Loyalty Psychology with Philip Shelper
https://www.rogerdooley.com/philip-shelper-loyalty

Brainfluence
WITH
ROGER DOOLEY

Full Episode Transcript

With Your Host

Roger Dooley

The Brainfluence Podcast with Roger Dooley
http://www.RogerDooley.com/podcast
Welcome to Brainfluence, where author and international keynote speaker Roger Dooley has weekly conversations with thought leaders and world class experts. Every episode shows you how to improve your business with advice based on science or data.

Roger's new book, *Friction*, is published by McGraw Hill and is now available at Amazon, Barnes & Noble, and bookstores everywhere. Dr Robert Cialdini described the book as, "Blinding insight," and Nobel winner Dr. Richard Claimer said, "Reading Friction will arm any manager with a mental can of WD40."

To learn more, go to [RogerDooley.com/Friction](http://RogerDooley.com/Friction), or just visit the book seller of your choice.

Now, here's Roger.

Roger Dooley: Welcome to Brainfluence, I'm Roger Dooley.

I've been talking a lot about loyalty in the last few years, particularly how reducing friction is a key to increasing customer loyalty. But that is not the only way to accomplish that. Today's guest is Philip Shelper, who spent years in the loyalty industry, including roles at Quantas Frequent Flyer and Vodafone. He's CEO and founder of Loyalty and Reward Company, whose clients include McDonald's, Klarna, and P&G.

Phil was personally a member of several hundred loyalty programs. He's an obsessive researcher of loyalty psychology. He's the author of Loyalty Programs: The Complete Guide, which is indeed complete. It is 420 pages long, you can see the thickness of that tome. Welcome to the show, Phil.
Philip Shelper: Thank you, Roger. It's great to be here.

Roger Dooley: So Phil, if you are a member of 400 loyalty programs, you must get a heck of a lot of mail in your inbox. How many emails do you get every day or week or month?

Philip Shelper: I sure do, yeah. If you think that the average loyalty program could be sending as many as five emails a week, that adds up to thousands and thousands of emails a month. It's pretty ridiculous when we see how much communications some loyalty programs send out.

Roger Dooley: Today I had a great example of that, believe it or not, this was a perfect preparation for this conversation, Phil. I'm a member of Starbucks Rewards, and within 29 minutes about, I got two separate loyalty emails, one telling me how I could earn 50 points, and another how I could earn 125 points. Now to me, either one might've been okay, but two within a half an hour just seems excessive. And to me, this is the kind of thing that gets people to unsubscribe. Because I've done that from loyalty programs, from other kinds of marketing emails where I would welcome an occasional email, particularly something that's targeted at me, my interests, my needs. But getting inundated like that, just eventually, it's too much effort to keep deleting it, and it's annoying.

Philip Shelper: Exactly. It almost becomes a point of friction where people see that being a member of the program, their primary interaction with the program is actually them going in and deleting emails from the inbox. It's just a major irritant.
Roger Dooley: Yeah. And it would be smart, it seems, to calibrate that effort somehow, depending on how often you're interacting with emails, how often you're interacting with the brand, and so on. One example though isn't exactly a loyalty program, but marketing emails that I've used as an example is Office Depot, the big office supply retailer here. And I created a 99 cent print order for them, I needed a high quality color printout that I couldn't do in my office so I sent it there. They print it out, everything was fine for that $1 purchase. I apparently woke up their email system, because then I began getting these emails at least daily, and sometimes two or three times a day, totally random sale products and such.

And this was such a waste, because they're the closest place to me for buying office supplies. I would welcome something, say, "Hey, Roger, you might be running out of paper now. It's been a while since he bought it." But to just innovate me. And I finally did, I did a screen grab of my inbox with them sorted and it's just overwhelming the amount of effort that it took to delete them. And I unsubscribed, as probably any rational person would do. It's too bad that, whether it's a loyalty program or other kinds of marketing email, brands don't just quite get that email is not free. There's even, if it costs you very little to send out, there is a small but real cost on the receiving end of that email too.

