Loyalty Scheme for Newtown: Loyalty Newtown

Proposal Paper

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Introduction

The purpose of this proposal is to outline the implementation of a loyalty scheme for Newtown, aimed at promoting and supporting local businesses.

This scheme will leverage QR code technology and mobile devices to reward participants for their purchases and encourage frequent visits to local establishments. This focus on digital technology will cut costs and allow for a wider reach.

By fostering customer loyalty and incentivising community engagement, the loyalty scheme will contribute to the growth and sustainability of Newtown's local economy.

Local loyalty schemes are not new; however this proposal works similarly to other scheme around the UK but uses digital technology is tailored and focused for Newtown to promote the local economy.

Objectives

1. Promote Local Businesses: The primary goal of the digital loyalty scheme is to support and promote local businesses by encouraging residents and visitors to shop locally.

2. Drive Customer Loyalty: By offering rewards for purchases and incentivizing repeat visits, the scheme aims to foster long-term customer loyalty among participants.

3. Enhance Customer Engagement: The mobile app will provide a platform for businesses to engage directly with their customers, enabling personalized offers, notifications, and updates.

4. Data Collection and Analytics: The digital loyalty scheme will collect valuable customer data, allowing businesses to gain insights into customer preferences and behaviours for targeted marketing strategies.

Implementation Process

1. Development of the proposal:

Further development of the proposal to refine ideas and agree a way forward for implementation. The proposal is now called Loyalty Newtown and features it's own branding.

2. Development of the technology:

A dedicated section to the All About Newtown website will need to be created to allow for user registration and the storing and recording of purchases to build up their

loyalty. Development of the business end functions will also need to take place, including redeeming and logging purchases. This is explained in Appendix A.

3. Business registration:

Businesses invited to sign up and provide rewards for loyalty customers. Rules around reward unlock to be universal but can be tailored to each business. E.g., 10% off after eating at {business} twice. Businesses will also need to be shown and trained on how to redeem purchases made by end users, to build up loyalty within their accounts.

4. Reward offerings:

Local businesses to determine the rewards they wish to offer, such as discounts, freebies, exclusive deals, or points-based systems. The app will display the available rewards and allow participants to redeem them.

An additional reward could follow other town loyalty schemes and all purchases made within a certain timeframe could be entered into a draw to win gift vouchers at local businesses.

5. Participant Registration:

Users will be required to register on the All About Newtown website to participate in the scheme. Registration can be done by using existing All About Newtown account with registration expanded to allow for social media integration.

6. Promotional Campaign:

A comprehensive promotional campaign will be launched to raise awareness about the loyalty scheme among Newtown residents and visitors. This campaign will utilise various marketing channels, including social media, local newspapers, community events, and collaboration with local influencers.

Benefits and Incentives

Customer Benefits:

- Exclusive access to discounts, freebies, and special offers from local businesses.
- Accumulation of points or other metric that can be redeemed for future purchases.
- Personalized notifications about promotions, new arrivals, and events from favourite businesses.

Business Benefits:

- Increased customer retention and loyalty.
- Enhanced customer engagement and communication.
- Access to valuable customer data and insights for targeted marketing.

- Promotion of cooperative marketing initiatives and cross-promotion between local businesses.

Costs

There are core costs relating to the scheme which involve the development of the proposal, the technology. There are then ancillary costs with promoting and marketing the scheme, along with on-going maintenance costs.

It is intended to cover these costs with a grant or funding source to enable the creation and launch of the scheme. The on-going costs could then be funded via a grant, or contribution from participating businesses using the scheme, or by other means. An estimate of costs is below:

Description of the work	Responsibility of	Estimated cost
Development of the proposal including name etc	Partners	Volunteer time
Development of the website and all associated functions (business redeem etc)	All About Newtown	£500, this covers licences required, development costs and on-going maintenance for 3 years
Marketing and promotional materials	All About Newtown & Partners	£1000, to include posters etc
Evaluation and monitoring. Upgrade and on-going work.	All About Newtown & Partners	Volunteer time and KPI metrics system

A search of the internet has revealed that a commercial system to achieve the above would be in the region of £20,000 - £50,000. A cheaper and better alternative is to develop our own system, which can be tailored to local solutions and built by a not-for-profit community interest company, whose aim is to promote Newtown.

Evaluation and Monitoring

1. Data Analysis: Regular analysis of customer data will provide insights into the effectiveness of the loyalty scheme, allowing for adjustments and improvements based on user behaviour and preferences.

2. Feedback Mechanisms: Participants will be encouraged to provide feedback on their experiences with the loyalty scheme, which will help identify areas for improvement and ensure the ongoing success of the program.

3. Performance Metrics: Key performance indicators, such as customer participation rates, repeat visit frequency, and the number of redeemed

rewards, will be tracked to assess the scheme's impact on local businesses and the community.

Conclusion

The implementation of a loyalty scheme for Newtown presents an opportunity to support local businesses, encourage customer loyalty, and enhance community engagement.

By leveraging QR code technology and mobile technology, participants can conveniently earn and redeem rewards for their purchases.

The scheme offers a win-win situation for both businesses and customers, fostering long-term relationships while contributing to the growth and sustainability of Newtown's local economy.

Appendix A – customer journey and initial mock up.

1. Consumer makes a qualifying purchase at participating business.

2. Cashier or other employee scans the unique QR code presented by the consumer via the Apple Wallet/Google Play app. Working example showed below.

3. This action will log that a qualifying action has taken place, providing the user with points or other metric to quantify progress towards a reward.

4. The consumer can use the website to view available offers to be redeemed if a certain metric or action is reached.

5. To redeem a reward, the unique QR code presented by the consumer. The business verifies this by scanning the code and selecting the reward, which then redeems the reward. Working example showed below.