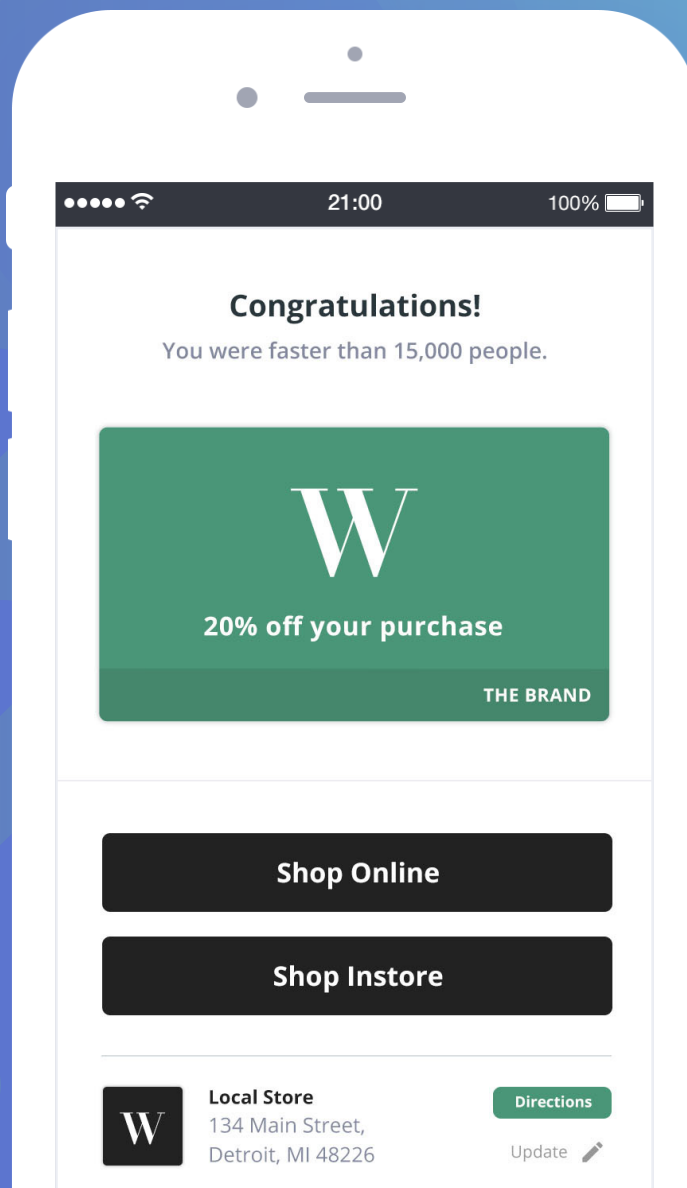




WHITE PAPER

How Marketers Can Use Incentives More Strategically to Influence Consumer Behavior



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Overview

Motivating consumers to engage and convert is every brand and retailer's top priority. With millions of competitors in a retail industry that approached \$5 trillion in sales (per eMarketer) in 2016 and a restaurant industry that projects \$799 billion in sales for 2017 (per the National Restaurant Association), it's more important than ever for brand marketers to find unique ways to engage consumers and successfully capture their attention.

Although brands are recognized by consumers, many fail to align themselves with the motivating behaviors that drive consumer purchases. But the brands that do see higher levels of acquisition, engagement, sales and retention.

Whether you need to acquire new customers or retain existing ones, offers and promotions are excellent tactics to motivate buyers and increase revenue — as long as these opportunities are presented in a strategic way.

The following report, "How Brands Can Use Strategic Incentives to Influence Consumer Behavior," highlights survey results collected from over 1,000 consumers in June of 2017. Quickly partnered with Equation Research to gauge consumer sentiments and attitudes regarding discounts and promotions, brand loyalty and incentivizing factors when it comes to purchase decisions. The findings show the importance of exclusivity, timeliness and earning capabilities in promotions offered through various channels and platforms.


Armed with these insights, brands can adjust their marketing strategies to meet consumers' rapidly evolving needs, and maintain a competitive edge in an increasingly saturated marketplace.



01

Challenges Behind Customer Engagement, Activation and Retention





Challenges Behind Customer Engagement, Activation and Retention

Customer acquisition and retention is an uphill battle for brands and retailers. Companies have historically relied on coupons, loyalty programs and personalized marketing to engage and retain customers. Yet many brands continue to experience reduced levels of loyalty, engagement and retention. A report from advisory firm McKinsey & Company reveals that between 25 to 50 percent of a brand's highest spending customers also shop with direct competitors.

