

A joyful purple paper crafted by Adam Posner CEO and Founder - The Point of Loyalty

May 2023



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Commercial in Confidence 2023

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We need a pandemic of joy

Deepak Chopra

https://www.inc-aus.com/melissa-angell/deepak-chopra-we-need-a-pandemic-of-joy.html

Commercial in Confidence 2023



Your customer's feeling of maximum joy and delight from one or a series of Moments of Magic (MoMs) delivered by your brand.

A word I found in the book Brand Currency by Steve Susi. I loved it so much (for obvious reasons), I have borrowed it and redefined it to bring new meaning to loyalty programs and to inspire program managers to add a Joyalty Program to their Loyalty Program!

For those brands who choose not to have a Loyalty Program, consider a Joyalty* Program instead.

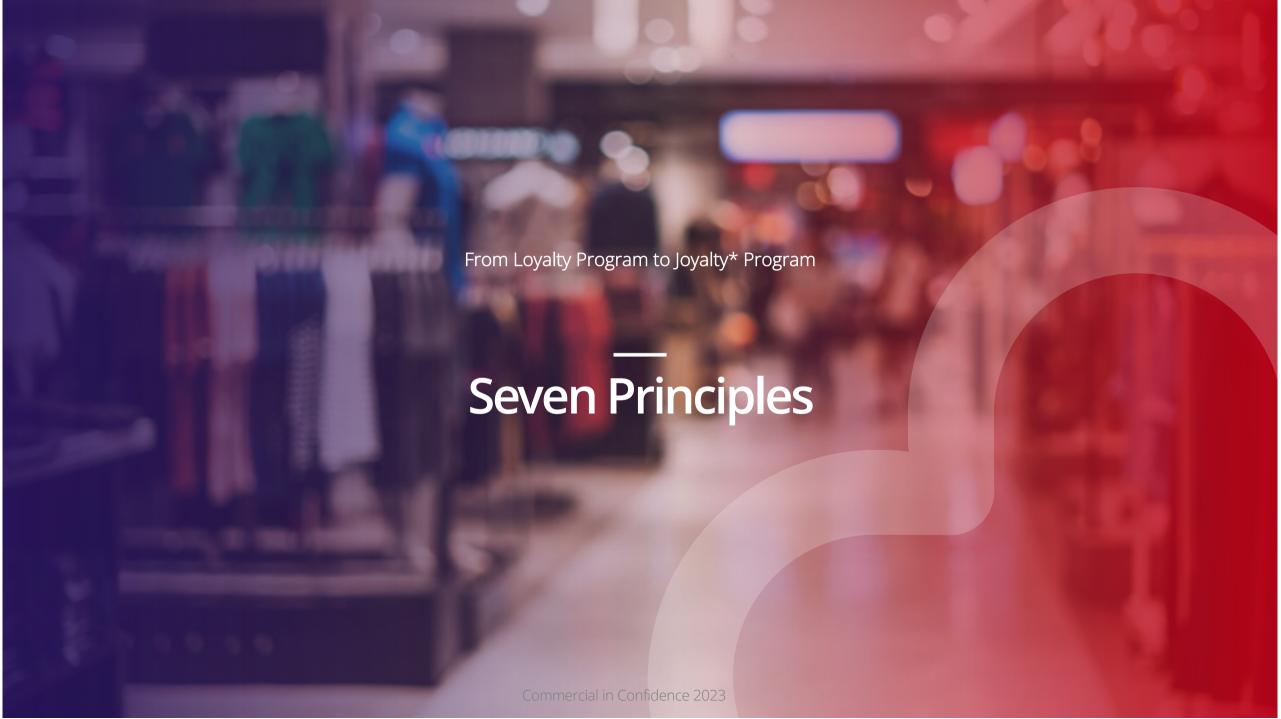
How do you turn Joyalty* into a Joyalty* Program

What is a Joyalty* Program?

A defined structure (planned spontaneity) of recognition, rewards and benefits delivered as one or a series of Moments of Magic (MoMs) to your members/customers without any expectation from them (surprise is critical) to generate the feeling of maximum joy and delight.

