

Glasklar: the Law of Reciprocity and the frugal wow

Glasklar, the customer loyalty tool utilising a refillable lens cleaner, is celebrating its third anniversary since its distributor, Positive Impact (PI), launched it into the UK optical market. *Vision Now* talks to PI joint managing directors, Nick Atkins and Maxine Green, about the success of the product and how its helping their customers build stronger relationships with their patients.

VN: Remind our readers of the Glasklar concept.

MG: Glasklar is an innovative new lens cleaning system designed to develop the kind of relationship with a patient that will make them a loyal, 'bottle-carrying' ambassador.

First, there's the choice of 10 colourful bottles with high-pressure atomiser that are branded with the practice logo, contact and social media details. Then there's the Glasklar RefillBar. Made to look like a shot-dispensing optic, it creates some theatre and a talking point in the practice – as traditionally, you wouldn't find an optic in an optician and be nipping in for a refill.

The Glasklar marketing concept is simple: the practice gives its patients our natural spectacle lens cleaner, ideally for free, with their new glasses. Then they give the patient the 'Glasklar experience' by inviting them to fill their own bottle from the RefillBar. Finally, the patient is encouraged to come in at any time to refill for free.

This encourages them to return to the practice within the 2.5 year UK average eye examination cycle¹, building a rapport with the practice team that builds the long-term relationships that help encourage loyalty. At any of these visits, the practice team have an ideal opportunity to discuss new products and services and perhaps even make the occasional impromptu impulse sale.

VN: This seems simple enough, but why do independents need such a tool?

NA: In a climate of increasing and more aggressive competition for the independent sector, building a loyal patient base has never been more important. Finding 'good' patients is hard and potentially expensive, so keeping them is essential in order to generate a return on that investment. When you consider the loss leader status of the eye exam and the average practice's 'no-glasses' rate in optics, that return is unlikely to come from the first visit but from the patient coming back again and again for many years – the so-called 'lifetime value'.

A study that analysed the costs and revenues derived from



An optic is not something you'd normally see in an opticians

serving customers over their entire purchasing lifecycle, showed in industry after industry that increasing customer retention rates by five per cent increases profits anywhere between 25 to 95 per cent².

Optical practices have always relied on 'word-of-mouth' referrals in order to develop their business but with the exception of simply doing a good job, they are not particularly proactive in generating these referrals. Once captured, it is a similar story when it comes to establishing loyalty to the practice. By doing a great job, it is assumed that patients will return the next time they need eyecare services.

Practices rarely communicate with patients and, with the exception of when there's a problem, many spectacle patients don't set foot inside the practice from one year to the next. During this time, they are exposed to advertising and PR from the multiples trying to tempt them away. So developing a 'bond' with patients to ensure they not only come back in a timely manner, but also are regulars in the practice, is as difficult a challenge as it's ever been.

Loyalty has to come from somewhere or something. Just doing a good job is not enough; to generate loyalty you need develop relationships and that can't be done from an annual or biennial visit.

VN: So how does Glasklar generate loyalty?

MG: It has long been proven that there is a strong link between customer loyalty marketing, customer referrals and increased spend. Loyalty programmes change the way consumers interact with the companies from which they purchase products or services, including how much they spend. Consumers have generally become accustomed to rewards and incentives and now happily carry the cards of supermarkets, coffee shops and even fast-food outlets.

A loyalty model drives customer satisfaction, leading to loyalty, and ultimately the all-important profitability. Loyalty marketing relies upon 'word-of-mouth' and advertising or branding, drawing upon positive experiences of those exposed to the model and leveraging that 'feel good factor' to attract new customers, retain existing ones and grow the

Inviting patients to pop back in for a refill can generate the 'frugal wow' factor



spend per customer. They are effectively viral marketing techniques, spreading news of the incentive and inducement through 'word-of-mouth'.

One of the key things that drive the success of loyalty programmes is the frequency element. Glasklar takes this concept to another level because the reward is instant, practical and useful – with the benefit of it being seen every day in the form of clean, clear lenses. Also, the appreciation of the fact that the recipient has been gifted something that actually helps them care for their investment, not just for the first few weeks but also for the lifetime of the purchase, cannot be underestimated.

VN: So the Law of Reciprocity comes into play here?

NA: Yes. Simply expressed it's, "I'll scratch your back if you scratch mine". The Law of Reciprocity says that when someone gives us something, we feel an obligation to give back. We implicitly understand that when the circumstance is right, we will do something of approximately equal value for them. In this case, ignoring any other emotion or feel good factor at play, the ongoing supply of free lens cleaner can make people feel obliged to continue their patronage.

MG: We also talk about the 'frugal wow' – a concept created by US customer loyalty guru, Fred Reichheld, who described a frugal wow as a gesture that doesn't cost much, but brings a smile to the customer's face. The essence of the frugal wow is the creation, practice and implementation of small gestures that create lasting loyalty. This can be an act of random kindness that costs nothing but is a surprise to the recipient – creating a wow moment; through to an inexpensive and unexpected 'gift' that lifts the customer's perception of the level of service to way above the basics offered elsewhere.

Glasklar is a relatively low cost investment that has a high-perceived value by showing that the practice cares enough to help its patients look after their purchase and make sure it performs to its optimum every day. And it's the 'gift that keeps on giving' – as the patient can keep returning to refill their bottle with cleaner. And at 5p a shot, it can't get much more frugal.

VN: So which patients would you recommend that practices give Glasklar away too?

MG: All of them – but then you would expect me to say that wouldn't you. Seriously though why not? Some of our customers won't give it away to NHS/voucher patients. However, I wonder how many of those 'bread and butter' patients they can afford to lose?

Those at the budget end of the spectrum are far more price conscious and, as such, they are far more likely to be receptive to the promotional offers of competitors, especially the multiples. Whilst they might like to be loyal – money talks. Comparatively speaking, I would suggest that the bigger spenders are less likely to be tempted away by low-cost promotional offerings.

VN: Are there any other benefits in addition to driving loyalty?

NA: Maxine has a phrase that staff should use the refill visit to 'tell or sell' something. Ultimately, no-one wants to be seen as 'salesy', but the visit should be seen as an opportunity to update patients on new services or show off the latest sunglass/frame range. It might not result in an immediate purchase, but might sow a seed that results in a sale at their next appointment.

Alongside simply building relationships with patients to prevent migration elsewhere, we have a lot of great anecdotes from customers saying that patients are booking appointments and making additional purchases when they come into refill. A recent example cited a patient who, having caught the optometrist owner on the shop floor, left having spent £700 on new eyewear.

VN: So how does the cost stack up against more traditional marketing techniques such as advertising, newsletters or even simple reminder letters?

MG: We firmly believe there is not a lower cost form of marketing available to optical practices today. For a little more than £2*, patients are reminded of the practice, its generosity and level of service, every time they clean their glasses. Then the need to refill creates increased frequency of return visits, which our customers tell us is far more effective than direct mailings that also cost far more when you consider cost of design, printing, paper and postage.

Also, it needn't cost the practice anything if they follow the lead of one of our customers who simply adds £1 to the cost of every spectacle lens in order to be able to gift Glasklar to all patients.

REFERENCES

1. Optics at a Glance 2014, Optical Confederation, October 2015.
2. Zero Defections: Quality Comes to Services, Harvard Business Review, September-October 1990.

* Dependent on purchase volumes

For more information, visit www.Glasklar.co.uk or contact Positive Impact on Glasklar@positiveimpactsales.co.uk or call 08446 696907.



Glasklar bottles can be personalised with the practice name

The Glasklar RefillBar