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**Loyalty programs not all that its hyped up to be
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The recent years have seen the incentive market within the travel industry surge and have become a consistently popular program enforced by companies as a form of revenue driving scheme. It has been wholeheartedly adopted by a range of industries and, most particularly, in the travel industry. This can be seen particularly in the creation of Australia's first incentive, award, recognition and loyalty exhibition where incentive programs are promoted as an effective form of marketing.

Despite this, some alternate views have arisen from people such as Prosell managing director Peter Fullbrook. Fullbrook has stated that while he has not taken part in studies that have run throughout the UK and the US, he can safely say from experience that "the higher levels of customer service equates to higher levels of business."

Fullbrook feels that the most effective form of marketing is not through incentive programs which are costly and short-term, but through quality customer service. Basically, the aim is to achieve "maximum competitive differentiation" and Prosell, an organisation that provides objective-led performance-improvement solutions for companies, is always looking for new solutions to assist their clients.

Prosell have seen through the experiences of past clients such as Travelex that the way that loyalty programs are pitched to companies is through fear. "You gotta do it because your competition is doing it" is basically what Fullbrook feels that marketing agencies are telling their clients. The problem with this is that the greater the number of companies with loyalty programs, the lesser the level of competitive differentiation. This means that there is less competitive advantage as the industry becomes inundated with incentive schemes and such programs.

We can see this with airlines. It is now very uncommon to turn up at the check-in counter and not be asked whether we would like to join the frequent flyer club of the respective airline we are flying with. Whether it is a part of a greater airline alliance group or an independent airline incentive program, travellers have come to take these programs for granted. It is common for frequent travellers to belong to several frequent flyer clubs, meaning that the competitive differentiation and loyalty that the program should be enforcing in the customer's mind is not happening; it becomes just another airline for them to fly with.

While Fullbrook feels that incentive programs are effective in their own right, their significance in playing a role in maximising competitive differentiation is often overestimated. Quality customer service is what encourages customers to not only return, but will also inspire them to tell their friends about the service and product. Effective customer service and incentive programming and work together to create a corporate climate that will bring success to incentive-heavy industries like the travel market. This, he feels, is the key to the continued success of companies around the world.