

## Welcome Carolyn

The loyalty industry has voted to determine the winners of the 2011 COLLOQUY Loyalty Awards. Thanks to the thousands of loyalty professionals who took the time to vote.

The 2011 COLLOQUY Loyalty Award winners were announced Sept. 14 at the COLLOQUY Loyalty Summit in Rancho Palos Verdes, California. Help celebrate the winners here.

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# Covert Loyalty: Treat, or Trick?

by Phaedra Hise  
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Last week I received an invitation to join Zappo's VIP loyalty program. Of course I knew it existed. I had heard that it was a model of customer service and smart CRM. But the last few times I shopped there I looked around a bit on the website to sign up, and couldn't find the option. I figured I just wasn't looking hard enough, and planned to call or email them to ask about it.

Then, I got the sneaky little offer via email. It did indeed surprise and delight me to be invited with the flattering message, "We have a surprise for you!" and the offer of free overnight shipping if I signed up. But at the same time I was a little spooked by the seeming randomness of the offer, and I couldn't help but wonder about the effectiveness of covert loyalty moves like this one.

My question about covert loyalty is, if the value proposition isn't spelled out for the customer, can it change behavior?

For example, I have already begun my holiday shopping (don't hate me). Just two days earlier I ordered a pair of slippers from another online retailer. If I had known Zappos was eyeing me for program membership, I would have turned to them for this purchase in hopes of hitting VIP status.

Also, I'm not sure what Zappos wants me to do. A friend of mine received an invitation to join on the same day that I did, but his was targeted toward a shirt order earlier in the year. He hadn't ordered as recently as I had, but maybe he has ordered more frequently, or spent more money over the same time period. Does Zappos want me to order more often? Spend more? Order men's shirts? Probably all of the above, but it would be nice to have some guidelines. I know I have 40 points and two badges, but what did I do to get them?

And finally, there's an element of suspense that more overt programs don't have. Now I'm waiting for Zappo's to jump out again and say, "Boo! Here's another unexpected treat for you!" Even if it's a Three Musketeers bar (by far the best Halloween candy), it's a little unnerving to not know when or where it will appear.

Call me a control freak, but a program based on surprise treats ends up being a little tricky for me. I suspect it's a challenge for marketers as well. In fact, can a covert play truly be called "loyalty?" If customers don't know why they are being rewarded, or what the desired behavior is, can marketers achieve desired results?

I would love to hear of other examples of covert moves from other loyalty programs, especially from practitioners who find them to be effective. In the meantime, I will be raiding my daughter's candy bag while I finish up my holiday shopping on Zappos.



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