

Loyalty Evolution

Talkin' 'bout pickle...with relish

By Sharon M. Goldman

Though I'm very happily ensconced as the new Senior Editor at COLLOQUY, I must be honest. While I write about loyalty, I don't consider myself terribly loyal to many businesses, outside of my massage therapist, my Pilates teacher, and the deli on my block—probably because it's the only deli on my block. I'm likely one of few women out there, for example, who thinks nothing of breaking up with her hairdresser if necessary. And the more the twenty-something cashier at the local Gap wants me to sign up for a store credit card, the less I want to shop there.

That doesn't mean, however, that I'm not responsive to good loyalty marketing. I will, on occasion, happily provide personal information to a company to help them target me better. There are brands that stay top-of-mind when I shop online, thanks to a great email newsletter or a good recommendation feature. And I follow some well-known companies on Twitter and "fan" them on Facebook because I want to be associated with them.

These behaviors make me no different than hundreds of millions of consumers around the world, who, as a whole, have driven the evolution of customer loyalty in the new millennium. Consumers have taken control of much of the marketing conversation through ratings and reviews, blogs and social networking. And thanks to increasing demands for better customer service and more cross-channel shopping options, today's marketers must constantly stay on their toes.

These days, customer loyalty programs—from frequent-flyer programs and retail store cards to Platinum reward credit cards—are everywhere. COLLOQUY's own research estimates that the average U.S. household belongs to 14 programs. That means a loyalty program, on its own, no longer makes a company stand out. True and lasting customer loyalty is rarer and harder to cultivate—but cultivation is well worth the effort, particularly in a down economy where acquiring new customers is far more expensive than retaining and expanding existing customers' share-of-wallet.

So, for all the companies who want me and the millions like me to become a loyalist, these five strategies are guaranteed to work:

1. Make it easy for me to be loyal. I work hard enough every day to be loyal to my friends, family and cats—I don't want to have to go out of my way to be loyal to a brand, too. That means companies must make it easy for me to be a happy repeat customer. For example, take Best Buy or their recently departed counterpart, Circuit City. Both debuted the option to buy online and pick up purchases in-store. Easy-peasy. I also like urban car-sharing company Zipcar—which, when the company discovered that more people wanted to drive their cars in my out-of-the-way Brooklyn neighborhood, responded by putting six Zipcars in a garage two blocks from my house.
2. Meet my expectations. Consistently. This summer, I again visited my father's hometown of Los Angeles. One West Coast chain I always return to is a childhood favorite: See's Candies. I don't shop there simply because they refresh nostalgic memories, but rather because they consistently meet my high expectations. My shopping experience—from a free sample of any chocolate I choose to the white-coated salesperson to the picture-perfect displays—is always exactly the same. Just how I like it.

3. Find me where I want to be found. One of my favorite clothing brands offers stylish, comfortable clothes for women who aren't 25 anymore. They know I'm still an email-centric gal, so that's how they reach out to me, with well-designed email newsletters and great promotions. In my house, direct mail goes in the trash and intrusive promotional texting gets ignored, so getting to me the right way is key.
4. Offer incentives that deliver what I want. I belonged to a popular frequent-flyer program for years before I gave up and let 30,000 miles expire. The program had become useless to me: I could never get the flights I wanted because of blackout dates and other restrictions, so I willingly paid full price to another airline that offered better service overall.
5. Give me the pickle. When I first heard about customer service and leadership expert Bob Farrell's "Pickle Principle," I felt that I'd finally found someone who really understood one of customer service's most essential elements. Based on a letter that a regular customer of Farrell's Ice Cream Parlour & Restaurant sent him after being denied an extra pickle slice, he centered his philosophy around the cry of "Give 'em the pickle!"—the idea that companies must go the extra mile to stand out.

Meantime, I'm thrilled to join the COLLOQUY team as we continue to take our coverage of loyalty marketing to new heights. And I look forward to adding innovative and useful loyalty program tags to my keychain.

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