

Loyalty Is a Behavior That Emanates From a Positive Customer Experience

Jim Tierney, Loyalty360, May 13, 2016



For Tom Salutz, CEO at [DataCo Solutions](#), customer loyalty comes from a positive customer experience. Data uncovers customer insights that are then leveraged through targeted communications at precisely the right time.



Loyalty360 caught up with Salutz for a comprehensive interview about customer loyalty, data's role in that and the impact of each on loyalty marketing, and the rise of mobile technology use.

Tom, can you tell us a bit about DataCo Solutions and how your company fits in the loyalty marketing arena?

Salutz: Loyalty is a behavior. It emanates from positive experiences (usually more than one and usually over time) and this allows us to be able to gather, analyze, and understand data associated with this behavior. That is what DataCo Solutions has been doing since its beginnings; using data, analysis, expertise, and experience to provide meaningful insights and solutions to marketing professionals across a broad spectrum of industries.

We developed techniques and processes for identifying, and then utilizing a variety of data sources to uncover insights into the customer, their perceived value of the relationship with a business, and how marketing solutions can be crafted to support and enhance the specific business value proposition.

As a solution provider to marketing executives, we consult on breaking down those marketing solutions into actionable strategies and tactics for maximum results. Our work has proven to enhance targeting, provide better measurement, and identify the right message to the customer and the precise time.

What makes your company unique from other similar data analytics marketing solutions providers?

Salutz: As both an analytics-based solution provider and marketing consultancy, we bring to our customers an experienced and successful collaboration of the science of leading-edge data analytics with the necessary discipline of results-driven marketing.

Through the years, working with big data (unstructured and structured, disparate, along with the organized) we have found that using the science, and adding in the art of statistical techniques, allows us to uncover and understand relationships between data, customers, strategies, and results that we know a number of our competitors have not been able to capture. We know this because a number of our customers come from being asked to go “one-on-one” with some of the biggest “data” and analysis providers in the country. Our clients tell us that our work is different, it's intuitive, actionable, and results-driven.

What types of things are you doing in the customer loyalty/rewards space currently?

Salutz: Individuality and the ability to identify what a customer values (to create and or facilitate loyal behavior) and to provide a strategy or tactic that supports the customer's value equation is very, very high on our clients' priority lists these days. We have been using some of our proprietary data analysis methodologies to help our clients understand what is the best offer to make, to whom and when, to attain a specific outcome. We are identifying the relationship between different engagement behaviors and customer value. The methodology is quite complex, but the strategies and tactics that evolve from the analysis have been shown to be very straightforward.

As a provider of Intelligence based Marketing solutions, we are helping our clients improve their results by being smarter about who, when, and what. In today's market, we see that more is not better. In fact, our work, time and again, shows that email marketing can actually hurt customer loyalty through over use or misdirected messages and offers. We talk with our clients about "Customer Cost". This is not the cost to acquire or maintain a customer. It is the cost of diminished customer engagement or loyalty.

The analogy we draw is to traditional mail. In traditional mail, if the mail we receive is not of interest, we throw it out and label it junk. Sometimes we don't even pay attention to who sent it to us. Email is similar. If we are not thrilled with an email message, or frankly it may be just the subject line, we either delete it or label it spam.

While this interaction may be very brief, and the actual cost of an email campaign can be very cost-efficient. But, the Customer Cost can be enormous. Our work is finding that there is a strong correlation to retention and revenue from data points such as website visits and activity, email activity and the cadence of the email activity. Our work on cadence, in particular, includes mapping a customer's journey and how different journeys result in differing customer values and levels of engagement.

What role do you see mobile playing in the current state of loyalty marketing?

Salutz: Mobile is changing everything. The term itself describes change: "It's mobile, it's moving." It's not static or stopped. It is changing how we drive, how we communicate, how we buy, window shop...and on and on.

That said, consumer behavior, experience, economics, and relationship value or loyalty can all continue to be understood. As marketers, we need to understand the mobile channel just as we grew to understand email or telephone channels in the past.

How would you characterize the current state of loyalty marketing?

Salutz: Change. Rapid change. From the availability of data to measure, to the accessibility of the customer to the business, the meaning of loyalty and how loyalty is demonstrated, is undergoing rapid change.

Today's consumers have more information, more choices, and, arguably, more time when making purchases or engaging with a business's services or goods. The best marketers are already tapping into connecting data and behavior to value propositions and loyalty. The visionaries are looking to companies like ours to help them "predict" loyal behavior and aligning their marketing to capture that prediction. The winners will do it more efficiently and effectively

than the others

What are loyalty marketers doing well and where do the challenges remain?

Salutz: We have talked a lot here about what marketers are doing well. When we talk about capturing data, understanding behaviors, and collaborating all of this using the science and the art of statistical techniques to uncover and understand relationships between data, customers, strategies, and results, we are talking about techniques and methods that marketers have always embraced. As an example, we work with clients on segmentation strategies or as some will call them “personas.” These segments are based on more data and behavioral triggers than ever before and, as a result, are probably more accurate and distinct than they have ever been in the business world.

So where are the challenges? The complexity of individuality combined with the need for ever-increasing levels of timeliness will continue to challenge marketing strategies and tactics. As an example, we use multiple techniques to create highly identifiable and unique customer segments and we ensure that each can support a set of targeted marketing strategies and tactics and that we can track the results. The challenge? Like our mail discussion earlier. It means nothing if it doesn't deliver!

See more at: <http://www.loyalty360.org/content-gallery/daily-news/loyalty-is-a-behavior-that-emanates-from-a-positiv#sthash.UnViIp1T.dpuf>



Tom Salutz has built hundreds of predictive models, analytic tools and database structures for clients across a number of industries. Throughout Tom's career, he has embraced and crafted new technologies and techniques, with one purpose, to find the best, optimal solution to a business challenge. Tom's ability to apply these leading edge tools and build upon processes and theories to create practical real world solutions is perhaps the founding principle of how he leads DataCo today. As Tom puts it so plainly, "there is a reason Solutions is part of our name, if there isn't a solution, well then it's just data."