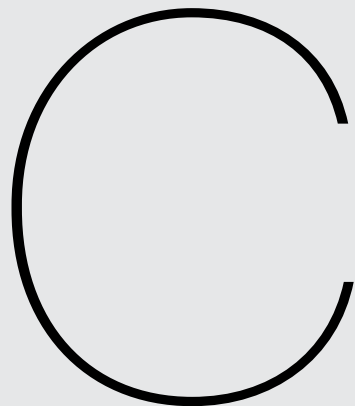


LOYALTY CAN'T BE BOUGHT

Forget deals galore; it is time to treat customers as business partners and make good of their insights if companies want to thrive in the long run.

By M. MUNEER

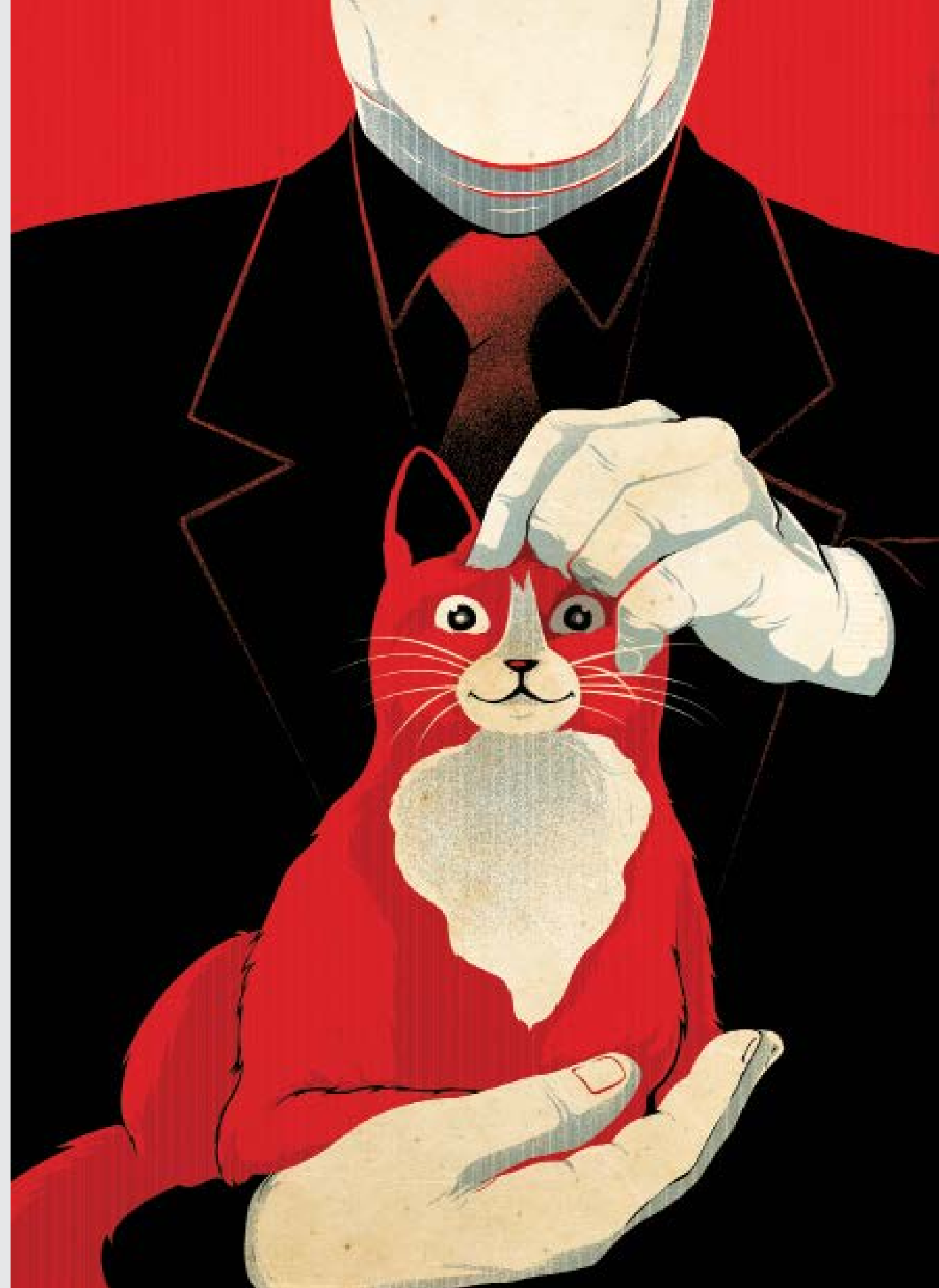
Illustrations by AJAY THAKURI



CONSIDER THIS. I am a loyalty member of Jet Airways, Vistara, Emirates, Etihad, Air India and a few other carriers. I am also a member of the loyalty clubs of Marriott, Hyatt, Taj, ITC, Hilton, Leela and a few more. I am a gold or platinum member of Shoppers Stop, Lifestyle and Westside. Then there are various other memberships to travel and e-commerce portals. However, I cannot be all that loyal to all these companies if I am a member of the loyalty programmes designed by competing brands. I will be more of an opportunist. It seems these so-called loyalty-marketing programmes have failed to create any sense of loyalty among millions of customers. Perhaps they are also trying to be opportunistic in a world where customer expectations are always changing.

Enterprises seem to think that loyalty can be bought or forced on customers. In reality, they should try to engage people more deeply if they want to create loyal customers who bring value to the business. When people do not get involved, they do not care and have no reason to feel loyal. By treating them as partners, one can engage customers beyond the traditional buyer-seller connect. But if this were the case, why had not anyone done it?

We can get customers involved by treating them with respect, and they will reward companies with more business. Amazon is an excellent example of this policy, but Flip-



kart, the new Wal-Mart of India, may take a long time to master this strategy. Amazon invites customers to review the products they purchased, encourages them to publish lists of other favourite brands/products and also allows them to sell used items on its platform. Such opportunities often provide anonymous consumers with a chance to participate in the company's business. Also, it has a no-questions-asked 30-day return policy in place and refunds your money within 72 hours, again a gesture of respect. Incidentally, many customers complain that Amazon has blocked them permanently for returning too many items, but many of these issues have been resolved; overall, the company is quite lenient in this respect.

