Customers: Using CounterPoint

Working with Loyalty Programs

Overview

Customer loyalty (“frequent buyer”) programs allow you to reward customers for their business and encourage customers to purchase more frequently in higher dollar amounts. Loyalty programs can also promote customer good will, showing your customers that you value their business.

Loyalty points are “earned” in Point of Sale ticket entry by purchasing certain products or categories of products. The formulas for earning points are flexible and may be based on dollar amounts or quantities. Limited time bonus point promotions are also supported. Points adjustments may be processed by authorized users.

Points may be redeemed for certain products or categories of products. Flexible formulas are provided for assigning redemption point values to products or categories of products.

Batch processing is provided so that customer points may also be evaluated and a customer may automatically “graduate” to a different category (e.g., graduate from the “silver club” to the “gold club” customer category and receive 10% off on all purchases).

Customer points are visible on customer screens, ticket entry Zoom, and user-defined forms.

Complete historical reports for the earning and redemption of points are provided for customers and may optionally include ticket detail. Batch processing is provided so that points may be automatically issued or removed for groups of customers.

Loyalty programs are supported by Point of Sale and Multi-Site, but are not currently supported by Order Entry.

In this document, we will use the example of a sporting goods store called Camptown Sports that has a “frequent buyers” club. Camptown Sports awards 10 points for every dollar spent on merchandise in the store, and allows customers to redeem points just like cash, with every 200 points worth $1.00. When a customer has spent a total of $500 over time, that customer is awarded “Preferred Customer” status, which allows them to earn double points.
Viewing loyalty points

If you specified in Setup / Customers / Control to use loyalty programs, you can view a customer’s current point balance in several places:

- Customers / Customers
- Customers / View / Customers
- Customer zoom window in ticket entry
- Customer zoom window in Order Entry
- Pop-up points window that appears in ticket entry when a ticket is eligible for points redemption
- Loyalty Points History Report

Earning loyalty points

If you specified in Setup / Customers / Control to use loyalty programs, a customer automatically earns points whenever that customer buys items that are eligible for points, according to the customer’s loyalty code (i.e., the loyalty code associated with customer’s category).

When the ticket is complete, earned points are added to the customer unposted points balance. Unposted points are added to the customer’s posted points balance by Point of Sale / End of day / Post. The Daily Register Summary prints the total number of points issued and redeemed.

Point information for individual tickets is stored in ticket history. While this information can’t be viewed on Sales history screens or reports, it can be printed on Loyalty reports and tickets reprinted from history by using batch printing.

Adjusting loyalty points

There are several methods for adjusting customer points:

- Add or subtract points for a single customer in ticket entry by entering a points adjustment item on a ticket.
- Add, subtract, or replace points for one or more customers using Customers / Loyalty programs / Grant loyalty points.
- Clear points for one or more customers using Customers / Loyalty programs / Clear loyalty points.
- Set loyalty levels and optionally clear points for one or more customers using Customers / Loyalty programs / Set loyalty levels.
<table>
<thead>
<tr>
<th>Method</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ticket entry</td>
<td>• Allows you to add or subtract points and keep a record of the adjustment in ticket history as an audit trail.</td>
<td>• You can only add or subtract points for one customer at a time.</td>
</tr>
</tbody>
</table>
| Grant loyalty points  | • Allows you to add, subtract, or replace points from one or more customers simultaneously.  
• Allows you to add, subtract, or replace points based on sales volume, ticket history or monthly history. | • Except for the Grant Loyalty Points Journal, there is no audit trail of points granted or revoked.  
• Current point balances may not match ticket history detail on Loyalty Points History Report. |
| Clear loyalty points  | • Allows you to set loyalty points to zero for multiple customers simultaneously. | • Except for the Clear Loyalty Points Journal, there is no audit trail of points granted or revoked.  
• Current point balances may not match ticket history detail on Loyalty Points History Report. |
| Set loyalty levels    | • Allows you to optionally set loyalty points to zero for multiple customers simultaneously while setting loyalty levels. | • Except for the Set Loyalty Level Journal, there is no audit trail of points granted or revoked.  
• Current point balances may not match ticket history detail on Loyalty Points History Report. |
Adjusting points in ticket entry

In ticket entry, when you sell or return items that are eligible for points, points are added to or subtracted from the customer's account automatically. If you want to add or subtract additional points manually in ticket entry, you can do so by “selling” a special zero-price item that has been assigned the adjustment item category specified in Setup / Customers / Loyalty codes.