In short, consumers are consistently turning to other brands for purchases.

Another reason retailers could be struggling to activate and retain customers is a lack of urgency. Historically, brands have worked to market products in a way that

creates an immediate need or sense of urgency in consumers, motivating them to make purchases based on needs, desires and the fear of missing out on products. Unfortunately, many brands still fall short in creating and sustaining a sense of urgency that motivates consumers

In short, consumers are consistently turning to other brands for purchases.

to act. And in saturated, competitive markets, lack of consumer motivation quickly turns into lack of profits for brands.

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02

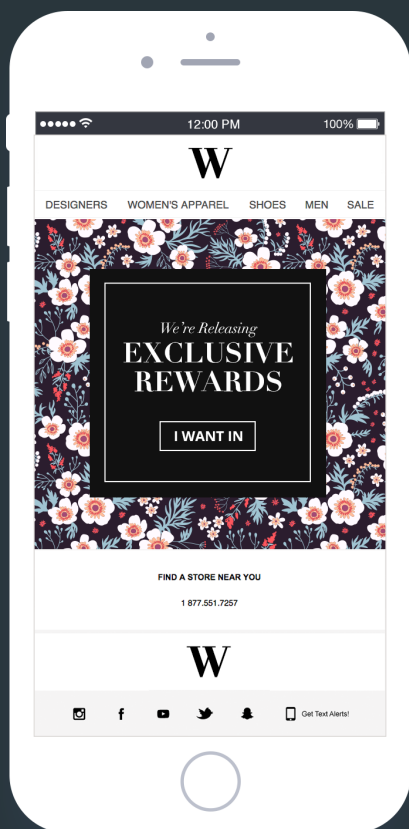
Offers, Incentives and the Power to Motivate Customers

Offers, Incentives and the Power to Motivate Consumers

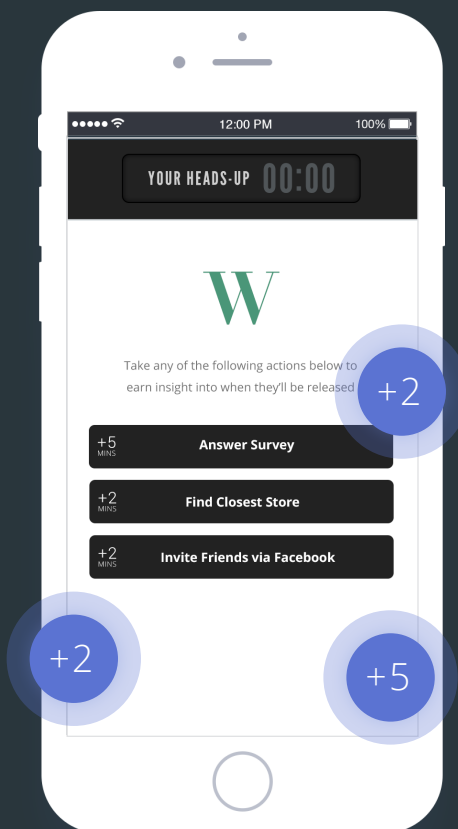
Many brands use frequent offers, promotions and coupons as motivating factors for online and in-store purchases. Approximately 77 percent of smartphone owners say discounts on products and services increase their loyalty to a brand.

But to use discounts as a vehicle for motivating consumers, brands need to strategically develop and distribute promotions and incentives so they fall into one of three main pillars:

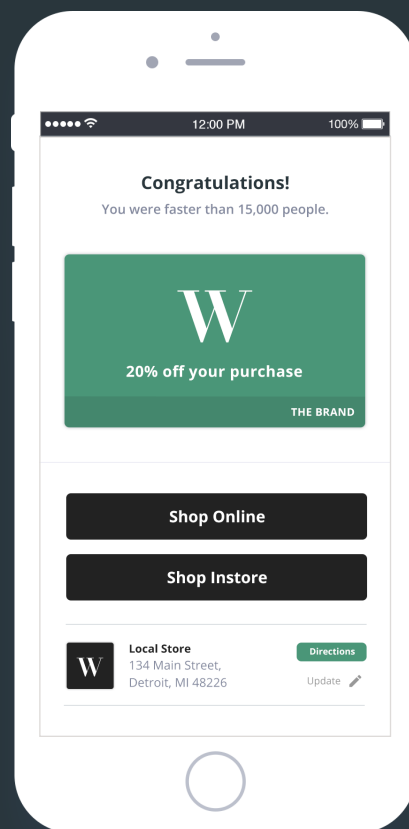
EXCLUSIVITY



TIMELINESS



EARNING



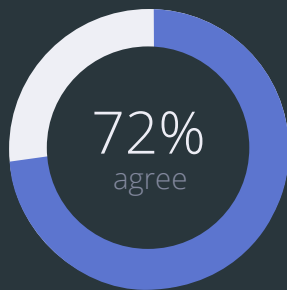
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The Importance of Exclusivity