The outcomes are social sharing, referrals, revenue and advocacy plus a deeper emotional connection to your brand.





A defined structure of planned spontaneity

A Joyalty Program* can be spontaneous random acts of kindness without any planning, budget or results reporting, however the practical reality and recommendation is to plan your spontaneity!

Planning spontaneity (yes, it is an oxymoron) is a formal plan and designed program of Moments of Magic (MoMs) commonly known as surprise and delight.

Seven Principles to consider

- 1. Why a Joyalty* Program?
- 2. Who is the audience?
- 3. What is the frequency of the Moments of Magic?
- 4. What is the Moment of Magic (MoM)?
- 5. How will you measure success?
- 6. What's the cost vs revenue and the ROJ*I?
- 7. Operationalise and report



1. Why a Joyalty* Program?

Establish your goals and measurable objectives:

- Social sharing
- Referrals (new to brand customers)
- Revenue can you attribute incremental revenue growth to members/customers who are part of the Joyalty* Program?
- Advocacy

Plus a deeper emotional connection to your brand.



2. Who is the audience?

Who is the Joyalty* Program and Moments of Magic (Moms) for?

- Is it for all customers/members or for segments of the base?
- The IKEA example provided later in this paper focused on their top 250 IKEA Family members for their <u>Baller Card Campaign</u> (a Joyalty* Program).

An A/B selection of the base is an unbiased and randomised segmentation option.

There are also 'signals in the data' set up to stimulate a MoM. (see McDonalds example later in this Purple Paper).

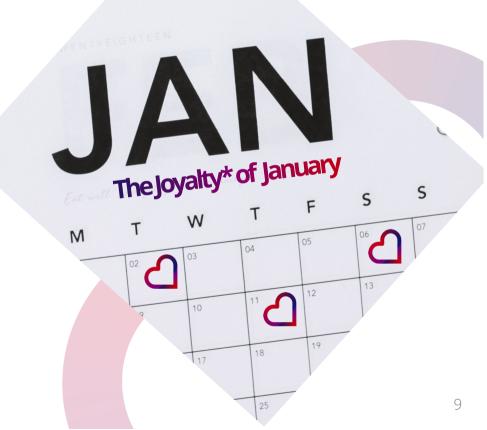


3. What is the frequency of Moments of Magic?

Are they one-off or always on?

Do you have a 'Calendar of Customer Delight' or a 'Month of Moments of Magic?

Map out the cadence of your MoMs.





4. What are the Moments of Magic?

Creativity is the key. 'Unexpected' is fundamental.

The not so secret, basic ingredient' of a Joyalty* Progam's success are your customers/members NOT knowing about or expecting the Joyalty* Moments of Magic.

Sometimes it can become expected e.g. The TimTam from Adore Society in each order (see example later in this purple paper), however there is still delight when it's there!

Sometimes it can be your Brand's tone of voice...a message which brings a smile in the mind!

Tip: Look into your Brand's values and tone of voice.



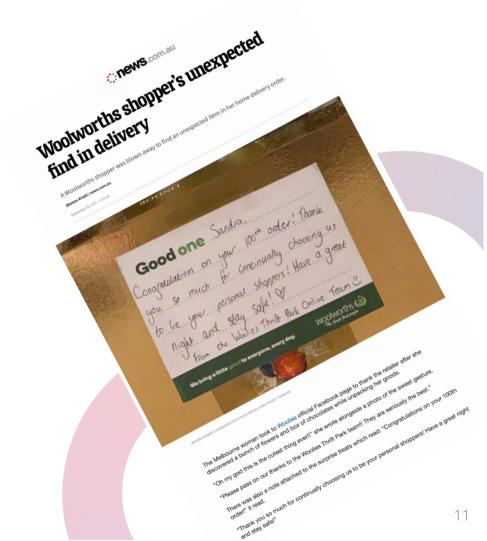


5. How will you measure success?

While Joyalty* and Moments of Magic have a direct emotional impact on your customers or members, a commitment to measuring the success of a Joyalty* Program is important.

