

GETTING  
A BUSINESS LIFT  
FROM  
LOYALTY

# THE LEADERS IN LOYALTY:



*Feeling the Love From  
The Loyalty Clubs*

EXECUTIVE SUMMARY



Presented by: **RICOH**  
InfoPrint Solutions

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\* The full version of the **Leading Loyalty: Feeling the Love From The Loyalty Clubs** report includes marketer and consumer key findings, detailed findings and expanded executive insights. Visit [http://www.cmocouncil.org/resources/form\\_getting-a-business-lift-from-loyalty.asp](http://www.cmocouncil.org/resources/form_getting-a-business-lift-from-loyalty.asp).

## INTRODUCTION

Today, customer loyalty and rewards programs are everywhere – it seems like every brand has one and the average consumer is carrying a handful of laminated cards from big retailers alongside a few hole-punched printed cards from their neighborhood burrito palace or dry cleaner. Yet, through the CMO Council's research in **The Leaders in Loyalty: Feeling the Love from the Loyalty Club** these programs are leaving customers thinking of breaking up with brands rather than forging longer romances. In fact, 54 percent of the consumers surveyed let it be known that thanks to the barrage of irrelevant messages, low value rewards, and impersonal engagements, they are aren't feeling the love. In fact they are thinking of asking for a divorce, threatening brands with defection.

In reality, loyalty programs are largely under-valued brand assets that, when leveraged to their fullest, do have the opportunity to drive revenue growth and maximize customer lifetime value. Companies, the study goes on to reveal, are not fully leveraging data analytics, insights and relationships drawn from their loyalty and rewards programs. While consumers and marketers agree that loyalty programs are an ideal channel to deliver deep discounts, savings, freebies and perks to drive incremental revenue growth, consumers lament over high levels of irrelevant communications and low levels of value, lacking those privileges, promotions or perks that are tailor made for them, based on their long and loyal history with a given company.

Consider the results of the CMO Council's recent paper, Why Relevance Drives Response and Relationships, where we started to question the strength of the bond between consumers and their loyalty clubs. What we found was that among those consumers who belonged to loyalty clubs, nearly 20 percent had never received a personalized communication that was based on their individual preferences or behaviors. In fact, an overwhelming majority, 73 percent, admitted to being the recipient of promotions for products or services they already owned. Yet, even in the face of this blitz of mass impersonal messaging, consumers keep coming back for more, and try again to forge a stronger brand bond in the hopes of new rewards, perks or even just a better seat on the plane.

### Where Loyalty Started

You've got to hand it to Sperry and Hutchinson who issued "rewards" to shoppers back in 1896. The S&H Green Stamps were based on a simple concept – buy products you would normally buy, collect your stamps, and receive a giant catalogue in the mail to redeem your stamps for any variety of house-wares. Green stamp collecting became an obsession for some, with S&H estimating that at one point it issued three times as many stamps as the United States Postal Service. The rewards catalogue was, at one point, the largest printed publication in the US and by the 1960s, S&H was the single largest buyer of consumer products on behalf of their green stamp loyalists.

Today, according to Jupiter Research, more than 75% of consumers have at least one loyalty card, and the number of people with two or more is estimated to be one-third of the shopping population. And even Green Stamps have made their way into the modern landscape, as Green Points, claiming to drive \$4 billion in annual grocery sales with 3 million consumers enrolled in the program across 11 states.

The reality of today's loyalty landscape is that many rewards, points or perk programs out there are still only as sophisticated as those early trading stamp programs. They make no pretense about their aims. They dish discounts and free stuff to repeat buyers and gather about as much insight from the customer as those first shopkeepers exchanging place settings for swollen stamp books. Sadly, that early merchant also knew the names of his customers, where they lived, what they liked and what they bought, which can't be said of several modern day marketers.

To be sure, the frequent and repeat customers yielded from loyalty schemes are valuable and the upside of a successful loyalty program is awe-inspiring. Repeat customers in the Harrah's Total Rewards program, for example, generate some \$6.4 billion annually for the global entertainment giant and represent 80 percent of the company revenues. The lure of a "Harrahs-esque" retention windfall is too much to ignore as marketers struggle to hold on to demand generation budget, as customer acquisition costs increase, and as competition threatens customer retention like never before.