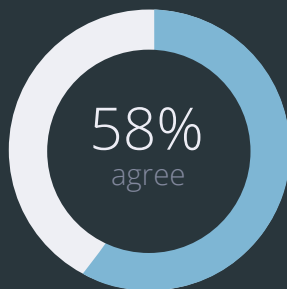


The Importance of Exclusivity

Consumers have an inherent desire to be included in an exclusive and important group, reveling in the feeling that they have access to something others don't. This is especially true when it comes to retail and brand offers.



" EXCLUSIVE DEALS OR PROMOTIONS ARE TYPICALLY BETTER THAN OFFERS THAT ARE AVAILABLE TO ANYONE "



" I AM MORE INTERESTED IN OFFERS AND PROMOTIONS THAT ARE NOT AVAILABLE TO EVERYONE "

For consumers, the chance to share that they received an exclusive offer is more enticing. Approximately 33 percent say they're likely to share that they received an exclusive promotion on social media.

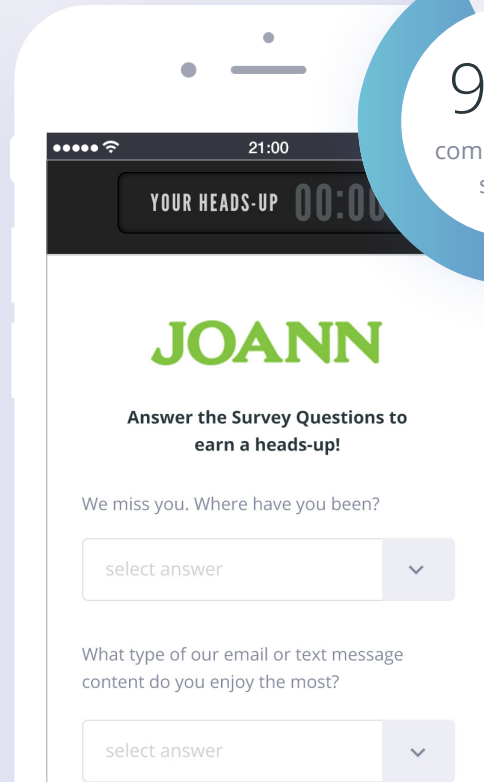
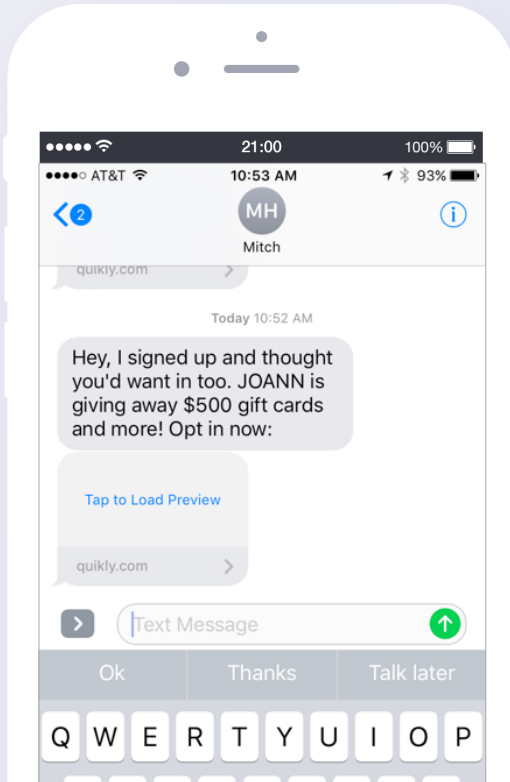
Finally, offer exclusivity isn't limited to new and frequent customers. Limited offers also present an opportunity for brands to re-engage lapsed buyers. Over half (54 percent of consumers) said they would reconnect with a brand that delivered an exclusive offer.





A CASE FOR EXCLUSIVITY

Jo-Ann Fabric and Craft Stores



Acquisition of new customers costs five times more than retaining existing ones. Jo-Ann Fabric and Craft Stores was looking for new ways to reactivate lapsed customers. In addition, the craft chain wanted to better understand why customers left and use this data to improve future retention numbers.

