

# *The Role of Loyalty in the Post-Covid Experience.*

***“Always look on the bright side of life”  
- Eric Idle***

In this time of extreme change, brands need to be fully aware of the emotional state of consumers as they navigate this new normal through the next stage of the Covid-19 pandemic. So many aspects of day-to-day life have been modified already, and though we are entering the next stage, there is still so much more to glean and understand as we continue moving forward. What is clear is that brands who understand and design their experience around the emotional mindset of their customers are more likely to survive during these inevitable transitions and secure better long-term customer relationships.

## **Same storm, different boat:**

As the weeks of social distancing continue, optimism is something that consumers and brands alike are longing for. But so far, optimism has been elusive. Just as states have acted inconsistently during the lockdown, they will continue to do so as the country re-opens and people begin to venture out. At the same time, each individual is weathering a different storm. Add in politics, health impacts, job loss, perception, and conflicting information and we find wildly different opinions on the overall emotional state and what will happen next. This has made it difficult for brands to put together effective plans for moving forward and restoring pre-Covid levels of activity.

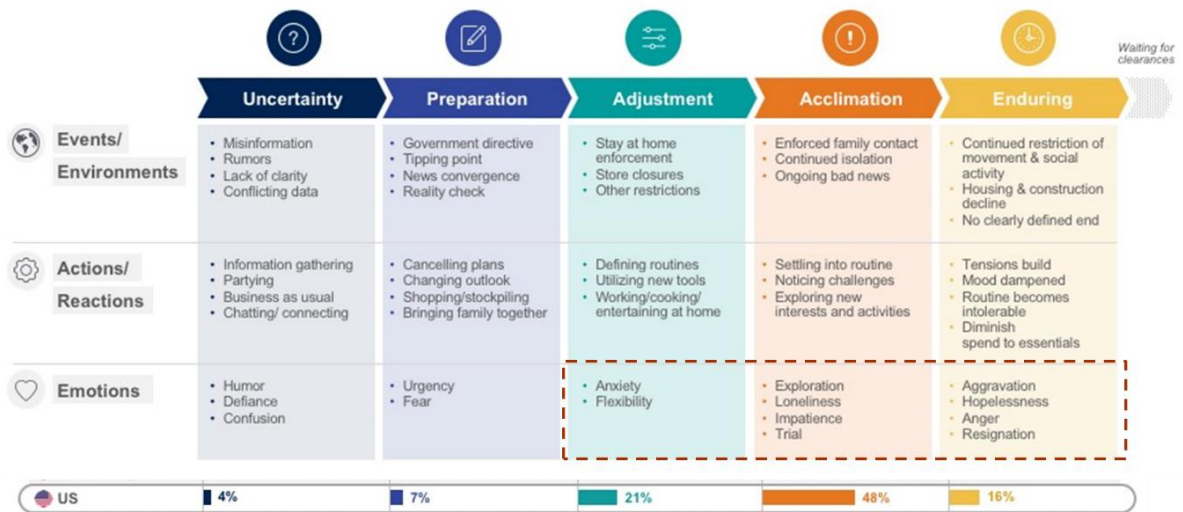
Through all of this, loyalty programs have taken center stage in customer communications for a variety of reasons: customers are readily identifiable, purchase behaviors are understood and the likelihood that the customer will open the email is significantly higher if it is associated with a program. The hidden gem is that when customers have a stronger emotional attachment to a brand due to the program, it opens up the opportunity to have an even more compelling conversation.

**How can brands leverage this emotional connection and the power of their loyalty program to help stabilize customer uncertainty?**

**The changing emotional state of the customer:**

By framing the experience of uncertainty in distinct emotional stages, brands can address customers together, but only if the tone is authentic and relevant to how customers are actually feeling. Embracing this approach can help brands think more clearly about the actions they can take and how well-received these actions will be by consumers. Loyalty comes in as the most flexible voice available for brands to connect with customers through each of these stages.

While there are several social response models, one that is particularly helpful ties events, actions and emotions together. The following chart describes the perceived emotional stages that people go through as they adjust to a prolonged crisis.



<https://www.ipsos.com/en-us/knowledge/consumer-shopper/Ipsos-Pandemic-Adaptability-Continuum>

**Marketing through the lens of emotion:**

Using emotional stages as a compass, marketers have the opportunity to rethink offers, messaging and loyalty tactics to ensure that their voice is relevant. It’s not a surprise to think that the messages that may have worked well in the beginning of the crisis are not necessarily going to work now, or as the country emerges. For example, the message, “we’re all in this together,” may have been perfect a couple months ago, but today a message of access, convenience and empowerment may resonate more with customers entering the next emotional stage.

