

How to Create Brand Loyalty Programs that Engage the Most Profitable Customers - Affluent Americans

New Unity Marketing study provides research to build rewards programs aimed at the needs & desires of the world's most profitable customers: American Affluents

STEVENSON, PENNSYLVANIA, UNITED STATES, January 12, 2016 /EINPresswire.com/ -- A recent [Unity Marketing](#) survey among C-suite and marketing executives, as well as entrepreneurs, identified finding new customers as their chief concern. But while attracting new customers may top marketers' to-do lists for 2016, customer retention strategies are ultimately the most profitable and most effective ways to grow.

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Existing reward programs' focus on points miss a benefit that can mean true brand loyalty from existing customers and attract new customers -- Giving members added-value services and experiences

Pamela N. Danziger, Unity Marketing

A new trend report from Unity Marketing, [How to Create Brand Loyalty Programs to Attract Affluents: Designing Loyalty Programs for Luxury Brands](#), provides a research-based plan to build rewards programs aimed at the needs and desires of the world's most profitable customers: American Affluents.

This new independent study reveals that affluents are highly engaged in brand loyalty and rewards programs, with more than 80% of the 1,300 affluents surveyed (avg. income \$258.7k) active in one or more such programs, including pay-for-service programs like Amazon Prime or buyer clubs, like wine clubs.

[Pam Danziger](#), president of Unity Marketing and author of the new study says, "Loyalty programs can be both a powerful tool to engage existing customers, and to attract new high-spending customers to a brand. This new trend report will show how."

Key findings from the research:

* Developing the Potential of Existing Customers Is More Important to Businesses than Finding New Customers

Study after study has found that new customer acquisition strategies cost more and produce less than existing customer engagement and retention strategies. The cost of acquiring a new customer is many times more than keeping and developing an existing customers, with most studies finding customer acquisition costs 4 to 10 times higher.

A Bain & Company study found a mere 5% increase in customer retention can increase a company's profitability by 75%. Further, Bain research found that the average amount spent by a repeat customer was two-thirds more than a new customer.

And the Gartner Group reports that 65% of a company's business comes from existing customers.

All this adds up to the critical importance of customer retention and development, not at the expense of new customer acquisition strategies, but as a part of a company's overall marketing strategies.

* Brand Loyalty Programs Are a Key Strategy for Developing a Loyal, Engaged Customer Base

One of the chief tools in marketers' arsenal for developing a loyal customer relationship is reward programs that deliver added value to repeat buyers. Brand loyalty programs keep customers from defecting because customers that have accumulated rewards feel connected to the brand because they have 'skin in the game.'

Such programs encourage existing customers to continue to do business and not defect to a competitor. They entice customers to spend a bit more to achieve higher level rewards.

Rewards programs give businesses new insights into who their customers are, what they buy, how much they spend and how often they shop which helps businesses achieve greater focus and efficiency in new marketing efforts.

And such programs can help attract new customers, since by offering added-value reward benefits through an existing reward program, brands can differentiate themselves and capture business that might go to competitor.

* The Reward Program Challenge: Delivering Real and Meaningful Value to Customers

While most companies with existing brand loyalty programs have a lot of data about their existing customers and what they want, they lack detail data about potential customers and what they can do to attract them to their individual programs. Unity Marketing's new study looks across the range of affluents engaged with brand loyalty programs, including airline and hotel rewards, credit card and bank card rewards, retailer rewards and dining rewards, to identify what specifically they value most in such programs.

The results are revealing: Added customer service to members is something affluents want most, yet few programs actually deliver.

Danziger explains, "With existing programs' focus on points, they miss a benefit that can greatly improve true brand loyalty from existing customers and differentiate one brand from all the rest to attract new members-- Giving members added-value services and experiences."

* Key Opportunity: Build Connection with Young HENRYs on the Road to Affluence

In the research one customer segment pops as under-represented in traditional brand loyalty programs: Young HENRYs (high-earners-not-rich-yet).

These young HENRYs represent the best potential customers of the future, as most Ultra-affluents, the top 2-3% of U.S. customers and the traditional target for luxury brands, start on their road to affluence as HENRYs. While these customers due to lower levels of income would appear to be the most responsive to rewards programs that offer points to redeem for discounts, they are more likely to pay-to-belong and thus gain access to a wider range of more customized services and exclusive access.

Danziger concludes, "The latest Unity Marketing research finds key differences between the reward programs that attract the more mature affluents from the young. Yet young HENRY affluents are the key to the future for brands seeking to develop a loyal, growing customer base not just for today, but for tomorrow."

About Pam Danziger & Unity Marketing

Speaker, author, and market researcher Pamela N. Danziger is internationally recognized for her expertise on the world's most influential consumers: the American Affluent. Her latest book, *Shops that POP! 7 Steps to Extraordinary Retail Success*, reveals the secrets to crafting a retail shopping experience that's irresistible to high-value shoppers looking for something special.

As founder of Unity Marketing in 1992, Pam leads with research to provide brands with actionable insights into the minds of their most profitable customers.

Pam received the Global Luxury Award for top luxury industry achievers from *Harper's Bazaar*. She was named to *Luxury Daily's* Luxury Women to Watch in 2013. She is a member of Jim Blasingame: The Small Business Advocate's Brain Trust and a contributing columnist to *The Robin Report*.

She is the author of five books including her recent mini-book, *What Do HENRY's Want?*, explores the changing face of America's consumer marketplace. Pam is frequently called on to share new insights with audiences and business leaders all over the world.

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