

Emotional Loyalty in 2017

6 things marketers need to know





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Why emotion matters in 2017

It's a saying you've probably heard: "We buy from people we like." And while it may sound a bit cliché, research has found that there's some truth in it.

As consumers, we like to think we make purchase decisions based on logic, reasoning and careful consideration. While those things play a part, our emotions have the lead role.

Studies show that customers tend to buy from brands they "like" — those that they trust and that inspire a positive emotional connection.

In fact, 86% of customers said a key motivation behind their loyalty to a business was simply that they liked the brand.¹

And as businesses delve deeper into "The Age of the Customer"

— competing on factors such as experience rather than product features or price — appealing to these emotions is essential.

So how do you create emotional connections with a wide range of customers, on an individual level?

The answer lies in customer insight. More than just raw data, insight helps you understand what your customers are doing in context, and why.

And turning that insight into action, in the moment, will enable you to create emotionally engaging interactions that grow loyalty.

Here are 6 steps you can take in 2017 to improve customer centricity and enable you to use emotion to drive the customer behaviors you need.

1. <https://econsultancy.com/blog/68341-reimagining-customer-loyalty-why-it-s-about-more-than-just-a-store-card/>

1. Live your brand values

We live in the age of the customer – power has shifted away from the organisation into the hands of the individual consumer. And these consumers are motivated by a new set of values.

Businesses have the opportunity to build strong, emotional relationships with customers by directly aligning themselves with the values their customers recognise.

Forrester Consumer Technographics® survey data reveals that 43% of US online adults say

they consider brand values when making a purchase.

But making this connection requires businesses to really understand their customers and the fundamental values they're looking for brands to exhibit.

Once a company can get to this deep level of understanding, it must consistently demonstrate these values, during every interaction, at every touchpoint and across every channel.



2. Use insight to drive emotional behaviors

Businesses that focus on creating emotionally engaging experiences will find greater success in 2017 than those who don't.

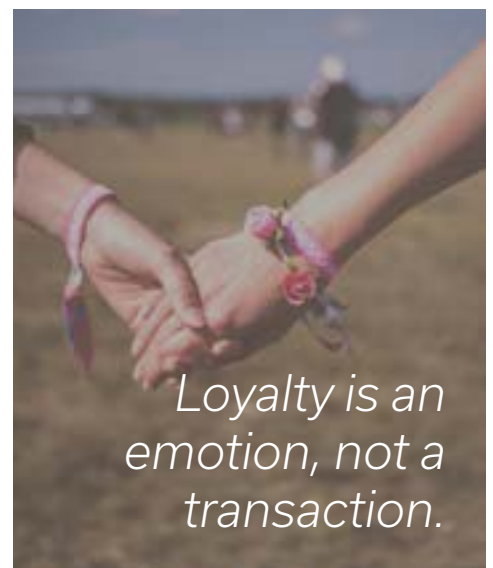
In order to attain a deep understanding of your customer, recognize what drives them emotionally and tap into that potential, you need dynamic customer insights.

Dynamic, because these insights are delivered in real-time, enabling you to proactively uncover the nuanced changes your customers are undergoing and see what's driving their behaviour.

Traditionally data is provided after the event, meaning there is a gap between any shift in customer behaviour and your ability to respond – in other words, the emotionally-driven oppor-

tunity has passed before you can take advantage of it. Having the insight you need in real time bridges that gap.

In order to use insight to drive emotional behaviors, you need to build powerful, emotionally-driven campaigns that demonstrate your business values, and individually target your consumers with highly relevant, meaningful experiences.



3. Use emotion to create engaging brand experiences

Nothing influences consumer behaviour more effectively than emotion – motivating a response is the reason emotion exists.

Now that we have so many more choices than previous generations, emotion plays an even bigger role in prompting us to sample and embrace new brands.

Having the customer insights you need – knowing the values they care about and what motivates them to buy – allows you to elicit strong emotional responses for your product or service, and to transform your brand experience.

U.S. clothing retailer Nordstrom is an excellent example of this. Their focus on creating positive emotional experiences has made them one of the most successful retail brands in the country.²

The internet is full of countless stories (from customers) about the enjoyment of doing business with the company and the quality of the experience.

By striving to create positive emotional connections, Nordstrom not only encourages customers to be loyal, it inspires them to be brand advocates.

Creating this emotional connection takes you beyond selling on features and benefits that are commonly available in competitor products and services.