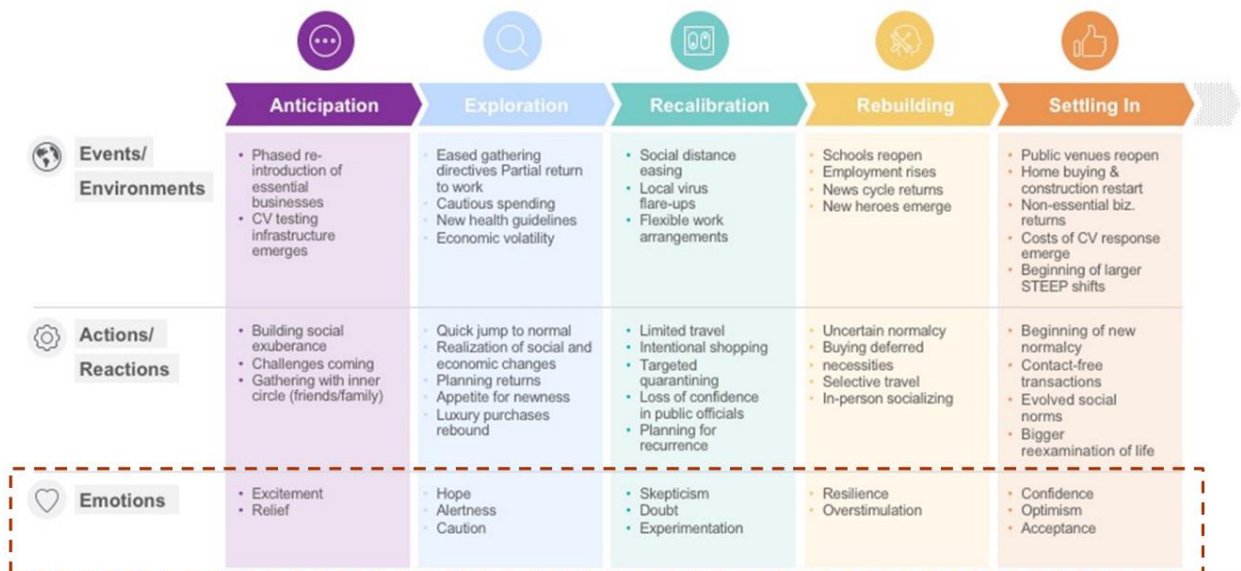
Here are a few examples of effective ways to engage and navigate emotionally with your customers within the context of loyalty in the Acclimation and Enduring phases as mentioned in the chart above:

1. **Exploration and Trial:** Customers are willing to try something new, as long as it makes them feel like they are progressing towards normalcy or reducing discomfort.
  - a. Provide ample means for customers to gain knowledge
  - b. Offer new (relevant) rewards and experiences to your rewards mix
  - c. Focus communications on rewards that relieve any negative feelings

2. **Loneliness and Hopelessness:** Community is the antidote for loneliness. Loyalty programs drive the feeling of belonging as they bring people together around a shared set of values.
  - a. *Remind customers of the community and social connection you share and enable*
  - b. *Focus language on membership instead of being in a program*
  - c. *Provide ways for people to connect and be social around your shared set of values*
  - d. *Relook at charitable contributions during this time as consumers are more attuned into the needs of others*
3. **Impatience and Aggravation:** The need to eliminate disruption from the customer experience is at an all-time high.
  - a. *Use signage, staffing, and workspace alterations to make new routines simple and easy for customers to adopt*
  - b. *Use loyalty communication to make life easier for customers by including instruction, updates, and improvements to their experience, so they are not caught off guard*
4. **Anger and Resignation:** It is human nature to get frustrated when there is little to no control, so be patient and forgiving.
  - a. *Provide a choice of rewards, products or experience to give customers a sense of control*
  - b. *Be persistent in your efforts to help the customer*

**New stage, new tools:**

As we move to post-crisis, things will not return to normal overnight and industries will have different returns. The emotions tied to re-emergence, while more positive, have moments of doubt and exploration. Similar tactics will be required to stay connected as customers switch to a more hopeful set of emotions:



<https://www.ipsos.com/en-us/knowledge/consumer-shopper/Ipsos-Pandemic-Adaptability-Continuum>

It is important for brands to update their toolkit over the next few months and understand that context is king in order to act and operate in an authentic way. With some slight adjustments, loyalty marketers can drive outcomes that are more impactful.

- **Re-segmenting and persona development:** Prior segmentation and consumer personas are not nearly as reliable, considering the context in which customers are behaving has changed. Update segmentation to account for channel shift and add attributes that underscore the emotional drivers of customer decisions.
- **Solving for disrupted habits:** We know that consumer sentiment, motivations and routines have changed. Provide clear, meaningful benefits for disrupted customers and encourage new routines.
- **Understanding behavior shift (whether temporary or permanent):** Be aware of confusing temporary behaviors with permanent changes. Brands are interacting with customers in new channels, many for the first time. Use this as a time to learn about customer likes and dislikes of new experiences.
- **Leverage existing assets for new learnings:** The loyalty program is the most reliable tool to drive new behaviors and meaningful data exchange with customers. Use this time to expand internal understanding of the influence the loyalty program can have.

There is no playbook on what the new normal will look like, so it is best to develop an emotional loyalty marketing mindset for the long haul. For brands to truly understand customer's emotional drivers, they should look into data-driven tools like Kobie's Emotional Loyalty Scoring to help re-segment and decipher customer reactions to messaging, benefits and offers. Ultimately, the success of improving your brand's overall customer experience lies heavily on improving communication and reward strategies. Brands can rest assured that customers want to feel good about their experience at all times. This means that even if things get back to *the way they were pre-Covid-19*, brands should stay emotionally connected to their customers permanently.