

Best Of: Understanding Emotional Loyalty Drivers.

AJ Stocker, VP, Strategic Consulting

Consumers See Between
5,000 To 10,000 Ads A
Day...

... brands must break through the noise.



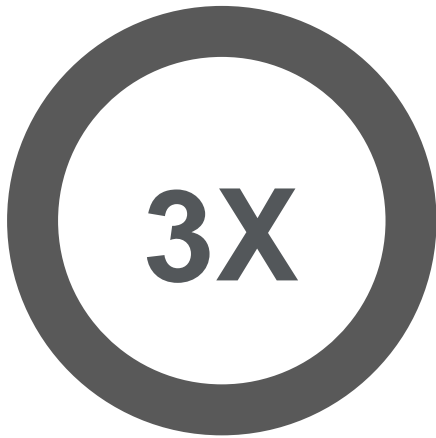
K O B I E

*Your Customers Want To
Connect On An Emotional
Level.*

L O Y A L T Y



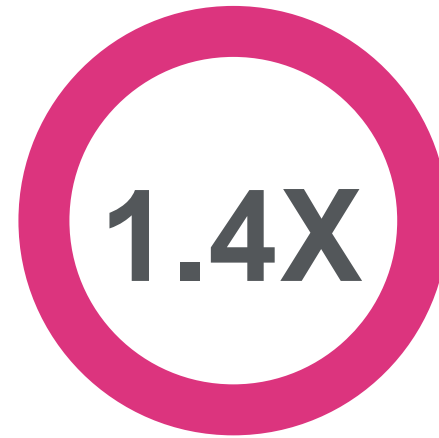
Emotional Connections Matter.



Higher Lifetime Value (LTV) vs satisfied customers*



Longer tenure vs satisfied customers*



More likely to score the highest rating of 10 on NPS**

Sources: *Motista Nov. 2018 Research, Harvard Business Review

**Kobie Marketing Research with 7k+ respondents



3 Types Of Emotional Loyalty.

Kobie's Emotional Loyalty Scoring (ELS®) tells you what kind of emotional loyalty motivates your customers – **HABIT**, **STATUS** and/or **RECIPROCITY**.

HABIT



Driver: I made my decision that this is my preferred brand, and I am now mostly **on autopilot**

STATUS



Driver: I feel **better about myself** based on the way I interact with this brand. they make me feel special

RECIPROCITY



Driver: **I feel there is a two-way relationship** with this brand and I owe it to the brand to stay loyal

Applications Of Emotion Loyalty Drivers.



Improve program design and
value proposition



Reduce promos and
preserve margin



Tailor communications and
messaging



Align experience to resonate
with motivations

Messaging Example:

Anniversary Recognition

H

Thanks for being a loyalty member! You'll see we put 1,000 points in your account...

S

Congratulations - You're one of the special ones who have been with us for 5 years...

R

To thank you for all you do for us – here's something we're doing for you...

For Some, It's Clear...

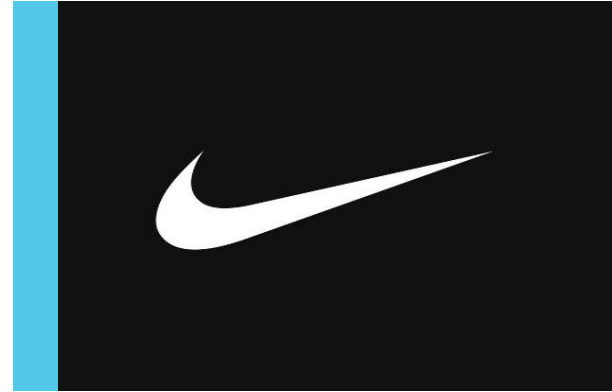
Habit.

Status.

Reciprocity.