Philip Shelper: Yeah. Yeah, it's very interesting. We've done quite a bit of study of the psychology of organizations in order to try and understand how that dynamic occurs. Because obviously it's not in the company's best interest to keep on hitting the member base with email after email, after email. When the open rates and the answered would be
quite low, and the unsubscribe rates would be quite high. And typically what we see is a phenomenon that we call addicted to crack. And this is where the company, over a period of time, has built up a big sizable member base, and a good quality email marketing list. And then they send out an email and they get quite a good response, so they get a nice sugar hit of revenue.

So the sales team over time realizes that sending more emails equals more money. And so they start to put pressure on the marketing team to just keep in sending, just one more email, just one more email, just one more email. Because they've become addicted to those short sugar hits spikes in revenue in order to hit their weekly targets. So it really skews the view of the company towards getting short-term revenue targets at the expense of longer-term member-based preservation.

Roger Dooley: Yeah, I've seen the same thing with price discounting where salespeople need to hit their target so they will run a sale price to push some extra inventory into the channel, or to get more customers to buy. But in the long run, you're simply borrowing against that future equity when you do that, and then you're going to have an even worse problem the next period. To clarify terminology, are rewards programs and loyalty programs pretty much different names for the same thing, or is there a distinction?

Philip Shelper: Yeah, kind of. We try to classify three different areas with respect to that. So the first one is general customer engagement strategy, so that is where the company has a specific strategy they've developed in order to drive deeper customer engagement. Which could be general

The Brainfluence Podcast with Roger Dooley
http://www.RogerDooley.com/podcast
discounting, bonus products, that type of thing. So that's a pretty common thing that you see throughout all of retail. Then the next level up is a member engagement strategy. So that is where a customer can formally join a program in order to get access to different benefits. So that might be a discount each time that they shop, it might be access to third party benefits such as discount movie tickets, or something like that. And then the third level up is a formal loyalty program, so that is where the member joins a formal program. And each time they shop they're provided with a reward that is commensurate with the amount that they've spent. So it might be an instant reward, or it might be earning something such as points, which can accumulate over time and then be exchanged for a future reward.

Roger Dooley: Yeah, I was going to start with a provocative question like, do loyalty programs really work, Phil? And I realized that we just had some... Beyond the fact that there's an entire industry built around them, so presumably they do. But we just saw pretty good evidence of that in the airline industry where the loyalty programs are worth more than the airlines themselves these days. The airlines are running out of money while the loyalty programs are worth billions, and the airlines have actually mortgaged those loyalty programs to allow them to keep operating. So there is apparently some stored value in them.

Philip Shelper: Yeah, that's right. I think it's a question that every person in the loyalty industry should be asking. And companies that have a loyalty program should be asking as well, do they work or don't they work? As part of the book, we dedicated two chapters to, do loyalty programs actually work? And we took the time to go through and do an
academic review. One of the great things about the loyalty industry is there's an enormous amount of academic research that's been conducted on it, trying to answer that question of, do they work or don't they work? But also more importantly, what does it take to make the loyalty program work? And there's a lot of evidence they do work, but also there's a lot of evidence that they don't work as well. So as part of the second chapter that we did on the academic research review, went through and said, what does it take to make a loyalty program work? And looked at all of the essential principles that are required within the design to make it work.

And some of those things, making it simple. So once again, coming back to friction, making it simple to join, simple to understand, simple to engage with. The second one, and probably the most important one, is making it valuable. So providing people with enough value so that they see the benefit in continuing to engage with it. So if you think about all of the loyalty programs that you belong to, the reason why you joined that program is because you believe that you're going to access value from doing so. And the reason why you continue to engage, is because you perceive that you are accessing value from that ongoing engagement. And another really important one, which a lot of loyalty programs don't have the capability to achieve, but some certainly do, and particularly the airline programs, is making it emotional. I guess most brand managers see the importance of working hard to build an emotional connection between the customer and the brand.

And with loyalty programs, the way that is generally achieved is by providing the member with a sense of

The Brainfluence Podcast with Roger Dooley
http://www.RogerDooley.com/podcast
belonging and a sense of exclusivity. And there's some real psychology here. So belonging is important. So if you think about Tajfel's social identity theory, if we belong to groups that are positive, that increases our self-esteem. So if we're a platinum frequent flyer member, that actually makes us feel like we're part of an exclusive set, and improves our self-esteem. And so we want more of that.

