

# Loyalty & Rewards That Drive Repeat Business

Discover proven loyalty and rewards strategies that increase customer retention, boost repeat purchases, and turn satisfied customers into long-term brand advocates.



# 10 Types Of Business That Benefit Most By Offering Tiered Rewards To Their Customers



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Whether you are focusing on creating an end-to-end loyalty program or dedicating your resources to creating the perfect referral program, a discussion about tiered rewards always shows up at the table.

However, without proper planning, tiered reward programs can often lead to confusion. In this article, we will look at different types of tiered rewards and the businesses that benefit the most by implementing them.

### **Different Types of Tiered Rewards**

In a nutshell, there are different types of tiers involved in a reward system. Many marketers talk about levels without really understanding the concept altogether.

It is enticing to think that complicated reward programs add more value to your business. The reality is that [more accessible reward programs will be easier to understand, and customers are more likely to participate in it](#) if it is not complicated.

Here are some basic tier types that you must know about:

#### **Flat Tier:**

It is a single-tier program that allows the customers to earn rewards when they meet a specific condition.

For example, a customer can win a \$5 cash coupon if they enroll a friend with your brand or free shipping orders above a certain amount.

#### **Threshold Tier:**

This tier is popular among most loyalty and reward programs. This [tier helps to achieve specific business goals before rewarding your customers](#).

For example, customers can earn \$30 credit after booking ten rides or earn freebies after making five purchases from your brand.

It is slightly more complicated than the flat tier as you need to figure out the progress a customer makes before the rewards can be redeemed. You can also reset the metrics if they cannot achieve the said goals in a set time frame.

#### **Cascading Tier:**

It is primarily a referral-based sales program and is a prominent part of affiliate marketing. They are helpful when you want to sell through your network and work well for consumer products.

It cascades in the following manner. You give a 5% commission to customers for their reference. They also get a 5% commission of the purchases that the customers they first introduced to the brand made.

As the degree of separation between your first customer and others increases, the commissions get smaller. We recommended that you educate your customers about the tier system in advance.

#### **Stepwise Tier:**

It encourages users to progress through a specific path after they sign up. They complete one activity after the other and continuously earn rewards for the same.

For example, your customers can get a \$10 credit when they submit a review about your product, followed by an extra 10% discount if sent in a video testimonial. You can take it a notch higher by offering gift cards after every five purchases.

These are actively used during customer activation campaigns and are more complicated than the tiers discussed above. The plus side to it is the high visual explanation of products.

### **Businesses That Can Benefit From Tier Rewards**

With a clear idea about different kinds of tier rewards you can have in your loyalty and referral programs, let us take a look at the businesses that can benefit the most by offering these programs.

#### **1. Restaurants and Cafes:**

Good food and coffee can keep the customers coming back but adding some rewards in the picture adds certainty.

Give customers free coffee on their birthday or a meal voucher on their anniversary. Include deals like loyalty points in exchange for a drink or entree in the future.

Give your customers a memorable experience and watch them add value to your business regularly.

#### **2. Sporting Goods:**

As a sporting goods manufacturer and seller, you can leverage two sales points, online and offline. Selling online already gives more profits, and you can add to them with a gift-based reward plan on repeat purchases.

Give members points for every interaction with the brand, both online and offline. Create VIP memberships that give more significant rewards in exchange for points in their account.

#### **3. Adventure Sports Accessories:**

Adventure is crawling into the lives of millennial customers at a rapid pace. The market has higher margins, so it is ideal for increasing that user base with reward programs.

Offer premium memberships both in brick and mortar stores and online and reward them with extra discounts to keep them coming back for more. Extend the privileges to the end of the season or stock clearance sales to improve the bottom line.

#### **4. Entertainment Platforms:**

A wide range of entertainment platforms like Netflix already used a wide variety of reward programs to allure new customers.

If you are also the owner of a similar brand, you can create strategic partnerships with various outlets and entice users to become paid members.

Give them reward points for taking advantage of some exclusive experiences on your platform and combine several threshold tier rewards to keep them going strong with your brand.

#### **5. Exclusive Clubs:**

A club doesn't always mean having a brick and mortar building with a bar and recreational areas. A club can be a group of people who come together for a common purpose.

If you have either of the clubs, you can create several strategic partnerships that can benefit the club members.

Tie up with brands willing to offer rewards and benefits to club members to convert them into customers by paying a nominal fee to the club management. It is a win-win situation for all parties involved and has worked well in the past.

#### **6. eCommerce Stores:**

Amazon offers free shipping on orders that are above a specific billing amount. But they offer free shipping for all orders to their prime members.

If you also have an eCommerce business, then adopting a similar strategy can do wonders for your brand.

Have an exclusive membership that offers benefits beyond free shipping like loyalty points, birthday coupons, or more comfortable pick-ups to encourage your customers to spend more money on your website.

#### **7. Ice Cream Parlours:**

It is hard to find a person who doesn't like ice cream. As a business, ice cream parlors can scale up their loyalty programs with ease.

Offer a free scoop when someone follows you on social media or give it away when customers spend \$20 at the store.

Include features like phone payments, information about the latest flavors to subscribers, and customizable sundaes or ice cream cakes.

#### **8. Furniture and Furnishing Goods:**

Anyone visiting a furniture and furnishing store spends a considerable amount of time at the store. Use this time to invoke their loyalty.

Surprise them. Offer them a free coffee at the store and use the time to get some surveys answered or understand what they are looking for in their in-store experience.

Have some reward programs that include their entire family. Maybe give small insurance with the furniture or offer them cushions with the couch at a 20% discount.

#### **9. Automotive Business:**

Whether you sell cars or are in the business of maintaining them, you can build a powerful connection with your customers.

Many users are attached to their cars, and it serves as the perfect opportunity to turn them into your brand advocates.

Start from small things like free valet parking and go all the way to enroll them in a point-based loyalty program.

Enable access to exclusive events, reward them for surveys, highlight their review with real pictures, and give them points for every \$10 they spend at your workshop.

Give them rewards in lieu of their points. They can be as simple as a free oil change for 200 points or maybe a cash discount on the next service.

#### **10. Pet Stores:**

Another emotional aspect of people's lives is their pets. They love them and will do anything to get the best food, toys, and supplements for them.

If you are the owner of a pet store, you can win your customers' loyalty by helping them learn more about maintaining the health of their pets.

Ask them to subscribe to a that publishes informative content regularly. Start with a 30-day free trial and monetize the subscriber base on the go.

Offer special treats for pets on their birthdays and provide discount coupons for supplementary services like grooming to build relationships with the owners.

#### **To Conclude**

These were the businesses that can benefit from incorporating tiered rewards in their affiliate marketing efforts.

It is time you started a program for your brand too. Choose the tier type based on your experience in the field and pay attention to what your customers say.

[To know more about initiating a tiered rewards system for your brand, get in touch with us today.](#) Our experts will guide you through the process over a free consultation.

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