# Humanizing Loyalty: A road map to establishing genuine emotional loyalty at scale

## Contents

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In partnership with
Panoramix Global and SIVO Insights

# It's within reach

You're never too big to establish a more human side to your loyalty efforts.

On the following pages, we'll define what humanizing loyalty means and why it's more critical than ever to creating an unbreakable bond with your customers. We'll also provide strategies that you can start using right away to address the one thing your customers want more than anything from you.

Something more real. More genuine.

A more human experience with your brand.

And it all starts with a shift in the way you think about loyalty.

# Treat loyalty as an outcome, not just a program

## Customers are swimming in loyalty programs.

Which only means it's becoming more and more difficult to stand out, as virtually every brand is luring its frequent and best customers with an experience heavily anchored on a transactional, points-based reward, discount, or similar incentive. Today, this just isn't enough.

While there is no doubt that programs like these still continue to attract and retain customers—and remain tremendously valuable to both brands and members alike—it's also paramount that we as marketers understand the ongoing evolution happening quietly behind the scenes.

Loyalty program or not, the most successful brands are treating loyalty as an outcome and long-term business strategy in building advocacy, not just a way to keep customers on the hook.

## Don't treat your customers like a one-night stand.

The majority of today's brands could go away and customers wouldn't care.

They're not emotionally invested. They'd simply find another way to get their products or services—barely giving the exit of a once established brand a second thought.

So, why are so many brands failing here? How do you become so meaningful to your customers' lives that they truly care whether you are around tomorrow?

The simple answer is you need to establish genuine emotional loyalty. But too many companies don't understand what that means, so they fail at establishing any loyalty at all. Instead, they invest everything in something transactional while ignoring the experience. They've forgotten they are in a relationship— the human side of loyalty.

### Don't mistake habit for loyalty

True engagement depends on acute consumer understanding and the execution that prompts behavior not out of inertia, but real loyalty.

# Consumers are often missing something important from your brand— like the feeling of being appreciated

We measured how brands are connecting with their customers. We asked them what was important in a brand relationship and then compared those answers to how they described the brands they use most. Notable differences are clear opportunities for us as marketers.

*See Appendix A at the end of this report for a detailed snapshot.*

**MIND THE GAP**

**92%**
of consumers want great value for the money

**74%**
feel the brands they use most deliver this

**80%**
of consumers want brands to go above and beyond

**62%**
feel the brands they use most do this

**79%**
of consumers want to feel appreciated

**64%**
get this from the brands they use most

# You have to get this right

**A well-designed loyalty program that works hand in hand with your brand is essential to success.**

Too many loyalty programs are set out on an island, separate from the brand, using points alone to try to retain their customers.

With this, brands miss out on an opportunity for a deeper customer experience and a stronger, longer-lasting connection. Something much more human. Something more emotional.

An experience that can be created only when the brand and loyalty program work together.

### Loyalty is integrated, holistic, and continuous

Consumers are responding to your brand, and the loyalty program enhances that relationship. It's NOT a separate strategy.

# Consumers feel like many loyalty programs are missing something —like reasonably attainable rewards

Loyalty programs have a long way to go to match customer expectations. This data shows the relative differences between what consumers want and what they feel they are getting, revealing key opportunity areas for loyalty programs.

*See Appendix B at the end of this report for a detailed snapshot.*

**MIND THE GAP**

## 90%
of consumers want loyalty programs to help them save money

## 68%
feel they do

## 89%
of consumers want rewards that are easily attainable

## 67%
think that they currently are

## 79%
of consumers want to be surprised with extras they care about

## 52%
say their programs do

# Create more personal relationships with your customers

## We are in this together.

Customers who choose to do long-term business with brands feel they are in a reciprocal relationship and should be treated as such. Loyalty between customers and companies does not happen overnight; as with personal relationships, it takes time and work.

- Start with a good foundation and grow from there.
- Perfection is not the goal, realness is.
- Actions speak louder than words.
- Little things mean a lot.

### Strong loyalty programs change behavior

Structured properly, a successful loyalty program is an incentive to behave in a certain manner. It represents a unique pact with your customer, different than any other marketing tool.

# Don't mistake habit for loyalty

The focus must shift from something more functional to something more emotional. More meaningful. Emotional loyalty is more durable. Don't mistake habit or transactions for loyalty. Habits can easily be broken.

