



## State of the LOYALTY INDUSTRY™

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### **Customer, Employee-Why do we look at these strategies so differently?**

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Over the last year we've been watching the industry very closely, listening as you share your research, ideas, and challenges. One piece I keep coming back to is the similarities between consumer focused loyalty and engagement strategies, and those of employee and channel. There are so many similarities, yet organizations continue to keep the strategies and messaging to these entities separate. – Why?



Rick Blabolil from Marketing Innovators writes, in the upcoming September/October issue of *Loyalty Management*, about the need for trust in a relationship with channel partners in order to build commitment. While reading through his piece, I couldn't help thinking, this isn't unique to just channel partners, it truly applies to all customers.

*Customer as defined by Loyalty 360 is anyone your organization touches. A customer is your end user, your employee, your channel partner, and even your vendor.*

If this is the case, why do we continue to be so segmented in the way we approach strategies for employees and consumers? Are we, as suppliers, afraid of admitting the similarities in strategies? Or are we, as practitioners, too siloed within our organizations to share learnings across departments and responsibilities? I am inclined to believe it is a bit of both.

Shared learnings will provide greater insights. What about streamlined messaging and strategies? Think about the value of bringing the messaging to our employees and customers together (ok, many of you already do this); but what about the strategies?

As Athena Golianis explains in an upcoming issue of *Loyalty Magazine*, the value of shared messages AND strategies is evident when looking at effective corporate social responsibility initiatives. To be successful, a CSR effort needs to be aligned with the long-term goals of the company and, therefore, be a fundamental component of the corporate mission, culture, identity,

and reputation. This can only be achieved when customers and employees are simultaneously engaged in the initiative.

Dove's Campaign for Real Beauty is a great example. The overall message of the campaign is to celebrate the natural physical variation embodied by all women and inspire them to have the confidence to be comfortable with themselves. In addition to the advertising, they engaged consumers via REALBEAUTY.com, inviting women to vote on provocative images, join discussion groups on beauty stereotypes and participate in the Dove Self-Esteem Fund. They also created the uniquely ME! GirlScouts of America self-esteem program to foster self-esteem in girls, ages 8-17. Dove employees have ongoing involvement in the program through mentoring, teaching the uniquely ME! curriculum and participating in annual events, and other volunteer activities. Nearly two-thirds of Dove's US workforce has so far played an active role in uniquely ME!

The Dove example clearly points to the sweet spot ---- where the employee messaging/strategy and the customer messaging/strategy come together to be part of the corporate story and core value. After all, employees are consumers and consumers are employees. As more and more employees are seeing what their companies are doing, they're expecting it from the companies they're buying from, a vice versa.

CSR is just one area in which the synergies between employee loyalty and customer loyalty strategies is apparent. I recently had a discussion with Mike Ryan of Madison Performance Group and he shared that on the employee side of the business, organizations are beginning to adapt a lifetime value of an employee strategy. Makes sense; we've been calculating the lifetime value of a customer for years. And with employees playing an increasing role in maximizing CLV, isn't employee lifetime value a critical companion to customer lifetime value? Haven't we lost opportunities not linking the two concepts and looking at our employees and customers in a similar fashion? Instead of seeing employees as a cost, shouldn't we be applying a CLV lens and looking at them via productivity, revenue generation, attitude and commitment? *(More on this topic highlighted in the Sep/Nov issue of LM as well!)*

Do you have two or more organizations supporting efforts on both sides – employee and customer? Pretty difficult to have synergy, isn't it? Pretty costly to develop similar initiatives independently, isn't it? And you've got to wonder, just how much more effective would these strategies be if they were integrated?

It will definitely be interesting to see how this evolves. Join us at the Engagement Expo in November for more on how this synergy is coming into practice as it begins to become the new norm.

We'd love to hear your thoughts on this topic. Please comment on our blog [www.loyalty360.org/blog](http://www.loyalty360.org/blog).