The lingering recession has raised the stakes even more and consumers are under siege from offers and enticements for the precious few dollars they seem willing to spend. So, it stands to reason, with so many plastic placeholders in customer's wallets, what are marketers doing to get the most from their loyalty investments? How is the insight being gathered? And where is it being applied?

### Feeling the Love From Loyalty Clubs

With this latest program, Getting a Business Lift with Loyalty, sponsored by Ricoh/IBM InfoPrint Solutions, we take aim at the astronomical investments being made into loyalty and reward programs that have started to proliferate even into the uncharted territories of business-to-business programs. Through the course of this initiative, the CMO Council approached loyalty marketers to scope out their practices and priorities and measure whether marketers are able to leverage their loyalty programs for more widespread organizational value.

*"The relative strength of our loyalty members in the recession is an even stronger impact than in non-recessionary periods. I can't imagine where we'd be in the absence of our loyalty program because it really has established those long-term, ongoing relationships with those customers, and they've stuck by us."*

- Larry Wadford, Senior Marketing Director, Office Depot

Marketers from organizations worldwide, of all sizes and across more than 30 industry segments shared insight into their program dimensions, practices, challenges and goals.

Getting a Business Lift with Loyalty examined a number of key factors that are critical to realizing greater operational value from customer loyalty.

Among the findings, the data reveals:

- Marketers are standing firm and have a staunch commitment to the growth and development of these programs, both at a financial and an operational level
- Identifying and optimizing brand champions and word-of-mouth advocates from within the ranks of loyalty program members is lagging, and remains a challenge
- There is no clear consensus of best measures and metrics to apply when evaluating program effectiveness or success
- Yet, regardless of the rewards, the members and the spend, marketers are nonetheless challenged to truly connect with consumers in a manner that consumers view as valuable, relevant and truly exceptional

The CMO Council also approached consumers to evaluate their demands, experiences and expectations of loyalty programs. The survey found that marketers and consumers are in agreement that program benefits emphasize discounts, free products and premiums and specialized deals. But marketers struggle most with the chief complaint they hear and which members voiced loudest – that membership or the rewards offered have little value. Solving this dilemma is where the greatest challenge lies for marketers, who are clearly struggling to advance their programs past the basic essentials, both in terms of offers and rewards for members and what kinds of customer data to leverage in order to design them.

Customer information generated by loyalty programs is a treasure trove, in most cases, of consumer preferences, behavioral insights and predictive analytics for not just members but for customers at large. One of the greatest deficiencies the study identified was in the collection and utilization of this customer information. Marketers largely gather fundamental demographic information and transaction histories while only about a third captured personal or product preferences from program members. For their part, consumers also reaffirmed that this data is not being utilized as they overwhelmingly felt program

membership lacked a level of personalization or individualized message delivery that they craved.

*“Loyalty is not the magic bullet. It’s a piece of the pie, and if you don’t have great customer service from the front end to the back end, and it’s not enriched in the culture, then it may not succeed.”*

– Brian Kryzanski, Director, Charter Communications

Unfortunately, disconnects abound between marketer and consumer. Take, for example, the channels through which marketers are reaching consumers. When asked how marketers are promoting their programs, investments are spread most heavily across the web and email.

Well over 30 percent of marketers indicate they are utilizing blogs, online communities or social networks. Yet, according to consumers, these are three of the least utilized resources when learning about programs. In fact, the overwhelming majority of consumers, over 60 percent, learned about these programs through retail or point of sale engagements. A paltry five percent

of consumers credit social media, three percent blogs, and 11 percent online advertising with fueling their program participation. So, why continue to invest heavily in blogs and online communities (13 percent) and social media (17 percent)?

This apparent contradiction between marketer spend and consumer action cuts to the heart of another compelling issue unearthed by the survey, which found that marketers are widely divergent on how they measure program effectiveness. Revenue per customer is the leading metric, but it was flagged as a key measure by only slightly more than half of respondents who failed to identify a single, unifying measure of success. Purchase frequency, offer response rates, transaction value and profitability of account were the leaders but the paucity of clear majority leaders reveals high levels of uncertainty and a critical need for best practice development.

Loyalty programs also represent areas of significant unrealized potential. Marketers are falling short of tapping loyalty program analytics and insights to realize greater operational efficiencies. Fewer than 15 percent of marketers are reducing costs and gaining greater marketing efficiencies from their loyalty programs. And while American Airlines, the pioneer of the frequent flier program, famously pulls in more than \$1 billion annually from its Advantage program, which monetizes program partnerships, fewer than 25 percent of marketers are following suit by seeking to add new revenue through third-party offers.

