



Customer Loyalty

Using Rewards for Retention &
Growth: A Practical Guide

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Why loyalty and experience matter

Loyal customers drive profit & growth

Loyalty isn't just a feel-good concept, it's a proven driver of business performance. On average, 65% of a company's revenue comes from repeat customers. Retaining existing customers is significantly cheaper than acquiring new ones, often costing five to twenty-five times less.

A 5% boost in customer retention can increase profits by 25% to 85%

Great experiences multiply value

Over a 10+ year period, companies recognized for delivering exceptional customer experiences outperformed the S&P 500 by more than 260%, highlighting the strong link between CX excellence and long-term financial success.

According to a Qualtrics global study, high customer satisfaction also leads to tangible business advantages, including 3X more recommendations and 2.9X greater trust and likelihood of purchase.

In contrast, **a single poor interaction** can cause 74% of millennials to abandon a brand

Loyalty and experience go hand-in-hand

When done right, loyalty and experience form a virtuous cycle: great experiences build loyalty, and loyal customers deliver higher returns. The best-performing companies embed these principles into everything they do—not just in campaigns, but as core business strategies.

Companies that engage both their customers can see returns 3x higher than those that don't

The ROI of loyalty programs

Loyalty programs deliver measurable business value. According to a recent survey, about 90% of companies report positive ROI from loyalty initiatives, with **average returns of 4.8 to 5.2X their original investment**. That strong performance is why many businesses now dedicate nearly a third (31%) of their marketing budgets to loyalty and CRM efforts.

These programs do more than retain customers—they drive core growth metrics like:



Customer retention



High lifetime value



Repeat purchases



Brand advocacy

Loyalty programs offer strategic protection in volatile markets by:

- **Reducing churn** and improving revenue predictability
- **Lowering acquisition costs** with word-of-mouth and referrals
- **Building brand equity**, especially valuable in saturated markets

In short, loyalty programs amplify the effectiveness of marketing efforts by transforming satisfied customers into a sustainable growth engine. This ongoing engagement not only supports long-term revenue but also strengthens the overall customer relationship.



Why rewards work

Rewards reinforce behavior

Recognition and rewards turn positive experiences into lasting habits. A customer who receives a reward is more likely to repeat the action that earned it. Even small incentives boost engagement and satisfaction.

Immediate rewards tap into how our brains are wired. When customers get a reward right after a behavior —like completing a survey or referring a friend—they feel good and connect that feeling to your brand.

According to the APA, immediate rewards (over delayed) boost motivation because they directly connect the activity to the goal

Psychology meets strategy

Frequent, small rewards—like a \$5 gift card or a surprise coupon—can be as powerful as large incentives. These micro-rewards build goodwill and stimulate the brain's dopamine system, creating a “pattern of positivity” that deepens emotional loyalty over time.

Point-based systems also keep customers engaged, offering flexible, low-cost ways to reward consistent interaction.

According to Forbes, 73% of consumers say they're more likely to engage with a brand that offers loyalty points



Strategic ways to leverage rewards

Lifecycle-based

Onboarding bonuses: Reward new users after completing key onboarding steps like filling out a profile or watching a tutorial.

Anniversary acknowledgements: Celebrate 6-month, 1-year, or multi-year milestones with personalized thank-yous.

Win-back offers: Re-engage lapsed customers with a surprise incentive or exclusive comeback offers.

Relationship-driven

Feedback incentives: Offer rewards for completing surveys, submitting reviews, or participating in product testing.

Client advocacy rewards: Reward customers who participate in case studies, testimonials, or speak at events/webinars.

Social sharing perks: Encourage customers to share brand experiences or wins on LinkedIn/Instagram/etc. in exchange for points or entries into a giveaway.

Goal and outcome-based

Usage milestones: Celebrate customers hitting product usage goals or performance targets.

Upsell or cross-sell incentives: Offer limited-time rewards when customers explore or adopt complementary products/services.