Select Setup / Inventory / Categories and define a category called POINT.

In Setup / Customers / Loyalty codes, Camptown Sports defined POINT as the adjustment item category for each loyalty code.

If the loyalty code bases points earned on quantity (field 6 on the first screen of Setup / Customers / Loyalty codes), then the loyalty code setup is done. Normally, loyalty codes base points earned on sale amounts, and you must define a special earning rule on the second screen of Setup / Customers / Loyalty codes.

(Be sure that Use earning rules by on the first screen of loyalty code setup specifies to use earning rules by category.)
In **Inventory / Items**, define a non-inventory, zero-price item with the category **POINT**.

To resolve a dispute, the manager of Camptown Sports decides to grant a particular customer 500 extra points. To do this, the manager enters a ticket for this customer, enters item **POINT** on this ticket, and sells a quantity of 500. The price for this item is $0, but the customer receives 500 points when this ticket is completed, and Camptown Sports has a record (in ticket history) of this transaction.
Customers / Loyalty programs / Grant loyalty points

Select Customers / Loyalty programs / Grant loyalty points.

NOTE: The term "grant" as used in this function can mean to add, subtract, or replace loyalty points.

NOTE: The Grant Loyalty Points Journal is the only record of changes made using this menu selection.

1. Print or update
Select:
Print To print the Grant Loyalty Points Edit List without actually changing
Print and update To print the Grant Loyalty Points Journal and change points as specified.

5. Point update method
Select:
Add to To add loyalty points to customer accounts.
Subtract from To subtract loyalty points from customer accounts.
Replace To replace the loyalty points in customer accounts.
6. Calculation method
Select:
- Grant points: To grant a specific number of points.
- Calc points from ticket history: To grant points based on ticket history.
- Grant points by sales volume: To grant points based on sales volume.
- Calc points from monthly history: To grant points based on monthly history.

Your answer here determines how CounterPoint calculates the number of points to grant. Each method is discussed separately.

Granting a specific number of points
Use this method to grant a specific number of points to one or more customers.

7. # of points to grant
Enter the number of points to grant.

Granting points by sales volume
You can use this method to grant additional points to customers who buy a certain amount of a certain item (or items) during a specific time period.

13. Minimum sales volume
Enter the minimum dollar amount of the specified goods that must have been purchased during the specified ticket date range in order for a customer to be included in this points adjustment.

14. Show ticket detail?
Specify whether to show ticket detail on the Grant Loyalty Points report.
If you answer Yes, the ticket date, ticket number, and qualifying sale amount (of the specified items) print on the report. Tickets that are not in the specified date range or that don’t contain any of the specified items or categories don’t print.

Granting points by ticket history
This method reviews historical tickets, recalculates their point value, and updates the customer’s points using the new values. Points are calculated using the customer’s current loyalty code (not the ticket’s original loyalty code) and the current loyalty code rules (not the rules that were in place when the ticket was recorded). This method also updates ticket history, overwriting any previous points information.

You can use this method when starting a loyalty program if you want to give customers credit for historical sales. For example, Camptown Sports announces their new loyalty program in March 1998, but they want to give their customers points for purchases made in January and February. They can use this option to generate the points that would have been earned had the loyalty program been in effect during those months.

WARNING: This method doesn’t take into account any points that have been redeemed, so you should not use this method to correct point balances that you think are incorrect.
8. **Show ticket detail?**
Specify whether to show ticket detail on the Grant Loyalty Points report.

If you answer *Yes*, the ticket date, ticket number, and qualifying sale amount (of the specified items) print on the report. Tickets that are not in the specified ticket date range don’t print.

**Granting points by monthly history**
This method takes the total sales volume for the specified period for each customer, and multiplies that total by the multiplier specified in the customer’s loyalty code. It doesn’t take into account any of the earning rules or bonus specified for the loyalty code.

**NOTE:** Only customers with loyalty codes that are based on sale amounts can be granted points based on monthly history.

