



ANNEX CLOUD

WHY EMOTIONAL LOYALTY MATTERS MORE THAN EVER



Behavioral loyalty, Rational loyalty, and Emotional loyalty are the three core types of loyalty known today. A brand shouldn't expect to have purely loyal customers if they fall under the umbrella of behavioral loyalty or rational loyalty as the customer in these cases is connected with the brand because of some sort of convenience like pricing, habit, etc. However, emotional loyalty turns out to be the superhero for having genuine, loyal customers who are more emotionally engaged with a brand. Emotion has turned out to be the biggest driver of loyalty at present, and brands focusing on nurturing this type of loyalty are reaping diverse business benefits ranging from enhanced revenue, low-cost customer acquisition to brand advocacy, and more. Emotional loyalty, in fact, has the potential to bring your old customers coming back and hence should be the top focus.

Why Fostering Emotional Loyalty Seems to Be the Only Savior for Brands Seeking Customer Retention

Emotional loyalty holds a deep connection in relation to boosting customer retention. Brands that can understand this fact have

a strong chance of taking their retention plans to the next level. So, what is it that makes emotional loyalty so crucial today? Following are some logical reasons supporting the point for emotionally loyal customers:



Emotionally loyal customers are naturally motivated to spend more



Emotionally loyal customers are more likely to support your brand



Emotionally loyal customers are enthusiastic to promote your brand



Emotionally loyal customers provide genuine, unbiased feedback on a more consistent basis than other customers

However, to best leverage emotional loyalty, it's crucial to have a fair understanding of what precisely motivates your existing customers to associate with the brand. While some may appreciate ethically sourced products, others may be impressed by your participation in sustainability initiatives.

Gathering correct and verified data can help improve those areas even further to make more of an impression on customers, motivating them to associate with your brand for longer.

Cultivating Emotional Loyalty Over Behavioral Loyalty

A customer visiting a specific cafe near his workplace out of convenience is the perfect example of behavioral loyalty. Under this type of loyalty, while the customer may like the services or offerings, they aren't fully committed to the brand. Consequently, when there is a workplace shift, the loyalty also shifts to another coffee shop closer to the new workplace. Behavior loyalty is more of a convenience-based loyalty. Is there anything that might have prompted the customer to become more emotionally connected to the brand, or was there something the brand could have tried to make the relationship stronger?

Obviously, the customer can't be expected to create a bond on their own. Aside from there being something extraordinarily appealing about the brand or physical location that tempts the customer to revisit the coffee shop, most

will go for a certain period of time and then move on as their geography or circumstances change. As for the brand, maybe there was something it could have done to make the connection stronger. If they know that some of the frequently visiting customers are employees from the nearby office or corporate campus, the coffee brand could try pitching the offers more vigorously, having fetched the personal details from patrons. Moreover, incentivizing the customer on different occasions could have potentially made a strong impression on the customer, perhaps strong enough for him to refer his peers or prompt them to go by on discount days or check out a certain deal. Starbucks, since we're on the theme of coffee shops, is known to have discounted happy hour days at certain times of the year and this can be enough to draw somebody in to try a new drink or sample a favorite concoction a friend has mentioned prior.



In unique situations, such as a change in job location, the customer may have been helpless to avoid this alteration of locale. Yet, the bond created with the brand will naturally tempt him to refer people from his known group (or even visit again occasionally when possible), helping the coffee shop to generate revenue constantly, even from a formerly convenience buyer. That's the power an emotional bond holds: a connection that tempts even your ex-customers to think good about you provided they quit frequenting your company on good terms. Customers develop emotional loyalty when a brand earns their trust, provides a personalized experience, and, most importantly, shares mutual values. That's exactly what your brand should present to the customers who crave more for a "delighting experience" than anything else.

Brands can attain their goal of customer retention only via emotional loyalty, so not adhering to a strategy that fosters emotional loyalty, especially in a world post-pandemic, could be more detrimental for the business than expected. The goal here is not to have customers make repeat purchases (though that's desirable too), but to cultivate strong emotional connections that perform the task naturally for you, keeping your revenue steady and your growth stable or rising.

Get started, connect with Annex Cloud Loyalty Expert today to Book your Demo or call us on 1 (866) 802-8806