### HABITUAL LOYALTY

I'm loyal to this company probably because I was with them first. It's predictable and easy. This doesn't mean they're necessarily the best, but it's comfortable. I know how they work and what I am getting.

### TRANSACTIONAL LOYALTY

I don't feel any emotion with this company. I give them my money and in exchange, I get a product or service. I don't want or expect anything more from them. If a similar product came along and offered me something better (less money), I would give them a try.

### EMOTIONAL LOYALTY

This company cares about me. They treat me like a human being and not like a number. There are many ways I feel this — from the experience to how we communicate. If a similar product or service came along, I would be hard-pressed to even try them. I would feel like I'm betraying the company.

# Stop treating your customers like numbers

## It's about more than points.

No brand ever sets out to treat a customer like a number, but efficiency issues arise. So, brands often default to points alone. But points only create a transactional connection, and while that's certainly important, it's a fleeting connection that can easily be broken by:

- Another program undercutting yours.
- Program complexity. Why bother?
- A critical mistake your brand makes.
- Sheer boredom or lack of enthusiasm.

## Companies don't give loyalty enough thought

Most brands' loyalty programs are poorly designed and reward habits, not real loyalty. As a result, most customers are not very emotionally attached to the brand, and there are large needs gaps in how they rate the brand's loyalty program.

# Start treating your customers as human beings

**It can be done...efficiently and effectively.**

Genuine loyalty comes only from a powerful emotional connection the customer shares with the brand. Like our personal relationships, we can learn how to drive loyalty by studying how real relationships form.

- What characteristics define loyalty amongst your friends?
- What are the characteristics of a loyal person?
- Why are these things important to you?
- How does this play out in your life?
- Who are you most loyal to in your life? How did that happen?

**Loyalty is a two-way street**

It's a relationship, after all. Loyalty happens only when the brand and customer realize they need each other.

# What customers really want from your loyalty program

While there are many important attributes to consider when designing a loyalty program, there are essential ones—we call them delighters—that truly resonate with customers.

*See Appendix C at the end of this report for a detailed snapshot.*

- Offers great value
- Lives up to its promises
- Has great customer service
- Is dependable
- Is worth my time and effort
- Is better than the competition
- Offers a lot of points and rewards
- Has rewards I care about
- Rewards are reasonably attainable
- Resolves issues completely and quickly

# True loyalty is earned

Our research uncovered **six key drivers** to genuine, long-term, emotional loyalty that create a meaningful connection with your customer. And you need to be achieving in all six before you can expect a customer's loyalty.

These key drivers are at the core of all human relationships, creating connections that are real (the good, the bad, and the ugly). And when focused upon, they make for the most authentic and resilient relationships.

| Trust | Appreciation | Empathy |
|---|---|---|
| Reliability | Investment | Shared values |

# Trust

*Be honest.*   *Be genuine.*   *Be faithful.*

*Be transparent.*   *Be authentic.*   *Be fair.*

> " *"They lost my package for days and couldn't give me a straight answer as to where it was. Just tell me the truth—even if it means you don't know but you're trying to figure it out."*

## The customer's perspective

Trust is paramount to a long-term relationship with me. If we can't trust or be honest with each other, nothing else matters. Depending on the severity of our broken trust and history of our relationship, I may leave you completely.

## How to earn trust

Help your customers make the right decision for them—don't oversell them.

- Listen to their concerns and discuss, versus giving them a scripted response.

- Be straight with your customer —clarity is critical. They don't want to feel fooled later on.

- If you mess up, admit it and apologize. It goes a long way.

## Industry tip

Ensure consumers are reminded of your data security measures and try to keep the program as simple to use as possible (i.e., track and be transparent about reward earning—tell them when they're getting close). Building trust is foundational.

## Be clear on the difference between habit and loyalty

Brands confuse frequency with loyalty, but they aren't the same. A customer may purchase from a brand simply out of habit, for convenience, or by default.

Emotional loyalty is based on trust earned from perceived value of products and services that deliver on fairness and honesty and meet the customers' needs.

