



## State of the LOYALTY INDUSTRY™

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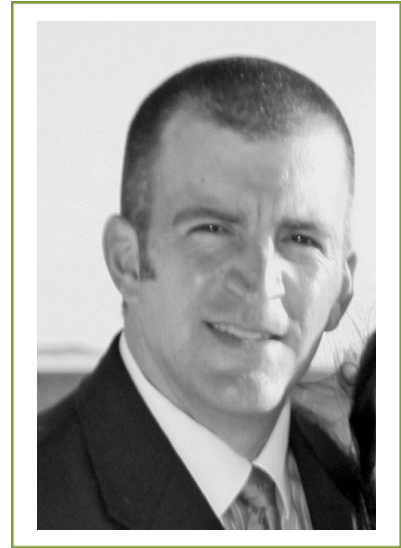
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December 30, 2009

### **Loyalty 360 Weighs in on 12 Key Loyalty Marketing Trends for 2010**

By Mark Johnson  
President and CEO, Loyalty 360

“Engagement. Collaboration. Sustainability. ROI. Some may call these buzzwords, but I predict these are bottom-line concepts that will drive loyalty marketing in 2010,” says Mark Johnson, CEO of Loyalty 360 – The Loyalty Marketer’s Association ([www.loyalty360.org](http://www.loyalty360.org)). “We’ve got our finger on the pulse of the issues our members are struggling with and the strategies and solutions our experts are focusing on. And all signs point to a very consumer-driven, new school approach to loyalty.”



Johnson predicts these key trends will dominate the Loyalty Marketing Industry in 2010:

1. **Engagement is the goal.** From merchants and banks, to hotels and restaurants, to health care providers and insurance agencies (all but airlines); marketers are embracing engagement. These organizations know that engagement is the process that creates loyal customers, clients and employees. However, most don’t know how to define it, how to incorporate it into their marketing strategies, and most importantly how to measure, monitor, increase and sustain it.
2. **There is a keen focus on sustainability.** Customers want to be aligned with socially responsible companies and reward brands that champion the issues they believe in with their purchases and, ultimately, their loyalty. Given customers’ confusion over “greenwashing” and often higher prices for green products, brands that claim to be environmentally responsible need to be authentic and transparent in their marketing efforts in order to achieve true commitment.
3. **Loyalty programs will become more collaborative.** Merchants want to work with banks, retailers and other partners. Each wants to work with the other’s members to create unique communities that can provide value, behavioral information and insight they cannot get in the market.

4. **The need for metrics and quantifiable ROI is profound.** Users were sold programs that were supposed to drive behavior yet they have not performed. The market wants to know what types of return they should be achieving with these programs, yet benchmarks are not to be found.
5. **There is a vast dichotomy between old school and new school incentive programs.** The market is moving away from the old school mentality of trying to put a watch into an incentive program with the hopes that it will drive ROI and behavior. The market is moving toward adopting the new school mindset which is focused on data, insight, and sustainable behavioral change.
6. **Customers are dissatisfied with old school “what has my customer done for me lately” loyalty programs.** Loyal customers want to know what brands have done for them lately—and brands need to implement loyalty programs that respond to this opportunity.
7. **Focus is on “voice of the customer” to drive bottom line results.** Those who engage in a true “voice of the customer” approach within their loyalty, engagement, and customer experience initiatives will continue to increase their market share, profitability and brand equity.
8. **Brands, CPGs, and channel program providers have been dis-intermediated from their customers.** Because the data in the channel is controlled by the merchants, they want to develop programs that will give them more access and insight to their customers and dialogue with them directly.
9. **Changes in the funding for credit card loyalty programs are shifting costs which impacts how the programs are implemented and run.** Banks are increasingly dissatisfied with their traditional loyalty programs. They are looking for more engaging loyalty/incentive/engagement marketing programs with different costs models that can prove unique and provide measureable behavioral change. The interest in open forums and communities to address these opportunities continues to grow.
10. **Large retailers are trying to leverage their brands.** They want to expand the control, impact and overall direction of their customer experience, loyalty, and engagement marketing initiatives. Large retailers want to lead with their brand and increase the efficacy of these brands when developing engagement and loyalty initiatives.
11. **There is a large and growing interest in social, mobile, and emerging media.** Yet the responses we are seeing suggest that there is still confusion over how to implement these programs. The “vanguard” and the “visionary” leaders in this market at times seem to be more interested in “chest thumping” instead of listening to market opportunities and solving problems.
12. **The interest in webinars, case studies, and best practices is more and more important to the market.** The market has grown tired of hyperbole and is now focused

on the companies, processes, and procedures that can drive the behavior, ROI and engagement needed within their organization. The market wants to leverage those organizations who have completed these processes (case studies), understand practical market based solutions (best practices), and have presented them in an ongoing learning process (webinars).

Loyalty 360 – The Loyalty Marketer’s Association ([www.loyalty360.org](http://www.loyalty360.org)) is the only organization that addresses the full spectrum of both customer and employee loyalty issues. An unbiased, market driven clearinghouse and think-tank for loyalty and engagement opportunities, insights, and responses, Loyalty 360 is the source business leaders trust for industry metrics, market driven research, actionable case studies, and networking opportunities. For additional insights, Mark Johnson can be reached directly at 513-290-5147.

Loyalty 360’s Engagement Expo 2010 (<http://www.engagementexpo.com>) will be held February 8-10 at the Fairmont Hotel in Chicago, IL. Entitled, **“On the Road to Loyalty: Engagement is the Journey, Loyalty is the Destination,”** the Engagement Expo is bringing together a slate of best-in-class speakers and partners to arm attendees with the insights, education, and proven tools they need to engender the loyalty of their customers and employees.

Loyalty 360’s third annual Loyalty Expo 2010 will be held June 6-8, 2010 at the Omni Champions Gate in Orlando, FL. Driven by the “voice of the customer,” Loyalty Expo offers a unique forum for attendees to gain best-practice vision and resources aimed at helping them maximize their customer, employee, channel partner, and client relationships.