

Top 12 customer loyalty trends for 2012

Retaining and engaging customers remains a tough challenge for all businesses, so Loyalty 360 – The Loyalty Marketer’s Association, released the following 12 customer loyalty trends for the coming year.



1. Customer engagement is the journey; loyalty is the destination. Loyalty is no longer about points, discounts, miles and rewards — it is about the way the processes, technologies, ideas and interactions engage an individual with a brand. The only way to achieve loyalty is through deeper engagement.

2. There will be a renewed focus on customer retention and loyalty versus customer acquisition. While daily deals like Groupon and LivingSocial are generating lots of buzz, marketers are realizing these price-based technologies have taken the focus away from the real prize: customer loyalty.

3. Brands need to recognize customers at all touchpoints — especially the call center — to deliver a quality customer experience. A recent poll by Loyalty 360 found that 78% of respondents believe that having a great customer experience makes them loyal. Creating this type of customer experience involves delivering quality customer service across all touchpoints.

4. Marketers will work to glean intelligence from social media feedback. The vast majority of real-time data created today is unstructured data. Study after study is showing that marketers are struggling with mining this data and analyzing it in order to derive valuable insights and actionable intelligence from it.

5. Loyalty programs are critical elements of “life cycle management.” Engagement with customers over a life cycle is the new model for success. The only way to earn loyalty is through deeper customer engagement, and data gathered from loyalty programs can be used to drive a quality experience across all touch points and at all stages of the customer life cycle.

6. Marketers will look at a mix of location-based behavioral data and attitudinal and preference data. This trend will have an especially important impact on the daily deal

space. Brands will want to have this data and control the message rather than offering huge discounts to anonymous individuals.

7. Mobile coupons will go mainstream. Juniper Research forecasts that the total redemption value of mobile coupons worldwide will be more than US\$43 billion by 2016. Cost-effective mobile coupon campaigns offer merchants an easy way to build customer loyalty.

8. We will see a focus on social media ROI. As marketers become more skilled at navigating the social media channel, they will be more demanding of tools that track and improve ROI.

9. Brands will increasingly use the rich information about customer buying patterns generated via loyalty programs to create more targeted marketing and messaging. Information on customer transactions, likes, dislikes and preferences gives brands the deep level of customer intelligence needed to deliver the most relevant, highest-quality customer experience and drive long-term loyalty.

10. Social personalization will increase. Marketers will harness the power of recommendations and referrals to persuade customers and prospects to follow their friends' leads. They will become more proactive in encouraging reviews, implementing refer-a-friend programs, et cetera.

11. Mobile digital wallets will mark a big shift in retail payments. With the value of transactions made over mobile devices estimated to be US\$240 billion this year and predicted to triple that size over the next five years, according to Juniper Research, it's not surprising that the battle over mobile wallets will continue to intensify.

12. Worthy causes will continue to influence consumer brand loyalty. A study from Cone Communications found that consumers are more likely to pick a brand based on charities or causes it supports. A full 94% of responding consumers said they would abandon their typical brand for one of approximately equal quality and price if it backed a social issue.