While their numbers appear small by comparison, there are marketers who have reached the higher plateaus of reaping deeper organizational savings as a result of these programs and are leveraging more advanced levels of customer information to drive up-sell and cross-sell behaviors and extract greater profitability. The proliferation of new programs since 2006 bring along with them marketers embarking on new competencies and specialties and their struggle to master the subtleties is apparent. Given the strong levels of commitment to these programs, as illustrated by static or increasing

funding targets and the material contributions these programs make to the overall marketing organization, it's apparent that marketers are ramping up their standards of expertise.

*"I don't think a cookie-cutter rewards program is going to do a lot of good for anybody. You really need to start at the beginning. What do you want to actually accomplish with it? Then, think about who you want to get or who you want to keep and design it around that. I don't think it has to be fancy as long as you stick to so those basic principles."*

*- Belinda Lang, Former Vice President,  
Consumer Marketing Strategy, American Express*

For their part, consumers are committed to loyalty programs. Most take these brand partnerships into consideration when making purchasing decisions and they're largely satisfied with their experiences even as they complain they're getting too much spam and junk mail.

Unfortunately, they've been programmed to expect the fundamental discounts and free products and marketers will be hard-pressed to wean them off such a deep dependence on them and respond to more experiential rewards. This will challenge the creativity of marketers.





















What is clear is that much work lies ahead across the consumer experience spectrum and marketers have signaled an awareness and readiness to tackle the issues. Our data pinpoints the core competencies marketers should engage and opens the dialogue for more meaningful discussion of how the profession can foster best practice development. We hope this study builds upon the marketer's understanding of challenges and shortcomings surrounding loyalty marketing and provides new insights and avenues for fresh ideas that will help propel the profession forward.

Cultivation, activation and retention of customers, points, stamps, upgrades or not, challenge every marketer across both business-to-business and business-to-consumer channels. And, it is fair to say, that if marketers fail to fully connect with their most loyal brand advocates, there is little chance of creating meaningful engagements with newly acquired customers. The lessons in insight aggregating and utilization outlined in both the consumer and marketer research, and from the insights drawn from our loyalty program operators and marketers can be easily translated outside of the realm of points and schemes.

## THE LOYALTY LEADERS




















The CMO Council asked nearly 700 consumers to give their thoughts on loyalty and rewards programs, specifically asking which program stood out at being the best. While it is clear that most consumers belong to multiple programs, it was also clear that consumers had a hard time selecting a clear cut best-in-breed winner. In fact, the most common answer in this open ended question was “Don’t know”.

However, a few programs emerged as being at the lead of providing customers with exemplary experiences, being singled out as being the best. The battle for the top spot was close, but in the end, American Express, with their cardholder rewards program narrowly edged out American Airline’s AAdvantage program as tops according to our survey.

RANK			VOTES
1		American Express	48
2		American Airlines	45
3		Marriott	28
4		CVS	22
5		Boots	21
6		Tesco	18
7		Starwood	17
8		Costco	16
9		Southwest Airlines	15
10		Best Buy	13
11		Kroger	12
12		Aeroplan	11
13		Continental	10
14		Qantas	9
15		Shoppers Drug Mart	8
16		DSW	7
17		Hilton	7
18		Sephora	7
19		British Airways	7
20		Capital One	7

## THE LIFETIME VALUE LEADERS

The CMO Council also asked the over 600 marketers who participated in this online quantitative research who they believed reigned supreme in leveraging loyalty to optimize customer lifetime value. Once again, American Express came out on top thanks to their clear value to members and personalized service. What is common among all these top leaders in loyalty is a corporate strategy that revolves around the delivery of a superior customer experience. And, in all of these programs, personalization and the utilization of customer insight is a key driver in all communications and engagements.

