RETAIL

Emotion should not be underestimated in building customer loyalty

June 12, 2019

Affluent consumers are more apt to take part in loyalty programs. Image credit: Nordstrom

By BRIELLE JAEKEL

NEW YORK In today's ever-changing retail environment, it is becoming more difficult to retain a customer's loyalty, but making a customer feel good during their experience will make a difference.

During a session at Forrester's CX NYC 2019 conference, an analyst showcased just how significant the benefits of loyalty and creating a positive experience for customers are. One of the ways to build a loyal following is to solve problems for customers, which Forrester research revealed makes them seven times more likely to stay.

"Your customers can stay with you," said Michelle Yaiser, director of CX Analytics at Forrester. "They can buy more with you, or share more of their wallet with you.

"They can recommend you to their family and friends," she said. "You have the power to influence those decisions.

"When you're delivering experiences, you have the power to meet their needs. You can make it easier for them to get their needs met. You can make them feel good when they interact with you."

Customer loyalty
Retaining a loyal customer can result in that individual staying with a particular brand or retailer, buying more and sharing more of his or her wallet with the brand and recommending the brand to friends or family. This type of connection is vital to the company.
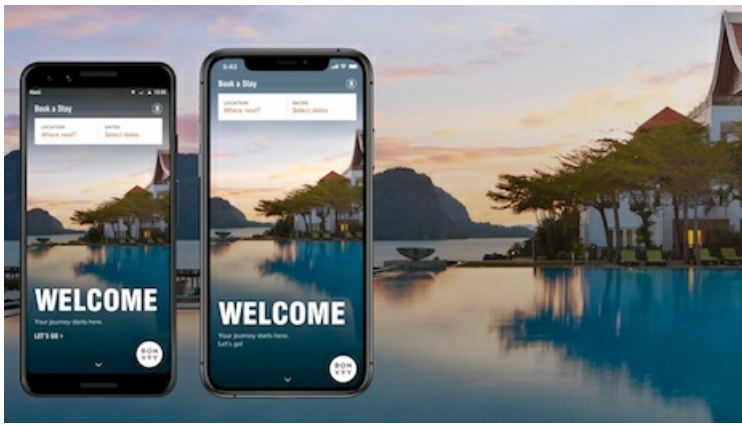
Marriott also launched a new app for its rebranded loyalty program. Image credit: Marriott

Customers who feel as though the brand or retailer can quickly solve their problems are eight times more likely to share more of their wallet and eight times more likely to recommend the brand.

In addition to solving problems, brands need to make a customer feel good after an interaction with them. This means going beyond just improving experiences that are problematic.

Consumer loyalty is important for all brands and retailers. Image credit: Simon Shoppers

For an example, Ms. Yaiser polled the audience on their experiences with Amazon.

While the data showed many problems were solved through recent Amazon experiences, only half of the audience said they felt good about their interaction. Creating an enjoyable and emotional environment is key.

Additional insight
Many luxury brands are learning how to solve customers' problems to retain their loyalty.

Successfully implementing chat features into a brand's mobile presence can help build a personal connection with customers as well as streamline much of the process of interacting with those customers.

Speaking at Luxury Interactive 2017, a senior executive from Four Seasons Hotels and Resorts outlined the ways in which the company has used mobile chat features to connect with customers. The verdict is that when chat is used as a service tool and not a sales tool, it can be incredibly valuable for both the customers and the brand (see story).

During the Mobile Marketing Association's SM2 Innovation Summit 2016, an executive from SAP noted that customers prefer an SMS pin authentication process when purchasing with retailers.

Speaking during the session "Create Impactful Customer Engagements Using Mobile-Driven Consumer Intelligence,"

the executive explained that the easier the consumer experience, the better. SAP recently discovered that when it comes to authentication on mobile retail platforms, it is more helpful to customers to receive a login pin on SMS rather than answering security questions (see story).

"You have the power to influence those decisions," Ms. Yaiser said. "When you are delivering experiences, you have the power to meet their needs.

"You can make it easier for them to get their needs met," she said. "You can make them feel good when they interact with you."