

# Why old fashion customer loyalty is out.



Loyalty Incentive

One of your target goals in business is to convert as many of your potential customers into loyal customers. Creating customer loyalty has always been the golden rule of marketing. But, the nature of loyalty is changing, and here's why you might want to start updating your marketing strategy.

The Harvard Business Review featured an article *Why Customer Gratitude Trumps Loyalty* by Mark Bonchek detailing how customer loyalty is changing and its effect on big Brands. Internet marketers need to pay attention to these changes as well in order to continue with an effective marketing strategy. According to Bonchek, this is how customer loyalty is changing.

## **Customer loyalty is declining**

In today's commerce, potential customers have more options and competitive incentive offerings can easily entice traffic elsewhere. Even if you lower prices, it may mean a bump in revenue but it's no longer a guarantee of loyalty. As a result, customer loyalty can no longer be solely measured by repeat sales.

## **Customer loyalty and brand loyalty are no longer interchangeable**

Marketing research indicates that the majority of customers and brands have the exact opposite view of what a loyalty program means. Brands

still consider the programs they offer reflect customer loyalty to the Brand. Customers, on the other hand, see the same programs Brands offer as showing loyalty to customers.

### **There's a new loyalty**

According to Bonchek, the new loyalty is "...reciprocal, authentic and emotional."

- A reciprocal relationship needs to exist between business and customer
- Behavior responses (purchases) are the result of creating emotional responses first
- Customer emotional responses are triggered by gratitude which in turn affect loyalty

### **There's a Shift to Gratitude**

Using **gratitude** in this context means "*a readiness to show appreciation for and to return kindness.*"

Consequently, **appreciation** is the emotion that precedes a behavioral response in a reciprocal relationship. When someone does something nice for us, our human nature wants to return the favor.

### **You Need a Shared Purpose**

Some businesses show their gratitude in the form of a customer appreciation day along with some thoughtful memento. Internet marketers often limit themselves to sending thank you messages for opting-in and making a purchase.

However, gratitude in the form of a "*shared purpose*" is a personalized interaction. Businesses now recognize customers for something other than a transaction, and even help them to share that purpose with others through social media.

Rochek cites the examples of **GE** recognizing and supporting those with healthy habits, and **CustomInk** for applauding the creativity of customers for their T-shirt designs.

## How can Internet marketers tap into expressing gratitude through a shared purpose?

While it would be impossible to express gratitude through a shared purpose with everyone on your list, there are certain things that can create an atmosphere for appreciation and loyalty.

### Consider:

If they are following you on social media, return the favor and following them. Even re-tweeting one of their messages shows you appreciate their interests.

For those leaving comments for you, show your gratitude by going to their social media sites and leaving a positive message of support or response to something else they have posted.

As you learn more about your customers, pass along information that you know they are interested in. One of my customers is interested in quarter horses, and whenever I run across an article or post about quarter horses, I pass it on to her. Now, she may not be a regular customer, but I know that she opens all of my emails.

One internet marketer sends out emails featuring customers from her list – nothing fancy, just a name and their website. When it happened to me I was totally caught by surprise and delighted. Why? – because someone knew my name and took the time to promote me in an email. Am I a loyal customer? You bet.

Another option is no-cost training or Q/A sessions. By making yourself available, your list will know that what you do is not all about the money and that you are willing to share the purpose for their success. It also means that when you give generously at no-cost, they can only imagine what they will learn from one of your training programs.

I leave you with this basic principle from Mark Bonchek –  
**“Cultivate gratitude and loyalty will naturally follow.”**

Resource:

<https://hbr.org/2015/10/why-customer-gratitude-trumps-loyalty>

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