## Trust in action

A prominent national retailer offers an "unlimited" return policy, allowing customers to return anything, at any time, at the discretion of the store employee—handling each return on a "case-by-case" basis. An air carrier suffered a major operations breakdown during a late winter storm, leaving thousands frustrated and flightless. In the aftermath, the CEO issued a refreshingly honest and open apology— admitting to mistakes and identifying exactly how they planned to "regain your trust."

## Security is job number one. Literally.

91% of customers say keeping their "personal information secure" is the most important attribute of a strong loyalty program. Not surprisingly, it's the highest rated component that we tested. Build essential trust with your members by keeping them safe.

*85% of people surveyed lack full belief in the system; this increases vulnerability to fear and further distrust.*

—Edelman Trust Barometer, 2017

# Reliability

*Be consistent.*  *Be engaged.*  *Be convenient.*

*Be dependable.*  *Be proactive.*  *Be seamless.*

> *"Loyalty means being committed not just for the moment and not only when things are good, but being along for the ride on the roller coaster. If that's not reciprocated, then that tarnishes the relationship."*

## The customer's perspective

When you do, I know you are committed to this relationship, and I can count on you. When you don't, I feel you don't care about your product or service, and certainly don't care about me. A loyalty program that makes my life easier. That's the reward.

## How to demonstrate reliability

- Let customers know about special products and services proactively.
- Suggest offers or products based on your past relationship.
- Let them know if something they are buying is going to go on sale soon.
- Help customers simplify their lives. Don't overcomplicate things.
- Create a seamless loyalty experience from desktop to mobile to social to in-store.

## Industry tip

Simplicity is essential. Don't complicate things. We all are time crunched, info overloaded, and inundated with devices that beep and buzz. "Infobesity" is now a thing. But flow is what we want—an experience that doesn't interrupt our lives, it moves us along.

Loyalty programs can soothe life's pain points. Brands need to think of a customer's time and focus as precious resources that should never be wasted. Keep them in the flow.

## Reliability in action

A global hotel chain has turned its loyalty app into a room key, allowing easy (yet secure) room access to its members. Passengers on a national airline can receive push notifications on the status of their checked bags, letting members know the moment their bags have been loaded on the plane or when they've arrived at baggage claim.

## Make things easy. And clear.

90% of customers believe ease-of-use and program clarity are key components to a strong loyalty program. Applying human-centered design to your program aims to make using the program second nature and highly intuitive. Incorporate this approach into your program ASAP.

"Decision fatigue and cognitive fatigue are the opposite of flow and seamlessness. We are making too many decisions that tax our cognitive bank account. We dole it out on important things and not on things that are already operating well."

—Susan Menke, behavioral economist, interviewed as part of our research

# Appreciation

*Be sincere.*　　*Be fun.*　　*Be grateful.*

*Be thoughtful.*　　*Be compelling.*　　*Be respectful.*

> "*Make me feel special, like I'm a part of something important.*"

## The customer's perspective

I need to feel that you value me, my time, and my choice to do business with you. Feeling valued is a big part of why I choose to give you my business. It's so important that I would even pay a little extra for it. A little appreciation goes a long way.

## How to demonstrate appreciation

- Surprise customers—it doesn't have to be big.

- Make them feel special—like they are a part of something —give them a voice.

- If they are new, don't treat them like an outsider to prop up other members. They will remember.

- Give rewards (gifts of appreciation) they care about, customized by their life stage, their needs, and their behavior within the category and with your brand.

- Treat them like a person— they have a name.

- Communicate how this program benefits them personally.

## Industry tip

Ensure your customers are delighted with the rewards you offer. Consider ways to offer "seemingly random" surprise awards and some immediate gratification.

## Make them want in on the fun

What is the program doing to incentivize people on the other side of the velvet rope? If they are part of the program but not one of the elite members, what are you doing to nurture them so they become elite members? Keep in mind, customers crave real, emotional, and sensory experiences. They can be lulled by consistent yet boring programs—or engaged by novelty.

### Appreciation in action

An industry-leading national restaurant chain relies completely on a surprise and delight strategy, showing their appreciation in unexpected ways. Their highly successful program is reported to have 50% of their customer base enrolled. A major cosmetics retailer uses a perfectly balanced blend of early bonuses and achievable rewards to warm members up. Get them feeling good early and then use unexpected positive rewards such as new samples and trial products to keep them engaged.

