

COLLOQUY

Loyalty Talks



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Meeting the Middle

The shrinking of the middle class is creating an instability that affects all corners of the economy. Fortunately for many, loyalty insights can help.

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Step Aside.

A 'Medium Roller' is Coming Through

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BY KAREN BELLS

He might not be courtside next to Leonardo DiCaprio at a Lakers game, but that doesn't mean the Average Joe can't feel special.

Some loyalty programs are building in attention-getting extras for best customers who aren't among the high-roller set, awarding them randomly or at specific benchmarks with perks or experiences that resonate. →



The practice hits on the goal of “surprise and delight” on many loyalty marketers’ minds, and some industry experts say it’s a low-cost way to deepen relationships and help create the most profitable consumers.

These “medium-roller perks” also bridge the gap between big-money and rare loyalty extravaganzas – say, a long shot at a cruise in a My Coke Rewards sweepstakes – and run-of-the-mill discounts.

impressing hungry friends when the group is seated right away on a busy night, said Michelle Malish, senior director, customer relationship management and loyalty.

Exclusive perks are a great way to reward evergreen customers who stick by a company, said Noah Fleming, a strategic marketing consultant who focuses on customer loyalty and retention. And those folks tell others and spend a lot of money.

In his new book “Evergreen,” Fleming details a ladder of loyalty, with multiple rungs that encourage members to keep climbing in the relationship.

“If you stick a ladder in front of somebody, our natural human inclination is to want to climb it,” he said. “Typically people want what they can’t have. It’s a motivator for your other clients, then you can structure your plan in a way to show them how to get there.”

Speaking of wanting things they can’t have ... a ride in a high-performance Porsche might fit the bill. Delta Air Lines began surprising SkyMiles Diamond Medallion members, including business travelers, in Atlanta in 2011, waiting for a member to exit the plane and whisking him across the tarmac to a connecting gate.

The goal: Shake up travelers’ days and make them feel recognized. Delta recently added Seattle and Detroit to the Porsche surprises, now offered in six cities.



At restaurant chain TGI Fridays, one way to deliver that VIP feeling is Jump the Line passes, which members of its Give Me More Stripes loyalty program earn and present to be seated right away. Members report loving the recognition and



Delta flyers aren't the only travelers getting a taste of the good life. In December, Hertz celebrated the three-year anniversary of its Gold Plus Rewards loyalty program by surprising some members with free upgrades to Jaguar, Mercedes and other luxury car brands.

Other queen-for-a-day perks: Early access to sales for Nordstrom Rewards members, even those in the program's lowest tier; (higher-tier members also gain invites to private shopping events). Or special gifts on the seats of loyalty members of the Chicago Symphony.

The point should be not only to reward loyal customers but also to prompt those who aren't yet to say, "Hey, how can I get that?" said Fleming. One of his clients, a restaurant with \$3 million in annual sales, has a loyalty program that shows patrons what they're missing.

All diners receive the regular menu along with a supplementary one – a high-end, black menu from which only loyalty members can order. Members pay a one-time \$20 fee to enroll but get a \$20 gift certificate for their next visit; turns out they spend about 70% more on that next visit.

Even better, the owner has collected purchase transaction and value data on a couple thousand customers.

What about the risk of aggravating customers who aren't getting ushered into an early sale preview or having their car valet parked? The trick, said Malish of TGI Fridays, is employee training. If customers complain about being bypassed for seating – which happens, but not often – team members explain the situation and encourage them to join the free Give Me More Stripes so they, too, can earn line-jumps.

Fleming, too, said staff training is key to making sure others are intrigued rather than turned off when they see someone getting special perks. He cautions a little pushback is normal and might signal those unlikely to become high-value clients anyway.

And no apologies from the restaurant with the members-only menu. Said Fleming, "Not even the Pope himself can order from that menu if he doesn't have a card." ←

[Click here to tell us what your company or program is offering to deepen customer relationships and help create the most profitable consumers.](#)

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