RANK			VOTES
1		<b>American Express</b>	<b>51</b>
2		<b>Tesco</b>	<b>46</b>
3		<b>American Airlines</b>	<b>41</b>
4		Amazon	<b>38</b>
5	NORDSTROM	Nordstrom	<b>31</b>
6		United	<b>25</b>
7		Best Buy	<b>22</b>
8		Discover	<b>21</b>
9		Hilton	<b>21</b>
10		Marriott	<b>21</b>
11		Zappos	<b>17</b>
12		Apple	<b>17</b>
13		Starwood	<b>14</b>
14		Boots	<b>14</b>
15		Harrah's	<b>14</b>
16		Kroger	<b>10</b>
17		Air Miles	<b>9</b>
18		Coke	<b>9</b>
19		Continental Airlines	<b>9</b>
20		Virgin	<b>5</b>

## THE RELEVANCY REQUIREMENT

### How Customers are Demanding Precision Marketing

By: **Sandra Zoratti**  
Vice President Global Solutions Marketing,  
**InfoPrint Solutions Company**  
CMO Council North America Advisory Board Member



When looking at the results of the research conducted through Getting A Business Lift From Loyalty, what strikes me are two key, if not critical findings:

- Marketers view loyalty and rewards programs as treasure troves of engaged brand-loyalists who are ready, willing and eager to engage across a multitude of channels with a multitude of opportunities. However, in order to forge these deeper relationships with consumers, marketing must take the next step in aggregating, leveraging and utilizing customer insights to deliver more targeted, personalized customer engagements.
- Consumers like loyalty programs and perks and have two primary complaints with program participation: irrelevant spam and lower value engagements. Thus consumers are demanding more individualized, personalized, targeted approaches in promotions, communications and engagements, or they will have no problem taking their business to another brand who is offering this level of customized service.

On the surface these two findings look promising in that both marketers and consumers essentially want the same thing. The problem is that marketers 1) are interpreting what key requirements like “personalization”, “individualization” and “value” mean and 2) lack the insights, tools, measurements and strategies needed to fulfill these customer demands. More importantly, this study shows the cracks in the relationship that are causing this disconnect between marketing investment and customer requirements.

Let’s take a step back and get a true sense of what consumers are demanding – personalization, individualization and value – and how we as marketers can actualize their insights to deliver real return on any level of engagement and communication, not just those within our loyalty programs. Consumers, who in this economy are more aware of where they spend their money, are looking for greater rewards that “earn” their business. And while they are clearly open to monetary or service-enhanced perks, what they really want is to be embraced and known by the business they patronize. They don’t want meaningless personalization that only goes so far as to stick their name at the top of a mail merged letter. They want companies to gaze into a crystal ball and know, based on their past behavior, what message will mean the most, and when.

So if you apply consumer thirst for individualization into how you execute a personalized campaign, it translates to the difference between addressing

a letter to Sandra Zoratti in Boulder, Colorado and instead sending targeted promotions online, in print and in person to an active gardener who also loves fly fishing. Instead of sending Sandra an offer for a roaring rapids adventure in the mossy California Mountains, a company that I engage with should know that I prefer the still waters and serene vistas for a week of peace and fly fishing.

What is also clear from this research is that consumers have truly become promotion-weary. In previous research, we learned that promotional offers are often ignored as only 41 percent of consumers will open promotional emails, with a slightly higher margin opting to open promotional offers sent via traditional mail. Ironically, email fatigue seems to be setting in as consumers also do not value opt-in mailings like e-newsletters, as only 40 percent consider these communications as “must-read” emails.

Consumers are keenly aware that they have the power to disconnect, often using the opportunity to opt-out, even when they may have originally opted-in. In fact, 54 percent of consumers were firm in their stance that a relationship defined by spam, irrelevance and low value would result in total disconnection to the program.

The question we encounter when working with companies looking to maximize their customer engagements, retain their existing customer base and provide value and insight to their newly acquired customers is, OK, where do I start? Judging from the data, most marketers are starting by investing in more frequent communications, social networks that connect loyalty program members with each other, and big investments in web, community and networking tools. Unfortunately, consumers said just the opposite as they saw little draw into loyalty program from online communities and social networks. Sadly, this is not where the disconnect stops.

While customers complain about spam, tight restrictions, unwieldy redemption conditions and rewards that lack value, 39 percent of marketers seem intent on actually increasing the frequency of communication! As marketers invest in email, website and word-of-mouth referral programs, consumers are indicating that the top ways they learned about brand loyalty programs is actually at point-of-sale, websites or service representatives.