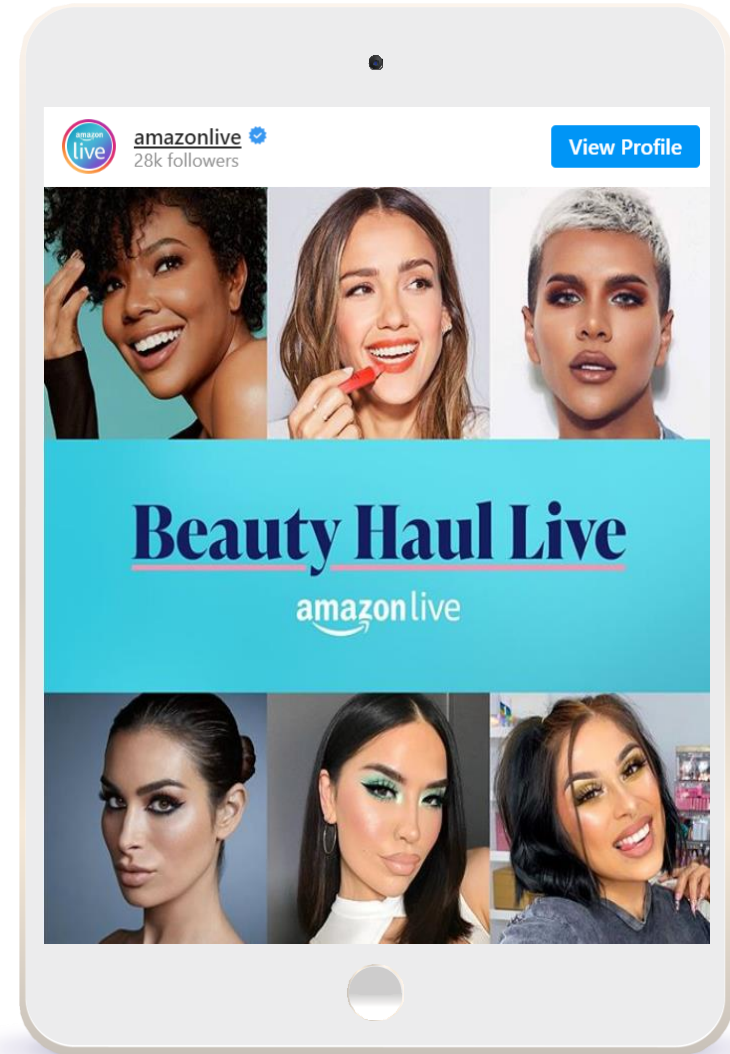


*For Others,
It's More Nuanced.*



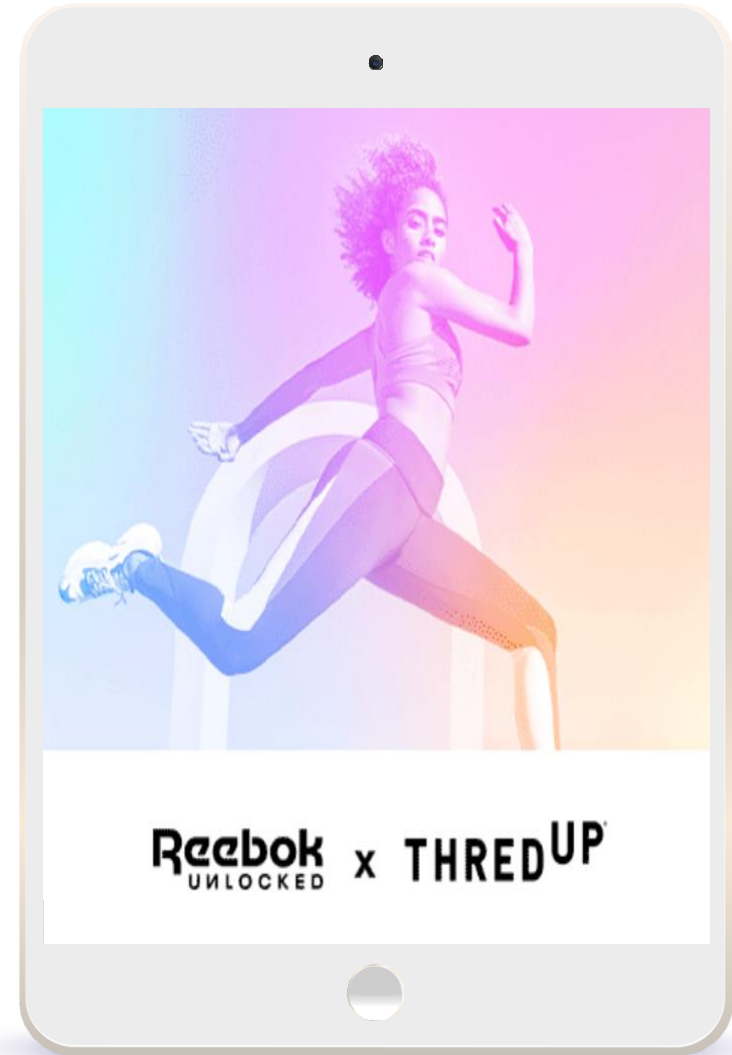
Amazon Live.