And exclusivity is a really great one. My favorite metaphor for that is, when you fly business class and you get to board first, and you're sitting in your seat drinking a glass of champagne, while the economy class all file past you up to the back of the plane. It just makes us feel really good that we're getting access to something that other people aren't.

Roger Dooley: Mm-hmm (affirmative). Yeah, it was funny, in the lead up to this conversation, Phil, I thought of pretty much the same example only in reverse. Because at first I thought, well, I mean, it's not really an identity thing. And then I thought of how I've been a lead on United for about half a dozen years now. And how I would feel walking past those big wide seats where people have already been served their cocktail, and ending up in the middle of the last row that doesn't recline. And thinking, wow, okay. That would really make me feel like less of a serious business traveler, particularly if I knew that those seats were out of reach. On those cases where I may not get an upgrade, okay, well hey. I could be there, just luck of the draw. But when you know that you have no chance unless you pay three times as much for the ticket, then that hurts a little bit more, I think.

But I think on that emotional component, Phil, I think the airlines also raise the question, if it can become too
transactional. And by that I mean, when I first hit my 100,000 plus miles, you pretty much had to have your butt in a United Airlines seat for 100,000 actual miles. Maybe a few less because premium classes gave you a bit of a mileage bonus. But you had to have logged those hours on airplanes to get that. And then over time they introduced the dollar component where how much you spent was also important in reaching your goal. Originally, people would do mileage runs. You talk about mileage runs in the book, where if you are 10 or 20,000 miles short, and the end of the year is approaching to hit your target elite level, you might buy the worst seat on a flight to a place that you don't want to go someplace because it's really, really cheap, so you could log those miles and get your status for the next year.

And on the one hand, the airlines do not like that, because that was not the way they wanted you to achieve that goal. But on the other hand, to me, that created a pretty loyal flyer. In that following year, if you hit your 100K level on United, would you then the next year decide, maybe this year I'll try Delta? No, you're not going to fly anybody but United that next year. And even if some folks did take advantage of it, I think the number of serious mileage run people was infinitesimally small compared to the great body of flyers out there. I could be wrong about that. But by making it more and more difficult now, finally, now mileage doesn’t enter into it. The flyer who takes a few first class, long distance international trips may qualify more quickly than some loyal flyer who's slagging away back in economy on a bunch of domestic flights week after week, after week. I don't know, to me, I understand that for the airline the revenue is important,
but to me it's removing that emotional component from it. It's becoming more transactional.

Philip Shelper: Yeah. I couldn't agree more. And I think that's really a classic case of the profitability of the big frequent flyer programs distorting the member experience. So the big frequent flyer programs have shown, really over the last 10 years, it's been a gradual shift to focusing more on how much people are spending. We refer to it as squeezing the tube of toothpaste. So a lot of big programs have restructured so that people who are flying economy on the cheapest seats and more infrequently get less, whereas the tiered members, first and business class members, are rewarded more. So it's a bit of robbing from the poor to give to the rich, as it were. So you do get those distortion effects where the focus is more on getting people to spend more money to upsell to higher tiers, and that sort of stuff. Which is unfortunate.

I think the pendulum has definitely swung way too far to that side, particularly in the US, probably less so in other countries. I think the COVID pandemic is going to force them to have to swing back the other way. So we've actually seen the big frequent flyer programs quite effectively use the program in order to maintain engagement with their members to keep them thinking about the fact that they will travel in the future. So extending expiry rates on the premium tiers. And then the other thing that we're seeing, which is really interesting, is a lot of status matching. So there's almost a bit of a war amongst frequent flyer programs at the moment where they're all offering to match the status of the other programs in order to try and steal those valuable customers across for when the skies open back up again.
Roger Dooley: Well, that makes sense. Because, for instance, I haven't flown in a year basically. So right now I've retained my United status, but it's not like I've already logged a bunch of miles toward my next status on that airline. So I can see that. You mentioned simplicity, and to me that is really important too. To site Starbucks again, I love their loyalty program, I've written about it multiple times in the past. They provide an endless stream of ideas to critique. But as their program has evolved, to me it used to be pretty simple. You got a star for a visit, and after a certain number of visits you got a free menu item. Pretty much, very, very simple. At any given moment when I was a regular patron of Starbucks, and in those days I was going pretty much every morning.

