



customers in captivity

Debunking the loyalty
program myth

The gig is up. Customers have our number, and they've had it. It's just plain too much work to reap the benefits of a "loyalty program."

THE COMPLEXITY RIGMAROLE

You may find it great that there are 1500 partners you've gotten free stuff out of to pass on to customers when they meet the massive requirements ... but who cares? Customers get your glossy packages, start reading and almost immediately hit information overload.

GOTCHA!

Exhausted customers everywhere are dialing for dollars trying to use their frequent flier miles. The proliferation of rules and regulations on our loyalty programs is like making our best customers sign a pre-nup once they become worthy enough. "Yes, we'll be good to you and treat you special, but only when it's good for us and you comply with our rules and when it won't inconvenience us too much or cost us too much money." Yuck. Not sure I'd want to enter into that union. Would you?

CAPTIVATE ME ... DON'T HOLD ME CAPTIVE

Loyalty program customers often feel more like the captured than the captivated because of the complexities of "earning" a reward. Ensuring loyalty requires a little, dare I say it ... "pixie dust" to make it worth it for

customers to stay. Yoox.com, for example, is delivering a captivating experience to throngs of loyal shopaholic customers. Their "superstars" (a corny moniker, I must admit, but one that I weirdly like) pull customers back with regular "star awards" like percentages off orders, free shipping and alerts when their favorite designer duds hits the warehouse. The key: they take the initiative to send these out ... no fine print scrolling required!

EMOTIONS ... NOT STUFF!

It's not about the "stuff" we give ... more importantly, it's about the way we make our best customers feel about doing business with us and about how important they are to us. Building loyalty is about managing relationships and emotions, not program components, fulfillment houses and the amount of logo-ed stuff we can get on their desks. This is where direct marketing – online and direct mail – can play a key role – reminding customers how valuable they are and that you want their business. ☒

Jeanne Bliss has been arm wrestling companies for 25 years on behalf of customers. Her book, Chief Customer Officer: Getting Past Lip Service to Passionate Action, passes on her practical and time-proven strategies and approaches. She can be reached at Jeanne@customerbliss.com