



State of the LOYALTY INDUSTRY™

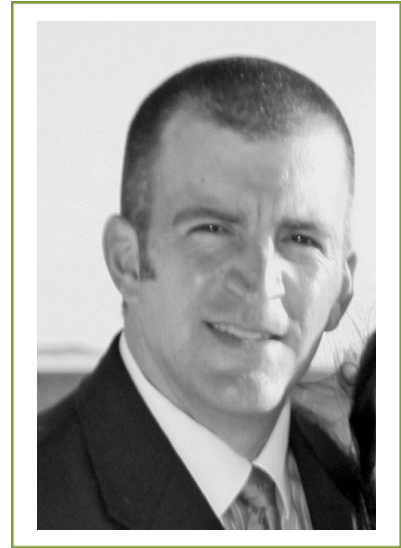
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Voice-of-the-Customer – What Does That Mean for Loyalty and Engagement?

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It has been almost a year since we launched Loyalty 360 – The Loyalty Marketer’s Association. As the interest in what we have created continues to grow, we still see uncertainty about what loyalty is and how to achieve it. The array of questions – in terms of the breadth, depth and the sheer number that we get from our partners and the market in general – continues to increase. What does that tell us?



It tells us that in this challenging (hopefully becoming less so) economic environment, the focus on loyalty and engagement is becoming increasingly important. Customers, clients, employers, brands and channel partners are looking for an edge. They have heard about “Voice of the Customer,” “Web 3.0,” “*the Groundswell*.” But they’re looking for best practice based implementations of groups creating engagement, creating excitement, creating commitment. They’re looking for help to answer: “HOW? How do I do effectively implement an authentic ‘voice of the customer’ approach?”

As we work to answer “how”, we realize that for a company to be truly committed to engaging their customers it takes a corporate mandate led by a visionary leader who drives the organization to look at their actions and address these questions honestly:.

- When companies say they are committed to “voice of the customer,” yet they are only focused on call center responses, is that a true “voice of the customer?”
- Or, when companies say they are committed to “voice of the customer,” yet they are only focused on social, mobile and emerging media responses, is that a true “voice of the customer?”

We all know that the pendulum has swung from the brand to the client. We have heard the stories that technology behemoths such as Dell have taken months to implement a true “voice of the customer” approach to their customer. Yet Best Buy and P&G have empowered their initiatives by circumventing bureaucracy and allowing it to flourish. P&G launched their first social community on “server” under a manager’s desk, and guess what: Instead of being reprimanded, they were commended.

For every success story we read about that becomes lore within this new “social community” and “engagement marketing” space, we hear five where the “visionary” that sold them on the new technology that would revolutionize their brand, their company, their product, their offering has failed. (And if you think about it, doesn’t it seem a little strange to hear the word “visionary” used so frequently in such a nascent space?)

Getting at the “how” comes down to commitment and a realization that the world of marketing is going to be more dynamic now than it has ever been. Customers, clients, employees, brand participants want control. Yet control means engaging in an interactive dialogue with the brand and brand participants. It means taking the input for the various channels and making it concise, relevant, interest and actionable.

Loyalty 360 is speaking with large banks, data companies, media outlets, merchants, restaurants, entertainment companies, hotels, airlines and other employers of all shapes and sizes. They all continue to ask “how?” How can I create loyalty? How can I create engagement? How can I make the insight I have more actionable? How do I listen to the market in a manner that will drive the behavior that I need to drive? How do I change the mindset within my organization to be more accommodating and amenable to this new transition?

The answer is two-fold: (1) Listen. Listen, not in a lip service fashion, but listen with the belief that there is “*Wisdom in Crowds.*” Listen with the purpose that “Small is the new big.” One blogger, one online community not addressed can have serious impacts on a brand ... just ask Dell. (2). React. Once you listen you need to react *with the* purpose to engage and empower the dialogue with your audience.

I was recently at a loyalty conference where one of the speakers purported that we should treat our “best customer” with the best rewards and engagement. I thought to myself, what is your best customer? How do you define that customer and what are the best rewards and engagement for them? There’s no place for this type of old school thinking in this new media market of engagement, loyalty and “voice of the customer.” I challenge you to listen – to truly listen – and to engage.

About Loyalty 360 – The Loyalty Marketer’s Association

The mission of Loyalty 360 – The Loyalty Marketer’s Association (www.loyalty360.org) is to provide an unbiased, market driven, “voice of the customer” focused clearinghouse and think-tank for all loyalty, incentive/reward, and engagement marketing opportunities, insights, and responses. Cincinnati, OH-based Loyalty 360 promises to actively listen, engage and provide to the marketplace and its members a forum through which it will proactively determine true industry metrics and facilitate market driven research and actionable case studies. The goal of Loyalty 360 is to increase the awareness of, and promote with integrity, the practices of loyalty, incentive/reward, and engagement marketing.