

# CUSTOMER LOYALTY: STRATEGY AND APPLICATION



# WHY BUILD CUSTOMER LOYALTY? IT WORKS.

There is no shortage of evidence that it pays to keep your current customers loyal. One well-known data point from Bain & Company: a company must spend up to seven times more to acquire a new customer versus retaining an existing customer.

Strategic customer relationships drive growth and market share. Customer loyalty is key to increasing the value of your customers. Loyal customers increase your sales organically and increase the effectiveness of every marketing dollar invested. An existing customer base is more inclined to be interested in new products, and subsequently spend more on your brand. They are also more likely to recommend your brand to others.

## A loyal customer is...

**80%**

**80% more likely to choose your brand over competitors**

(Source: Sloan Management Review)

**2x**

**2x more likely to recommend your brand to others**

(Source: Sloan Management Review)

**Often a millennial**

**90% of millennials belong to at least one loyalty program**

(Source: KPMG)

**Likely to spend 2x more**

**Among ecommerce players, online spending for a new customer averages \$24.50; repeat customers average \$52.50.**

(Source: McKinsey & Co.)

**Likely to decrease costs**

**A 2% increase in customer retention is the equivalent of decreasing costs by 10%.**

(Source: Salesforce)

## Why Northwestern Kellogg Executive Education?

Kellogg's MBA program has consistently been ranked #1 in marketing by *U.S. News & World Report* (2020). Learn from some of the same marketing thought leaders who teach in the MBA program and who are accomplished industry practitioners as well.

- ✓ Live webinars with faculty and office hours with industry practitioners
- ✓ Real-world case studies for B2C and B2B applications
- ✓ Learn by doing with "try-it" activities
- ✓ Capstone Project: Design a loyalty program
- ✓ World-class guest speakers
- ✓ Interactive activities and deep-dive discussions



**Duration**  
**6 weeks, online**  
**excluding**  
**orientation**  
**4-6 hours/week**



**Program Fees**  
**\$2,750**

# KEY TAKEAWAYS

You will apply methods and models to understand customer value, grow this value, and target customers individually, with the goal of optimizing customer loyalty. Here's what you will have the opportunity to accomplish:

- Identify which customers to target for the greatest value through customer differentiation and targeting
- Develop the business case for growing customer loyalty using a practical strategic framework
- Apply a strategic framework to the design of a customer loyalty program through the Capstone Project: Create A Customer Loyalty Program

## A Strategic Approach to Customer Loyalty

Customers sit at the heart of every company. The organizations that create intelligently designed customer loyalty programs enjoy a critical advantage over their competitors. For loyalty managers, marketing consultants, general managers, and sales/business development leaders, this program will provide you with new and emerging tools to develop a leading-edge customer loyalty program and the strategic framework for growing that loyalty over time. You'll learn new ways to stay current and add value for your organization. In this program, you will learn how incremental business value can be achieved in the form of increased:

- Total spend (revenue)
- Share of wallet
- Customer lifetime value (CLV)
- Targeted (e.g., product, channel, promotional) revenue
- Reduced attrition

Learn a framework for building customer loyalty focused on these topics:

- Customer Centricity, Differentiation, Targeting, and Value
- Customer Life Cycle, Customer Journey, Customer Relationship Management (CRM), and Customer Data Systems
- Loyalty Drivers, Personalization, and Trigger Marketing
- Loyalty Economics and the Business Case, including the development and ongoing operational and redemption costs of a loyalty program

# WHO IS THIS PROGRAM FOR?

Kellogg's Customer Loyalty: A Strategic Approach program is designed to introduce strategies and frameworks that you can use to maximize customer loyalty at your organization.

This program is ideal for:

- Loyalty Managers
- Marketing Consultants
- General Managers
- Sales/Business Development Leaders
- Customer Experience Managers
- Strategy Consultants
- Growth Hackers

If your role includes improving customer retention and growing customer value, expanding or transforming your existing loyalty marketing, or exploring new ways to utilize customer data, you will gain valuable insights from what top brands offer (and what they avoid) in traditional and digital customer loyalty programs.