Using Quikly's platform, the Jo-Ann marketing team set up automated recurring retention activities delivered through existing email and SMS marketing channels. Leveraging exclusive, limited

offers available only to previous customers, Jo-Ann successfully re-engaged email and SMS subscribers.

Exclusivity, the most prevalent factor behind consumer participation, led to **75% of campaign participants engaging with Jo-Ann** more than once during a one-week period. Additionally, around **90% of campaign participants completed a lapsed customer survey**, providing insight into they why they lapsed. This enabled Jo-Ann Fabric to proactively improve customer retention.



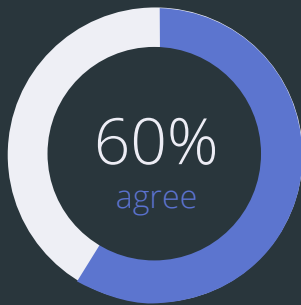


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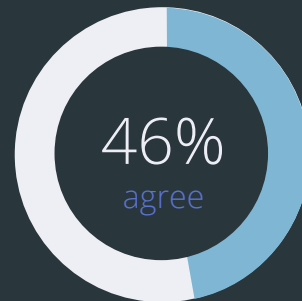
Timeliness of Offers Matters

Timeliness of Offers Matters

Why do thousands of consumers line up outside retail and electronics stores on Black Friday to score a deal on a television? Purchasing an item that may be discounted for a short period of time gives customers a sense of victory and accomplishment. Since Black Friday promotions are typically held for one day, there's an even bigger sense of urgency for consumers to buy.



*“ LIMITED TIME OFFERS
MOTIVATE ME TO PURCHASE ”*



*“ LIMITED QUANTITY OFFERS
MOTIVATE ME TO PURCHASE ”*

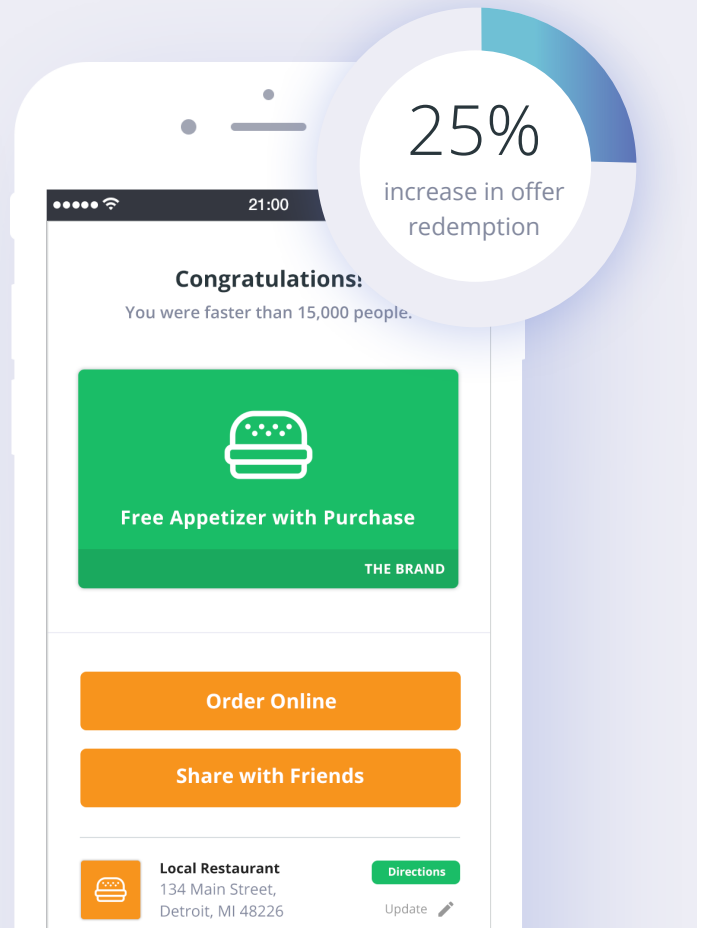
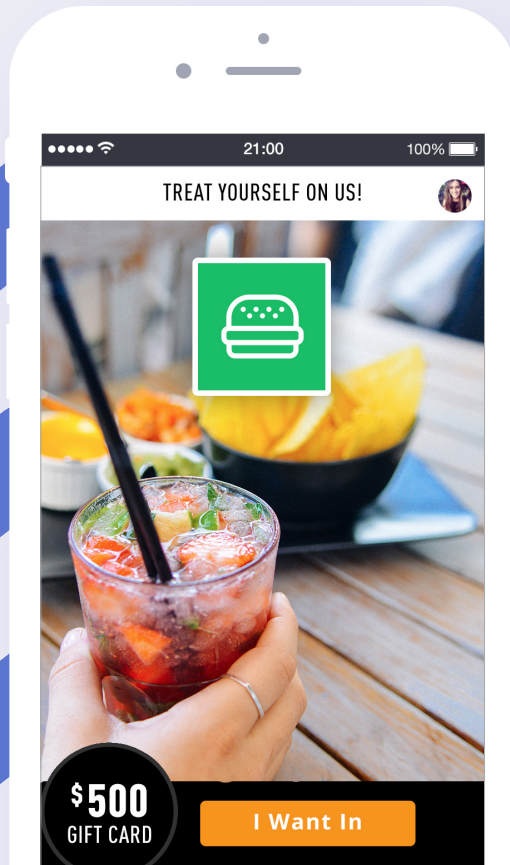
Ongoing offers and promotions fail to create a sense of urgency for consumers. There's no immediate motivation for them to make a purchase. Consumers know that if they miss current offers, they can catch the next one that follows immediately after. But limited-time