I knew where I was toward my next reward. And we've talked offline a bit about the goal graded hypothesis and endowed progress. Where the closer you get to your goal, the more likely you are to keep consuming or keep doing whatever it is that will get you to that goal. Where now, I get these emails that say, "Wow, you can get 50 stars if you, in the next five days on separate occasions, have a mocha frappuccino and a pastry or something." It's like, you can figure this stuff out, what is 50 stars going to get me? Because now different menu items have different star prices and whatnot. And so I've resorted to pretty much ignoring it all. And just when they say, "Hey, Roger, you've qualified for a free cup of coffee." I say, "Great, I'll get my free cup of coffee." But you were not paying any attention to these complex rewards.

Seems, now maybe, are there some people that really respond to this sort of gamification of, hey, here's your goal for this week, try these four things that you've never
eaten before, and we're going to give you something really cool?

Philip Shelper: Yeah. I think as programs have those iterative enhancements and become increasingly complex, but also provide opportunities for members to engage more and in different ways, you then tend to split the base into different segments. So you would absolutely have super core Starbucks customers who engage with all of that stuff and engage very proactively, but you would expect that would be a relatively minor percentage of the base. I think the challenge for most loyalty programs is to keep innovating, keep evolving, try and get a sense of what works better than what they're currently doing without disenfranchising the rest of the base because they are introducing that additional complexity. So there's a bit of a balancing act there, definitely.

The intelligent way to do it is to take a good quality segmentation approach. So introducing an iterative change, getting a sense of which members of the base are engaging with that and which aren't. And then adjusting the communications approach so that the ones that are, are provided with more of that stuff, and the ones that aren't they're just retaining. They're helping to retain that simplicity and maintaining what they are happy to engage with.

Roger Dooley: We mentioned the goal gradient effect and endowed progress, for our listeners who may not be familiar with that goal gradient effect, it was originally based on a study done with rats. Where rats running mazes ran faster the closer they got to the cheese, or their prize at the end of the maze. And surprisingly, or not surprisingly perhaps,
other researchers found that humans behave pretty much the same way. That when they were filling a coffee card, as they got their card nearly full. And this was the old days before everybody had a smartphone and we had these sophisticated algorithms for determining what your rewards were. Then you had a piece of paper that somebody stamped or they punched.

And that when you were at say eight out of 10 punches, you would be more likely to consume coffee faster than if you were merely at number two. And then the related thing is the endowed progress effect where another group of scientists found that you can actually trick people into drinking more coffee, by instead of giving them a blank 10 punch card, you could give them a 12 punch card with two holes already punched. And even though it's the identical outcome of it that worked for the better. I'm curious, how many loyalty programs understand this and use it effectively?

Phil Shelper: Yeah, I would be surprised if many loyalty programs understand the underlying psychology of it. But I think we've got a situation where early loyalty programs have utilized that approach, and then other companies have simply replicated it without actually understanding what they're doing. I think it's very important, this is why we dedicated two full chapters to the psychology of loyalty within the book. From our perspective, it's very important that people take the time to research the psychology, such as endowed progress effect, or grading effect, so that they know why their program is designed the way that it is, and not just because their competitor's doing that and it makes sense. That's absolutely fascinating, as per the conversation that we're having before we started.
the podcast. The great thing about the loyalty industry is that you can take good quality psychological principles and apply them to a loyalty program, and they actually work.

And it's amazing how many different types of psychological theories are woven into loyalty programs at different levels and different aspects. So people should take the time to really dive into the detail of that and find out what's actually going on there, and how they can structure the program in a way that will help enhance those effects. As an example, the endowed progress effect is important because people hate starting stuff. But when they do start something, they feel compelled to complete it, right? That's the basic psychology there. But what a lot of loyalty programs don't do is make it very clear to the member that they have started a journey, and they're on their way towards a goal, and help them to progress their goal via a good quality progress tracker. So even just basic stuff like that will significantly ramp up the level of member engagement with a program because that psychology is so effective.