## How This Program Can Advance Your Business Skills

Every organization is trying to squeeze more value from its marketing budget. Creating strategic customer loyalty programs is a specialized skillset. You can add value to your organization and expand your qualifications to land marketing, CRM, sales manager, and leadership positions with either B2C or B2B organizations, in order to upgrade your skills, get promoted, and/or stay current.

Some of the most popular job titles in this field are:

- ✓ Loyalty Manager
- ✓ Marketing Products Coordinator
- ✓ Reward Program Coordinator
- ✓ Customer Success Manager
- ✓ Customer Engagement Manager
- ✓ Coordinator of Customer Insights
- ✓ Customer Retention Manager
- ✓ Brand Manager



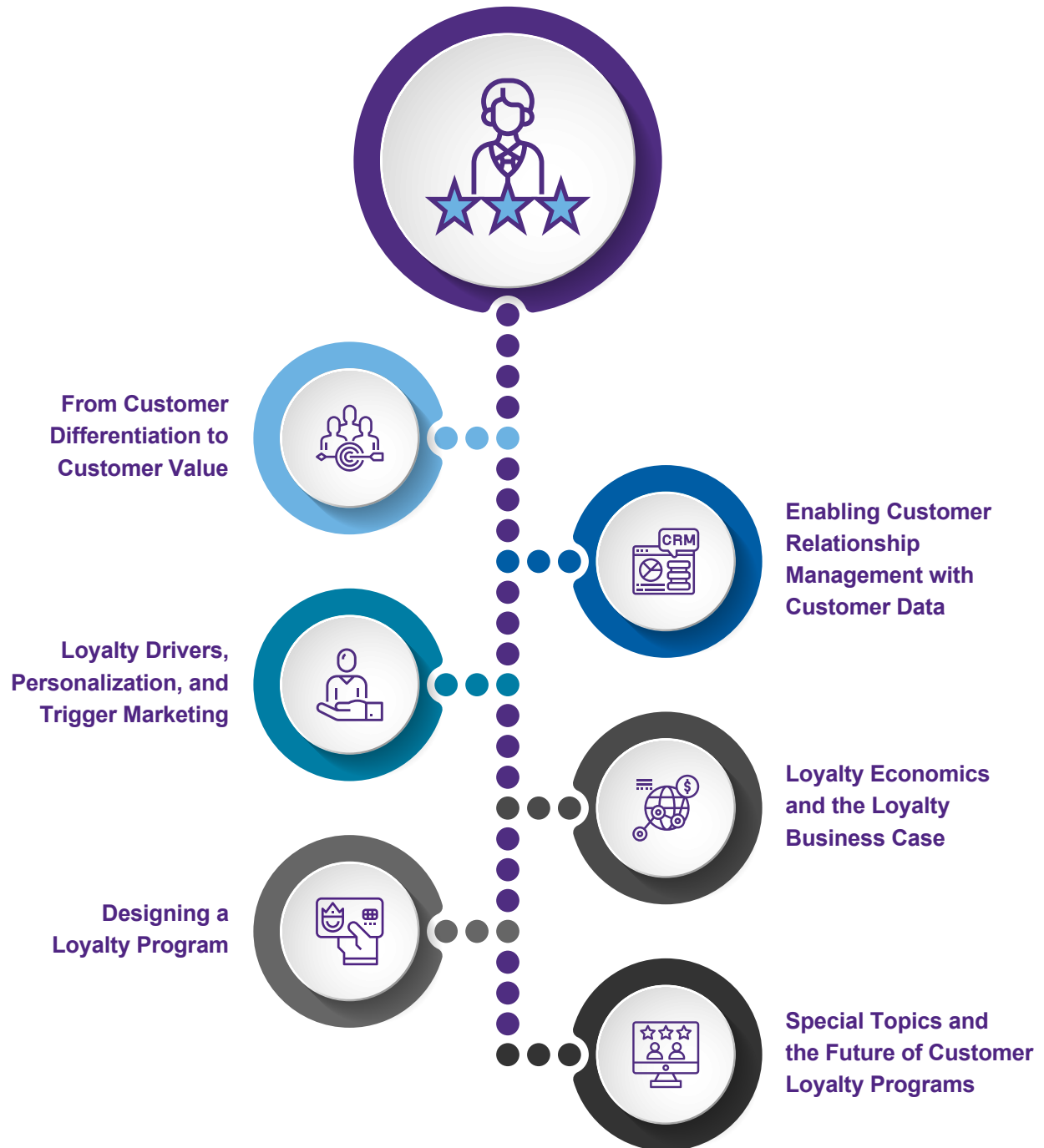
"I've taken what I've learned in practice, leading and designing customer strategies and loyalty programs in multiple industries, and advising a wide range of companies. From this, I have distilled it into six weeks of strategic framework and actionable insights so that you can maximize customer value."