But perhaps the greatest disconnect here is not between consumer and marketing, but between marketer and their own business. When asked how marketing would measure the performance of a loyalty program, the metrics reside in the limited view of revenue per customer or transaction. Yet there is little recognition that that the goal of the business investment in a loyalty program is not to drive a single transaction, but rather a lifetime of transactions and to develop a relationship with an individual customer. Profitability, campaign effectiveness and yield, reduced selling costs and sales cycles are all low on the measurement chart. So, rather than speaking in the language of the business and measuring investment on the overall yield such as return and lifetime value of customer engagement, marketing is instead clinging to a revenue per click or purchase model.

Consumers agree that the era of mass messaging simply does not resonate, especially not in today's on-demand world. Today's consumer wants relevant, timely messages. They want engagements that are tailored around their history with companies they choose to do business with. They want companies to peek – not intrude – just below the surface of name, address and phone number. To personalize a greeting is simply not enough. Marketers must take that next step towards precision marketing and leverage whatever insights are available to deliver meaningful promotions and timely content to willing customers. It is time for marketing to embrace a more targeted, predictable, forecasted, reliable and measurable system for customer engagement. And, thanks to the tools and investments that marketing has already made in loyalty programs, CRM, data management and customer engagement, many marketers are well poised and positioned to act today and transition from traditional, measure-less, mass-messaged tactics to an integrated system of Precision Marketing.

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*Sandra Zoratti is the Vice President of Global Solutions Marketing at InfoPrint Solutions Company, a joint venture between Ricoh and IBM. Zoratti is a pioneering force behind the adoption of Precision Marketing techniques to drive growth, engagement and loyalty with customers. To reach Sandra and continue the conversation, she can be reached at [sandra.zoratti@infoprint.com](mailto:sandra.zoratti@infoprint.com). ([www.profitwithloyalty.com](http://www.profitwithloyalty.com)).*

## KNOWING THE VALUE OF LOYALTY

### A Perspective Piece

By: **Lee Gallagher**  
Manager, Global Market Solutions  
**InfoPrint Solutions Company**



The level of marketing fatigue continues to escalate at an astronomical rate. Consumers are actively unsubscribing as they close their wallets to irrelevant communications.

The one-size-fits-all marketing tactics used in email blasts, flashy banner ads and generic direct mailers are no longer effective methods for talking to your most valued assets. Today the customer is in control and has all the power – and knows it – and they are voting with their dollars and their social network.

The recent report, **The Leaders in Loyalty: Feeling the Love From The Loyalty Clubs**, highlights that 54 percent of consumers polled stated loud and clear: *keep sending me spam and irrelevant messages and I will disconnect from you and your brand*. This backlash could not have come at a worse time as marketers are justifying their budgets, side stepping requests for headcount reductions and constantly monetizing their efforts back to the boardroom.

Interestingly, acquiring and retaining motivated and engaged consumers is the number one problem facing 50 percent of marketers, yet sadly, 27.5 percent of marketers admit they have not mobilized brand loyalists to become active advocacy agents. What's worse – nearly 20 percent don't even have a strategy for leveraging loyalty and brand preference among club members.

But it is not all doom and gloom. Seventy-eight percent of consumers surveyed say they are very, or pretty, satisfied with their loyalty and rewards program experiences and 52 percent say these programs and club memberships strongly motivates, or is a big factor, in influencing buying decisions. Consumers want to be engaged as well over half of the respondents say they want more compelling personal benefits and services, as well as more relevant offers or individualized deals.

One could predict that if the savvy marketer could capitalize on these simple requests for improved relevant touch points, by providing more personalization based on existing data and consumer interests, more loyalty and revenue could be created.

A good example of leveraging your loyalty data to grow revenue and create new revenue streams is American Airlines. Touted, and rightfully so, as the pioneer of the frequent flier program which monetizes program partnership, American Airlines' AAdvantage is able to pull in more than \$1 billion annually from its program. Unfortunately, fewer than 25 percent of marketers are following suit by seeking to add new revenue through third-party offers in their programs.

To be successful in the “tens”, marketers have to realize customer behavior has changed markedly in this new economy. The best way to recognize these valued relationships is to reward your customer with the right offer, at the right time in the right channel. The best way to quickly gain this insight is to begin leveraging your data (surveys, profiles, and other points) to deliver relevant multi-channel communications.

*“Leaders are leaders only as long as they have the respect and loyalty of their followers.”*

- Hans Seliye

## CONTRIBUTED CONTENT

By: **Mark Johnson**  
President and CEO  
**Loyalty360**



Voice of the customer... customer engagement... consumer loyalty. What do these buzzwords mean? How do we use them to drive value? Where are the best practices?