Define your measures of success:

- 1. Incremental revenue growth of those members/customers participating in the one-off or always on Joyalty* Program.
- 2. Social sharing/likes (mostly vanity metrics, however still a measure of success).
- 3. Word of mouth (mouse)/ referrals can their be a connection point to new members to the program or customers to the brand coming from a Joyalty* Program.
- 4. PR and editorial can this measured by media reach and value gained.





6. What's the cost vs revenue and the ROJ*i?

How much budget will you allocate?

Start with a simple formula:

Volume of customers/members identified to participate x frequency of MoMs x the cost of the MoMs

- Allocate costs to operationalise
- What is the projected revenue gain (if revenue can be attributed) less the cost to deliver = Return on Moments of Magic Investment (RoMoMi) or I prefer ROJ*I (Return on Joyalty* Investment).

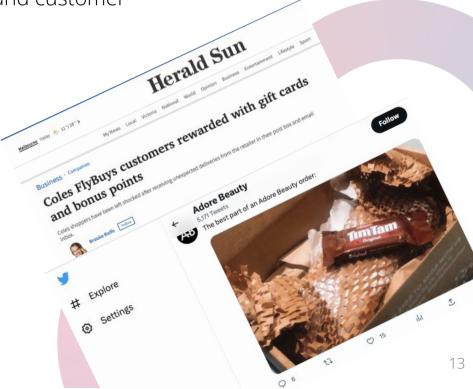


7. Operationalise and reporting

Strategy is one thing, execution is everything. Sometimes a great MoM is not practical in implementation. Be brave, yet realistic.

What will you report on (see measures of success)?

Remember to keep a Journal of Joyalty*...screen shots of media mentions and customer comments on social media (hopefully all the good one's).





A watch-out!

Sometimes, although the intention is good, the unintended consequences can be tricky.

Be prepared for reactions such as 'why did they get it and I did not' calls to customer service or social media chat.

The good is often overwhelmed by the small %'s of not-so-good.

Prepare your wider team and those media facing (PR briefing) and customer service for both the bad and the good!



Don't forget how MoMs can give joy to your team

Consider how to empower your team with Joyalty* MoM's they can give to customers.

Maybe it's a 'Joyalty* MoM budget' to use at their discretion at moments they feel it is required. The monitoring of this can be captured through POS or CRM.

The flow on positive impact on how your team feels when delivering these MoMs is another powerful outcome.

See next page for how the power of MoMs gives joy to the team.



The 2023 Power Retail ALL STAR event awarded Pet Circle the Top Loyalty Program

WOW Moments Initiative

The Customer Experience team is empowered to submit WOW Moments for customers, with no requirements for minimum spend, lifetime value or length of loyalty. The program is for any pet parent they connect with.

Customer WOW Moments are categorised across five interaction situations:

- 1. Customers doing it tough
- 2. Customers who love, love, love Pet Circle
- 3. Customers who are heartbroken with Pet Circle because they let them down
- 4. Customers who are pet crazy
- 5. Any remaining requests that their team believe will WOW the customer.

The team review requests each day across the categories to determine a gift or recognition that will be personalised, meaningful and most importantly will leave our customer smiling from ear to ear (or cry tears of joy).

Since starting the program in February 2022, they have surprised over 400 customers with WOW moments.







A few examples of Joyalty* Programs

To bring to life the reality of a Joyalty* Program, the following pages provide a few examples.

Some are on-off and some are a series of Moments of Magic.

You can find more with a little searching.

Good Acts Program from Woolworths

A Woolworths spokesperson told Yahoo News Australia about their Good Acts program, whereby Woolworths team members are <u>encouraged to brighten customers</u>' days.

"We try to bring a little good to our customers every day through our Good Acts program," the spokesperson said.

"From handwritten notes to a box of chocolates, our team like to go above and beyond for our customers to make their shopping experience extra special."