### Customers want surprises. So delight them.

79% of customers want you to show your appreciation by going above and beyond with little surprises along the way. "Surprise and Delight" has made a comeback. But, shhh, don't tell anyone. It's a surprise.

# Empathy

*Be kind.*      *Be forgiving.*      *Be anticipatory.*

*Be understanding.*      *Be supportive.*      *Be compassionate.*

*"My son needed new shoes and she (my best friend) brought over a pair that her son wasn't wearing anymore. It saved me a trip to the store and saved me money. We do things like that for each other."*

## The customer's perspective

Do you take the time to really know me and what I want or need, or am I just another number to you? I know the difference. I can sense when you really want to help me and get me what I need instead of just wanting to close the sale.

## How to demonstrate empathy

- Behave like a longtime friend who knows them and understands their needs.

- Treat the sale like you're fulfilling their needs, not yours.

- Keep them in the flow—you should move a customer's life forward, not interrupt it.

- Forgive them if they make an occasional mistake—like missing a payment or a flight.

## Industry tip

Explore simple ways to customize the experience, anticipate specific customer needs, and build a two-way relationship.

## Empathy in action

A restaurant decided to empower their employees to do what they thought was needed to make their customers happy. In fact, if a server noticed one of their guests was having a particularly bad day, the server could offer a "treat" from the menu as a way to brighten that customer's day. No management approval needed. It was a simple act of kindness that left the server and the customer feeling good.

## Know your customers

91% of customers are asking for rewards they "care about and can use," which is one of the best ways to show empathy. But to know what your customers care about, you first have to ask them. Employ programmatic measurements today so you can ask real customers to create a real dialogue. Research isn't just for major overhauls.

# Investment

*Be dedicated.*   *Be attainable.*   *Be willing.*

*Be valuable.*   *Be reciprocal.*   *Be worthwhile.*

*"It's an equal exchange. Treat people the way you would want to be treated. Actions speak louder than words."*

## The customer's perspective

This is a long-term investment. Both financial and emotional. And the sooner we realize we both need each other, the stronger our relationship will be. If at any point I feel used, or that the relationship has become one sided—benefiting you more than me—I'm gone.

## How to demonstrate Investment

- Give them points—it's the base of most successful programs—just don't stop there.

- Put the time and effort in—show them you need them as much as they need you.

- Build experiences that customers value to keep them interested and engaged.

- Create micro-moments and mini-goals to recognize and reward their loyalty.

- Make them feel good about what they are investing in—the relationship.

- Make it reciprocal—you get something, and they get something—you are there for each other at the same level, in the same way.

## Industry tip

Don't be stingy with the value you give back to your members. Instead, use micro-moments—small unexpected acts such as gifts, discounts, assistance, or extras—to show customers you're invested in them. It's these personal interactions of generosity that are remembered and go a long way toward creating emotional loyalty.

### Investment in action

An online file-hosting service created a famous referral program that gave you and your friends 500MB of free storage space per referral. The program was a win-win for company and customer with the file-hosting service permanently increasing sign-ups by 60% with 2.8 million direct referrals. A frequent customer complained to a clothing store about an item that bled in the washer, ruining the entire load of laundry. The store paid to replace the damaged clothes.

### My love isn't free

90% of customers demand a program that is "worth [their] time and effort." For them, investment isn't just about cash back or redemption rates. It's about the valuable time and resources they spend interacting with your brand. Show them you're all-in as well. It'll be worth it.

# Shared values

*Be meaningful.*    *Be ethical.*    *Be interested.*

*Be charitable.*    *Be relatable.*    *Be collaborative.*

> *"My store gives back to my community, and they'll support my daughter's school fundraiser. I can talk directly to the manager and he's happy to support us."*

## The customer's perspective

It's important that I feel a connection to the stores I shop. In today's competitive marketplace, I need to feel a shared sense of values. It starts with seeing the value in the products or services a company sells. But it goes beyond that to a company's respect for me and the community we share. The brands I choose are a reflection of who I am.

## How to demonstrate shared values

- Keep providing what your customers want/love/need on a consistent basis.

- Share their passion for your products or services throughout their experience.

- You're in their community. Show respect for it. Give back to it. Help it thrive.

- Don't let personal opinions drive company actions on sensitive topics. If your company offends a customer personally, they won't be back.

