

A close-up photograph of a Black man with glasses, looking upwards and to the right while holding a smartphone. The background is blurred, suggesting an outdoor setting. The overall tone is professional and focused on digital technology.

A GUIDE

to creating
proven customer
engagement
and brand loyalty

DIGITAL THAT DELIVERS CUSTOMERS

WIPFLI

IS YOUR DIGITAL PRESENCE AS STRONG AS IT COULD BE?

Having a robust digital presence is vital for a business's success today, in much the same way that having a premier, foot-traffic-heavy office location was a generation ago.

Today's consumer is unapologetically mobile-first. According to Insider Intelligence, U.S. consumers spend more than 7.5 hours each day using connected devices, with roughly half of that time spent on mobile devices.

And those consumers expect to interact with brands in every industry seamlessly via intuitive, well-designed, mobile-first digital experiences — so much so that firms without them risk becoming obsolete.

Today's consumers demand:

- Every digital touchpoint to be personalized
- Seamless, intuitive experiences
- Mobile as the first — and often only — interface

Organizations that deliver outstanding digital customer experiences will be rewarded with long-term brand loyalty. To help you, our team of technologists, strategists and innovators at Wipfli Digital put together this guide, which covers:

- The power of prioritizing your customer
- How to change your CX game
- The value of brand loyalty programs
- How to use CX to design effective brand loyalty program
- The hottest trends

**People in the U.S.
spend:**

7.5 hours

a day on digital devices

4.25 hours

on mobile devices

52%

of the world's web traffic
is from mobile devices

75%

of consumers use mobile
devices to shop, citing
convenience and accessibility
as top reasons

26%

of Gen Zers spend 9 hours a
day on mobile devices

THE POWER OF PRIORITIZING YOUR CUSTOMER

The payoff for being custom-centric is clear:

Nearly 80% of CEOs report that a deeper understanding of their customers' needs has a direct, significant impact on financial results. In fact, case studies across every industry have shown that when companies prioritize empathy in business decision-making, they have increased profits by 25% to 90%.

But while many say it's a priority, research shows that few are actually increasing their CX quality.



80%

of business leaders say CX is a high priority



6%

saw significant increase in CX quality

Source: Forrester 2023 CX Index

Why? Because CX seems too big to figure out. Or because compliance regulations or trying to strive for perfection can paralyze some CX projects.

Or because some teams believe they know their customers and build CX without really exploring and challenging their preconceived notions around what their customers think/how they use and approach all things digital.

That lack of empathy and objective understanding is often the greatest weakness for struggling brands.

How do you know if you're among those who may be suffering from a lack of digital customer empathy?

Ask yourself these questions:

- Have your digital KPIs been down or flat for the past few quarters?
- Does your speed to explore new technologies — like generative AI — lag well behind your customers' comfort?
- Does your revenue or profit generated from digital channels lag well behind your competitors?
- Does your team often wish to launch innovative digital initiatives practiced by your competition?

If you answered yes to any of the above, then a weak CX may be the root cause.



HOW TO CHANGE YOUR CX GAME

Maximizing CX

Being customer-obsessed involves understanding how customers think and feel when they interact with your brand at every key inflection point.

While these inflection points don't have to happen digitally, it's increasingly true that customers tend to prefer digital engagement when it's offered.

When businesses think about what they do through the lens of CX, they tend to see improved customer satisfaction and sales conversion as well as a lowering of their overall service expenses — since after-the-fact trouble-shooting costs are negated when potential customer service hurdles are anticipated and solved on the front end.

There are two key ways that focusing on CX can help you get those happy, repeat customers:

1. Stand out

Today, the world's 6.9 billion active smart phone users — representing roughly 86% of the global population — have access to roughly 5 million apps available for download across both iOS and Android platforms.

Given the competitiveness of the space, if your digital presence has any hope of standing out, it must be:

- Well-designed and easy to use
- Aligned with user needs

- Nimble enough to take advantage of emerging technology
- Secure against hacking and other cyber threats

2. Be sticky

But attracting users' initial attention — through a potential initial download or mobile site visit — is just the first hurdle of a longer race.

The more valuable goal is to engage users beyond their narrow list of oft-used apps or mobile sites, and that requires intentionality and well-informed, data-driven design.