offers act as catalysts to buy, giving consumers that buzzer-beating satisfaction. Approximately 60 percent of buyers find time sensitive offers motivating, while 46 percent find limited quantity offers motivating.



A CASE FOR TIMELINESS

Popular Casual Dining Chain



Brands often struggle to implement marketing campaigns that are successful at a local level. For one of America's most popular casual dining restaurant chains, the challenge was finding a scalable solution to drive awareness and traffic to local store openings.

Partnering with Quikly, the brand sought to increase restaurant opening traffic through limited time offers. The team activated store opening events through zip-code gated campaigns that featured a targeted social referral element. Campaign

participants who opted in received timely information ahead of restaurant grand openings. The brand also pushed out limited time offers to boost attendance and maximize discount redemption.

Restaurant brands using Quikly can achieve up to a 25% increase in offer redemption compared to standard delivery tactics. For this particular restaurant chain, the Quikly Engagement Platform was responsible for nearly all offer redemption customer visits.



05

An Offer Earned is an Offer Redeemed



An Offer Earned Is an Offer Redeemed

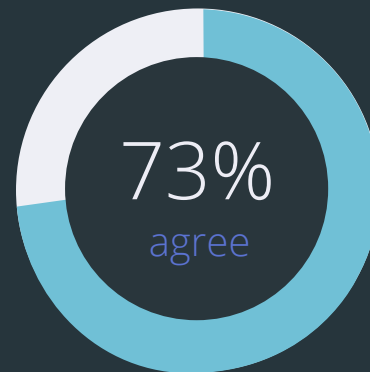
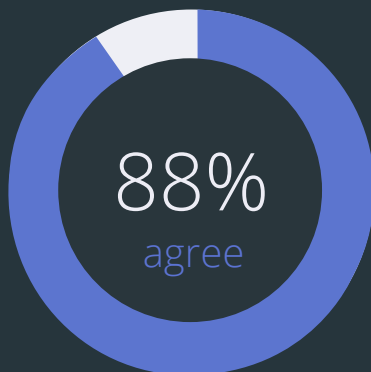
The biggest win for brands is the ability to earn consumers' trust when there are thousands of other options available for buyers. And for those buyers, a sense of earning on their part is equally as important. As it relates to consumers, earning is the action taken to receive a reward, which could be an offer, promotion code or discount on items. Even more, once consumers have earned the discount, there's a good chance they will use it and make a purchase.



" I AM MORE LIKELY TO REDEEM A REWARD OR OFFER THAT I EARN IN SOME WAY "



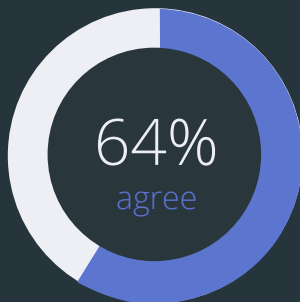
" REWARDS OR OFFERS THAT I EARN ARE MORE VALUABLE THAN ONES OPEN TO ANYONE "



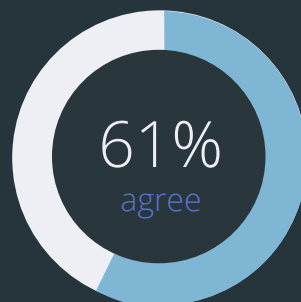
Earned incentives are among the most likely offers to be redeemed. Approximately 88 percent of consumers surveyed said they are more likely to redeem a reward or offer that they earned. Another 73 percent said earned offers are more likely to be valuable than offers open to anyone.