You can use this method to run a special promotion to grant additional points. For example, as a thank-you for great holiday sales, Camptown Sports decides in January 1999 that they want to grant all of their customers an additional 10 points for every dollar in purchases made in December 1998. As long as their loyalty codes are based on sales amount (not quantity), Camptown Sports can use this method to generate the additional points. The existing loyalty codes at Camptown Sports (*DFLT* and *PREF*) are both based on sale amount. The *DFLT* loyalty code already has a multiplier of 10 (10 points per $1), so no changes are required to this code. The *PREF* loyalty code, however, has a multiplier of 20 (20 points per $1). If Camptown Sports wants to grant only 10 additional points, they will need to change the multiplier in the *PREF* loyalty code to 10, run this function, then change the multiplier back to 20.

7. **Reporting period**
Enter the starting and ending calendar months.

Only monthly history in the range entered here will be used for calculating points.
Customers / Loyalty programs / Clear loyalty points

Select Customers / Loyalty programs / Clear loyalty points.

NOTE: The Clear Loyalty Points Journal is the only record of changes made to loyalty points using this menu selection. History is not affected, so the Loyalty Points History Report and the Loyalty Points Redemption Report still show the original points history.

4. First sale cutoff date
Enter the earliest first sale date to use in determining which customers to include.

Press F1 for None.

If you enter a specific date, only customers with a First sale date on or before this date will be included.

5. Last sale cutoff date
Enter the earliest last sale date to use in determining which customers to include.

Press F1 for None.

If you enter a specific date, only customers with a Last sale date on or before this date are included.
6. Include customers if sales are zero for
   Select:
   - **This year and last year** To clear points for customers who had no sales during this year or last year (as defined in Setup / System / Calendars for the current calendar year).
   - **This year only** To clear points for customers who had no sales during this year (as defined in Setup / System / Calendars for the current calendar year).
   - **All customers, regardless of sales** To clear points for all customers who meet your criteria, regardless of when their last sales occurred.

7. Print or clear?
   Select:
   - **Print** To print the Clear Loyalty Points Review List without actually clearing points.
   - **Print and clear** To print the Clear Loyalty Points Journal and clear points for the specified customers.

   **NOTE:** Unposted points are not cleared. If a customer has unposted points, the Clear Loyalty Points report shows an asterisk next to the customer’s point total, and a message will appear at the bottom of the report indicating that this customer’s points were not cleared.

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**Redeeming points**

A customer can redeem loyalty points as tender in ticket entry if all of the following are true:

- **Setup / Customers / Control** specifies to use loyalty programs.
- A points pay code is defined in **Setup / Point of Sale / Stores / Stores**.
- The ticket contains merchandise that is eligible for points redemption.
- The customer’s loyalty code allows redemption.
- The customer’s total point balance (including unposted points) is equal to or higher than the minimum number of points required for redemption specified in the customer’s loyalty code.
- The number of points needed to completely redeem all items on the ticket that are eligible for redemption is equal to or higher than the minimum number of points required for redemption specified in the customer’s loyalty code.
- The customer’s loyalty code allows split tender for redemptions, or if split tender isn’t allowed, the customer has enough points to completely pay for all items on the ticket eligible for redemption.
- The user is authorized to redeem points (specified in Setup / System / Users) or a security override is performed.

The rules for determining which merchandise can be purchased with points are defined in the redemption rules for the loyalty code.
When a customer purchases merchandise that is eligible for points redemption, and the customer has enough points to redeem, the points pay code is available as tender, and a pop-up window appears showing the customer’s current points balance and the maximum number of points that can be redeemed for this purchase:

In this pop-up window, the following information displays:

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer balance</td>
<td>The customer’s current points balance, including unposted points.</td>
</tr>
<tr>
<td>Eligible amount</td>
<td>The total dollar amount that may be paid for with points redemption.</td>
</tr>
<tr>
<td>Eligible points</td>
<td>The total number of points required to fully pay the eligible amount.</td>
</tr>
<tr>
<td>Max points allowed</td>
<td>The maximum number of points that this customer can redeem on this ticket.</td>
</tr>
</tbody>
</table>

If the loyalty code allows split tender for redemption, you are allowed to redeem points even if the customer doesn’t have enough points to fully pay for the item(s). If the loyalty code did not allow split tender, then the Points pay code would not even be available (and the Loyalty Points pop-up window would not appear) because the customer doesn’t have enough points to fully pay for the redeemable items with points.

Points can only be used to pay for tax and miscellaneous charges if the loyalty code is defined to allow this. On the example screen on page 90, the loyalty code doesn’t allow points to be redeemed for tax, so the $5.25 tax is not included in the amount eligible for redemption.