## Industry tip

Keep your house clean. No #metoo among your ranks. No financial scandals. Be open, honest, and upstanding. Ensure your company publishes a moral code and sticks with it. When you are socially responsible, it enables your loyal customers to find meaning and purpose in their support of your business. Keep them in the flow.

## Shared values in action

An online apparel giant believed that the true key to business success was in its values. Their belief: "Get the culture right, then everything else that you need to be successful will fall into place." Everything, from the type of people they hire to their liberal return policy, stems from these values. Things have fallen into place with this retailer, with routine annual sales increases and consistently high marks for customer satisfaction.

## Walk the walk

90% of customers want you to "live up to [your] promises." Part of shared values is a sense that you are doing things for the right reasons. That you are treating your employees with respect. That you are living by your corporate vision and values. You promote and print your values and vision. Now live them.

**75% of people surveyed agree that a company can take specific actions that both increase profits and improve the economic and social conditions in the community where it operates.**

—Edelman Trust Barometer, 2017

# It's all or nothing

If you take all six key drivers as a whole, the only logical conclusion is that customers are looking for a deeper connection. A stronger reason to believe. Drop the ball on any one of them and you risk your long-term relationship.

The brands that get this will thrive. It's already happening. And the brands that don't will muddle along, chasing some abstraction of loyalty...one that can easily be undercut or set aside when the relationship is under stress.

Today, brands must establish a more human relationship with their customers to be considered one of their favorite brands, or risk being forgotten.

# How emotional loyalty impacts your brand category

There are some interesting nuances our study uncovered when looking at loyalty and loyalty programs across travel, clothing, dining, and big box retail stores. However, across all categories, the need to humanize loyalty and integrate it with brand efforts more than ever was a common theme. Value, service, and kept promises are the heart and soul of any loyalty program. Ease of use and security are table stakes. And recognition must be meaningful and add value.

*See Appendix D for details.*

**Loyalty program penetration across key industries**

There's lots of opportunity.

Loyalty program penetration is surprisingly low across all categories, with the dining category particularly underdeveloped. This offers great opportunity to expand the loyalty program reach to grow strong customer connections.

## 30%
Dining

## 49%
Travel

## 47%
Clothing

## 45%
Big box

# Dining

Our research uncovered that in the dining category it is especially important to offer great value and strong rewards as well as make the customer feel special—with customers looking for more enhanced experiences, similar to the travel industry.

Dining is still seen as a bit special and, like travel, may lend itself to more experiential rewards or extras (e.g., concerts, trips) as well as smaller, more frequent rewards to encourage frequent visits.

# Travel and hospitality

Travel loyalty programs skew toward higher-income households, with men and women wanting different things from their programs. Men tend to travel more for work, whereas women focus more on leisure.

Overall, consumers really wish travel brands would "go above and beyond for me." Travel programs have both higher consumer attachment to their loyalty program (versus other categories) and much higher needs gaps.

Of the four categories we studied, the travel & hospitality category elicits the most intense emotional reactions. Because of this, a superior loyalty program in this category has significant impact on brand perceptions and behavioral loyalty to brands.

# Specialty Clothing

Our research shows that this industry skews more female, younger, and a tad lower income. Customers in this industry are very willing to use multiple programs across different brands. It is more difficult, but also more important—given these consumers shop multiple brands—to stand out from your competitors by being both true to your brand and competitively superior, especially during key merchandising periods.

# Big box retail

This industry skews lower income and toward families. Satisfaction in these loyalty programs is stronger than in other categories. Customer service and living up to promises are seen as especially important.

Incorporating customer service in key touchpoints of a loyalty program and recognizing savings for the family (not just individual awards) are critical for big box retailers.

## Appendix

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# Appendix A: Brand performance

We looked at the difference between what people told us is important in a brand and how their favorite brands were performing. The difference (the gap) is often an opportunity for marketers.

