

The pathway to sustained customer engagement.

Connie Chesner
VP/Director of Discovery
www.brandmindresearch.com

The Current State and a New Challenge

Customer loyalty programs emerged as an innovative way for marketers to increase our share of customer by shifting consumer preferences through incentives.

Buy more from us and we'll reward you.

This model of course was easily duplicated and a new competitive edge was needed. We shifted towards a desire to build relationship, and loyalty, based on something more than a financial incentive. Building such a relationship however, is a difficult task in light of consumer skepticism and the traditional one-way communication that marketers have employed. How do we break through these barriers and truly engage our customers?

In response to this challenge, we propose a new pathway to customer engagement. Our approach will help you hurdle current barriers by enabling your brand to establish the richer relationships that build lasting connections with consumers.

But first let's establish a common definition of engagement and how it is measured.

Defining & Measuring Engagement

Customer engagement encompasses three levels of consumer interaction with your brand:

- behavioral (how do customers act toward your brand?)
- emotional (how do they feel about your brand?)
- mental (how do they think about your brand?)

Long-term customer engagement is rooted in a rich understanding of customer involvement at each of these three levels.

We must also understand that customer engagement exists on a continuum, with "passive" and "active" on either end. Customers fluctuate along this continuum over time, sometimes moving toward the active end and other times becoming more passive.

The goal when engaging customers is to shift customers toward the active end of that continuum on any or all of the three levels of engagement.

Now the question becomes: How do I move my customers toward the active end of the engagement continuum?

Moving Toward Engagement: A New Approach

The key in moving customers toward active engagement lies in understanding true customer motivators. Once we know the psychology underlying consumer actions, we can construct our messaging to speak to these motivational cues by developing **communication profiles (CP)** for our consumers. Communication profiles provide a framework to inform resonant communication strategies capable of shifting consumers toward the active end of the engagement continuum.

The CP approach allows for *quality* communication and engagement. Think about it. In today's landscape, engagement for engagement's sake means nothing. It's about quality. What you say and how well it aligns with the perspective of your customers heavily influences whether your communication gets through or gets lost. Sure, you can get someone to do something once via flash or a gimmick, but what about the long term? Quality engagement over time is necessary to sustain customer loyalty.

Now, let's examine the CP approach in more detail to understand why it works so effectively in building customer relationships.

We know that consumers come to our programs with a core set of influences already in place. We cannot change these influences, but it is through understanding them that we reach a point where we can create a central level of connection with our customers.

When it comes to how customers perceive your brand, we know that our customers are motivated most strongly by one of the three key areas of influence:

- relationship
- identity
- culture

By understanding which area *most* influences your consumers, you can begin to break through the static operating in your customers' day-to-day lives and communicate more clearly by speaking about your program or brand in terms of the area of influence which will resonate most strongly. Though this may sound complicated, research tools such as Social Judgment assessments exist which allow you to rapidly evaluate and hone your communication across any size audience.

Let's take a few minutes to explore each area of influence in more depth and view some examples of the kinds of questions you might ask about your consumers in each of the three areas. After we've detailed each of the areas, we'll explain how the CP approach transforms these areas into effective communication strategies.

Relationship Influencers

There are many factors affecting consumers' views of their sense of connection to or relationship with your program. These factors emerge and develop over time as consumers gain experience with your program, and span from initial reactions to more hardened perceptions developed via years of interaction.

We've posed a few questions to ask yourself about your customers' core relationship influencers:

- How were consumers first introduced to my brand or program?
- Overall, are my customers having positive or negative experiences interacting with my brand or program?
- Are my consumers receiving enough tangible and relevant rewards from my program to keep them motivated and interested?
- Do my consumers have enough knowledge about my program to use it most advantageously?

Identity Influencers

Influencers of consumer behavior here pertain to the unique psychology that each customer brings into their relationship with your program. Each customer has pre-existing attitudes and beliefs about the way the world works and their own self-concept, including expectations for themselves in the various roles they fulfill in their day-to-day lives. These influences are self-focused, meaning that consumers motivated in this area will view their relationship with your program or brand in terms of how the program or brand makes them feel and how well it aligns with the beliefs and values they already possess.

In the area of identity, we have provided a few hypothetical questions to ask about your consumers. Keep in mind that the nature of these kinds of questions will vary depending on the objective of your program and the nature of your product, service, or brand:

- How do my consumers think about my product/service? How do they see themselves in relation to my category of services? (i.e., in the financial industry, do they see themselves as savers or spenders?)
- How empowered do my customers feel regarding my product/service?
- How do my customers view this category of products in general? Why are certain products viewed differently?

Culture Influences

At the broader cultural level, our society conveys messages about expectations for our behavior and the establishment of social norms. These influences are other-focused, meaning that consumers motivated in this area will view their relationship with your program or brand in terms of what other people will think about them and how well the program or brand will help them meet broader cultural expectations and norms.

Keep in mind that cultural influences can change rather rapidly over time corresponding to current events. Therefore, it is important to understand cultural expectations and norms at the point in time at which you desire to motivate consumer behavior. For example, just a year ago, it was more acceptable at a broader cultural level to be a spender and carry debt. However, with the recent changes in the economy, the broader culture perspective is to value saving and frown upon frivolous spending and debt.

To help put this in perspective, we've provided a few hypothetical questions to ask about consumers to gauge their cultural influence. Again, the nature of these kinds of questions will vary by industry and program objectives.

- What does society tell consumers about the value of my product/service and the importance of the category? Is it an essential to everyday living?
- What are the cultural expectations associated with my category and the surrounding beliefs?
- What are the cultural expectations about how my product/service helps to shape the future of my consumers?

Connecting It Altogether

The CP approach can provide insights about your customers at each of the three areas of influence (relationship, identity, culture). These insights are then transformed into profiles used to construct communication strategies aligning with consumer motivations in the three areas. Through a focus on understanding psychological motivators, we can glimpse into the inner world of the consumer and create program communication and features that strongly align with their needs.

So how do we build lasting loyalty rather than buy temporary preference? Understand what drives the decisions your consumers make and then speak to those drivers. Building a committed customer base can be achieved by more closely aligning program objectives with consumer desires. It's time to step up to the next level of customer connection by moving toward an understanding of underlying motivators, and relating to consumers in ways that align with their needs and expectations.