



The Business Growth Association
Of America

COURSE 12

Customer Loyalty & Referral Program Design

Turn one-time buyers into repeat customers, and repeat customers into your best salespeople.

\$1,000 - \$2,000

estimated yearly savings
by doing it yourself

1% - 15%

potential
sales growth

A 12-month program | 30-60 minutes per week | Simple tools only

Course Overview

THE PROMISE Turn one-time buyers into repeat customers and repeat customers into your best salespeople, with a simple program that fits your budget, your team's skill level, and your type of business.

Core Idea

Getting a new customer usually costs far more than keeping one you already have, and a referred customer tends to arrive with trust already built. So the most profitable growth often hides in the customers you've already won. The course has two parts that work together:

Loyalty

Give people reasons to come back.

Referrals

Give people an easy, rewarding way to bring others.

How This Connects to Earlier Courses

It completes the back half of your funnel (Course 11), feeds your reviews and reputation (Course 10), and uses social media and email (Course 9), your design tools (Course 4), and AI drafting help (Course 8).

Format for every step: 30-60 minutes per week, simple tools only (Google Sheets or a free/low-cost CRM, email or text tool, Canva), each ending with a clear **"done when"** checkpoint.

Roadmap

Phase	Timeline	Goal	Output
1. Foundation	Month 1	Understand why customers stay or leave and choose the right program type	Clean customer list, baseline numbers, program model
2. Core Build	Months 2-3	Launch a simple, affordable loyalty program	Live program, trained team, tracking
3. Referral Engine	Months 4-6	Make it easy and rewarding for happy customers to bring others	First stream of referred customers
4. Deepen and Automate	Months 7-12	Make loyalty and referrals run on autopilot and keep improving	Loyalty & Referral Plan + Rulebook

Why Run It Yourself?

Loyalty platforms, agencies, and constant discounting can add up. A simple program you design yourself keeps costs low and puts the focus on customers you've already won.

\$1,000 - \$2,000

Estimated yearly savings when you design your loyalty and referral program yourself instead of sourcing it out

1% - 15%

Potential sales growth from more repeat purchases and a steady stream of referred customers

Where the Savings Come From

- **Keep, don't re-buy.** Getting a new customer usually costs far more than keeping one you already have, so repeat sales reduce your need for new-customer advertising.
- **Referrals instead of paid acquisition.** A referred customer tends to arrive with trust already built, and rewards are earned only when the new customer actually buys.
- **Simple tools.** Google Sheets or a free/low-cost CRM, email or text, and Canva replace expensive loyalty platforms and design work.
- **Rewards that pay for themselves.** The Reward Cost Calculator keeps the program profitable and avoids constant discounts.
- **Automation and AI drafting.** An automated message calendar, with AI drafts you review, replaces manual outreach and paid copywriting.

Where the Sales Growth Comes From

- **More repeat purchases.** Simple, valuable rewards give customers reasons to come back and can lift order value.
- **A steady stream of referred customers** through easy referral tools and well-timed asks.
- **Win-back and advocates.** "We miss you" messages, a VIP circle for your top customers, and partner referrals widen your reach.

Track Your Results	Month 1 baseline	Month 6	Month 12
Yearly marketing spend			
Repeat purchase rate (%)			
Referrals received per month			
Sales growth vs. baseline (%)			

Savings and growth figures are estimates of potential, not guarantees. Actual results vary by business, industry, and how consistently the plan is carried out.

Know Your Customers (Foundation)

Goal: Understand why customers stay or leave, and choose the right program type.

Week 1: Organize your customer list

- Gather every customer into one spreadsheet: name, contact info, first purchase date, last purchase date, total spent, how they found you, and notes.
- Sort into three groups: Best (frequent or high spending), Occasional, and Lapsed (haven't bought in a long time).

DONE WHEN you have one clean list with each customer tagged.

Week 2: Learn your key numbers

- Calculate: repeat purchase rate (what percentage come back), average purchases per year, average order value, customer lifetime value, and how many new customers came from referrals last year.
- Use the Loyalty Numbers Sheet (Google Sheet template).

DONE WHEN you can state your repeat rate and the value of an average customer.

Week 3: Ask customers what they value

- Send a 5-question survey or call 10 customers: What do you like most? What would make you come back more often? Would you recommend us, and what stops you? What reward would you actually want?
- Use a simple "How likely are you to recommend us (0-10)?" question as your baseline score.

DONE WHEN you have feedback from at least 15 customers and a baseline recommendation score.

Week 4: Choose your program type

- Use the Program Chooser to match your business to a model:

Points program: earn points per purchase (retail, food, frequent purchases).

Tiered/VIP: more perks for higher spending (higher-ticket products).

Surprise-and-delight: no formal program, just thoughtful extras (high-touch services).

Punch card or visit-based: buy 9, get 1 free (cafes, salons, services).

Membership or subscription: pay a fee for ongoing benefits (maintenance plans, clubs).

Referral rewards: the focus of this course's second half.

DONE WHEN you've chosen one primary program type and can explain why it fits your customers.