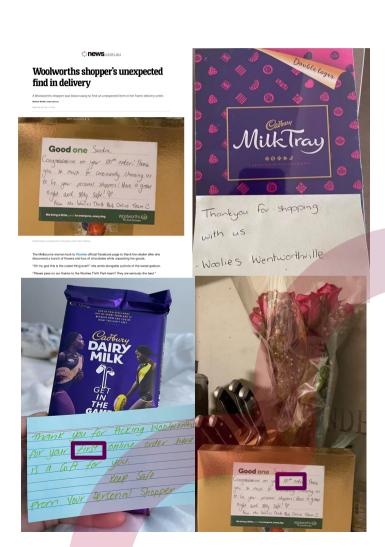
Woolworths shopper praises supermarket greeter who 'always has a smile on his face'

Yahoo News understands that gifts offered to customers are at the discretion of the Woolworths store teams, provided free of charge by the store.

Previous Good Acts by Woolworths staffers have included boxes and blocks of chocolates, bouquets of flowers, and cakes.

https://au.news.yahoo.com/woolworths-shoppers-delighted-by-kindness-of-staff-203144863.html





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In October 2022, IKEA Australia unveiled the ultra-exclusive BallerCard by IKEA Family, which will be available to IKEA Family's 250 most loyal members.

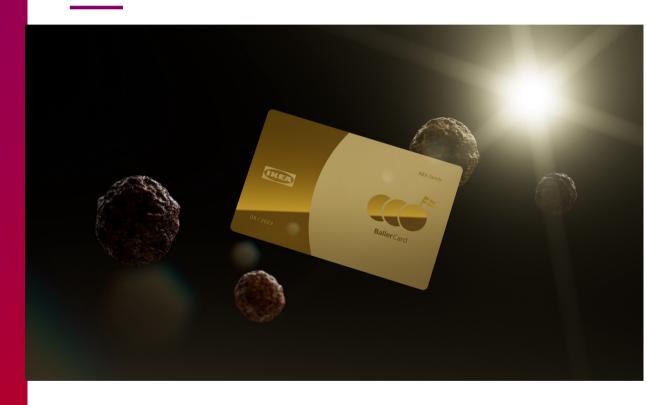
These top members, or 'Ballers', were invited to savour an unrivalled culinary experience: a year's worth of complimentary Swedish meat, chicken, veggie or plant balls. Ballers can present their BallerCard at the Swedish Restaurant in any of Australia's 10 IKEA stores and receive a free dish of iconic IKEA meat or plant-based balls for an entire year.

The BallerCard was available by invitation only to selected 250 IKEA Family members.

Each BallerCard was delivered in a premium box that, which upon opening, released the delicious herby scent of IKEA Swedish meat or plant balls into the air.

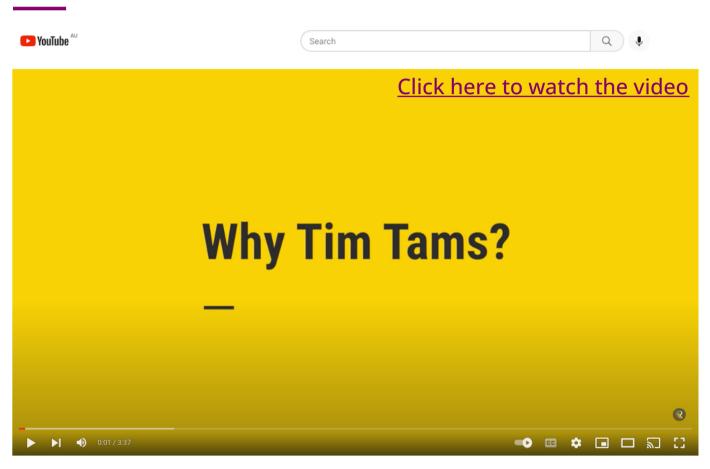
A Joyalty* Program from IKEA

The Baller Card



https://www.ikea.com/au/en/newsroom/corporate-news/ikea-australia-turns-vip-members-into-total-ballers-with-free-meatballs-for-a-year-pub658966f0

Adore Beauty's TimTam with every order



Watch the video of Kate Morris, founder of Adore Beauty, sharing "why the TimTam"

it has some Moments of Magic.

Spoiler alert - watch out for the comments "surprise and delight", "word-of-mouth", "a treat for you" and "the moment of opening a box"...!

https://www.youtube.com/watch?v=oj4w3shpsRg





Shoppers shocked after receiving an unexpected "surprise" from Coles in their mailbox.

