

How can a business maintain the status quo for client benefits, create greater flexibility for the clients AND grow the business all in one go?

The answer is to replace (with the help of your supplier) a 1 for 10 type system with the financially rewarding equivalent Bonus Points system that is already incorporated in your software.

Example: Product A retails at \$100. Give your clients 1000pts (\$10) for each purchase of that product. Once they have purchased 10 of that product, they will have accumulated 10,000 points (\$100) and can claim a “free” 11th product. This shows the similarity between the systems. However, Bonus Points allows for the capability to do so much more. Clients can collect Bonus Points on a wider range of products which can be pooled into one total.

There is also the option of collecting Bonus Points on the services that are provided by the clinic; something that the suppliers cannot offer you with their scheme. By choosing services that have low overheads to the business, you can promote these services to clients helping generate more business. By allowing for these services to be redeemed as rewards, you can minimise the running costs whilst maximising client satisfaction.

The concept of collecting points from a wide range of participators, but redeeming through only one, is not new. Airline frequent flyer points, for example, can now be collected not just from the airline, but from other participating retailers such as credit cards, rental cars and hotels to name but a few. The end result is that people will fly on one particular airline opposed to a competitor upon redemption of their points. While the airline does not make money directly for their company when customers redeem the points, they have prevented their competitors from profiting from that customer.

By utilising the Bonus Points system, you create a reason for your clients to purchase from you, rather than shopping elsewhere. Each time the client purchases from you, you deny your competitors the opportunity to gain that sale. There is no need for you to partner up with anyone outside of your business except for your suppliers.

ADVANTAGES OF USING BONUS POINTS			
Situation	Advantage to Business	Advantage to Client	Advantage to Supplier
<i>Pooling of bonus points</i>	High client satisfaction, increase in retail sales	Flexibility and choice	Can result in selling more and “giving away” less
<i>Use of services in loyalty scheme.</i>	Increase in range of services being used	Variety available in rewards and accumulation of points	Suffers no “loss” of product sale
<i>Clients not redeeming points</i>	Keeps the money in the business (Cash Flow)	Saving up for a ‘big’ reward	Have made sales without “giving” the product away
<i>Redemption of points</i>	Denying your competitor a sale	“Free” product / service	Opportunity to gain new custom as clients trial products upon point redemption

Advantages of using Bonus Points

- 1) The key tags, combined with the in-built system, will allow for tracking of the accumulation of bonus points. Clients do not need to carry a card and request it to be stamped and you no longer need to worry about “Oops, I forgot my card last time, may I please collect the stamp for it now?”
- 2) The in-built bonus points system has the ability to introduce a wide range of products and services into the loyalty scheme. By doing so, you are able to emphasise the business as a brand that clients think of for all their requirements; both service and retail related. It promotes flexibility in your loyalty scheme, making it more attractive for people to use, resulting in increased profit for the business.
- 3) Not all points are going to be redeemed, so the business will benefit from this extra “money”. Research shows that in the United Kingdom, shoppers are sitting on £2bn in unclaimed rewards and about £460m is going to stay this way (www.thisismoney.co.uk/credit-and-loans/article.html?in_article_id=400945&in_page_id=9).
- 4) When \$100 RRP worth of points are redeemed by the client on a product, the businesses actual cost of the product is say \$70. However, the customer perceives the value of the reward as \$100.
- 5) The activation of the bonus points system allows for the whole process of collecting points to escalate into a ‘strength’ and a point of difference for the business. Pooling points into one system will result in the ‘whole being greater than the sum of the parts’ thereby creating synergy in the business.
- 6) Over time, the prices of the services and retail products will go up and the value of the loyalty points will drop creating a future margin for the business to capitalise on.
- 7) Because the key tags come three to a card, there is the ability for you to promote different aspects of your business. The key tags could have separate designs to differentiate your large animal clients from your small animal clients or your beauty therapy clients from your hair clients. Another option is to have a special key tag for your V.I.P. clients. If you have a



of stores, each branch can have their own key tag design, but they can all be ordered at once thus reducing the cost.

How can I maximise the system to encourage client spending?

DOUBLE POINTS

Have special “double points” days to attract clients – with or without supplier participation.

LUXURY PRODUCTS

Promote high margin “luxury” products for redemption to create an extra margin for your business.

SLOW MOVING PRODUCTS

Promote slow moving items, products that are nearing expiry and / or end of line products using extra “points”.

MINIMAL OVERHEADS

Allow for points to be collected and redeemed for services that have minimal overheads for the business i.e. annual animal health checks or training for junior stylists.

USING YOUR WEBSITE

Create hits for your website by asking clients to check the expiration status of their points online. Upon noticing points may be close to expiry the client will come into the business, creating the opportunity for staff to up-sell more products and services.

Frequently Asked Questions

PROBLEM: The cost of setting up a bonus points scheme is out of my budget at the moment, as surely it is expensive.

SOLUTION: The integrated bonus points

system that you are able to set up, manage and track in-house already exists in your software. The price of the key tags is retrievable by passing the cost (or a little more for a profit) onto your clients.

