



IRISH DIRECT MARKETING ASSOCIATION LTD



Loyalty Predictions from the IDMA Event

On Wednesday the 26th October, Leanne Papaioannou from Chilli Pepper Marketing – The Loyalty Agency, spoke at the IDMA morning seminar about the changes in the loyalty landscape and how they are going to impact marketers who are responsible for retaining and driving loyalty from their existing customers in 2012.

“Many marketers are trying to get their heads wrapped around customer loyalty at the moment and today’s presentation is about giving the lay of the land before they start planning their strategies for 2012” said, Leanne “by keeping these predictions in mind, they will be able to ensure their strategies are relevant to their customer needs and stand out in this very competitive market.”

Two of the predictions that Leanne focussed upon during her talk follow:-

Rewards have to be relevant

Since the influx of ‘coupon’ sites in Ireland, we have seen a huge shift in customers’ perception of value on third party rewards as part of a loyalty strategy. Businesses need to be extremely cautious when negotiating third party offers with brands that have no relevance to their core business or customer need.

In 2012, rewards have to become more relevant to customers’ needs and wants and a good first step is for brands to look at what core benefits that can offer to their most loyal, high value customers e.g. airlines giving you an upgrade, care hire companies giving free child seat or mobile phone companies giving a handset, etc. It’s actually quite simple. Customers that are engaging with your business want more of what you have on offer – not a completely irrelevant reward that has no obvious link to your brand.

Loyalty Measurement Shift

Many businesses are measuring their Customer Satisfaction Scores thinking that by having a high CSS, it means that their customers are loyal and won’t leave them. This is actually not true, in research recently conducted with customers that switched brands, a large portion of them stated that they were either satisfied or extremely satisfied with their previous brand but still switched. This shows that customer satisfaction cannot be the only metric used by marketers when trying to measure customer loyalty.

Businesses will have to start looking at measuring Customer Advocacy in a much bigger way in order to identify those customers that are deeply committed to them, trust them, engage with them more often, recommend them and defend them. These customers are your advocates that will stand by you in tough times and will not rely on price alone. Now isn’t that something every business needs to know?

More information on these Loyalty Predictions for 2012 can be found in the newly published quarterly magazine called **‘All About Loyalty’** which is being produced by **Chilli Pepper Marketing and Zahra Custom Media**.

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'All About Loyalty' promises to join the dots between customer loyalty and custom media (e.g. custom magazines) which is indicated to increase brand loyalty by up to 32%. This exciting new magazine is aimed at Loyalty & Retention innovators everywhere, who are looking to retain their existing customers and drive more loyalty from them. To subscribe go to www.allaboutloyalty.com