The retailer has quietly been distributing special gifts to customers deemed particularly "loyal" to its FlyBuys program.

A Joyalty* Program from Coles

Gifting Flybuys members

Gifting thousands of its most engaged Flybuys members with a range of surprise presents



https://www.heraldsun.com.au/business/companies/coles-flybuys-rewarded-with-gift-cards-and-bonus-points/news-story/2ab4e737070e920f6276fa9439fa2181

Urban Brew Coffee Pods - customer's voicemail



Watch the video for a few Joyalty* Moments of Magic as described by customers.

https://www.youtube.com/watch?v=ylduvpPFcuU



The Classic Christmas Joyalty* Moment of Magic



https://www.youtube.com/watch?v=zIElvi2MuEk



A report worth reading

Dentsu Creative Trends 2023: A Tale of New Cities



A TALE OF NEW CITIES #4 OF 12 TRENDS FOR 2023 THE JOY IMPERATIVE 26

THE JOY IMPERATIVE: WHAT IT LOOKS LIKE



THE PURSUIT OF FEEL-GOODNESS

Earlier this year luxury department store <u>Selfridges</u> created an in-store pop-up and content dedicated to challenging "the conventional (and oft-clichéd) notions of wellness with a spirit of 'feel-goodness', that's inclusive, forward-thinking and, above all, joyful.", Activations included an in-store sensory reality pod; an immersive online experience and literal retail therapy sessions. Reinforcing the sentiment, fellow British department store <u>John Lewis</u> shifted their brand platform "Never knowingly undersold" for the first time in nearly 100 years to "For All Life's Moments' responding to the desire for everyday celebration and plan to reconfigure stores to reflect "moments' rather than traditional 'departments'.

REASONS TO BE CHEERFUL

Building on the 'dopamine design' trend, media platforms are responding to the desire for mood-uplifting content. National Public Radio (NPR) in the US created the <u>Joy Generator</u> microsite offering soothing sounds and visuals to help people reframe their thinking and seek out more moments of pleasure. Similarly. "The <u>Joy Report</u>" is a podcast dedicated to sharing stories of climate solutions and environmental justice. Success stories are grounded in intersectionality, joy and optimism. "The earth and its ecosystems thrive on diversity and so does climate action."

PARTNERING WITH PLAY

<u>Pickleball</u> is currently the fastest growing sport in the United States, growing 11.5% on average over the past five years, with a 21.3% growth rate between 2019 and 2020 alone. It is relatively simple rules and accessible format are credited for its success and brands are tuning into consumers' desire for play. Kraft Heinz's pickle brand <u>Calussen</u> sponsored a two-hour sports comedy segment called 'Pickled' featuring celebrity players whilst <u>Anheuser-Busch InBev</u> have just purchased a Major League Pickleball team.

新しい都市の物語



https://www.dentsu.com/sg/en/reports/a_tale_of_two_cities_trends_report

From a transactional interaction to an emotional connection

The purity of a Joyalty* Program is to give without expectation of anything in return.

This may not be prudent nor realistic and a bit 'lala-land thinking' however if you start with a mindset of "giving without getting (back)" then the true abundance and genuine care for the customer will shine through and the rewards will be there!

The emotional connection generated is the essence of engaging emotional loyalty and building the love for your brand!

As you consider your Loyalty Program strategies for 2023, consider where a Joyalty* Program will deliver more MoMs for your members.

While the examples provided are focused on a B2C audience, a Joyalty* Program is also relevant to B2B audiences. The same principles apply as above with variations based on audience and relevance of the MoM (plus budget).

In summary, perhaps the ultimate power and proof point of a Joyalty* Program is the feeling your customers have from the Moment of Magic (MoM) delivered by your brand - a feeling of maximum joy, delight and happiness.





Have a happy Joyalty* day!

If you are interested in our tailored Joyalty* Program workshop (brand specific) please email adam@thepointofloyalty.com.au

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The legal joy (not)

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Retain the Best. Grow the Rest.