PROBLEM: Clients already have their wallets full of loyalty cards. I don't want to bother them with another!

SOLUTION: CFL, in conjunction with P2P Limited, have developed key tags to use, creating convenience for the client as they always carry their keys with them. No more stamping cards!

PROBLEM: Some of my products have a lower profit margin on them than others, so I don't want clients to be able to earn the same amount of points on every product or service.

SOLUTION: Each product or service can have up to 9 different and independent levels of reward points available. Not only can you allocate how much each product receives, but you can also allocate how much different categories of clients receive.

PROBLEM: My clients tell me that the staff already take too long to find the relevant records and are sometimes charged for the wrong service or product. Surely this is going to get worse with Bonus Points?

SOLUTION: The key tags help ensure speed and accuracy due to the individual barcode on the back of each. This will aid in finding client records and assist with the correct allocation of Bonus Points.

PROBLEM: I currently don't have a website, so Bonus Points still relevant to me?

SOLUTION: YES! While the website makes it easy and convenient for you and your client, they can still find out how many points they have and what they can redeem them for by contacting your business. However, if you would like a website, this is also something that CFL/P2P Limited can help you establish, along with ways of encouraging your clients to use it thereby reducing the number of incoming phone calls.

PROBLEM: One of my suppliers does not want to be a part of the Bonus Points programme.

SOLUTION: You do not need to allocate points to those non participating suppliers' products, so when purchased, no points are collected. However, you should explain to the supplier that they may see a slight drop in sales as other suppliers are willing to participate in the programme. Clients are more likely to choose products that they receive points on as opposed to ones that they do not.

How can I set up my Vetlink^{SQL} / Hairlink^{SQL} / Petlink^{SQL} so that I can use Bonus Points?

STEP ONE: Activate Bonus Points in your software and allocate an expiry for them. An expiry date on the Bonus Points helps encourage them to be redeemed.

STEP TWO: Allocation of Bonus Points to products and clients to the Bonus Points categories.

Allocating Bonus Points to the products

This allows your business the flexibility to select which products will receive Bonus Points, how many points are allocated and which client category receives them.

Allocating clients to Bonus Points categories

This allows you to have different amounts of points that can be redeemed for different client groups e.g. V.I.P. clients, Staff or Regular.

Allocating barcodes to clients

This will enable fast and accurate location of clients' records and will speed up retail-only sales. Multiple tags can be assigned to a client record. This is ideal for families and minimises the hassle when a key tag is lost.

STEP THREE: Payment with Bonus Points

Once the minimum amount needed for a payment with Bonus Points is reached, the system will automatically display how many points can be redeemed for that transaction as well as the remaining balance. The system will ask if the Bonus Points are to be used. If the client wants to keep saving them, then it can be over-riden. It is an excellent way to keep clients informed of their total and to encourage their use.

STEP FOUR: Printing Bonus Points totals on bills

Vetlink^{SQL}, Hairlink^{SQL} and Petlink^{SQL} allow you to print out the client's Bonus Points total at the bottom of their bill (receipt or invoice) in a customisable message.

Walk-in customers that do not have a record at the business will not accumulate Bonus Points. However, upon finding out that your business has a loyalty scheme they may decide to bring all their business to you.

STEP FIVE: Checking Bonus Points totals, history and expiration

For a client to find out their Bonus Points total, they can:

- Call the clinic as it will be on the client record
- Receive a personalised monthly statement sent to them by the clinic
- Go to your website (if it is an integrated P2P Limited website)

The Bonus Points statements are high-end, corporate quality, recording all transactional information. They are colour-coded to show the points' expiration at one, two and three months prior to expiration as well as points that have just expired

If you do not want to be sending paper to clients, live point availability is also available online. The benefit of having the information online is that it reduces the number of incoming phone calls to the clinic as well as creating more "hits" on your website!

The screenshot shows a web browser interface with a navigation menu at the top: Home, Services, Skins, Clients, Resources, Links, My Records, Forums, About Us. Below the menu, the page title is "My Records" and the date is "Tuesday, October 02, 2007". The main content area is titled "My Records" and includes a welcome message: "Welcome, Mr. John Smith". There are several tabs: Client Summary, Profile, Transactions, PAR Information, Bonus Points, Reminders, Appointments, Animals. The "Bonus Points" tab is active, showing a table with columns: Date, Gained, Claimed, Available, Expiry. The table contains four rows of data for May and June 2007, with a total of 3700 points. At the bottom of the page, there is contact information for P2P Limited and copyright notices.

Date	Gained	Claimed	Available	Expiry
31 May 2007	500	0	500	
31 May 2007	2000	0	2000	
01 Jun 2007	600	0	600	
01 Jun 2007	600	0	600	

Total : 3700

Tell me more!

To find out how you can have a Bonus Points system to maximise your business opportunities as well as an integrated web site to help capitalise on your existing webpage, contact P2P Limited today!



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