The process takes time. But the results are worth it. Companies with strong brand loyalty tend to grow their revenues 2.5 times faster. And it costs roughly five times as much to get a new customer as it does to retain a loyal one.

You can increase your value to customers by using a seamless, digital CX to:

- Leverage chatbots to provide 24/7 resolutions to common customer questions or concerns.
- Offer highly personalized user experiences tailored to the individual needs of each customer.
- Help users obtain information quickly and make decisions with confidence.
- Market your products and services effectively.
- Match customers with ideal product or service offerings from your inventory.

DIGITAL BRAND LOYALTY PROGRAMS

Beyond adding increased usability, personalization and customer service to your mobile or web CX platforms, digital tech can also improve the functionality of customer engagement tools, including loyalty or membership programs.

From points earned for purchases to coupons or discounts for repeat customers, loyalty programs are a proven way to build long-term brand engagement. They can help you both retain customers and boost profits — when they're done well.

The loyalty program concept has long been adapted across a wide range of industries and verticals, from travel and hospitality to food and retail. But recently, emerging digital capabilities have ushered in a new era of loyalty program possibilities.

A close-up photograph of a man with a beard and glasses, wearing a black t-shirt, looking down at a smartphone he is holding in his hands. The background is blurred.

75%

of consumers say
they favor companies
that offer rewards

Using the latest digital technologies, brands today have limitless opportunities for enhanced, real-time engagement with their established customer base. With these innovations, apps and mobile sites can now:

- Deploy targeted, individualized push notifications that anticipate a customer's unique needs.
- Engage robust data analytics to deliver real-time discount or incentive offers most likely to attract an individual user's attention.
- Remember past purchases to suggest similar or complimentary ones.
- Adopt proven gamification techniques to create goals that encourage repeat usage and boost user engagement.
- Adjust in real time to adapt messaging and deliverables as needed to better facilitate users' visit goals.

- Recognize a user's past use history, location and other demographics to recommend customized services or goods nearby.

And that's just the start.

As new digital advances come online — including AR/VR capabilities and other AI-driven enhancements — app- and mobile-based loyalty programs will become even more sophisticated in their ability to respond to each individual customer's unique usage needs.

Some examples of loyalty programs include:

- Earned points for each visit
- Elevated tiers of service for repeat customers

- Rewards or discounts for certain thresholds of spending
- Free perks
- Cashback incentives
- Rewards for referrals
- Non-monetary engagement rewards
- Mission-driven donation options
- Insider programs
- Birthday/anniversary gifts, discounts

Regardless of their parameters, digital-driven loyalty programs that work well tend to work very well.

Some studies suggest loyalty programs may boost member spending by 15-25% annually by encouraging either more frequent site or app visits or larger purchases during each visit — or both.



As a case in point, consider Amazon Prime, among the most popular loyalty programs in the world. Despite the fact that it now costs \$139 per year, roughly 60% of American households have a Prime membership. Customers typically cite the program's free shipping and discounted merchandise prices as their motivation to join.

But the key result from Amazon's perspective is that Prime members end up shopping more frequently and buying more. Roughly a third of Prime members spend at least \$50 to \$100 per month buying Amazon goods. Moreover, Prime members spend about four times more annually at Amazon than non-members, research suggests.

The takeaway is clear: When loyalty programs are designed well, they have the power to boost both customer retention and overall sales — two vital metrics for long-term business success.

DESIGNING BRAND LOYALTY PROGRAMS WITH CX IN MIND

The average American is a member of 16 loyalty programs, but only actively uses seven of them. What does that say about the other nine? That they simply weren't engaging enough to warrant repeat use — or users' experiences with them were somehow unenjoyable or lacking.

Put another way, loyalty programs fail to resonate with users because they fail to accurately address users' needs. As is true across all digital and mobile products, a one-size-fits-all loyalty program approach simply won't work.

Successful brands dive beyond customers' demographic and purchase data to gain deeper insights into the underlying psychological drivers for their behaviors so that they can truly anticipate and respond to user needs.

If your current loyalty program is not netting the returns you anticipated — either in participation number or resulting sales traffic — you may need to reevaluate your approach.

You can embed added value into your digital-driven loyalty programs by:

1. Making the benefit of participating obvious

Does your program lead to free products or discounted services? Upgraded experiences? Faster delivery times? Whatever the perk is, make sure to market its value clearly, so users immediately sense the advantage of using your loyalty program — and using it frequently.