Sales are credited and normal pay code distributions are recorded when items are paid for with points redemption. No special accounting distributions are made for the redemption of points.

Only users who are authorized to redeem loyalty points can enter the Point pay code on a ticket. Security overrides are available.

NOTE: The Point pay code may be used for eligible returned items in order to issue points refunds. Points cannot be redeemed on layaways or orders, nor can they be redeemed when batch releasing orders.
Negative points

If completing or voiding a ticket would cause the customer's point balance to become negative, a warning appears on the screen. Only users who are authorized to redeem loyalty points are allowed to continue. Security overrides are available.

Using points to determine customer category

Loyalty programs can also be used to determine customer categories.

Camptown Sports gives all new customers the category DFLT (Default). This category is associated with the loyalty code called DFLT, which provides 10 points for every $1 spent on merchandise. Once a customer has spent $500 or more in the store, Camptown Sports wants to change that customer's category to PREF (Preferred Customer), which is associated with the loyalty code called PREF. Preferred customers earn double points on every purchase (20 points for every $1 spent on merchandise). How can Camptown Sports determine which customers are eligible for Preferred Customer status?

The easiest way to do this is to use Customers / Loyalty programs / Set loyalty levels.

![Set loyalty levels](image)

**NOTE:** This menu selection will not process customers with unposted points. To ensure that all customers are processed, you should run Point of sale / End of day / Post before setting loyalty levels.

If you have saved default report parameters for this menu selection, these parameters display automatically. You can clear the default parameters from the screen by pressing F1.
For each customer level, enter the following fields:

4. **# of-points**
Enter the minimum number of points that a customer must have on account to qualify for this customer level.

You should enter the levels in ascending order (where Level-1 requires fewer points than Level-2, Level-2 requires fewer than Level-3, etc.). Customers will be assigned to the highest level for which they qualify.

5. **Categ**
Enter the customer category to assign to all customers who have at least the number of points required for this level.

6. **Loy-code/ Description**
This field displays the loyalty code associated with the specified customer category and can’t be changed.

5. **Print or update ?**
Select:
- **Print** To print the Set Loyalty Levels Edit List without actually changing loyalty levels.
- **Print and update** To print the Set Loyalty Levels Journal and set loyalty levels as specified.

6. **Reset points to zero ?**
Specify whether to set loyalty points to 0 for all customers in the specified customer range and customer category range.
Select:
- **If any minimum met** To set loyalty points to 0 for only those customers who meet any minimum point requirement.
- **Category changed** To set loyalty points to 0 for only those customers who change categories.
- **Loyalty code changed** To set loyalty points to 0 for only those customers whose category change causes them to change loyalty codes.

Points are only reset when you enter **Print and update** in the previous field. If you are only printing the Edit List, points are not altered.

7. **Print which customers ?**
Select:
- **All customers** To print all customers.
- **Changed customers** To print only those customer who change loyalty levels.
- **Customers that met any minimum** To print all customers who meet any minimum specified for any level. (This will include customers who are already at one of the specified levels and don’t have enough points to move up a level.)

If you are resetting points to zero, all customers in the specified customer range and customer category range will print regardless of your answer here.
8. Use point balances from
Select:

Customer file To use point balances from the Customer file.
Ticket history To use point balances from ticket history.

If your loyalty program allows points redemption, you should specify Ticket history to ensure that all points earned are considered when determining loyalty level. For example, assume that a customer has earned a total of 5100 points (enough to qualify for level 1), but has already redeemed 3000 of those points, so the customer’s current points balance is 2100. If you specify a minimum of 5000 points for level 1 and answer Customer file in this field, then this customer will not qualify for level 1. If you answer Ticket history in this field, the program will look at ticket history to determine how many points have been earned for the ticket date range you specify. If you specify a ticket date range of Earliest to Latest, the program will look at the total number of points earned, and this customer will qualify for level 1.

If your loyalty program doesn’t allow redemptions, then the customer’s point balance in the Customer file should be the same as the points in ticket history. You may want to answer Customer file, however, because the program will complete more quickly using point balances from the customer file (it will only have to examine the customer’s record instead of reviewing multiple ticket for each customer).

Save as/Replace default report parameters?
This question appears when you press Enter at Field number to change? if you have entered new information or changed existing information on this screen.

