

Never Underestimate - 1

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The Power of Emotional Bonding

All too often loyalty initiatives are measured and evaluated in terms of the financial outflow - inflow equation. If I have spent Rs X on rewards and points, have I got back X+ 20% in terms of a lift in sales?

However, loyalty is not always about the transaction and the return. It is also about creating a disposition. A very crucial ingredient of a loyalty initiative cannot be measured in tangible terms - the softer aspect of relationship building with the customer and his family. I wish my customer on his birthday and anniversary, I invite him and his family for a Diwali gathering, I organise a cricket match for my key customers, I take them on a holiday with their wives and children, I send him flowers to congratulate him on an important milestone in his life.....

All these initiatives require outflows - from big to small. Can they be tracked and evaluated in terms of an immediate return on investment? No. Do they help create a positive disposition that will influence behaviour tangibly over time? You bet they do!

Sometimes you need to give before you receive. Invest in the relationship and it will pay in the long term. The trick is to be consistent and patient. Relationship measures work better than anything else in terms of building a strong bond with the brand. And what's more, they can't be replicated by others in a hurry. Truly the best way to build fences around your key customers for the long haul.