

# Building Customer Loyalty to Build Profits

**"Loyalty is one of the great engines of business success."**

**Frederick F. Reicheld, author of the "Loyalty Effect"**

Today's successful businesses recognize the importance of customer retention in their efforts to grow operational profits. To achieve this more and more small businesses are implementing loyalty and stored value programs as a competitive marketing strategy to build long-term relationships with customers and allocate marketing dollars based on the customer's value in order to derive as much as revenue as possible from them over a lifetime.

Of course, loyalty is more than a business strategy. It is an ongoing, two-way relationship based on respect, trust and commitment – a relationship in which the customer feels all-important. A successful loyalty program builds and nurtures such a relationship by accomplishing two critical tasks. The first is to gather information that will help merchants understand their customers' tastes, needs and expectations. The second is to offer recognition and rewards that are relevant to their customers as a reward for their loyalty – and as a trade for the personal and transactional history that starts the loyalty cycle and keeps it going. By tracking members' transactions, companies can identify the various segments of their customer base to create promotional strategies that keep their best customers coming back for more.

## Customer Information is Key

Effective loyalty programs generate incremental spending – more dollars spent, more frequently, from customers whose needs and expectations are understood and met. With 80% of a merchant's business being generated from as little as 20% of their customers, identifying and understanding this segment is crucial. By gathering customer information, merchants can make informed marketing decisions that will keep their best and most profitable customers more informed more often. By leveraging this information, merchants can increase sales from under-performing segments of their customer database. Local Heroes utilizes the most advanced technology to collect this data at the point of sale, track, assimilate and store valuable customer profiles. Through our dynamic reporting engine, merchants can manage customer data and instantly create and customize CRM programs to maximize customer value.

## WHY YOU SHOULD JOIN

- ◆ **Valuable Alternative** - Provides a better alternative than most current loyalty programs and eliminates the need to participate in traditional paper-based coupon and ineffective direct mail programs.
- ◆ **Increase Margin - Local Heroes** is designed to eliminate 2 for 1 offers for restaurants, which amount to 35% or more of the total bill in favor of a reward that is set by the merchant.
- ◆ **Increase Efficiency** - Eliminate the time-consuming, manual coupon-processing with **Local Heroes'** on-line coupon or voucher authorization.
- ◆ **Target Market**- Cardmembers are invited to set preferences in 17 categories. When a Merchant profile and cardholder preference(s) are matched a email alert or text message is immediately broadcast to the member.
- ◆ **Maximize Your Advertising Dollars** - Full Color advertising guaranteed in minimum of 250,000 Directories. Merchant will be invited to participate in cooperative print, radio and television media campaigns.
- ◆ **Special Promotional Opportunities** - Merchants will have opportunities to inform members about upcoming events, increased rewards through our monthly "On-Line Newsletter", print Newsletter to be mailed to all Cardholders and our Event Posting on the **Local Heroes'** website.
- ◆ **Maximize Your Web Exposure** - Merchants can create personalized webpage's within the **Local Heroes'** community.
- ◆ **Co-Branding with Merchant Logo** - All Merchants can receive up to 500 co-branded Local Heroes membership cards directories to distribute to family, friends and customers.
- ◆ **Customized Customer Information** - Monthly reports can be customized to your needs so that database information can be used effectively to target your customer base.

## LOCAL HEROES - WHO WE ARE

One of North America's most advanced full service provider of turn-key electronic loyalty programs including stored value, debit and gift card applications providing merchants and program managers the latest CRM Programs.

### Local Heroes' services include:

- ◆ **Strategic Planning**
- ◆ **Custom Program Design/Host Configuration**
- ◆ **Creative, Production & Fulfillment Services**
- ◆ **Customized Terminal/Host Application Development**
- ◆ **Innovative and Flexible Loyalty Program Models**
- ◆ **Superior Loyalty Management Technologies**
- ◆ **Best of Breed Loyalty/ Stored Value/Debit and Gift Card Applications**
- ◆ **Market Research & Expertise**
- ◆ **Database Analysis & Customized Reporting**

Company management has 14 years proven track record with dozens of successful implementations in our industry. Local Heroes maintains strategic partnerships with many of our industries' leading companies. It provides dynamic & interactive loyalty, gift card and VIP Programs designed to:

- ◇ **Provide merchants with enhanced value added processing capabilities**
- ◇ **Provide merchants and coalition partners highly flexible & proven program models**
- ◇ **Increase merchant profitability & their customers lifetime value**

## PAST PROGRAMS