Roger Dooley: Yeah. And that's important, not even just in loyalty programs, but in other marketing spheres as well. If somebody is completing a form, for example, if you show them their progress, as they get closer to the end they'll feel okay, well, I better keep on going here. And I've seen some forms that use that endowed progress effect by, if you complete the first page suddenly you're 50% done. And then the others seem to take a little bit more effort or time, but they're using that same principle. What other principles of psychology or behavioral science, Phil, do you think are particularly powerful in loyalty programs?
Philip Shelper: Yeah. I always chop and change what my favorite is, but my favorite at the moment is commitment theory. So this was first written about in 1968 by Day. He wrote a paper about loyalty programs where he said, there's a lot of companies out there who are running loyalty programs, in those days most of the programs were stamps. Where people would go and shop with a retailer, they'd earn stamps, stick the stamps in a book, and then they could exchange the books for rewards. What he wrote was that companies who are measuring whether their customers are loyal or not, are simply measuring it based on their behavior. Are they coming in and shopping once a week on a regular basis? And making an assumption that because they were doing that, they had a very loyal customer base. But what he pointed out was, that was just measuring behavioral commitment.

Whereas what they needed to start measuring was attitudinal commitment. IE, did the customer actually feel an emotional connection with the brand, and by default feel genuinely loyal? And he pointed out that this affective commitment is a precursor towards true loyalty. And so companies should be focusing a lot more on that. Now that was back in '68, we're now in 2021, if you can believe it. We survived 2020, so how about that? And we still see the same thing. So whenever we're going and working with all of our different clients, people small, we consistently see these companies measuring whether their customers are loyal or not based on behavioral measures and not really looking at attitudinal.

So there's two aspects to that. There's measuring the attitudinal commitment, but then there's also putting quality strategies in place to help continue to build that.
attitudinal commitment as well. And it's incredibly powerful if it can be achieved. People with attitudinal commitment towards a particular brand, they're genuinely more loyal, they are less susceptible to offers from competitors. If they have an unpleasant experience with the brand, they're much more likely to be forgiving about it. They're more likely to dedicate a greater share of wallet towards the brand, and so on and so forth. So that's a really big one.

Roger Dooley: Right. So everybody wants more emotionally loyal customers, not just behaviorally loyal customers. What are some strategies that have worked to produce that effect?

Philip Shelper: Yeah. Well I think the first thing that most companies struggle with is how to measure whether their customers are loyal or not. NPS has been something that's been used with varying success all around the world. I think it can work quite well, but it can also be quite challenging also. Things like mystery shopping, as well, has been used to ascertain whether the quality of the experience that the member is having across different channels is up to scratch as well. We started working recently with a company in Australia that do post-purchase video surveys. So if you're a member of the program and you go and transact online or in store, you'll then receive an invitation by SMS or email to click on a link. And then you'll receive a video from the CEO of the company inviting you to answer five simple questions. And then at the end of that, the member is also invited to record a short video providing feedback to the staff member that they engaged with.
Well, within that, there's then a whole framework of different initiatives and strategies that can be applied right across the business in order to address any issues that the member might have raised, or identify good behavior that can then be amplified throughout the whole business. So there's some amazing stuff that can be used across different businesses right around the world. But it's a matter of the business first making the commitment to want to progress down that path and accessing the right tools to be able to do so. I think the other thing, as well, is most companies have a commitment towards customer engagement and trying to please their customers. I think that's general capitalism is wanting to please customers and want them to come back. But we still see a shockingly large number of companies who have not gone through a digital transformation, or have not successfully completed a digital transformation.

