

Still looking at loyalty this week, I wanted to see if we can create a more formulaic approach to it. Now, huge caveat - there is no proof or evidence to support this in anyway, but it makes sense to me, so I thought I would share it!!

There are three basic states of [Engagement](#) and Loyalty. Not Engaged, Engaged and Loyal.

If you are running a shop, these three phases would play out as;

- Won't shop with you for reason XY or Z.
- Will shop with you because of reason XY or z.
- Will shop with you under any circumstance.

The question is, how do you convince people to shop with you and then how do you convince them to be loyal to you?

## Getting them through the door

The reason I use my local shop when I have to get something urgently, is convenience. It may not be as good value as the supermarket, but it is easier for me to just walk to the shop - I am willing to pay extra for the convenience. However, when I want my weekly shop, I will use the supermarket. There are two reasons for this. The first, it is much better value for that large a set of purchases. The second is that they deliver. So, they make it easy for me to do and they make it a bit cheaper.

At this stage we can plot this on a chart, very similar to the BJ Fogg Model. One axis is Convenience and one is Value.



Looking at this, we can get a picture of when a person will use your shop or engage. If the convenience out-weighs the value, I will go there (Corner shop). If the value is good, I will be willing to use a less convenient shop (Super market weekly shop). If the value and convenience is good, it is a no brainer - I will use your shop (Super market delivery).

This gives us a small formula.

***Chance of using Shop = Value \* Convenience***

**Now you have them, Keep them!**

That makes sense, but does not tell us how to convert an engaged shopper into a loyal shopper. For that, we need something more - the magic sauce if you will. Going back to [last weeks post](#), I mentioned that I would go to Graham Turner for my Christmas Turkey every

time. There were two major reasons, the service that I receive when I go. They make the whole experience about me and I feel valued as a customer. The second reason was the quality of the product. It is much less convenient than the super market and it is no where near the value of the super market, but I still use them. Add to that the quality of the turkey and any other shop will have to try hard to steal me away! The service and the quality has lowered the barriers of value and convenience in my choice to use them.

The quality of the food from Turner's reduces the effect of convenience and value on my decision of where to shop. However, the service pushes into new territory. The service is what makes me personally keep coming back, that is what keeps me loyal. The convenience and value become more a perception than a physical factor. I love the service, I love the quality, so the rest seems to be less of an issue to me.



If we put this into a formula we get

***Loyalty = (Value \* Convenience) \* Quality \* Service***

## How is this of use?

Of course, this is all a bit silly, but it does illustrate a few important considerations with loyalty. It is not good enough to be as good or a bit better than your competition. You have to be better and more valuable to people than your competition. You have to find what your unique selling point is and exploit it as much as possible.

This isn't just applicable to shops, everything where you are trying to gain loyalty will work in a similar way. If you want people to keep coming back to your website, you need to find a unique reason why people will be loyal. For instance, they trust your reviews. If that is the case, how about add something more, do weekly competitions, really drive down the effect other barriers have on people coming back.



Every case is different, but there are four basic things you can do to start to breed this sort of loyalty. These should be the absolute minimum you do;

1. Put the customer / user / employee at the centre of everything
2. Make them feel that they are getting value and that they are valued
3. Give them a reason to trust you
4. Give them quality service

Then start icing the cake with more features that people want and love.



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