

Late in the last century, a Russian nobleman lay on his deathbed. His anxious wife had one last question for him:

“Alexei, have you been faithful to me?”

With his dying breath he turned to her:

“Frequently”

he replied.

What makes a loyal customer?

Loyalty, fidelity, call it what you like – it’s a thorny old topic, and not helped at all by the use of some pretty ambiguous language.

So you will find the articles in this first edition of Viewpoint come sandwiched between glossaries.

In the back pages, you will find definitions of some of the Customer Ownership tools and terms which we use in creating more loyal customers for organisations world-wide.

In this opening section, however, we have attempted to define just one thing: loyalty itself.

What is loyalty?

Not an easy task. It is, after all, a word which marketers have appropriated and then bastardised, as marketers so often do. And the term ‘loyalty card’ is a curse in itself, leading people to think that customer loyalty is inextricably bound up with points or bribery or whatever – whereas a loyalty card is really more a means of measuring loyalty than promoting it.

So what is customer loyalty? Or rather – since at OgilvyOne we like to ask these questions on an individual level – what is a loyal customer?

It isn’t simply a regular customer, any more than Alexei could be said to be regularly faithful to his wife.

Nor is it necessarily a customer who gives you 100% of their business. Under that measure, all of us are always remarkably loyal to our local newsagent – although our loyalty evaporates as soon as we move house.

Likewise in Eastern Europe, before the fall of communism, you could scarcely describe the consumers as loyal – though they spent their money almost exclusively on the same brands, week after week.

There were no other brands.

The only girl in the world.

If you were the only girl in the world and I were the only boy – as the song goes – then no-one could really praise us for being faithful to one another. We’d have very little choice in the matter.

Expediency and compulsion are not the stuff of loyalty. There must be an emotional component to loyalty, not merely a structural one. Loyalty does not result from marriages of convenience.

Whoever wrote the line ‘Support your local team’ did not really understand loyalty. The Manchester United Football Club seems to enjoy loyalty in direct proportion to distance from its ground – 1% of the population of Norway are registered supporters, for instance. No expediency there. It costs hundreds to attend a game.

Loyalty isn’t about market share, either. Microsoft Corporation must be acutely conscious of that. For all their market share, they do not enjoy the same active emotional loyalty amongst their users as the Apple Macintosh.

It isn’t even necessary to be a customer at all to be loyal to a brand. Ferrari enjoys the unswerving loyalty of thousands of fans without the means to buy one of their cars – perhaps ever in their lifetime. But if they won the money on a lottery, you know exactly where they’d spend it first. Day one.

They wouldn’t get swayed by a BMW dealership at the last minute, would they?

The common thread.

And that’s the one thing which all these cases have in common. And it’s as true of the human examples of loyalty as it is of the commercial ones.

In every instance, whether a loyal husband or a loyal customer, loyalty is proved by the resistance to the blandishments of others. There is a steadfast and true attachment to a person or brand which transcends convenience or short-term gain.

No serious soccer fan will ever abandon his team after a bad season – or even a lifetime of bad seasons. Loyal customers are steadfastly and unshakeably yours, regardless of the activities of your competition. Their relationship with you endures beyond the individual transaction.

This isn’t the kind of customer value that can be measured on a spreadsheet alone. So, if you would like to know how loyal your customers are, and whether your brand is one which inspires loyalty, you need to do more than merely look at individualised sales figures.

Ask yourself some other questions first. For instance, if your leading competitor wrote to your best customers with a dramatically superior proposition, how many of them would defect then and there?

If your product or brand disappeared tomorrow in some imaginary catastrophe, how many of your customers would show any regret?

Spend a little time as a ‘brand Satan’, devising imaginary attempts

to lure your customers away with soft words and seductive promotional offers. How many listen?

Use new media to develop wholly new products and propositions – could you destroy your own company this way? Will all your customer equity evaporate in the face of a more efficient online proposition? Or will your customers patiently wait for you to introduce an online offering of your own?

The opposite of advertising.

Knowing what loyalty is is only half the battle. How do you promote it?

Perhaps – a working hypothesis which has come about through reading the articles in this issue – you need to do something which is the antithesis of conventional advertising.

Whereas advertising battles to get consumers to listen to its message and absorb it, perhaps loyalty communications have a different, indeed opposite task. Which is to persuade the consumer not so much to listen to your message as to ignore your competitors’ messages.

Rather than making consumers receptive to your advertising, the job is to make consumers resistant to everyone else’s.

After all, in this noisy marketplace, an advertising-susceptible consumer is unlikely to be a loyal customer.

Welcome to the ultramarket.

One of the best ways of creating loyal consumers is not by shouting more loudly in the marketplace –

quite the opposite. After all, when did the chants of the opposing fans ever persuade a football fan to switch sides?

Instead take your consumers away from the marketplace altogether. To somewhere nicer, quieter and more private. A private room where the traders’ yells are barely audible.

Supplanting the chants of the hawkers with a private, personal one-to-one chat.

And it is that quality – what you might call anti-advertising – that so much of the work in this magazine shares.

The work for the Ford Ka isn’t judged by the standards of the mass market, because it isn’t talking to you as a member of the mass market. It’s talking to you as an ‘ultra-market’.

IBM was so serious about this it took the teams from just nine companies away to an adventure castle for an ultra experience.

Notice that Felix isn’t talking to cat-owners, it’s talking to Felix owners – again, an ultramarket.

This work doesn’t thrive in the marketplace – it thrives above it.

The competition isn’t in the same marketplace – it’s somewhere downstairs.

If advertising requires you to get under a consumer’s radar, the task for a loyalty marketer is rather different. You need to get in there behind a consumer’s radar, put your arm around his shoulders, boil a cup of tea – and then get him to turn the radar up full.