What Companies Should Do

Businesses desiring to differentiate their loyalty programmes should start by seeking feedback from customers. As they always have great ideas/insights, inviting them to co-create things will have a long-lasting effect. But this must go beyond conventional market research techniques. One should seek suggestions at all contact points and may even reward people if their recommendations are acted upon. It will be a good idea to set up a centre where customers are thanked for their input and updates are given on what the company is doing with their ideas.

As of now, personalised e-mail messages from these loyalty clubs seeking our feedback are quite rare. Businesses expect their customers to get in touch via the 'Contact' tab on websites. But very few would like to submit their opinions using those forms as they doubt whether their comments would reach the top manage-

ment. By personalising the feedback, large corporations can overcome the perception that all suggestions go into a black hole. Consumers are more likely to communicate when they know whom to address and especially if they know that someone will act on it. Two recent examples prove this point. A skin allergy complaint sent to Nivea via its website was acknowledged but never acted upon. Another complaint was sent to L'Oreal and the company named an official who would look into it. The issue was quickly addressed. Resolutions happen fast if issues are pitched on social media platforms as they have high visibility and inaction could instantly lead to massive customer backlash.

In a bid to take customer loyalty to the next level, some companies are setting up customer advocacy centres. These will invite select customers so that feedback can be obtained before or during the launch phase. Companies can hold customer get-togethers regularly and use these occasions for specific group sessions. By closely involving them with the company's plans to improve its services or expand its product offerings, insights could be gathered and leveraged, thus ensuring a higher degree of loyalty. The company will also be way ahead of competitors which do not engage in such activities.

