



TADA

How to build a rewards program in **FMCG.**

Why FMCG need to design a loyalty program for their customer?



HIGH REPEAT PURCHASE RATE

With a lower price-point per item, FMCG is reliant on repeat purchases to stay profitable. That means people buy FMCG product every day.



RELIANT ON RETAILERS

Most FMCG doesn't have stores all over the world. They sell their goods through retailers, which can make it more difficult to get to know customers. A designated referral program can help brands track their customers.



SHORT SHELF LIFE

Fast Moving Consumer Goods are ones that have a very short shelf life and are relatively cheap regarding the price. The industry needs to keep people loyal to their products so they can keep their customers excited about their products.

Sustainability is becoming more critical to the industry. Consumers may not understand all the different things that have to happen from supply to coffee table to produce a cup of tea.

Today, more people and companies are focused on making sure suppliers are paid fairly, practices are sustainable, and carbon footprints are kept small.



Low Competition

High Competition

Congratulations!



Your brand is perfectly suitable to capitalize on the benefits of a loyalty rewards program.

Program Strategy



Selling consumable products is all about encouraging repeat purchases. In general, consumables have a lower ticket price than other things sold online. It means that you need to make your revenue through volume sold. This is done by encouraging shoppers to buy more per visit, but also by getting them to come back and buy again.

A rewards program encourages your customers to both buy more and return more often. Points for purchases means that the more they buy the more they earn. When a shopper has an existing points balance they are also less likely to switch to a competitor, and you can even award bonus points to supercharge current orders and further entice them to stay.

Without being able to taste and smell your products, it is difficult to get your shoppers excited. You need to show them the positive experiences others have had with reviews and social posts, and you can ensure this happens with points.

A rewards program is an amazing way to get ahead with consumables!

Program Objectives



ACQUIRE

You already have some customers, but it's always great to have more! Providing potential customers with a loyalty program that offers clear value will separate your brand from your competitors. Getting more bang for your buck is always attractive and demonstrates a commitment to excellent customer service.

RETAIN

Once you've got your customers hooked, it's essential to ensure they stay there. Developing a reward program that recognizes the longevity of your customer's spending habits is vital to keeping them engaged and satisfied with your products and services. Offering multiple ways to earn and redeem rewards will make your program more enticing, and save more customer actively engaged.

NURTURE

Brand advocates are an essential tool for promoting your business, but they're not always easy to come. Rewarding your customers for both sharing their experiences with your products and referring friends to your business is an excellent way to develop a relationship with your key customer base. By actively investing in this relationship, you'll be building trust with your customers that can't be outbid by competitors who offer nothing more than a low price.

Outlining the purpose of your program will allow you to better track success and make valuable changes later on.

Let's talk FMCG specifics & recommendations.



VOLUME-BASED REWARD

Consumables industry is all about building a strong bond with your customers. Your program should reward people for spending more with you and for bringing in repeat business purchase, that's why the volume-based reward is the best way to do the accumulation. They'll come back for more!



USE SAMPLES AS A REWARD

You likely already have a ton of sample size products that you send out with orders, so why not use them as a reward? These work well because the perceived value of the items is usually a lot higher than the actual cost to you.



BUILD A COMMUNITY

Since the value of the product that you sell is an experience of your services, it is essential to show that other people are already loving them. The best way to do this is by rewarding points when a customer follows your social accounts. This way you can be visual and show off other customers using your products.



REWARD FOR REVIEWS

A reward can be leverage alongside establishing a community. You are asking your customers to trust you when you sell things that are meant to be experienced by them. People want to know what it feels like, and descriptions alone are usually not enough. Reward your past customer's points for leaving a review, because new customers will trust them more than they believe you!



USE PERCENTAGE OFF REWARDS

Since most stores that sell consumables want to be selling high volumes with every order, we recommend percentage off rewards. When you offer these, you encourage shoppers to order more with each transaction to maximize the value of their compensation.

Here is what your rewards program should reward points for:



Earning Rewards

POINTS PER PURCHASE

How does it work?

Customers will earn a certain number of points (or rewards currency) for every rupiah they spend or transaction they complete.

Why is this effective?

This type of reward is effective because it encourages members to perform the most valuable action on your site - making a purchase! The amount of points you offer will vary depending on your margins and what your direct competitors are doing.

SOCIAL REWARDS

How does it work?

Customers are rewarded points for subscribing to your social channels, such as Facebook and Instagram. They are also awarded points for sharing your brand to their social networks.

Why is this effective?

When customers subscribed to your social channels, it increases the amount of your visual content they will see.

REFERRALS

How does it work?

Most customers who have had a positive experience are willing to refer their friends; however, they seldom do. This happens because they are not given a reason to. Reward points for a referral, and you will turn your existing customer base into your most effective marketers!

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SNAP RECEIPT

How does it work?

Customers have rewarded points for purchases they make at the merchant by just taking a picture of the receipts.

Why is this effective?

Having individual transactions of each customer of their purchases is a robust database to get to know your customers personally and therefore, your marketing approach to them can be personalized, making them more loyal.

TIERED REWARDS

How does it work?

Customers are given different rewards based on the tier they currently are a part of. The most effective way to classify members is with total points earned. The higher the level, the more prestigious the rewards!

Why is this effective?

Tiered rewards allow your best customers to feel privileged and appreciated while still appealing to first-time or persuadable buyers. Whether they're new to cosmetics or veteran shoppers, all of your customers will be given access to prestigious rewards that make a lasting impression.

Now for the fun part: redeeming rewards.



Redeeming Rewards

DISCOUNTS

How does it work?

The following discounts are great rewards to consider when designing your rewards program: fixed cut (rupiahs off), free shipping, and store credit.

Why is this effective?

Customers always appreciate being rewarded with rupiahs off or a promised discount in the future because it reinforces their decision to purchase your products instead of someone else's. This method of redemption is also straightforward to explain and even easier to understand.

PERCENTAGE OFF

How does it work?

Guest redeem their points for a coupon that takes a “percentage off” the total of their next purchase.

Why is this effective?

Percentage off coupons is a fantastic reward for stores that are looking to push higher volume per order. These stores are selling items that have lower ticket prices, and these percentage off coupons encourage the customer to spend more to maximize the value of the voucher.

This can also be a double-edged sword, though. Since the actual rupiah amount that is given will vary, it becomes difficult to forecast exactly how much your rewards will cost you. To avoid excessive costs on your end, offer a percentage off coupons that are equal to or less than your average profit margin.

Building a rewards program for FMCG brands isn't rocket science.



DEVELOP A PROGRAM STRATEGY

which places excellent value and customer service at the core of your program.



REWARD YOUR CUSTOMERS

for referring friends to your business to encourage community.



PROVIDE MULTIPLE WAYS TO EARN REWARDS

focusing not only on rupiahs spent but on the complete experience.



OFFER REWARDS THAT INSPIRE A SENSE OF ELITISM

provide additional value in their day-to-day routines.



REWARD CUSTOMERS FOR CREATING ACCOUNTS

to create a switching cost that keeps customers coming back to your store.



BUILD COMMUNITY

by rewarding customers for referring friends and writing product reviews.



REWARD CUSTOMERS FOR WRITING REVIEWS

to generate social proof that endorses and promotes the quality and value of your products.



OFFER PERCENTAGE OFF REWARDS

to increase average order value while maximizing value for your customers.

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