

Customer loyalty - It's a dog's life

By [David Alves](#)

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Acquiring today's customer is a lot like getting a dog. They provide an endless amount of value and the feel-good sense of confidence that you're doing a good job. But in this economy, customers are more discerning than ever before. Aided by technology, they're better educated on deals, redemption processes and benefits than ever before, and the only ones we have to thank for that are ourselves.



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In the pursuit of transparency and relatability, we may have educated our customers to the point of our commercial detriment.

"I saw product x for R10 cheaper at store y, and if I use my ABC card at the till at the end of this month, I'll get another 10% off."

This is not necessarily negative, because providing value is what retailers and product owners should be doubling down on when customers are under pressure. The problem many retailers are seeing now is that people are simply spending less; doing with less, accumulating "ABC points" at a slower rate and, in return, retailers are not seeing the attrition rates once seen in previous financial years.

There's less food in the bowl

So, what are the retailers to do? Go deeper on margin? Squeeze suppliers on buy-ins and rebates? Heck, throw money at the problem and give away a whole bunch of free stuff? If you look around very carefully, you'll see the unsustainable manner in which retailers are doing their very best to retain customers in this tough financial situation.

With a lack of customer confidence, socio-political problems and looming constitutional and economic changes in the country, there's no wonder customers are choosing to go with less and hold out on even taking advantage of that 3 for R40 deal.

Customers want to see money in their wallets. They are massively aware of wastage and have tightened their belts to the point where even hands struggle to fit into pockets. The rationality of customer choice is shaky at best and, when everyone is discounting, emotion is playing a much bigger part in the customer spending experience.



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How can retailers react to this? Make a connection. Amanda Cromhout at Truth Loyalty recently stated:

"Loyalty cannot be bought or created; it is earned as a result of loving, understanding & engaging with your customers on a level far deeper than even your greatest discount."

Thinking beyond the discount, beyond the consistent punting of the 3 for R40 deals and the 2x ABC points on special offers; there's a need for understanding love. Love is a powerful force, more powerful than fear. So, what does it mean to love your customer as a retailer?

Every consumer is important. Every interaction. Every experience, a chance to build loyalty. Your ABC points, bucks, savers, swiping programme cannot stand on its own. Now more than ever before, it needs to work in tandem with your overall customer experience to deliver something more meaningful than a discount.

Instead of going deeper on discount, retailers should be training and re-training their staff to deliver better customer experiences at point-of-sale and enhanced interaction moments. What's more, a relook at their online retail architecture to ensure everything has been done to reduce friction when it comes to redemption, loading those all-important ABC points and that there is just enough education at attrition points.

There's nothing more disheartening to a customer than flawlessly loading their ABC points on their app, swiping and bagging, only to be ignored throughout the whole in-store experience. When technology is your blue-ribbon show-dog, and customer experience is your professional grooming service, you're assured of awards all round.



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Unconditional love

What makes a dog's love unconditional? They're always there when you need them and they're loyal to the end. In fact,

everything they provide perfectly aligns with the 5 Ps of today's marketing approach, recently cited in the *Harvard Business Review*,

1. Purpose: Customers feel the company shares and advances their values.
2. Pride: Customers feel proud and inspired to use the company's products and services.
3. Partnership: Customers feel the company relates to and works well with them.
4. Protection: Customers feel secure when doing business with the company.
5. Personalisation: Customers feel their experiences with the company are continuously tailored to their needs and priorities.

These 5 Ps augment the old-guard four Ps of marketing. They bestow a sense of ownership, involvement and belonging. Perhaps even love.

Loyalty isn't about repeat purchase; it's about repeat service. Retailers need to turn the practice on its head because when it comes to loyalty, you'll only truly achieve it by being the dog rather than getting one.

On a side note: If you're going to get a dog, please adopt:

Cape of Good Hope SPCA: <https://capespca.co.za/>

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