DELIVERABLE Clean customer list, baseline numbers, survey results, and chosen program model.

Design and Launch Your Loyalty Program

***Goal:** Launch a simple loyalty program that is easy to understand and affordable (Core Build).*

Month 2: Design the program

- Set one goal: more repeat visits, higher order value, or longer subscriptions.
- Design the rewards: choose rewards that cost you little but feel valuable (a free add-on, early access, priority scheduling, a small gift, a discount on the next purchase). Do the math using the Reward Cost Calculator so the program stays profitable. Avoid constant discounts that train customers to wait for sales.
- Keep the rules simple: a customer should understand it in 10 seconds. Write the rules on one card, including how to earn, how to redeem, and any expiration.
- Choose how to run it: paper cards, a spreadsheet, or a simple loyalty or CRM tool (use the tool checklist: cost, ease, mobile-friendliness, privacy).

DONE WHEN the program rules, rewards, and costs fit on one page.

Month 3: Launch and train

- Brand the program (name, card, signage, web page) using your Brand Kit.
- Train your team with a 20-minute script: how to introduce it, how to enroll a customer, and how to handle questions.
- Announce to your existing customers by email, text, social media, and in person, and add a sign-up option on your website and at checkout.
- Offer a small welcome incentive to join.

DONE WHEN the program is live and at least 25% of your recent customers are enrolled or invited.

CHECKPOINT A live loyalty program, trained team, and tracking in place.

Build Your Referral Engine

Goal: Make it easy and rewarding for happy customers to bring others.

Month 4: Design the referral program

- Decide who gets rewarded (the referrer, the new customer, or both, as two-sided rewards often work best), what the reward is (credit, free service, gift, donation to a cause), and the trigger (reward is earned when the new customer actually buys).
- Write simple rules, including limits and how to claim.
- Check the platform and legal rules for incentivized referrals and reviews in your area, and never tie rewards to positive reviews.

Month 5: Make referring effortless

- Create the tools: a personal referral link or code, a printed referral card, a pre-written text or email customers can forward, a QR code, and a simple "Refer a friend" page on your website.
- Ask at the right moments: after a great result, a compliment, or a five-star survey answer. Use the Referral Ask Scripts (in person, text, and email).

Month 6: Activate your best advocates

- Identify your top 20 customers and personally invite them to refer (and consider a "VIP circle" with early access or exclusive perks).
- Build partnerships with complementary businesses for a two-way referral arrangement.
- Run your 6-month review: enrolled members, repeat rate, referrals received, cost per referred customer, and customer feedback.

CHECKPOINT Measurable lift in repeat purchases and a first stream of referred customers, with clear data on what each program costs and returns.

Deepen, Test, and Automate

Goal: Make loyalty and referrals run on autopilot and keep improving them.

Months 7-8: Build the customer communication calendar

- Create automated messages for: welcome to the program, points or progress updates, birthday or anniversary thank-yous, "we miss you" win-back messages after a set period of inactivity, milestone rewards, and post-purchase check-ins.
- Use AI (Course 8) to draft versions, then personalize and review them.

Months 9-10: Test and refine

- Test one change at a time (reward size, wording, timing, channel) and compare results.
- Add a second-tier perk or limited-time double-reward period.
- Gather feedback from members and non-members, and track your recommendation score against the Month 1 baseline.

Month 11: Protect the program

- Prevent abuse (fake referrals, self-referrals, rule loopholes) with clear terms.
- Handle customer data responsibly: get consent for email and text, offer easy opt-out, store data securely, and publish a simple privacy statement.
- Check local rules on rewards programs, promotions, and tax or accounting treatment of points and credits, and consult a professional where needed.

Month 12: Annual review and plan

- Calculate your return: revenue from members versus non-members, referral revenue, and total cost.
- Keep what works, retire what doesn't, celebrate your top advocates publicly (with permission), and set next year's goals and budget.

DELIVERABLE A one-page Loyalty & Referral Plan, a Program Rulebook, an automated message calendar, and a 2-hour-per-week routine.

Resources and Pitfalls

Course Materials to Build

- Customer list and segmentation template
- Loyalty Numbers Sheet (Google Sheet)
- Customer survey and recommendation score template
- Program Chooser guide
- Reward Cost Calculator
- Program Rules one-pager and card design templates (Canva)
- Loyalty tool evaluation checklist
- 20-minute team training script
- Referral program design worksheet
- Referral Ask Scripts and share-ready message templates
- Automated message calendar and templates (welcome, win-back, birthday, milestone)
- Program Rulebook and abuse-prevention checklist
- Annual Loyalty & Referral Plan template
- Common Mistakes (a short bonus lesson)

Common Mistakes to Avoid

- Making the program too complicated to understand
- Offering rewards that cost more than the customer is worth
- Relying on constant discounts instead of real value
- Launching without training your team to mention it
- Making customers do hard work to refer you
- Asking for referrals only once, or at the wrong moment
- Not tracking results, so you can't tell if it pays off
- Rewarding reviews in ways that break platform rules
- Ignoring privacy and consent when collecting customer data