And I think a lot of companies were really exposed during the pandemic. As they say, when the tide goes out, you see who's naked. And I think we saw a lot of naked companies over the last 12 months. We see that loyalty programs can be a really great catalyst for driving a full company-wide digital transformation. And what we mean by that is, most companies may have a loyalty program, or they're thinking about implementing a loyalty program. What they need to do next is build out a good lifecycle management strategy, so onboarding communications, growth communications, a referral program. Retention communications, when the member starts to disengage. They also need to focus on better quality data collection. So in 2022, Google is going to ban cookies, which is going to cause an enormous amount of disruption within
the digital marketing space. So companies should be thinking about how to better collect zero and first party data. Then building out good quality analytics, good quality reporting.

And finally, this is really the key to building attitudinal commitment, but also referring to what we talked about right at the start, is building out what we call omni-channel personalization. So that is where you as an individual, Roger, whether you engage over the phone, online, in store, or by any other means, receive a personalized experience that makes you feel like you're being recognized as an individual by the company. And having the loyalty program, having the analytics, having the data, everything in place, we've good quality reporting so people understand everything that they can about how customers are responding, allows the company to then build out that omni-channel personalization. And that is really the winning ticket from our perspective, all starting with the loyalty program.

Roger Dooley: One thing you mentioned briefly is surprise, or surprises, and how they can affect loyalty. And they're good from a psychological standpoint. I've seen that myself occasionally. I've been a member of Panera, a competing chain for Starbucks here. One thing that they did early in the days of their own digital loyalty program, they originally had the old fashioned kind, but they switched to digital and smart phones and such. Was to seemingly randomly give you stuff. In other words, there wasn't this accumulating a visible number of points toward a goal, at that point. Rather, suddenly, hey, come on in for a free pastry or a free cup of coffee, or whatever it was.
And to me that was fun in its own way. It didn't seem to correlate necessarily to my behavior. It might even correlate in a negative way. In other words, unlike a traditional loyalty program, the more you consume, the more earn. I think maybe if they hadn't seen me in a while they would give me some kind of a reward to get me back in the store. I could be totally incorrect about that, but to me that was kind of fun. And there's some psychology that underlies that, right?

Philip Shelper: Yeah, there is. So there's an enormous amount of psychology around surprise and delight. We're very big fans of surprise and delight at Loyalty & Reward Co. We try to weave it into as many of our clients' loyalty programs as possible. My favorite surprise and delight strategy is by a professor called Schwartz, way back. He went and sat in an office one day and sat by the photocopier. He's a German scientist, so he put five pfennige, which is pre Euro. So worth about five cents on a photocopier. So when someone came along and used the photocopier, they found the coin and put it in their pocket. And what he did then is he went and surveyed them about general attitude about their life. So how are they feeling today? Was there anything in their life that they wanted to change? How are they feeling about the future?

And he compared that against people who used the photocopier who didn't find a coin about how they were feeling. And what he found consistently was the people who'd found the coin were feeling much more positive about their life. There was less things that they wanted to change, and they were feeling much more positive about the future. So it was simply the fact that they'd found a
small coin was enough to adjust their attitude about their entire life experience. And it's very easy for loyalty programs to replicate that type of dynamic in a very cost-effective way to give someone free random cup of coffee, or a free pastry or something, it doesn't cost the company a lot of money, but it can really change the whole dynamic of what you're doing. We're seeing that in Australia at the moment, Woolworths and Coles, which is the two dominant supermarkets over here.

If you're members of their programs, from time to time they'll invite you to go to the store and claim a free product. And it's not costing them anything, because generally it's a new brand or a new product line that their supplier is wanting people to try and start talking about in order to generate some interest, so they're paying for the whole thing. But I remember every single free product that I've received from Woolworths and Coles over the last two years, because that type of surprise and delight, the psychology of it is so powerful that it actually becomes a memorable experience. So it's very, very interesting. The challenge for a loyalty program becomes building the entire program around surprise and delight. It's very, very hard to do that. And why? Well, because a surprise very quickly becomes an expectation if it's repeated. You need to maintain that dynamic of a genuine surprise, which is why we typically design programs where the surprise and delight element will be an underlying feature, which supports the main program.