These often-used terms (sometimes used too loosely) have connotative and denotative meanings that can be quite different depending on who uses them and how they are used. Loyalty 360 – The Loyalty Marketer’s Association continues to see uncertainty about loyalty, engagement, and “voice of the customer”. 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?

The confusion tells us that in this challenging (hopefully becoming less so) economic environment, the focus on loyalty and engagement is becoming ever more important. Customers, clients, employers, brands and channel partners have heard about “Voice of the Customer,” “Web 3.0,” “the Groundswell,” and believe these initiatives can give them the competitive edge they seek. Yet, they don’t know how to execute them effectively. They are looking for best practice based implementations of groups creating engagement, creating excitement, creating commitment to help the answer the overriding question: HOW?

We hear from brands and consumer package good companies that they have been dis-intermediated from their customers and want to re-engage and have more direct communication with them. And they feel that social, mobile and emerging media have helped them to do this. Yet they also want to have better and more actionable data results. They want to see the true 360 view of the customer, yet realize that they are not privy to data from other sources – such as channel partners, merchants and distribution channels – that allow them to complete this circle. Getting the true “Voice of the customer” does not just mean using social, emerging and mobile media. It also means focusing on the traditional media channels such as the call center, direct mail response, customer loyalty program, surveys, etc.

Merchants, banks, hotel, restaurants, travel and entertainment companies pose to us a litany of the same questions. How? Why? When? We see significant interest from these entities to work together and collaborate in a manner that we have not experienced in quite some time. The desire to capture a 360 degree view of the customer means that you need to know what Jack Jones is spending at Applebee’s, on Delta, at JC Penney, and at 53 Bank. This broad insight will allow you to make more effective communication decisions and tailor the form and fashion of this communication in order to increase its effectiveness. How do you do this? By listening.

As we work to address the how's, why's and when's, we realize that for a company to be truly committed to listening to and engaging their customers it takes a corporate mandate guided by a visionary leader who compels 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?”
- Or when companies say they are committed to “voice of the customer,” yet they only use third party opt-in data, is that a true “voice of the customer?”

There's no doubt 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. Still, they remained diligent in their focus on traditional forms of media because they realized that not all new media may be most effective at driving sustainable behavioral change. The fact remains that engagement is not a destination, but rather a process that requires a mix of mediums working together to resonate most effectively with the target demographic/psychographic and drive the intended behaviors.

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, has failed. (It also seems a little strange to hear the word “visionary” used so frequently in such a nascent space.)

That's because it 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 and brand participants want control. Yet control means engaging in an interactive dialogue with the brand and brand participants. It means making the input for the various channels concise, relevant, interest and actionable.

We are 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 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, who 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.

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#### **About Loyalty 360 – The Loyalty Marketer’s Association**

*The mission of **Loyalty 360** – The Loyalty Marketer’s Association ([www.loyalty360.org](http://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.*

## ABOUT THE CMO COUNCIL



**The Chief Marketing Officer (CMO) Council** is dedicated to high-level knowledge exchange, thought leadership and personal relationship building among senior corporate marketing leaders and brand decision-makers across a wide-range of global industries. The CMO Council's 3,500 members control more than \$100 billion in aggregated annual marketing expenditures and run complex, distributed marketing and sales operations worldwide. In total, the CMO Council and its strategic interest communities include over 6,000 global executives across 57 countries in multiple industries, segments and markets. Regional chapters and advisory boards are active in the Americas, Europe, Asia Pacific, Middle East and Africa. The Council's strategic interest groups include the Coalition to Leverage and Optimize Sales Effectiveness (CLOSE), Brand Management Institute, and the Forum to Advance the Mobile Experience (FAME). More information on the CMO Council is available at [www.cmocouncil.org](http://www.cmocouncil.org).

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## SPONSORS



**InfoPrint Solutions Company** is a leading provider of output solutions for business customers from small business to large enterprises. The company was created in January 2007, through a joint venture between Ricoh and IBM's Printing Systems Division (NYSE: IBM). For more than 20 years, IBM and Ricoh have had a strategic partnership to collaborate on a number of innovations, including leading-edge imaging technologies and powerful production output solutions. [www.infoprintsolutionscompany.com](http://www.infoprintsolutionscompany.com).