**\* Value is still required**
**\*\* Loyalty can help fill the gaps**

| | Stated Importance | Brand Performance | Gap |
|---|---|---|---|
| | % | % | Pts. |
| Delivers a consistent product, service, or experience | 92 | 81 | -11 |
| Keeps my personal information secure | 92 | 80 | -12 |
| Is a great value for the money | 92 | 74 | -18 \* |
| Is a brand I can trust | 91 | 80 | -11 |
| Provides valued products or services | 91 | 78 | -13 |
| Does the right thing (e.g., return policy/refunds) | 90 | 78 | -12 |
| Has excellent customer service | 90 | 77 | -13 |
| Provides an enjoyable experience | 88 | 77 | -11 |
| Values my business | 86 | 73 | -13 |
| Is there when I need them | 83 | 73 | -10 |
| Makes my life easier | 81 | 70 | -11 |
| Actively tries to build goodwill with me as a customer | 81 | 66 | -15 |
| Gets good reviews | 80 | 75 | -5 |
| Doesn't try to sell me all the time | 80 | 69 | -11 |
| Goes above and beyond for me | 80 | 62 | -18 |
| Makes me feel appreciated | 79 | 64 | -15 \*\* |
| Keeps me informed on a timely basis (sales, etc.) | 77 | 71 | -6 |
| Shares my personal values | 58 | 55 | -3 |
| Understands how I want to live my life | 57 | 55 | -2 |

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# Appendix B: Loyalty program performance

We looked at the difference between what people told us is important in a loyalty program and how their favorite programs were performing. The difference (the gap) is often an opportunity for marketers.

**\* How good are your rewards?**
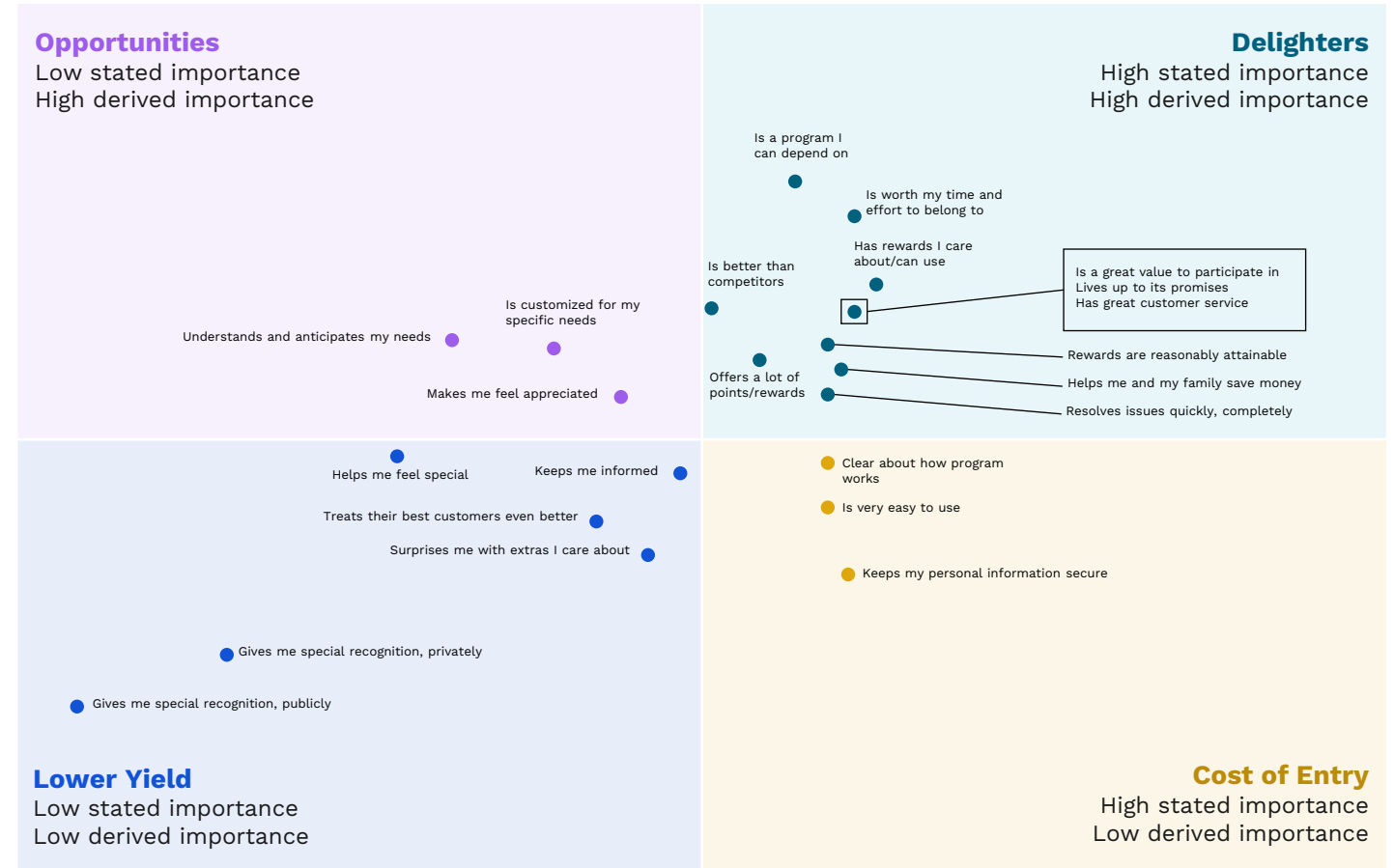**\*\* Bring back the surprise and delight**
**\*\*\* Outward displays of affection may not be needed**

