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From Coconuts to Calling Cards: Driving Customer Experience by Taking the Loyalty Leap

By [Nancy Pekala](#)

Customers are quirky. They're also emotional, unpredictable and irrational. That's why marketers love them and why they're hard to understand. As a result, technology and the reams of data which are collected on customers today is so essential to brands that are committed to understanding their customers and creating experiences that cultivates customer loyalty.

In his new book, [*"The Loyalty Leap: Turning Customer Information into Customer Intimacy."*](#) author Bryan Pearson, President and CEO of [LoyaltyOne Inc.](#), an AMA content partner, shares insights on customer loyalty and how brands are crafting a new definition of "customer experience." (To learn more, register for the AMA's free webcast, [Are You Ready to Make the Loyalty Leap](#), to be held April 16, 2012 at 12 p.m. CST.)

- **From Coconuts to Calling Card: Enterprise Loyalty**

Pearson suggests that enterprises need to search for insights that reveal more than just demographics and instead inspirational triggers of a customer. This involves seeking to move beyond interpreting information based on the organization's preconceptions or prior beliefs. He shared one story involving his company which sought to test a new platform that allowed retailers to analyze their sales information at a customer level. A member of the R&D team randomly tossed out the term "coconuts". When the word "coconuts" was run through the relational database, the third-highest product that correlated with coconuts turned out to be prepaid calling cards. As Pearson explained, "Turns out that many consumers who buy coconuts emigrate from other parts of the world. And since coconuts are a staple of their native diet, the tropical food makes them homesick. So they buy calling cards." This example signaled the fact that looking a different way at customer data can help enterprises improve service and deliver more relevant experiences.

To this end, Pearson offers the enterprises the following considerations when aiming to up their customer commitment:

- **Remember not all customers are created equal.** All key departments—not just the marketing department—needs to rethink business practices. Research,

merchandising, call centers, product development and operations all need to play a role.

- **Share the load with partners.** Privacy is an important issue but when executed well and with transparency, organizations can share customer insights and information that will allow them to add customer value and relevancy via partnerships.
- **It's time to engage customers in two-way conversations.** Enterprises need to progress beyond merely tracking and identifying customers to engaging them in real dialogue, often via social networks. Leveraging customers' opinions on a large scale can also offer value when looking to increase loyalty.

- **Happy Spouse, Happy House: Building a Customer-Centric Culture**

Pearson reminds brands that you can't win customer loyalty if you haven't earned the loyalty of employees first. But for too many companies, he says, "the expression of their brand exists in a logo, a Web site design, or a distinctive store layout but not in a human 'face.' Yet, it is the human presence that remains most clearly fixed in the customer's mind—a cashier, a sales-floor associate, or even a voice on the phone. To be remembered, a brand has to be experienced."

Since employees drive customer return on investment, they need to be handed the wheel and empowered to create higher sales and profits from customers. As the saying goes, "Happy spouse, happy house." Consider the case of Fairmont Hotels & Resorts which clearly puts trust in the hands of its front-line employees. With a mission of "turning moments into memories" for its guests, the hotel chain's Fairmont President's Club aims to collect pertinent information about guest preferences so employees can be armed with the information they need to create memorable guest experiences. The Fairmont Service Plus Memory Maker recognition program allows guests to nominate employees for exceptional thoughtfulness and service. The winners are recognized ceremoniously and can redeem their choice of award from thousands of merchants globally.

Pearson suggests that the way to create a customer-centric culture is to empower employees, integrate flexibility in processes and create out-of-the-box recognition and compensation programs. He also suggests releasing tight controls on data, giving front-line employees the access they need to deliver a better customer strategy.

- **Can We Talk? Better Communications Lead to Relevant Customer Experiences**

Want to reach your customers? Make relevancy your number one mission. Pearson suggests that any valuable customer-management program starts with customer segments based on behavioral and attitudinal motivations and then followed up with the creation of optimal messaging for each. "Each component may be sufficient on its own, but when bound together by a common purpose, such as delivering a brand experience and customer intimacy, the combined effect has increased horsepower," he explained.

It will be impossible for brands to effectively address the customer engagement issue without better defining their social media strategy. It's [estimated](#) that this year, 65% of service interactions are expected to take place online. The question that is being asked throughout companies today of social media channel ownership is a distraction, according to Pearson. "The missed opportunity is in figuring out the right things to say, how to interpret what you're hearing and in mining the information for new insights."

It will be critical that organizations fully leverage the capabilities of today's technology, through data collection, algorithms, real-time purchase tracking and geo-tracking to craft communications. Ultimately, Pearson suggested that a company's success will be measured by its ability to deliver communications that are:

- personalized but not prying;
- executed in multiple channels based on need and relevancy;
- consistent, reflecting meaningful integration of messaging between channels;
- flexible to take advantage of changing customer needs;
- respectful and consistent with the development of a long-term relationship.

Every organization, every brand needs to be able to develop relevant customer experiences. The key in executing a more relevant customer strategy will be to harness customer information for the benefit of building long-term, loyal customer relationships.

(To learn more about customer experience and loyalty, [register](#) for the AMA and LoyaltyOne, Inc. upcoming free webcast, ["Are You Ready to Take the Loyalty Leap?"](#) scheduled for April 16, 2012 at 12 p.m. CST.)

[Nancy Pekala](#) is the AMA's Senior Director of Online Content and Editor of [Marketing Thought Leaders](#). Join the conversation about customer experience in the Marketing Strategy group of [AMACONNECT](#), the AMA's online community. Follow us on Twitter @[marketing_power](#).