

# *FROM LOYALTY PROGRAM TO LOYALTY STRATEGY*

DELIVERING VALUE BEYOND REWARDS

Howard Schneider, VP, Loyalty Strategy

Terri Gaughan, Sr. Loyalty Consultant



# ***FROM PROGRAM TO STRATEGY:***

*Elevating our thinking...*

Loyalty **programs**, as we historically defined them, are no longer the powerful motivators they once were – consumer expectations are changing.

To be successful in driving incremental and profitable behaviors and engendering emotional loyalty, loyalty **strategy** must become part of the enterprise DNA. Providing experiences and solutions that make life easier and better for the customer.

Today's best marketers are moving beyond share of wallet to what some have called, **share of life**.

Let's explore how major marketers are evolving from simply selling us stuff and rewarding our behavior, to **facilitating** many aspects of our daily lives.

# LOYALTY PROGRAMS WERE INVENTED TO:

- Disintermediate industries and build direct customer relationships
- Acquire customer-level data for use in targeted marketing
- Discourage splitting and attrition by vesting customers in the brand
- Differentiate commoditized marketers from each other

American Airlines  
**AAAdvantage** 



**Marriott**  
**REWARDS**  


# LOYALTY PROGRAMS HAVE EVOLVED.





# ***TECHNOLOGY HAS FOUND NEW WAYS.***

...to capture and use data

- Marketers no longer need to “bribe” us to collect data
- Every time we use a branded assistant to order pizza or groceries, play music, stream video or talk to mom and dad, we seamlessly provide copious amounts of data
- In a funny way, these super-convenient tools have become a new kind of intermediary between customer and brand

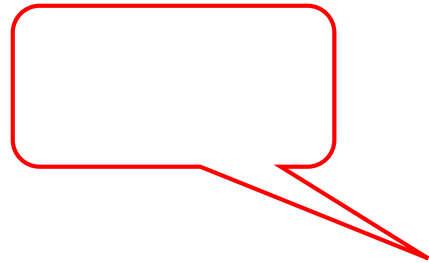
Marketers today are cementing our loyalty by becoming “the operating systems of our lives.”



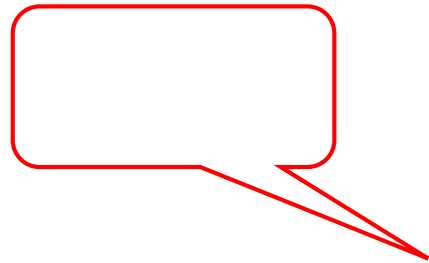
## Hey Siri



## *QUESTIONS WE SHOULD ALL BE ASKING OURSELVES.*



**Is my brand evolving from a programmatic view to a holistic loyalty strategy?**



**How can my brand play a greater role in our customers' lives?**

# *WHO'S LEADING THE WAY?*



## ***FROM A BOOKSTORE TO A CONSTANT COMPANION.***

- Remember when Amazon was just a really big bookstore?
- Grew into the ultimate e-tail destination
- Prime delivers benefits that make life easier
- Echo facilitates infinite actions enabled through a branded device – one of the most successful loyalty strategies
- Now moving into Whole Foods, healthcare, wellness
- ...and whatever's next





## ***FROM GROCERY STORES TO DESTINATIONS.***

*Moving from a place that sells stuff to a resource*

- Walmart, Kroger, Albertson's, Target all offer services in addition to products
- A customer can get a vaccination or health screening, pay their bills, get their clothes dry cleaned, send money, buy their groceries, and more, all at the same place
- Recipes, demos, cooking classes and meal ideas
- Delivery and remote ordering/store pickup
- Meal kits
- Even baby sitters!

# FROM A COMPUTER TO AN ECOSYSTEM.

*What some call the “Apple-verse”*

- Built loyalty through devotion to design, quality and innovation
- Moved from products to services, e.g., Apple Music, Genius Bar
- Watches and other Apple devices monitor our health and fitness
- Like Amazon and Google, Apple is now a branded ecosystem in which we live



# *FROM A CUP OF COFFEE TO A NEW KIND OF PLACE.*

- Has led the way in transforming a product into a branded lifestyle
- Music and content creates a branded experience
- Invented the notion of “the third place”
- App and program deliver addicting convenience
- Now moving rapidly into branded delivery





## ***FROM BANKS TO BANQUETTES.***

- Most banking functions can now be managed by smartphone, so why should I go to a bank?
- “Inviting places where you can bank, plan your financial journey, engage with your community and enjoy Peet’s Coffee. You don’t have to be a customer.”
- “Ambassadors,” not tellers
- Happy hours, community events, free wi-fi and snacks

# FROM WORKING SPACE TO LIVING SPACE.

- Began in 2010 as a provider of shared workspace
- WeWork, WeLive, WeGrow
- Emerging as another branded ecosystem facilitating many aspects of life
- Largest renter of office space in New York City
- *“We provide everything you need to make a life, not just a living.”*



# ***WHAT DOES IT ALL MEAN?***



# ***FROM PROGRAMMATIC OFFERINGS TO HOLISTIC STRATEGIES.***

WHAT DO WE LEARN FROM TODAY'S LEADERS?

- Extrinsic rewards no longer have the power they once had
- Brands today don't just sell us stuff; they permeate many aspects of daily life
- Loyalty strategies, unlike programs, anticipate and solve problems, making our lives seamless and easy
- Because of the great convenience such strategies deliver, marketers can leverage consumers' willingness to share personal data better than ever



## ***ELEVATING OUR THINKING.***

- What are the potential elements of your brand's holistic loyalty strategy?
- How can we make life better for our customers, driving loyalty, retention and advocacy?
- What about customers' and governments' privacy concerns?





# ***THANK YOU!***

Howard Schneider, VP, Loyalty Strategy

Terri Gaughan, Sr. Loyalty Consultant

Q&A