**- Professor Thomas F O'Toole**

Associate Dean, Executive Education  
Clinical Professor of Marketing  
Kellogg School of Management

# LEARNING JOURNEY

You will master strategies to keep customers returning, including identifying, tracking and predicting customer relationships. As you build your knowledge of the models and methods that work, you will apply innovative frameworks to design or revamp your organization's loyalty program.



# PROGRAM MODULES

The program consists of six weekly modules to prepare you to develop and implement your own customer loyalty program. Throughout the program, you will learn through live faculty webinars, video lectures, moderated discussion boards, office hours, and interviews with many of the world's foremost customer loyalty strategists and practitioners.

## Module 1

### From Customer Differentiation to Customer Value

Learn to identify which customers to target for the greatest value by analyzing a business from a customer-centric viewpoint, examining steps to developing a customer strategy, and determining the lifetime value of your customers individually and collectively.

- Explore customer heterogeneity, segmentation, and differentiation
- Learn how to calculate customer lifetime value

## Module 2

### Enabling Customer Relationship Management with Customer Data

Develop a strategic framework for growing customer loyalty by examining strategies to identify, track, and predict customer relationships and secure customer value across the customer life cycle.

- Examine the customer life cycle and customer journey
- Explore strategies and methods to grow customer value

## Module 3

### Loyalty Drivers, Personalization, and Trigger Marketing

Become familiar with different approaches to conceptualizing and measuring customer loyalty and learn what drives customer loyalty.

- Apply the methods of personalization and trigger marketing
- Develop a customer loyalty strategy with the whole enterprise in mind



## Module 4

### Loyalty Economics and the Loyalty Business Case

Understand the customer value proposition and analyze the economics of customer loyalty to develop a business case for a customer loyalty program.

- Learn the structure and elements of a business case for a loyalty program
- Calculate the economics of loyalty

## Module 5

### Designing a Loyalty Program

Get a broad overview of the history of loyalty programs and the specifics of their various components, features, and benefits. Apply these elements and design a customer loyalty program in the capstone project.

- Understand the key decisions in structuring a loyalty program
- Design a customer loyalty program

## Module 6

### Special Topics and the Future of Customer Loyalty Programs

Learn how you can extend customer loyalty programs beyond your company by leveraging partnerships and alliances, how various companies from packaged goods to startups have successfully launched and maintained loyalty programs and how the future looks for loyalty in the digital age.

- Examine trends that impact buying behavior
- Learn from loyalty programs that failed

# PROGRAM FACULTY



## Professor Thomas F O'Toole

**Associate Dean, Executive Education**  
**Clinical Professor of Marketing**  
**Kellogg School of Management**

Professor O'Toole's work at Kellogg focuses on connecting data science to business value creation, data-driven marketing, customer strategy, customer value management, loyalty programs and related subjects. He developed and teaches a popular MBA course on Customer Loyalty strategy. He is the author of *"Branding Services in the Digital Era,"* published in *Kellogg on Branding in a Hyper-Connected World* (Wiley, 2019).

O'Toole is a Senior Advisor for McKinsey & Co. For McKinsey, he provides strategic guidance to clients in a wide range of business sectors (e.g., travel, health care, energy, retail) on enterprise data analytics, digital transformation, revenue strategy, customer strategy, loyalty programs and related subjects.