Roger Dooley: Interesting. One last question. One thing that I would give Starbucks a lot of credit for, even though sometimes I pick on their program, is that for years and years they have integrated payment with their loyalty program. In other

The Brainfluence Podcast with Roger Dooley
http://www.RogerDooley.com/podcast
words, you do everything through their loyalty app. You not only score your points, or whatever, stars, but you also pay for the transaction, which really makes it so much simpler. And I've seen very few brands adopt that practice. Now, maybe for certain brands it's not practical. I don't know. But it just seems like that's almost a no brainer, that particularly when the customer knows, hey, I've got a balance in my Starbucks account, so this isn't going to cost me any cash out of my pocket right now. To me, the whole thing is brilliant.

Philip Shelper: It is, absolutely. And it's an interesting one. It's definitely a friction one, because the experience you're having with Starbucks is very low friction. It's so easy just to go in, boom, boom, boom. Done. You walk up, they call out Roger. They may or may not have spelt your name correctly.

Roger Dooley: Now we get it from the app and machine printed on the label, so more weird spellings. As delightful as that was to see how your name got butchered by the barista, now it's unfortunately kind of predictable.

Philip Shelper: Yeah. I think the big challenge with that type of program, and the reason why we see so few companies progress down that path, is because of the enormous amount of friction involved in getting people to join the program and do it in that way. Typically what we say to our customers, it's a little bit facetious, but is, if you need your customer to do something, then you're already in trouble. Right? Because people just don't like to do stuff anymore. And why? Because we're just so busy. Getting people to download an app, to then go through a registration process, and then get a card out of their wallet and
register it, is an enormous barrier. It seems very simple when I say it like that, but trying to convince anyone to download an app these days is nightmarish.

Because people typically will only download an app if they can see the value in doing so. And as we were talking about, full value is a really major driver of loyalty program engagement, it's also become a major driver of app engagement as well. So getting people to go through those steps, very, very, very hard. Which means that the realm of companies doing the app with the payment is really dominated by the bigger companies where people are engaging with them on a regular basis, and can say the sense in going through that extra step.

Roger Dooley: Well, we could go on forever. But why don't you explain to our listeners and viewers where they can find you and your ideas, Phil?

Philip Shelper: You can find me at rewardco.com.au, which is our website. I'm also on LinkedIn, so if you search Philip Shelper you'll find me there as well. But what would be really great is if you jump on to Amazon or Barnes and Noble and buy a copy of the book. One of the things that we had identified for several years is that there's not really any book available in the world that tells people everything that they need to know about loyalty programs. So we have people working in the loyalty industry, we have people who are wanting to enter the loyalty industry. But also people who are working in companies that may or may not have a loyalty program, they just want to know more about it, how to do it better or what they need to look out for. And so we wrote this book as a bit of a COVID project. We started it in March when we went into...
lockdown in Sydney. So myself and the Loyalty & Reward Co team, and some other really amazing industry people contributed to it. We launched it just before Christmas.

And we're getting really great reviews about it as well. It's a bit of a textbook. We've built a loyalty course around it, which we ran for the first time in November, and we're running again in February. And the book is the textbook for the course. So it's a reference guide, it'll tell you everything you need to know. And yeah, we're really proud of it.

Roger Dooley: Right. Well, and I should point out too, that it is extensively footnoted. So if you are the type of reader who likes to, say, well, I believe the author, but I'd like to know where that information came from. This is one book where you'll find that information. And we will, of course, link to the book, to Phil's website, and to any other resources we mentioned on the show notes page at rogerdooley.com/podcast. And we will have text, audio, and video versions of this conversation there as well. Phil, thanks for being on the show.

Philip Shelper: Thanks so much, Roger.

Thank you for tuning into this episode of Brainfluence. To find more episodes like this one, and to access all of Roger's online writing and resources, the best starting point is RogerDooley.com.

And remember, Roger's new book, Friction, is now available at Amazon, Barnes and Noble, and book sellers everywhere. Bestselling author Dan Pink calls it, "An important read," and Wharton Professor Dr. Joana Berger said, "You'll understand Friction's power and how to harness it."
Loyalty Psychology with Philip Shelper
https://www.rogerdooley.com/philip-shelper-loyalty

For more information or for links to Amazon and other sellers, go to RogerDooley.com/Friction.