concerns in a timely manner. Also, make it easier for your customers to get in touch with your business by leveraging available technologies. Many companies are starting to employ AI chatbots to provide 24/7 assistance to website visitors. These chatbots can provide relevant product recommendations that help to boost conversions and even upsell consumers.

2. Reward customers with special offers and discounts

Keep your customers coming back by giving them special offers, sales, and discounts as a "thank you" for their business. Ensure that the special offer or discount is relevant to the needs of each particular customer to increase success rates. Regardless of your preferred strategy, always make an effort to help them feel appreciated.



3. Leverage user-generated content (UGC)

Businesses can build and maintain customer loyalty by promoting user-generated content (UGC). A [UGC strategy](#) helps your audience feel seen — like they're part of your brand.

To create an effective UGC campaign, you can develop a hashtag that people use to participate in your program. Many customers will take part just to see their images or stories shared on your company page. Or, they may join in on the fun if you provide an incentive, like a giveaway.

Examples of UGC include photos of customers wearing their favorite items from a new clothing drop and Instagram Stories from people showing how they use a beauty brand's skincare products in their cleansing routine.

4. Create a unique customer loyalty program

Many businesses, including airlines and coffee shops, implement customer rewards or loyalty programs that serve as powerful tools for enticing previous customers to return. Customers can accumulate points through the loyalty program, which can be converted into shopping vouchers, exclusive holiday rewards, and more. It's also an excellent way to upsell — patrons could earn more points with higher values.

Try discounting new products and items in need of promotion. Also, consider offering rewards for reviews of your products to build loyalty and attract new customers. Referral programs are also a must. Give an award to customers when someone they refer makes a purchase.



Chapter 3:

How to Build a Customer Loyalty Program

Know your customers

When contemplating how to build customer loyalty, you must take the time to understand your customers on a personal level. Listen to them, share your values, and build a relationship with them. If you want loyal customers, you need to develop a customer-oriented mindset. Let your customers understand that you have their best interests at heart — and be sure to reflect this in your actions.

Create a sense of community

Take advantage of the numerous social media platforms to create a community for your current and potential customers. Through the community, you can start a conversation with your existing customers and target audience. You can also encourage them to post photos or videos of themselves with your product to launch a UGC campaign, as discussed above.

Get personal

Get personal with your [email marketing](#) by creating customized emails and messages for each recipient. Personalized emails are known to deliver [6x higher engagement](#) rates than impersonal emails. In the email, address the customer by their name, and include a personalized message that appeals to their unique interests. For example, you can send special greetings and offers on their birthday and customer anniversary to treat them to something fun. This type of gift builds emotional ties and positive feelings toward your brand.

Beyond customized emails, don't forget to use personalization in [retargeting campaigns](#) to existing customers, as well. A remarketing campaign focusing on past customers can encourage them to come back and make a purchase, and even upsell them to higher-value products. Since you already have information on what they are interested in based on past purchases, you can easily create tailored product recommendations that will entice them to engage and convert.

Chapter 4:

How AdRoll Can Help You Increase Brand Loyalty

With AdRoll, it's easy to show customers you know their needs and stay connected long after their first purchase. Our customer retention tools deliver valuable insights so you can make sure your messages hit the mark, every time. Launch your loyalty strategy today!