2. Delivering personalized messaging

Today's digital tech enables delivery of highly individualized communications to targeted users, so don't settle for an outdated, universal marketing approach. Research suggests customers not only expect but prefer when brands deliver personalized offers based on their browsing and purchase history — and they're more willing to provide personal data to brands who do so.

3. Appealing to multiple types of customers

Spend some time envisioning your company's typical user "personas" and their likely needs. Develop loyalty program incentives that can appeal to users from across an array of demographics and spending thresholds. Ask questions such as: What does the customer expect to get out of the loyalty program? How does the brand intersect with their daily lives? What specific benefits of the loyalty program are they most excited about?

4. Incentivizing repeat use

Make it fun for users to engage with your site or app routinely. Creating loyalty systems and apps around incentives — sometimes called gamification — adopts best practices from game design and applies it to the customer loyalty marketing space to boost engagement and keep users coming back for more. Start by reconsidering how existing components could be represented differently to be more gamified — and look for ways to ensure that criteria for reward or advancement are aligned with users' motivations.

5. Understanding customer goals

Your brand app or mobile site should be agile enough to respond to an array of user end goals. Some customers may come to the space hoping to place an order or log loyalty points, while others may simply want to research a product or service or chat with a

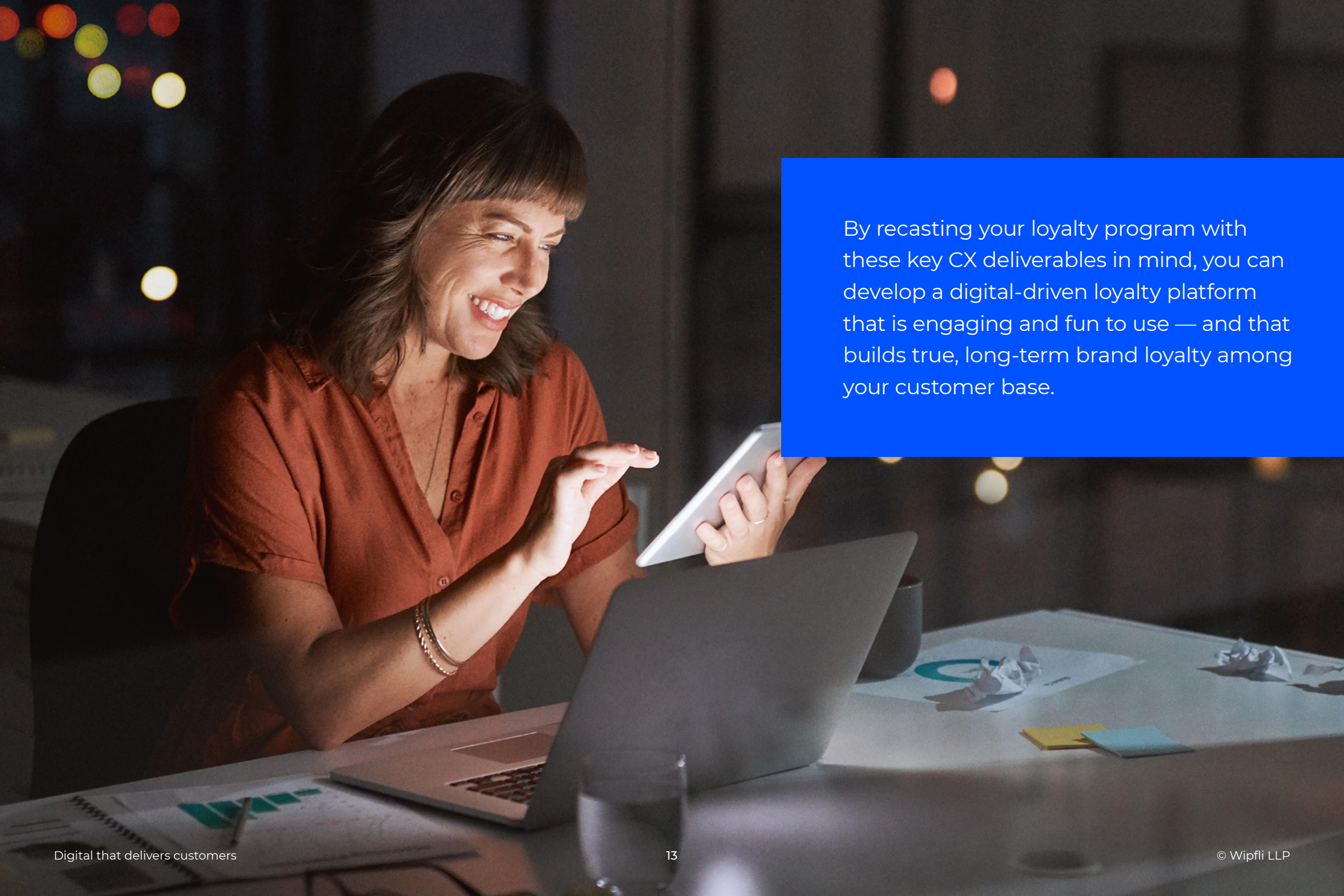
customer service representative, for example. Your digital design must be resilient enough to allow users to get to any end goal — whatever it may be — quickly and easily.