O'Toole was Chief Marketing Officer, Senior Vice President and President, MileagePlus of United Airlines. At United, he was responsible for brand strategy, marketing, product development, ecommerce, digital channels, ancillary revenue, customer data analytics, customer relationship management, marketing systems, partnerships and other functions, including United's MileagePlus loyalty program. MileagePlus was, at the time, the largest travel loyalty program, and top-rated frequent flyer program, in the world. Before United, O'Toole was Chief Marketing Officer and Chief Information Officer for Hyatt Hotels Corporation, where he was responsible for Hyatt's marketing, loyalty program, distribution, information technology and related functions worldwide.

O'Toole currently serves on the Board of Directors of four companies: Alliant Energy, an S&P 500 company providing electricity, natural gas, renewable energy and logistics services through its production, distribution, transportation and related businesses; Extended Stay America, the largest integrated hotel owner/operator in North America, with over 600 hotels; LSC Communications, one of the largest providers of printing, publishing logistics, office products and related services in the world; and cxLoyalty, a leading loyalty and customer engagement solutions firm in the USA and Europe. In 2016, he was appointed by the US Secretary of Commerce to, and currently serves on, the Board of Directors of the Corporation for Travel Promotion (dba Brand USA), the nation's public-private enterprise to promote travel to the USA.

O'Toole is active in civic, charitable, and educational endeavors. He serves on the Boards of the CSU Foundation and Big Shoulders Fund of Chicago.

O'Toole holds the degrees of Master of Applied Communication Theory and Methodology and Bachelor of Arts with concentration in communication research from Cleveland State University. In 2013, he was named the Distinguished Alumnus of the College of Liberal Arts and Social Sciences.



# GUEST SPEAKERS INCLUDE



**Jess Huang**

Partner, McKinsey & Co.

Partnering with executives in the retail, consumer technology, and travel sectors to boost company growth and drive commercial effectiveness, Huang focuses on the value that can come from customer analytics, fostering loyalty, and investing in digital marketing. She leads McKinsey Loyalty service line and is a research leader and a driving force behind McKinsey's Women in the Workplace research, and publishes frequently on trends in retail, loyalty and gender and diversity in the workplace.



**Praveen Sharma**

Vice President, Digital Products and Analytics, United Airlines

Praveen Sharma is Vice President of Digital Products and Analytics for United. In this role, Praveen is responsible for United's customer-facing digital products, growing digital commerce and merchandising, performance marketing, enterprise data platforms and advance analytics COE. Previously as Vice President of Loyalty and President of MileagePlus Holdings, Praveen was responsible for all aspects of United's loyalty program. He has an MBA from the University of Chicago and multiple degrees from Penn State and Indian Institute of Technology.



**Gannon Jones**

Founder & Partner, Dunning House Consulting LLC

Throughout his 25-year career at Allstate, PepsiCo, Kraft and MillerCoors, Gannon has consistently transformed brands to accelerate their growth. Recently, he led consumer marketing for Allstate. At MillerCoors, he oversaw a \$7B portfolio. He and his team orchestrated a turnaround of the Miller Lite business, returning it to growth after more than five years of declines. Earlier, Gannon was Global CMO of PepsiCo's Nutrition Group. He is a graduate of the Smith School of Business at Queen's University in Canada.



### **Jeff Zidell**

SVP & Customer Experience Officer, RoomIt by CWT

Jeff Zidell is RoomIt's Senior Vice President and Chief Experience Officer. With a focus on customer experience across distribution channels, Jeff provides leadership for RoomIt strategy, product development and integrated marketing. He has over 25 years of experience in the travel industry and has held leadership positions with Sabre, American Airlines, Google, Hyatt and CorePoint Lodging. Jeff has an MBA from Washington University's John M. Olin School of Business and a B.S. in accountancy from the University of Missouri.



### **Joshua Kanter**

Global Chief Marketing Officer, International Cruise & Excursions Inc.

With a combination of marketing, technology, strategy, and analytics expertise, Kanter's leadership roles have included executive positions with PetSmart, Caesars Entertainment, McKinsey & Co., and Novantas.