" WINNING IS IMPORTANT TO ME "



" OFFERS THAT I WIN ARE MORE VALUABLE THAN OFFERS AVAILABLE TO ANYONE "



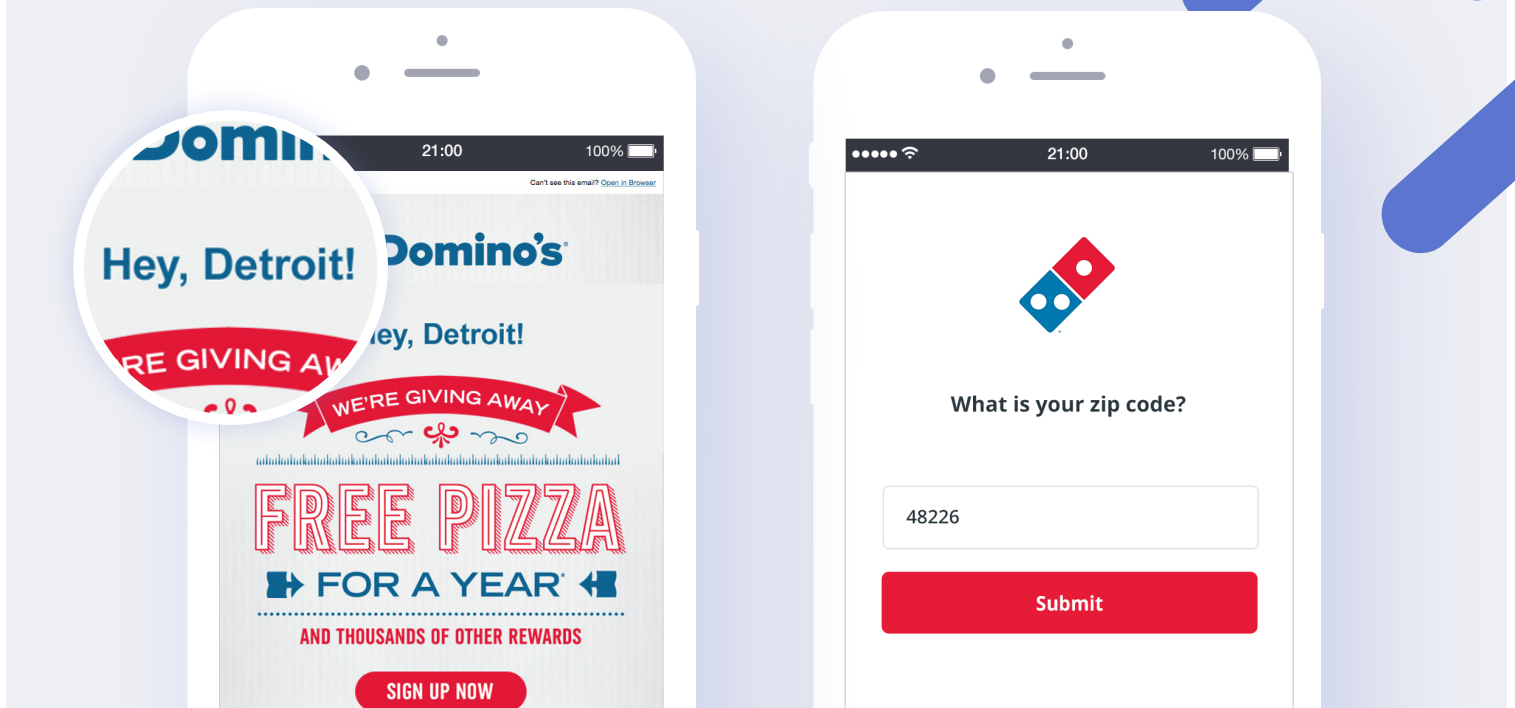
For brands, the perceived value of earned offers is important because customers want to win. When surveyed, 64 percent of consumers said winning is important to them. Another 61 percent said offers that are won are more valuable than offers available to anyone.





A CASE FOR EARNING

Domino's Pizza



Domino's Pizza is a long-standing leader when it comes to national digital marketing capabilities. The food industry giant generated 60% of its U.S. sales from mobile devices in 2016, capitalizing on the convenience of online buying. But even the most successful brands run into marketing challenges.