Some of the companies I had worked with have given ownership to their customers. They have also formed a strong bond with their constituents by giving them firm shares. For instance, a pan-India jewellery retail chain headquartered in Kerala quickly set up 100-plus stores in India and the Gulf region using this route. Also, similar to an employee stock ownership plan, which is an excellent way of linking a company's fortunes to its employee compensation, giving a customer a piece of the company via outright stock grants or options would, in the customer's mind, position him/her as a partner. Consequently, they will be keen to bring in more business by trying to influence family, friends, colleagues and neighbours. Enterprises can also extend ESOPs to their most valued customers. They can also issue loyalty certificates, allowing most active customers to earn actual stock after fulfilling specific criteria such as doing a certain amount of business with the firm over a specified time frame.

Customers cannot be bribed into loyalty. The proverbial carrot, in the form of frequent flier miles or other incentives, is not the primary impetus anymore. Think of creative ways to engage customers so that they become passionate about your products as well as the business. That will lead to strong advocates, repeat business and long-term sustainability. In fact, brand equity can go on even after a business fails. For instance, frequent fliers in India miss Kingfisher. When the carrier was in business, we all loved it for its unique services. If it makes a comeback, it might give Vistara a run for its fleet. That is the kind of loyalty one cannot buy. **BT**

M. Muneer is Co-founder and Chief Evangelist at the Section-25 non-profit company Medici Institute

"I LEARN BECAUSE I AM WILLING TO BE BAD LONG ENOUGH"

Business consultant and life coach **David Wood** feels great things happen when you get out of your comfort zone and allow new opportunities to come in. In a conversation with *Business Today's* Aprajita Sharma, Wood says people should train their minds and counter negativity. Edited excerpts:



Q: How do you connect with strangers? Reaching out to people and showing interest in their lives often look odd. Can there be a sense of camaraderie in random scenarios?

A: I smile and talk to people all the time, and about 90 per cent respond positively. As for the 10 per cent who don't, well, it speaks more about them than us. Try leading with a question as there is nothing weird about it. The challenge is that everyone is waiting for the other person to go first, and nobody does.

Q: How should we deal with negativity?

A: Think of a man who does not like his job but cannot resign because he has a family. In such a case, he must give his 100 per cent to the job. He has to be there anyway, so he better start liking his job. If people are bad, hating them would make it worse. People can say what they want, but you should not internalise what they say. Placing blame, avoiding responsibility, creating victim stories will stop any forward momentum in life. So, change your mind and

behaviour, and you can change your environment. Event+Story=Problem (E+S=P). We all create stories out of the negative events happening to us, thus giving them more importance than they deserve. Avoid the story and you can avoid the problem.

Q: We hear positive thoughts and want to change our mindset, but the resolution does not last long. What is the solution?

A: If you want to do something but seem to be dodging it for some inexplicable reason, remind yourself that the pain of not doing this at all will be greater. It takes 91 days of consistency to build a habit. Keep rewarding yourself on the path. Gift yourself something after you complete three days of consistency, then try it for a week, a month and finally 91 days. The point is not to give up. Forgive yourself if you break the habit and start over.

Q: What has life taught you?

A: I grew up in poverty by Western standards. My parents were separated and I went through many negative things, but it helped me

build resilience. I left my school and later my home, travelling from toxicity to the unknown. I left England and travelled to 42 countries in 10 years. I worked as a dishwasher and a cleaning boy in hotels. I did modelling. I read books and hung out with people who were confident and successful. I started managing my mind and did not get upset by negativity. I bought, sold and grew companies. I never went back to school, and yet, I am doing just fine.

Q: What sort of challenges do you face now?

A: I say yes to all projects and then figure out a way to make them work. I was a bad trainer in the beginning and on one occasion, the audience walked out on me. I was also asked to leave the stage. I could have quit, but I trained my mind. If you want to master anything, you have to be in the game long enough. You must feel the pain of learning, falling and failing. If I hit enough bad shots, I may suddenly hit a good shot and then someone good and some bad shots and eventually, better shots. I can learn because I am willing to be bad long enough. **BT**

@apri_sharma



Resolutions happen fast if issues are pitched on social media platforms as they have high visibility and inaction could instantly lead to massive customer backlash