### **Margaret Breya**

Executive Vice President and Chief Marketing Officer, 8x8 Inc.

With more than 20 years of global expertise in technology B2B marketing, Breya has served in executive roles with MicroStrategy, Informatica, BEA SAP, and Hewlett-Packard.

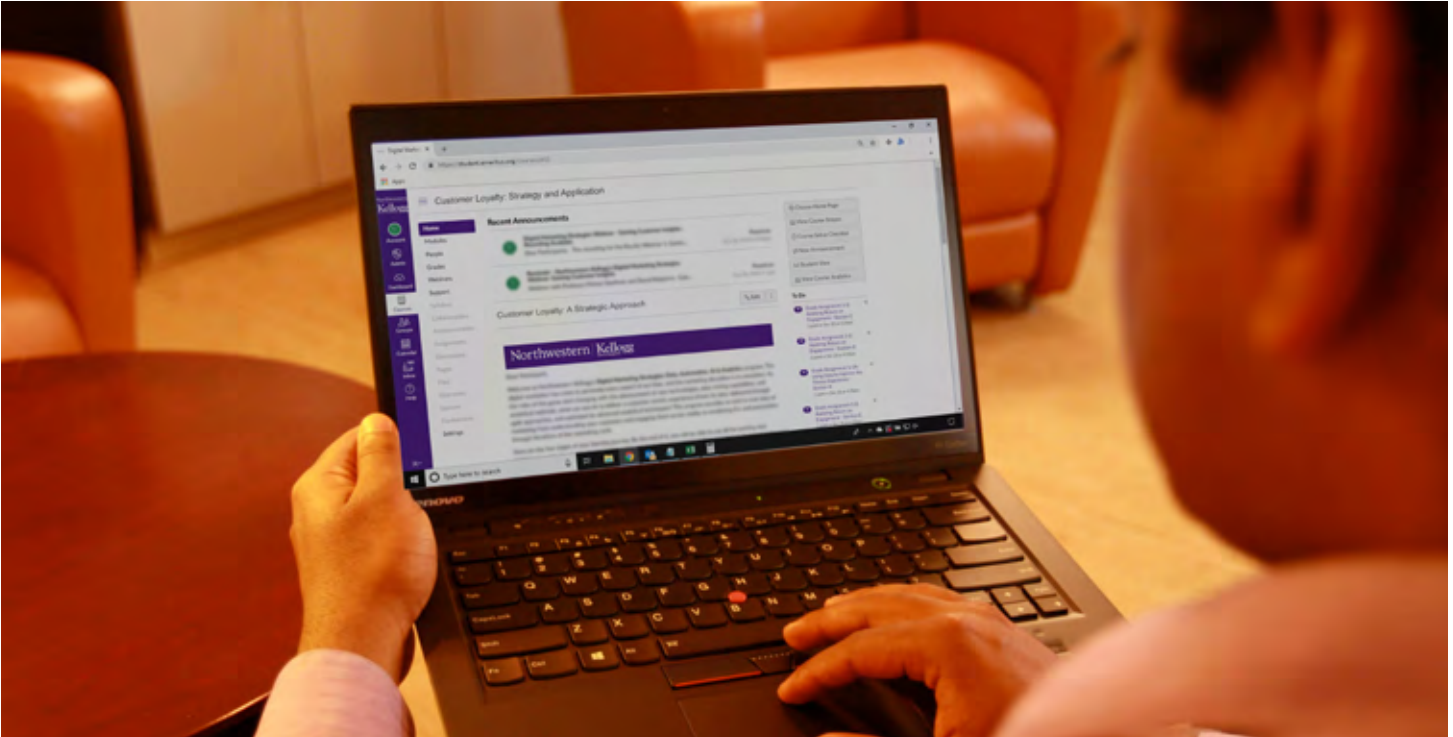
# CERTIFICATE

Upon successful completion of the program, Kellogg Executive Education grants a verified digital certificate of completion to participants. This program is graded as pass or fail; participants must receive 80% to pass and obtain the certificate of completion.