6. Maximizing micro-sessions

Users typically engage with digital products in short bursts — what marketers sometimes call "micro-moments" — representing the few seconds between meetings or while they wait on public transit or in their child's school pickup line. Loyalty programs that work well have apps and mobile sites that are optimized for such quick, frequent usage throughout the day.

7. Avoiding overkill

While personalized messaging is good, too much of it isn't. One report found overzealous push notifications to be a driving factor behind customers' choice to delete an app. Too much advertising can also drive users to hit the "uninstall" button. When developing a messaging plan for your loyalty program, it's essential to find a balance between being helpful and informative — but not overly intrusive.



By recasting your loyalty program with these key CX deliverables in mind, you can develop a digital-driven loyalty platform that is engaging and fun to use — and that builds true, long-term brand loyalty among your customer base.

BUILDING YOUR EXECUTION PLAN

Even today's high-performing mobile sites and apps will need to evolve and shift as new and emerging innovations reshape digital design best practices.

If you plan to revitalize your firm's digital presence — including digital-driven brand loyalty programs — you should keep the following upcoming trends in mind:

01 AR/VR

A new wave of augmented reality/virtual reality is coming. Already many apps allow users to interface with AR/VR applications to experiment with room interior design, product “try-ons,” virtual skills training, immersive entertainment and more. This tech is the future, and brands are wise to begin investigating possible applications now.

02 Personalized experience using predictive analytics

While this feature is already here, its use will undoubtedly grow in the future, as the technology behind predictive analytics continues to improve. Banks and credit unions can now extend individualized, real-time offers of optimized loan products to customers on their digital platforms through analytics of users' demographic data and purchase behaviors, for example.

03 AI/machine learning

Continued advances in AI and machine learning will make it easier to incorporate or expand new app and mobile site functionalities, including speech recognition, chatbot assistance, personal assistant/reminder features and more.

04 Mobile contactless payments

As mobile e-commerce continues to grow, future digital design will likely increasingly include features to make app-based payments even more seamless for users.

05 Omnichannel experience

Users access apps across devices, and they expect their activities, experiences and preferences to be remembered as they navigate seamlessly from one to the other.

06 Biometric user authentication

Consumers want fast and easy logins that are also secure. Using biometric authentication to both access your app and continue to use it offers a superior CX and security than other methods.

07 Voice search options

Audiences are increasingly using voice to speed and improve their search abilities, plus to enjoy the convenience of a hands-free experience. A strong CX would improve contextual understanding and results accuracy, as well as accommodate various languages/accent.





We're in the midst of a transformative time for digital design — one that's sure to usher in exciting new possibilities for customer engagement and brand building.

ARE YOU READY?

We are!

wipfli.com/services/digital

DO MORE WITH DIGITAL

Redefine how you connect and accelerate growth with Wipfli's hyper-personalized customer experiences.

FIND OUT MORE

Digital that delivers customers

A close-up portrait of a woman with dark hair and black-rimmed glasses. Her face is the central focus, with various digital elements overlaid. Bright green and red light trails and characters (like 'A', 'H', 'R', 'I', 'C', 'T') are scattered across her face, particularly around her eyes and mouth. The background is dark with soft, out-of-focus bokeh lights in shades of orange, yellow, and white. In the bottom right corner, there is a blue rectangular box containing the word 'WIPFLI' in white, bold, uppercase letters.

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