

MARKETING

Emotional appeals, thoughtful loyalty programs crucial for customer retention

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Brands like Sephora are lauded for their loyalty programs. Image credit: Sephora's Weibo

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If brands want consumers to continue shopping with them, their retention efforts must go beyond mass text messages and uniform marketing.

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In a [webinar](#) from Yotpo in conjunction with Shopify, experts discussed how consumers have become increasingly more interested in purchasing from brands they feel align with their values. Brands must make emotional appeals, foster meaningful loyalty programs and offer unique experiences to retain these buyers and show them that they are both understood and valued.

"We have seen that building emotional connections is critical for brands to survive," said Katie McKeever, product marketing manager at [Yotpo](#). "Customers are much more conscious of who they are buying from.

"We see that customers are inclined to be loyal and to sign up for loyalty programs for those brands that they are loyal to because they feel that they are getting a value exchange by signing up for those programs."

Avoiding mass texts

With such a wide array of brands and retailers to choose from and ecommerce making products readily available to be shipped and received at record speeds consumers are overwhelmed with choices.

Customer acquisition cost (CAC) has risen 60 percent in the past six years, while 35 percent of U.S. consumers have tried a new brand in the past year.



It is more difficult to obtain new customers than retain current ones. Image credit: Yotpo

Additionally, there is a 14 times higher probability of selling to an existing customer than a new customer. Thus, brands must build authentic relationships with consumers by conveying brand values and the notion that they genuinely understand and care about them.

There are several ways to do so. Firstly, brands need to show consumers who they are by illustrating their ethos. When a shopper realizes that their values align with coveted brands, loyalty is much more possible.

Yotpo's State of Brand Loyalty 2022 report ([see story](#)) found that 84 percent of consumers are inclined to be loyal to a brand whose values align with their own, 68 percent want to shop directly from brands they are loyal to and 65 percent would sign up for the loyalty program of a brand they are loyal to.

When contemplating effective loyalty programs, brands must go beyond simple and transactional reward setups. Brands must find ways to encourage engagement-based behaviors.

Effective tactics include rewarding shoppers for engagement actions like social follows, newsletter sign-ups, leaving reviews and reading a blog about the company's social missions.

Engaging in two-way conversations with consumers, whether through direct messages or replies on social media platforms, emails or SMS messaging is an effective tool for understanding a customer. This lends itself to personalization efforts as well.

Inviting consumers to be brand ambassadors through a specific model or more informal avenues, like reposting a photo of a consumer wearing that brand's product on its social channels, is an interesting way brands have fostered loyalty.

Meaningful questions about products, goals and more also must be asked. Establishing and fostering a brand community through conversation and activities will go a long way.



There are creative ways for brands to reward loyal consumers. Image credit: Hems

"Data is cool, but have you ever talked to your customers?" said Jamie Levy, head of merchant engagement at [Shopify](#). "Because it is amazing what you can learn.

"And I think that the brands that are really intentional about creating opportunities to bring their audience together, via online or in real life, it's amazing," she said. "Even just listening to conversations they have with each other it's funny to see some people go to bat for brands that they believe in so much."

Once more with feeling

Emotional appeals are reflected through authenticity when brand leadership expresses the arduous work and triumphs of its organization, but also its struggles; when campaigns are made available to learn more about employees within the organization who work on and experiment with products; questions and answer series.

Last year, LVMH Mot Hennessy Louis Vuitton launched a new series highlighting the top employees behind many of its illustrious brands.

"The Doers" takes consumers into the hearts of those who work tirelessly to make LVMH one of the leaders in the luxury business. In the series, employees talk about their passions for their professions and what inspires them day-to-day, especially amid such a challenging landscape ([see story](#)).

Although creatively generating useful retention tactics is crucial, a simple tool remains asking consumers what they want.

Earlier this year, Saks redesigned its personal stylist and shopping service to offer high-touch styling to online consumers.

Saks Stylist is a complimentary service now available to all Saks Fifth Avenue shoppers on the retailer's ecommerce site and mobile app. The service matches shoppers with professional stylists, shaping consumers' relationship with Saks while the retailer can glean more insights from customer behavior ([see story](#)).

"I would encourage any brands to think beyond the traditional and even ask your audience what they want," Shopify's Ms. Levy said. "You can even build up to it.

"You can have them vote," she said. "People want to feel like they have a say."

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