Instead, having insight, provides you with the opportunity to craft an experience that prompts a consumer to favour your brand over others, and most importantly, pay a premium price.

2. <https://erply.com/case-study-how-you-can-copy-nordstroms-secrets-to-massive-retail-success/>

4. Personalize in the moment

Creating an emotional attachment to your brand and its values is more critical than ever in order to retain customers. Emotions grow from experiences. Positive emotion drives engagement.

Yet, defining the consumer through traditional means, such as demographics and lifestyle, is increasingly difficult. Multi-channel shopping means consumers have numerous “identities” that can vary each time they interact with your brand.

But these changeable consumers still place high value on deep personalization.

With the competitive pressure on retail businesses continuing to grow throughout 2017, getting personalization right is becoming critical to success. Retailers must learn to respond rapidly, to meet empowered customers in the moment an emotion is present.

To do this, businesses must be operationally equipped to practice ‘one-to-the-moment’ marketing as the norm – with all messages customized according to the differing behaviors your customers display both in-store and online.

The proliferation of digital channels and dependence on mobile devices offers businesses the chance to reach customers virtually any time and anywhere.

Companies can now engage with a customer at the height of an emotion, with a highly relevant message.

For example, following a particularly positive experience, a retailer might reach out with a request for a review or interaction on social media, in exchange for some additional loyalty points.

5. Find the right metrics

Customers who are “fully” emotionally connected to a brand are 52% more valuable than those who are “highly satisfied”.³

Just because customers are satisfied, doesn't mean they are loyal. The ability to create an emotional connection is central to driving true loyalty.

This emotional connection will make consumers feel that a brand values and respects them, generating a positive attitude and, in turn, advocacy.

But measuring emotional drivers and understanding the experiences that create personal and emotional relationships between brand and consumer isn't easy.

Loyalty programs are generally implemented with the goal of improving consumer understanding and building deeper emotional relationships.

Actually, most achieve loyalty to the program in order to get

a discount, but forge little or no emotional connection to the brand or its values.

To create an emotional connection you need to move beyond monetary benefits and measure what matters to your customers:

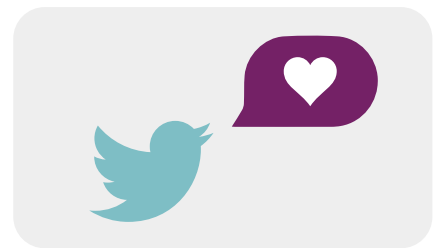
Sentiment: Measuring sentiment scores quarter over quarter and monitoring when sentiment falls below a given threshold is vital to recognising how you are performing in the eyes of your customer.

Customer Experience: Using real-time data to determine when interactions go wrong for the consumer, giving you the chance to salvage those experiences quickly.

3. “The New Science of Customer Emotions” Harvard Business Review, <https://hbr.org/2015/11/the-new-science-of-customer-emotions>

5. Find the right metrics

Social Advocacy: Currently, as few as one-third of brands monitor audience conversations across social platforms.



The ability to drive word-of-mouth referrals through social media, and encourage active engagement can be used to help enrich your existing information on customers and improve the way you target emotion-based campaigns.

Continual measurement and monitoring will provide deeper insight, about consumer interests and demographics, improving your ability to personalize and drive emotion.

"When people are financially invested, they want a return. When people are emotionally invested, they want to contribute."

— Simon Sinek

6. Have the right technology

Technology is the critical enabler, for achieving deeper personalization that will create the emotional loyalty businesses want to foster.

Driven by social media and the personalized web, the way that customers shop and engage with businesses has changed dramatically.

Having the right technology will ensure you can access all the real-time data and insights you need, 24/7, right across the business.

Our Horizon platform is designed to deliver the deep insights businesses need to create emotionally engaging experiences.

But insight alone isn't enough, which is why Horizon transforms insight into action – enabling real-time, personalized interactions that will make customers fall in love with your brand.

According to Forrester, 91% of 'customer obsessed' firms choose technologies that help to align the business with its customer needs.

A new breed of loyalty platform.

The way that customers buy, and what they expect from every interaction, has changed for good. This new era in customer expectation requires a new evolution in loyalty technology. Our Horizon Loyalty Hub helps clients reduce customer churn and increase sales, by creating in-the-moment customer experiences that are truly personal.

Loyalty has evolved, and so must your business – we'd love to show you how. Get in touch today:



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