For Domino's, the challenge was to identify a marketing solution that gave local markets the same quality, measurability and security as national campaigns. Quikly's local engagement platform enables brands to run national and regional campaigns that are dynamically localized based on market-specific preferences and strategies. Domino's

was able to meet high demand and consumer interest for earned offers by localizing campaigns based on a participant's zip code.

After participants signed up for the campaign and entered their zip code, they earned rewards tailored to their specific location. These offers ranged from free pizza for a year to purchase-driving digital gift cards that could be used on any order. The opportunity for users to earn rewards resulted in stronger program participation, increased local customer advocacy, and ultimately helped Domino's drive more sales through earned offers.





06

Best Practices for Motivating Consumers





Best Practices for Motivating Consumers

The consumer insights revealed through Quikly's survey highlight a need for brands to foster a sense of urgency and motivation with consumers. By leveraging offers and promotions to encourage action — whether that's completed programs, joined loyalty programs or social sharing — brands can connect with buyers at the right times to present offers that will be redeemed.



01

AVOID AN EPISODIC APPROACH TO CAMPAIGNS.

Many brands believe that urgency and exclusivity strategies require a one-off, episodic approach, like during peak sales periods and holiday rushes. However, brands and retailers can seamlessly integrate campaigns into evergreen marketing programs (email, social, SMS, loyalty, etc.) as a way to boost day-to-day engagement with customers. Campaigns that are well timed and spaced appropriately are more motivating than every-so-often promotions, incentivizing customers to participate and complete purchases.

ON WHICH CHANNELS DO YOU PREFER TO RECEIVE OFFERS AND PROMOTIONS?



73%

Email



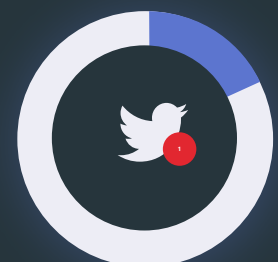
31%

Text Message



23%

Social Media Ads



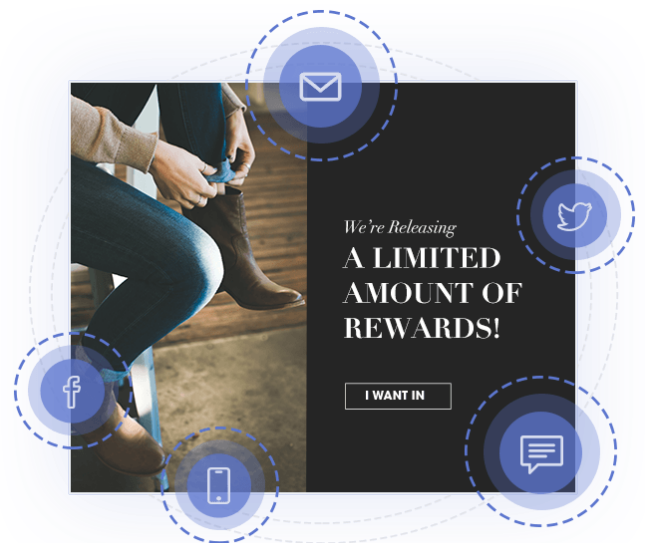
17%

Social Media Messages

02

DEVELOP OMNI-CHANNEL ENGAGEMENT STRATEGIES.

It's critical to engage with customers at the right times on the right channels. Email reigns as consumers' preferred channel to receive offers and promotions (73%), followed by text messages (31%), social media ads (23%) and social media messages (17%). An omni-channel engagement strategy allows you to close the gap between these channels, creating a frictionless — and memorable — brand experience.



03

LEVERAGE MULTI-STAGE CAMPAIGNS.

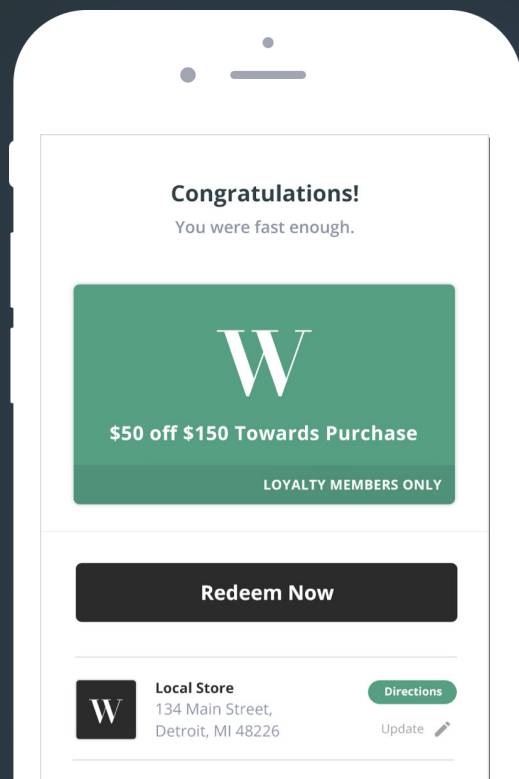
Ongoing promotions and discounts won't incentivize consumers the same way a campaign can. Brands can benefit from developing multi-stage campaigns that involve exclusivity, time and earning elements:

