



AFFAIR ALERT

Take note, an ICLP study found that given the many temptations in the market, 79% of Indian customers would cheat on their favourite retailers

Considering today's environment, it seems to be getting increasingly difficult to build customer loyalty. In fact, a global loyalty marketing agency, ICLP (A Collinson Group Company) has found that the majority of Indian consumers are now in less committed relationships with their favourite retailers than ever before, with only 21% feeling devoted towards their preferred retail brands. Devotion, which is a factor of how passionate, committed and intimate consumers feel with a retailer, is key to growing high-value, enduring relationships between people and brands.

THE STUDY

ICLP surveyed consumers in India to rate their experiences with friends and romantic partners, as well as brand relationships, on seven core relationship criteria. Those were recognition, rewards, reciprocity, reliability, respect, trust and communication. By partnering with a global authority on relationship dynamics, Professor Ron Rogge from the University of Rochester, the company was able to create a model that is based on Sternberg's Triangular Theory of Love. The theory focuses on three key components of a relation-

ship; intimacy (willingness to share information with a retailer), passion (brand enthusiasm) and commitment (loyalty), which put into a retail context, allows brands to foster increasingly devoted relationships with customers.

"Our analyses suggested that the same seven basic types of relationships emerged for both brand and close relationships. In fact, a majority of respondents approached their relationships with favourite brands in a very similar manner to how they approached their close relationships. Therefore, developing a strong and devoted relationship with a brand might not be so different from developing a strong and caring bond with another person, suggesting that people might buy with their hearts," explained Professor Ron Rogge, University of Rochester.

The types of relationships analysed range from empty (the least desirable), liking, casual, romantic, companionate to devoted (the most desirable). In fact, the study found that at their most loyal, consumers fall into the devoted group and are enthusiastic, passionate and committed to a retailer. In addition, devoted customers are the most willing group of con-

sumers to share personal information, opinions and desires with their favourite brands, and are least likely to stray to competitors.

THE POWER OF DEVOTION

Devotion is the most favourable state for retail brands, as the study found that 97% of customers that fall into this group would recommend a brand they are devoted to. This is a major indicator of how valuable a devoted customer base is for word-of-mouth, compared with other types of customer relationships. Out of the other five relationship groups, levels of advocacy vary significantly.

Only 15% of customers in a 'liking' relationship would recommend a retailer to others, and 34% in a 'casual' relationship. On the other end of the spectrum, three-quarters of those in 'companionate' and 'romantic' relationships would recommend a preferred brand to others, revealing how powerful a devoted relationship is to a retailer's bottom-line.

WHAT TO CREATE DEVOTED CUSTOMERS

With only 21% of consumers currently falling into this valuable 'Devoted' consumer group, retailers need to find ways to drive this pinnacle relationship across their customer base. The research findings also provided valuable insight into how retailers can tackle the challenge of driving a deeper relationship with customers. The study found that consumer interest in loyalty programmes remains high in terms of encouraging spend, as 76% of shoppers stated they would be encouraged to shop more with a brand if it had a loyalty programme.

The findings also suggest that loyalty goes significantly deeper than traditional points-based reward programmes. Retailers need to understand the key drivers that build more loyal relationships including 'romantic' relationships and that all-important 'devoted' relationship. These more loyal consumer groups shop more frequently, spend more and are better advocates for retail brands. To inspire more devoted customer relationships, retailers should:

- **Foster brand advocacy:** 97% of devoted custom-

ers would recommend a retailer to others, demonstrating the importance of creating and maintaining devoted customer relationships

- **Create stronger rewards programmes:** Though consumers in empty, liking and casual relationships have lower expectations around rewards, 76% of Indian consumers would buy more if they were better rewarded. This emphasises the power of using personalised rewards that 'surprise and delight' customers to move them towards a more devoted state
- **Take time to understand customers' needs:** A whopping 78% would buy more if retailers used their data to understand their customers' individual needs and requirements better. By doing this, retailers can encourage the intimacy required for a devoted relationship
- **Build respect and trust amongst consumers:** As many as 57% would buy more if retailers treated them with more respect, and 65% would buy more if they trusted brands more. Trust is key to securing the commitment that exists where there is devotion
- **Communication is also crucial:** About 74% would buy more if brands communicated with them better. This highlights the importance of using better communications and engagement strategies to create the reciprocal sense of passion present in a devoted relationship

"Thinking about our own personal relationships, we know that people fall in and out of love and friendships – lured by 'pastures greener'. Now we know that the same thinking can be applied to brand relationships, which are dynamic and ever changing; if they weren't, then you would have pretty much a static number of customers year-in, year-out. But relationships are fickle and needs to be nurtured with care, so retailers looking to build and maintain devoted customer relationships should seek to truly understand what the emotional factors are that drive consumer loyalty," suggested Anurag Saxena, Country Head & GM, ICLP India. 