

Study reveals marketers focus more on transactional relationships than building emotional loyalty

A new CMO Council study released shows that organisations focus more on money - not people - when thinking of their customers.



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While marketers admit their future growth and success will rely on leveraging deeper relationships with customers, 43% surveyed by the CMO Council admit that their organisations identify “transactional” as being the top attribute and descriptor of their customers.

The unintended impact of this transactional view of the customer is only 11% of marketers are fully confident that their current engagement strategies will actually achieve their growth, profitability and engagement goals.

The new report, *Loyalty That Lasts: Evolving Growth Strategies to Activate Emotional Connections with Brands*, with research fielded in partnership with Cheetah Digital, reveals key disconnects between marketing intentions and marketing mindsets about customer loyalty and engagement:

- 43% of marketers agree that building deeper relationships with customers is their top priority in the next 12 months.
- 3 in 5 respondents believe the key to these deeper relationships is a more personalised approach to engagement.
- Yet only 18% of respondents are actually engaging in rich, dynamic bi-directional conversations with their customers. In fact, some 44% are spending their time just collecting voice of customer data while not responding, and another 38% admit they are either struggling to have substantive conversations or are simply engaged in a traditional one-way push communication strategy.

In an effort to boost engagement, marketers are focused on delivering more dynamic, relevant experiences (44% of respondents), gaining a more unified view of their customer (4%) and establishing an engagement cadence that deepens relationships and secures trust (42%).

However, fewer than one in four brand leaders intend to expand product offerings and recommendations based on direct individual customer feedback and behaviour and only 19% are able to offer real-time recommendations and in the customer's preferred channel.

"What this research shows is that marketers are rightfully focused on ways to deepen their bonds with their customers, knowing that this bond can help crystallise customer behaviours and intentions while clearing a path to enriched engagement and more profitable long-term relationships," noted Liz Miller, SVP of marketing at the CMO Council. "The only problem is that too many of these organisations are building relationships with line items and invoices, instead of the actual people behind the voice and the transaction."

Yet for those brands who have made the hard-cultural shift of defining customers, and customer loyalty, as a deeper, more lasting and unwavering attachment to the brand that is not predicated on savings, rewards or promotions, the reward has been a more receptive and open dialogue between buyer and brand based on emotional loyalty.

Emotional loyalty

According to Cheetah Digital, "emotional loyalty is the deep connection achieved when every action, input and communication a customer receives from a brand makes them feel valued and respected." It is a relationship rooted in trust, purpose-built to foster affinity and attachment.

Some 15% of total respondents indicated that their organisations define customer loyalty as this depth of bond. For this group, the top attribute describing their customers include being open to recommendations (52%), digital (48%), busy (44%) and loyal (40%) as compared to those who define loyalty as a length of time of consistent transaction and purchase that define their customers as transactional (43%), demanding (40%), digital (40%) and busy (37%).

While only 11% of all respondents were supremely confident in their current strategies, these organisations with a more evolved view of the customer as emotionally connected loyalists, only 8% express any doubt in their ability to reach all of their profitability and growth goals.

Shift in how we think

"This isn't a matter of launching a new program or delivering a creative campaign. What emotional loyalty demands is a shift in how we think, respect, and embrace the customer," noted Judd Marcello, EVP of global marketing at Cheetah Digital. "Creating lasting relationships with busy, tech-savvy consumers can be challenging for even the most experienced marketers. But, delivering experiences that develop an affinity, attachment, and trust between your brand and its customers – creating true emotional loyalty – will soon not be a choice but the expectation our customers have of us."

Loyalty that Lasts features key data gathered through an online audit of CMO Council members across the second quarter of 2019. Over 170 senior marketing decision-makers took part in the study, with in-depth best-practice interviews with brand leaders from AMC Networks, e.l.f. Cosmetics, Marriott Vacations, Nationwide Financial, Pabst Brewing, Perrin Paris and Prudential Financial. The comprehensive 72-page report (\$199) also features detailed findings from over 26 questions delving into key attributes of emotional loyalty and core mandates that will impact how customer relationships are developed and delivered.

Click [here](#) to view the report.

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