

Writing Sample: Creative response to failure of modern loyalty programs
Loyalty Programs and Essential Psychology by James Cochran, February 2014

The modern loyalty program chokes on stifling air. It finds itself surrounded by a thousand others in a crowded room, all seductively spinning similar promises. *Free checked bags. Free chai latte with your fifteenth purchase. Members only flash sale.* Amidst the chaos, a few programs find success. Here's how.

Until ten years ago, I frequented a small barbershop slumped off a side street in small-town Alabama. Inside worked Mr. Crowell, the most mediocre barber within a twenty-mile radius. He was not, however, the only barber. Three others lined neighboring streets and shaped a man's hair with twice as much skill. Yet the times I entered Mr. Crowell's shop alongside my grandfather, every chair seated a man ripping one cigarette after the other. No one recognized it for what it was, but Mr. Crowell ran one of the more successful loyalty programs I have yet experienced. He did so by catering to basic tenets of human psychology. Beyond offering a tangible benefit, Mr. Crowell instilled feelings of importance and community. More importantly, he made the success of his shop and that of the customer one and the same.

A successful loyalty program offers an easily attained benefit. After a customer visited twice a month for one year, Mr. Crowell would permanently knock a dollar off his cut. Every year after entailed an additional fifty-cent discount. The process was simple: show up. Keep showing up. Pay less.

He also made his long-term customers feel deeply important. One day, when in town with my grandfather, we bumped into Mr. Crowell and his son. He introduced my grandfather as "a great friend and even greater man." He then raved about my grandfather's "magnificent head of hair," thanking my grandfather for allowing him to cut it. A silly grin shaped my grandfather's face the rest of the day.

Members also formed close relationships amongst themselves. My grandfather began a monthly poker night. Whom did he invite? His barbershop pals. He felt camaraderie with these men through the shared experience of Mr. Crowell's shop.

Finally, Mr. Crowell gave his customers ownership in his success. Once every six months, Mr. Crowell would gather the regulars. Conversation would flow freely until Mr. Crowell called their attention. He would then ask for suggestions on improving the shop. Many he would secretly disregard, but he always made certain to implement at least one idea. My grandfather loved to speak of *his* suggestion: playing soft jazz across the radio. If you asked my grandfather, that radio was a vital contribution to Mr. Crowell's success. My grandfather's success and Mr. Crowell's success became one.

Many years have passed since I last visited that shop. Still, I think of this man and his success via simple word-of-mouth marketing. It gives me great hope knowing modern communicators can implement his principles across the varied media of today, yielding loyalty programs to rival and surpass Mr. Crowell's own.