| | Stated Importance | Loyal Program Performance | Gap |
|---|---|---|---|
| | % | % | Pts. |
| Keeps my personal information secure | 91 | 76 | -15 |
| Has rewards I care about/can use | 91 | 71 | -20 |
| Is very easy to use | 90 | 74 | -16 |
| Is clear about how the program works and what I can get | 90 | 71 | -19 |
| Has great customer service | 90 | 70 | -20 |
| Lives up to its promises | 90 | 69 | -21 |
| Is worth my time and effort to belong to | 90 | 68 | -22 |
| Helps me and my family save money | 90 | 68 | -22 |
| Is a great value to participate in | 90 | 67 | -23 |
| Resolves issues quickly, completely, and without question | 89 | 69 | -20 |
| Has rewards that are reasonably attainable | 89 | 67 | -22 |
| Is a program I can depend on | 88 | 69 | -19 |
| Offers a lot of points/rewards | 86 | 59 | -27 \* |
| Is better than competitors | 82 | 59 | -23 |
| Keeps me informed | 81 | 65 | -16 |
| Surprises me with extras I care about | 79 | 52 | -27 \*\* |
| Makes me feel appreciated | 78 | 57 | -21 |
| Treats their best customers even better | 76 | 56 | -20 |
| Is customized to my specific needs | 75 | 53 | -22 |
| Understands and anticipates my needs | 71 | 54 | -17 |
| Helps me feel special | 64 | 52 | -12 |
| Gives me special recognition, privately | 58 | 46 | -12 |
| Gives me special recognition, publicly | 44 | 41 | -3 \*\*\* |

# Appendix C: Stated versus derived importance

We compared what people said are important attributes of loyalty programs (stated importance) to which attributes actually drove their loyal behavior (derived importance). We then plotted them into quadrants by how actionable each attribute is for marketers.

**Loyalty program attributes plotted by stated and derived importance**



**Opportunities**
Low stated importance
High derived importance

**Delighters**
High stated importance
High derived importance

Is a program I can depend on

Is worth my time and effort to belong to

Has rewards I care about/can use

Is better than competitors

Is a great value to participate in
Lives up to its promises
Has great customer service

Is customized for my specific needs

Understands and anticipates my needs

Rewards are reasonably attainable

Offers a lot of points/rewards

Helps me and my family save money

Makes me feel appreciated

Resolves issues quickly, completely

Helps me feel special          Keeps me informed

Clear about how program works

Treats their best customers even better

Is very easy to use

Surprises me with extras I care about

Keeps my personal information secure

Gives me special recognition, privately

Gives me special recognition, publicly

**Lower Yield**
Low stated importance
Low derived importance

**Cost of Entry**
High stated importance
Low derived importance

# Appendix D: Loyalty attributes comparison by industry

We looked at key loyalty program attributes across industries. Not surprisingly, some attributes like "great customer service" are global and drive overall loyalty program success, regardless of industry.

Other attributes like "issue resolution" or "surprises me with extras I care about" vary by industry.