- ✓ **STEP ONE**
Invite existing customers to an exclusive campaign where they have a chance to receive one of several offers.
- ✓ **STEP TWO**
Coordinate a specific release time for the campaign and share the go-live window with customers.
- ✓ **STEP THREE**
Give customers the option for "earn time" actions. Through social media, SMS and email sharing, customers earn more notification time when the campaign is about to go live.

04

FOCUS ON CUSTOMER LOYALTY.

Motivation is driven by brand loyalty, but it's easy for brands to fall short when it comes to turning customers into brand evangelists. Re-focusing efforts on loyalty can yield positive results — and it's as simple as offering discounts and promotions. Around 78% of consumers said exclusive offers and discounts earned through a brand's loyalty program are more valuable than offers that everyone gets.



Ready to Motivate Your Customers to Purchase?

Today's buying landscape has never been more competitive. To grow, companies need to rely on a sophisticated combination of exclusive, timely and earned offers, rewarding both new and existing customers.

At Quikly, we help brands deliver engaging experiences that motivate behavior and increase customer value. Our formula is simple:



ACQUIRE

Acquire new customer data, email or SMS subscribers, social followers and loyalty members so you can build an engaged audience of consumers with whom you can communicate across all channels and message types.



ACTIVATE

Activate consumers through education, engagement and advocacy to deliver a differentiated experience on existing channels across the customer journey.



RETAIN

Retain new customers, re-engage lapsed customers and drive brand loyalty through personalized, location-aware content.





Reactivation Spring Campaign

24 Total Campaigns

AE Contact
Emma Smith

SUMMARY OUTREACH **ACTIVATION** LIVE RELEASE

530,000
Total Participants

60%
Conversion Rate

CHECK THIS OUT!

5% of all participants in this campaign were first time users in a Quikly.

Demographics

Based on Facebook Connect data (25% of all participants)

35 Average Age

Preferred Platform

Traffic and Participation Breakdown

OWNED MEDIA TRAFFIC	PAID MEDIA TRAFFIC	REFERRAL TRAFFIC
200,000 participants	300,000 participants	30,000 participants
60% Conversion Rate	25% Conversion Rate	30% Conversion Rate
<ul style="list-style-type: none"> Brand Email: 35% Facebook Post: 18% SMS Text: 16% Brand Website: 12% 	<ul style="list-style-type: none"> CTA Facebook: 58% Display Ads: 16% 	<ul style="list-style-type: none"> Email: 35% Facebook: 18% Twitter: 16% Custom: 12%

Earn Time Actions

- FOLLOW ON SOCIAL
29,903
Follow on Instagram
- WATCH A VIDEO

- REFER FRIENDS
89,000
Social Shares
- 12,503,000**
Total Impressions

60% of all Participants took an Earn Time Action

ETAs by Popularity

Quikly Engagement Platform

Leading consumer brands use Quikly to execute frequent, highly targeted campaigns that motivate purchases, loyalty sign-ups, social engagements, store visits and other key behaviors. Whether you're a digital marketer in retail, dining or consumer-packaged goods, our marketing platform delivers incremental benefits for your brand's marketing objectives.

Unlike other marketing platforms, Quikly doesn't require an entire overhaul of systems and strategy. Instead, we work with you to get more value from your current marketing initiatives. How? By amplifying current customer reach across all channels (email, social, mobile, etc.). This allows you to move consumers seamlessly through the acquisition, engagement, conversion, sales and retention phases.



About Quikly

Quikly provides unique and engaging experiences that help brands and retailers acquire customers, engage with their audience, drive purchases and ultimately build a loyal customer case through a combined offering of the Quikly Engagement Platform and outstanding professional services. We strive to help brands optimize investment and amplify the effectiveness of existing marketing technologies and tools.

Motivate consumers to react – Quikly.

Contact us today to get started!



quikly.com



hola@quikly.com