*Note: This online certificate program does not grant academic credit or a degree from Kellogg School of Management. After successful completion of the program, your verified digital certificate will be emailed to you in the name you used when registering for the program. All certificate images are for illustrative purposes only and may be subject to change at the discretion of Kellogg Executive Education.*

# THE LEARNING EXPERIENCE



Our programs are designed to meet the needs of individual learning styles, while also leveraging the power of peer learning. This is achieved through a user-friendly learning platform that enables participants to navigate program content with ease, while achieving learning objectives.

## Keeping it Real

Our pedagogical approach is designed to bring concepts to life, including:

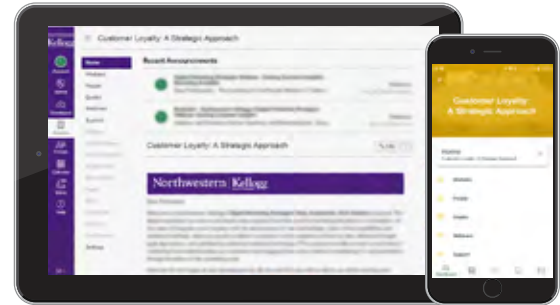
- Learning by doing with “try-it” activities
- Byte-sized learning techniques
- Real-world application
- Peer learning discussions
- Live, interactive teaching with guest speakers



## Keeping it Convenient

Access to program content is flexible and available through multiple devices, allowing working professionals to easily manage schedules and learn remotely — anytime, anywhere. Participants enrolled in the program obtain access to learning materials in a modular approach, with new content released weekly. Program modules include a variety of teaching instruments:

- Video lectures
- Two live faculty webinars
- Discussions
- Class materials, including articles and case studies



To further personalize the program modules, live teaching sessions are scheduled during the program, often with Q&A. For participants who are unable to attend these sessions live, a recording is made available so nothing is missed. Our industry-leading learning platform allows participants to create a profile, connect and collaborate with peers, and interact with academic/industry experts such as program leaders and teaching assistants. Assignments are often linked to participants' real-world situations, making concepts inherently practical.

## Keeping it Interesting

Our globally connected learning platform enables participants to interact seamlessly with their peers to complete group assignments and stay on track toward program completion—experiencing culturally enriching encounters along the way.

## Program Requirements

To access our programs, participants will need the following:

- Valid email address
- Computing device connected to the internet: PC/laptop, tablet, or smartphone
- The latest version of their preferred browser to access our learning platform
- Microsoft Office and PDF viewer to access content such as documents, spreadsheets, presentations, PDF files, and transcripts

## Other Requirements

Programs may necessitate the usage of various software, tools, and applications. Participants will be informed about these additional requirements at the registration stage or when the program begins. Our program advisors are also available to respond to any queries about these requirements.



## ABOUT KELLOGG EXECUTIVE EDUCATION

Kellogg Executive Education empowers business leaders to foster growth in themselves, their teams and their organizations. Our renowned faculty, consisting of the world's best researchers, educators and practitioners, provide practical insight that participants can apply as soon as they return to work. Providing a collaborative, immersive environment for our executive development programs, we serve a variety of businesses and executives from a myriad of industries and geographies.

## ABOUT EMERITUS

Kellogg Executive Education is collaborating with online education provider Emeritus to offer a portfolio of high-impact online programs. By working with Emeritus, we are able to broaden access beyond our on-campus offerings in a collaborative and engaging format that stays true to the quality of Kellogg.

Emeritus' approach to learning is based on a cohort-based design to maximize peer-to-peer sharing and includes live teaching with world-class faculty and hands-on project-based learning. In the last year, more than 100,000 students from over 80 countries have benefitted professionally from Emeritus' courses.

## DURATION

6 weeks, online  
excluding orientation  
4-6 hours/week

## PROGRAM FEES

\$2,750







Easily schedule a call with a program advisor to learn more

**SCHEDULE A CALL**

You can apply for the program here:

**APPLY**

Refer your colleague and receive a benefit:

**REFER NOW**

**Connect with a program advisor:**

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