



State of the LOYALTY INDUSTRY™

powered by Loyalty 360

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EMPOWERING THE “PULSE” THROUGHOUT LOYALTY MARKETING.

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It has been a while since I last wrote a State of the Industry report and not only have we experienced significant change within our growing organization, but the market continues to change as well. The goal for the State of the Industry is to leverage thought leaders to get a “pulse” on the loyalty, incentive / reward and engagement marketing arenas. We want to empower that “pulse” by creating a community, an interaction, and a dialogue for a market that seems to be clamoring for one.



We continue to see the market looking for guidance and new buzzwords such as “engagement,” “marketing 3.0” and “social media.” We read in blogs, hear at conferences and are espoused to by “experts” that traditional forms of media are “dead” or “dying.” If you do not move to the new measureable forms of media and integrated marketing communication your organization will not survive. However, is all of this constant change with the vanguard and purported vanguard in media perorating to us on what we should and should not do beneficial or confusing?

We know that as marketing has entered the 21st Century; a significant change is taking place in the way companies interact with customers, suppliers, end users and their employees. Marketing, in the traditional view was thought of as a simple exchange process (the four P’s), if you understood them and used mass / interruption type marketing you would be able to introduce, establish and sustain your brand; this was often referred to as transaction based marketing. Yet now, we are in the “new world” of the empower populace, we are replacing (or attempting to) replace traditional media with a new approach referred to as relational marketing. The basis being that you use any, and all information you have about your customers, your channel, your employees to make more informed, timely and relevant communication decisions / interactions in the form, channel and via the method they expect. Traditional marketing strategies focused on attracting consumers through push marketing, using any and all media to achieve “eyeballs on the brand.” The traditional goal was to identify mass prospects, convert them into customers and complete sales transactions, with a hope that the process would create some engagement, loyalty and repeat purchase, but did it? Yet today we are more focused on loyalty, engagement and customer centric marketing (1to1). It is important to attract, but much better to retain and create long term relationships based on a consensual dialogue between the consumers. Attracting new customers is important, but keeping them is the end game. All dialogue, including interaction with this new “empowered consumer” should focus on an iterative process to create a mutually beneficial

relationship that leads to a value based exchange with these customers. The hope is that these existing “empowered” customers will use word of mouth, viral media, pull technologies and their social /peer groups, as well as other interactions to create potentially mutually beneficial relationships for your brand and with new customers.

These efforts are not the responsibility of the marketing department, but must expand to include suppliers and employees. Next, channel partners and any other explicit or tacit forms of communication in the internal and external markets that must be understood as to their potential impact. Relationship marketing refers to the development, growth and maintenance of long-term, cost-effective exchange relationships with these individual customers, suppliers, employees and other partners. This will in turn aid in mutual short and long term benefits. Internal and external communication become tantamount and the breadth of the scope increase significantly to include the external participants which include the following: suppliers, customers, competitors, referrals, feedback and other data input sources. Relationship marketing recognizes the critical importance of internal marketing to the success of external marketing plans. Programs that improve customer service inside a company also raise productivity of staff morale; resulting in, better customer relationships outside the firm. Within relationship marketing, the term customer takes on a much greater and impactful role by means of new meaning.

We are told by the vanguard that commercials will change to product placement, press releases are going to change to blog posts and push is changing to pull. The new media “experts” tell us that traditional collateral is moving to videos, seminars are moving to webinars/ podcasts, that business generated content is changing to user generated content and if you have a website, it should have a community. What does this mean, how do you navigate these waters and who can help you?

The whole goal for Loyalty 360 (the Loyalty Marketer’s Association) is to provide a think tank / clearing house for all loyalty, incentive / reward and engagement marketing opportunities, challenges and questions. To provide the insight through a “voice of the customer approach,” as well as through surveys, market research, case studies and other interactive / responsive mechanisms. This will in turn to allow the market to gain insight in an unbiased, but value based manner.

It is in that spirit, we will launch our community page this Friday, September 4, 2009 to glean more “voice of the customer” insight, to attain a better understanding of the challenges in the market and how best to address them. 360 Connect was created to glean “voice of the customer” insight, to attain a better understanding of the challenges in the market and how best to address them. The forum will allow interactions to address the challenges seen in the market.

The phased roll out of 360 Connect, an interactive voice of the customer forum, will allow those in a variety of industries to ask questions, interact, share and provide feedback / insight on an assortment of loyalty / engagement marketing topics. The forums will be announced this Friday and both members of Loyalty 360 and non-members will be allowed to take partake in the community.

More information will be presented by Mark Johnson, President & CEO, Loyalty 360, in a live webinar this Friday, September 4, 2009 from 2:00 to 3:00 EDT. [Register Now.](#)

We are looking forward to your participation and look forward to your feedback.