Specify whether to save these parameters as the default parameters for setting loyalty levels.

The next time you set loyalty levels, the default parameters display automatically.

Limitations

CounterPoint’s loyalty programs don’t provide for automatic, on-the-fly setting of loyalty levels. If your loyalty program is designed so that customers should change levels as soon as they reach a certain point level, then you should run Customers / Loyalty programs / Set loyalty levels every day as part of your end of day procedures (after running Point of Sale / End of day / Post).

However, if a customer meets the requirements to move up a level in the morning, and makes another purchase in the afternoon, the afternoon purchase is still made at the old level. The level change doesn’t occur until you manually run Customers / Loyalty programs / Set loyalty levels.
Printing the Loyalty Points History report

Select Customers / Reports / Loyalty points history.

This report presents information drawn from ticket history. You must retain ticket history (specified in Setup / Point of Sale / Control) in order to use this report.

NOTE: If a customer's points balance has been adjusted using any of the Customers / Loyalty programs menu selections, the number of points shown in the ticket detail on this report may not match the customer’s point balance, because these adjustments alter point balances without affecting ticket history.

4. Include customers that meet or exceed:

# of points earned
Enter the minimum number of points a customer must have earned in order to be included.
Press F1 to include all customers regardless of points earned.

# of points redeemed
Enter the minimum number of points a customer must have redeemed in order to be included.
Press F1 to include all customers regardless of points redeemed.

# of earning tickets
Enter the minimum number of point-earning tickets a customer must have in order to be included.
Press F1 to include all customers regardless of point-earning tickets.
### # of redemption tickets
Enter the minimum number of point-redeeming tickets a customer must have in order to be included.

Press F1 to include all customers regardless of point-redeeming tickets.

### 5. Show ticket detail?
Specify whether to show ticket detail on the report.

If you answer Yes, the report includes the ticket date, ticket number, ticket type (*Earning* or *Redempt*), and number of points for every ticket in the specified date range for the specified customers and loyalty codes.

If you specify to show ticket detail, all eligible lines are processed and are assumed to have been redeemed, even if points were redeemed for only some of the items on the ticket.

### Show item detail?
This field appears if you answer Yes to Show ticket detail ?.

Specify whether to show item detail on the report.

If you answer Yes, the report includes the item number, item description, and number of points for each item on each ticket. Only items that earned or were paid for with points are included.

### Show tickets that
This field appears if you answer Yes to Show ticket detail ?.

Select:

- **Earned points** To show ticket (and item) detail only for tickets that earned points.
- **Redeemed points** To show ticket (and item) detail only for tickets on which points were redeemed.
- **Both** To show ticket and item detail for both tickets that earned points and tickets on which points were redeemed.
Printing the Loyalty Points Redemption report

Select Customers / Reports / Loyalty points redemption.

This report prints items that have been redeemed, as well as a history of points redeemed based on the data in ticket history. The report is similar to the Loyalty Points History report with regard to the information reported, but the organization of the report is geared toward an analysis of inventory items rather than loyalty codes, and does not show earned points.

This report presents information drawn from ticket history. You must retain ticket history (specified in Setup / Point of Sale / Control) in order to use this report. All ticket eligible lines are processed and are assumed to have been redeemed, even if points were redeemed for only some of the lines on the ticket.

9. Include items that meet or exceed:

   # of points redeemed
   Enter the minimum number of points that must have been redeemed against an item in order for the item to be included.

   Press F1 to include all redeemed items regardless of the number of points redeemed against the item.

   Quantity redeemed
   Enter the minimum item quantity that must have been redeemed in order for an item to be included.

   Press F1 to include all redeemed items regardless of the quantity.
11. Show ticket detail?
Specify whether to show ticket detail on the report. If you answer Yes, the report includes the ticket date, user, ticket number, customer number, customer name, eligible amount, quantity redeemed, and number of points for every ticket that contains a redeemed item in the specified date range for the specified items and loyalty codes.

Recalculating points

File Utilities / Special / Customers / Recalc cust unposted balance recalculates unposted loyalty points as well as customer account balances.

Importing customers

To import customer loyalty points using Data Interchange, use Setup / Data Interchange / Customer import specs to define how loyalty points should be imported (field 38), then import customers as usual.

Loyalty points and Multi-Site

Changes in loyalty codes are transmitted via Multi-Site, as are changes in customer point balances.