**\* Industry-agnostic delighters exist**
**\*\* Protect from hacking threats**
**\*\*\* Be perceptive and proactive**

| | Travel | Clothing | Dining | Big Box | |
|---|---|---|---|---|---|
| Is worth my time and effort to belong to | Delighter | Delighter | Delighter | Delighter | |
| Is a program I can depend on | Delighter | Delighter | Delighter | Delighter | |
| Lives up to its promises | Delighter | Delighter | Delighter | Delighter | \* |
| Has great customer service | Delighter | Delighter | Delighter | Delighter | |
| Has rewards that are reasonably attainable | Delighter | Delighter | Cost of Entry | Delighter | |
| Has rewards I care about/can use | Delighter | Delighter | Cost of Entry | Delighter | |
| Is a great value to participate in | Delighter | Delighter | Cost of Entry | Delighter | |
| Helps me and my family save money | Delighter | Cost of Entry | Delighter | Delighter | |
| Offers a lot of points/rewards | Delighter | Cost of Entry | Delighter | Cost of Entry | |
| Is better than competitors | Delighter | Delighter | Opportunity | Delighter | |
| Keeps me informed | Cost of Entry | Cost of Entry | Lower Yield | Lower Yield | |
| Is clear about how the program works and what I can get | Delighter | Cost of Entry | Cost of Entry | Delighter | |
| Resolves issues quickly, completely, and without question | Delighter | Cost of Entry | Cost of Entry | Delighter | |
| Is very easy to use | Cost of Entry | Cost of Entry | Cost of Entry | Cost of Entry | |
| Keeps my personal information secure | Cost of Entry | Cost of Entry | Cost of Entry | Cost of Entry | \*\* |
| Is customized for my specific needs | Opportunity | Lower Yield | Opportunity | Opportunity | |
| Helps me feel special | Opportunity | Opportunity | Opportunity | Lower Yield | |
| Understands and anticipates my needs | Opportunity | Opportunity | Opportunity | Opportunity | \*\*\* |
| Makes me feel appreciated | Lower Yield | Opportunity | Delighter | Lower Yield | |
| Treats their best customers even better | Lower Yield | Lower Yield | Lower Yield | Lower Yield | |
| Gives me special recognition, privately | Lower Yield | Lower Yield | Lower Yield | Lower Yield | |
| Gives me special recognition, publicly | Lower Yield | Lower Yield | Lower Yield | Lower Yield | |
| Surprises me with extras I care about | Lower Yield | Cost of Entry | Opportunity | Lower Yield | |

# Our team, methodology, and partners

Phaedon (formerly known as ICF Next) conducted this research in 2017 in conjunction with two research partners, Panoramix Global and SIVO Insights. Working as a singular team, we discovered insights that help explain how a consumer's loyalty is forged with brands, just like loyalty is forged with people.

As established leaders in loyalty, our objective with this research was to dig deeper into this concept of personal relationships and uncover universal truths. By looking at loyalty through a different lens and employing both traditional and non-traditional research techniques, we have developed a unique point of view that will help your brand engender genuine loyalty at scale.

Working with Panoramix Global, we uncovered and synthesized global, cultural, and loyalty trends across an array of brands, verticals, and customer types. We also conducted interviews with experts in social science.

We parlayed those findings into our work with SIVO Insights, who facilitated immersive conversations with consumers—in their homes (ethnographies) and on the phone (interviews). We then validated those findings with an in-depth online survey of a nationally representative sample of adults 18–74 (n=800). The results inspired us. We learned that there are essential truths about brand loyalty that mirror interpersonal relationships.

We hope these findings will help you advance your own efforts. We are excited to share these findings with you and encourage you to share them with others.

# We Are
# PHAEDON™

We love what we do, and it shows in the power of our work. By sparking participation, cultivating loyalty, and empowering transformation, we revolutionize how companies engage with an array of audiences.

We bring intelligent imagination to break through the complexity and distractions in the world around us and find synergy in coming together with clients to simplify complex milestones and ignite brand love.

We have a new name, but we're not new to what we do. Our end-to-end loyalty solutions, including our award-winning Tally™ technology platform and our market-leading strategy and analytics services, underpin some of the largest and most beloved programs across the globe.

We are the driving force behind some of the world's most iconic brands and unforgettable campaigns, and we guide organizations in transforming the customer experience (and their business) from the inside out.

We're here to create something new and amazing—together. Learn more at wearephaedon.com and follow us on LinkedIn for our latest insights.

Previously the commercial marketing group of ICF and formerly under the brand name ICF Next, we are now an independent company.