Training/certification completions: Reward users for completing online learning paths, product certifications, or skill-building sessions.

Segmentation-driven

VIP perks: Surprise top-tier clients with exclusive rewards, early access, or "thank-you" gift cards.

Segment-specific offers: Tailor incentives based on customer behavior, persona, or industry—e.g., industry-specific gift cards or niche incentives.

Growth and expansion support

Referral programs: Encourage current clients to refer new ones with dual-sided rewards (for both referrer and referee).

Renewal rewards: Incentivize contract or subscription renewals with small thank-you gifts.

Expansion bonuses: Provide incentives when a client expands usage (adds users, upgrades plans, etc.).

Creative and unexpected delight

“Just because” surprises: Send spontaneous gifts with a personal note for no specific reason—pure delight moments drive deep emotional loyalty.

Gamification challenges: Create limited-time challenges (e.g., “complete 3 actions this month to earn a reward”) with leaderboard rewards or tiered prizes.

Birthday or personal event recognition: Reward on personal milestones—birthdays, promotions, new launches, etc.



How to set up a loyalty rewards program with Giftbit

Setting up a rewards program with Giftbit is fast, flexible, and cost-effective. Whether you're starting small or scaling big, you have full control.

1. Decide on a model

Customer success managers should first define what kind of behavior they want to reward. Common program types:

Points-based: Customers earn points for actions (purchases, referrals, reviews) and redeem them for rewards.

Tiered loyalty: Higher engagement unlocks better perks.

On-demand rewards: Send one-time or milestone rewards.

Engagement triggers: Automate rewards for feedback, birthdays, or signups.

2. Visualize your program

If you're not sure what your program should look like, start by mapping:

Actions to reward: What do you want customers to do?

How they'll receive rewards: Email, SMS, in-app?

What they'll get: Instant reward or points-based?

How you'll track results: What does success look like?

Start with a small pilot. Adjust based on feedback and usage. Your Giftbit customer success manager can help design a setup that fits your goals and systems.

3. How you'll send rewards

Giftbit works the way you need it to—no dev team required, but powerful if you have one.

Platform: Send rewards manually or upload lists. Great for quick starts or small programs.

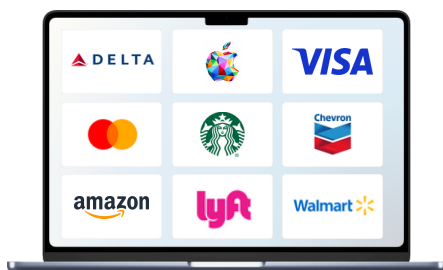
Zapier & app automations: Trigger rewards from over 5,000 apps (like Shopify, HubSpot, Salesforce, Mailchimp).

API: Fully integrated and customizable. Some developer skills required.

Bulk tools: Schedule and track batch sends from the platform dashboard.

4. What you'll give

Giftbit offers a wide range of digital gift and prepaid cards—from Amazon and Visa® to local brands and donations—plus flexible options like micro-rewards, wallet-enabled delivery, claim-by dates, and custom amounts.



5. Fund, send, & track

Easily send rewards manually or by uploading lists—ideal for quick starts or small programs. Fund your Giftbit account in your preferred currency using EFT, wire, credit card, or direct debit, then launch your program and track key stats like delivery, redemption, and financials.

Note: *there is no cost to use Giftbit. Only pay face-value for the rewards you send (or less, if you qualify for discounts!)*

Loyalty as a growth lever

Giftbit is an easy-to-use tool for buying, sending, and tracking digital rewards, with features that allow you to send your personalized rewards instantly.

The powerful gift card platform provides everything you need to launch a one-time project, replace a clunky customer loyalty process, or launch a complete incentive program. We offer:

- Operational simplicity
- Visibility
- Customization
- Partner-minded pricing

With flexible reward selection, messaging and branding ability, you can customize, order, send, and track all in one place today!



We're here to help

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