- Amazon Prime is gold standard in the Habit category
- 2019 Amazon Live launch expands value proposition beyond convenience
- Appeal to Status-motivated with “be-in-the-know” content
- Beauty brands reach more customers through Amazon's one-click, familiar buying experience
- Amazon gets more traffic from Status customers checking out what’s new
- Beauty Haul Live 11-hour Amazon Live event; hundreds of beauty live streams



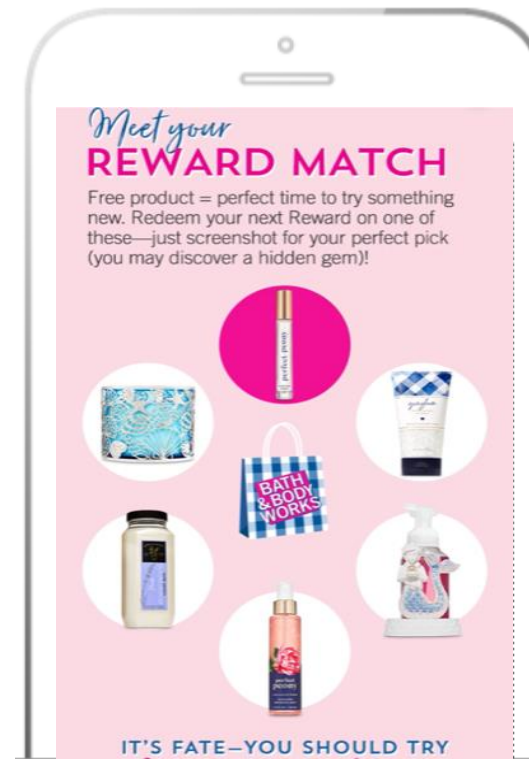
Reebok UNLOCKED *+ thredUP.*

- Partnership appeals to both Habit and Reciprocity
- Convenient “Clean-Out” kit with easy return shipping box
- UNLOCKED members earn 150 rewards points plus thredUP commission on sold items
- Unsold items donated to charity
- Reduce impact on the planet by extending the life of clothing



My Bath & Body Works Rewards.

- Digital-first experience
- Earn points toward free full-size products
- Ever-present rewards progress bar
- Member-only offers
- Sneak peaks and early access
- Member-only quizzes and games engage between transactions
- Clear, motivating messaging



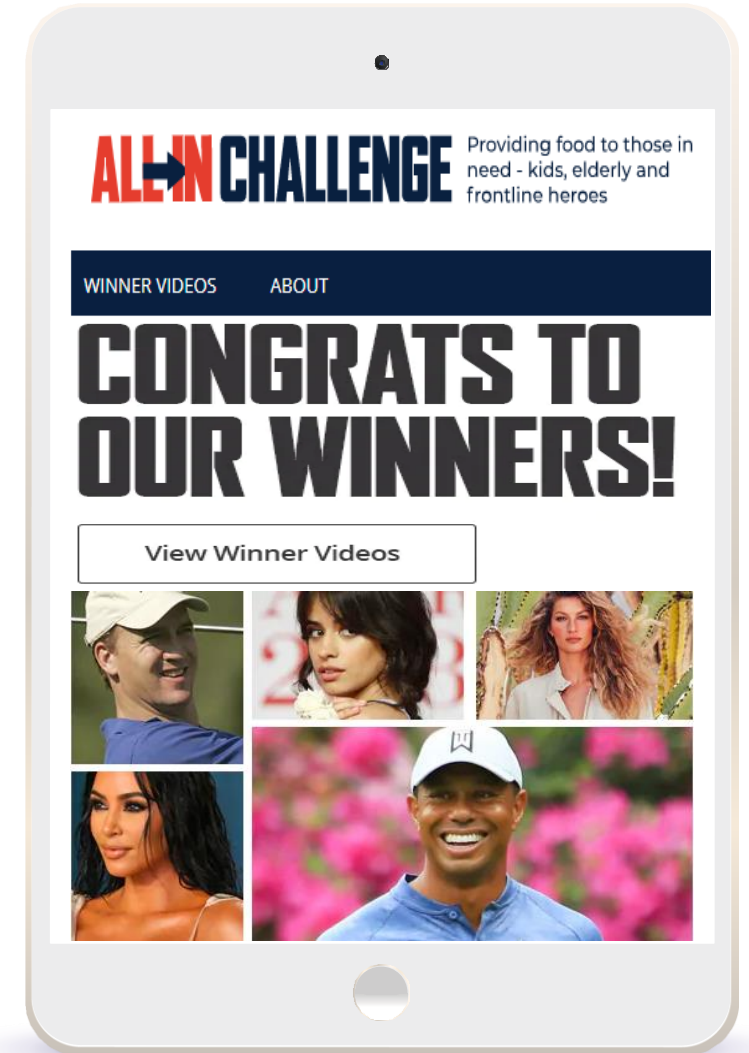
Nike.

- Member-only benefits: Free-shipping, 60-day wear tests, birthday offer and receiptless returns
- Exclusivity in events and member only access
- FOMO-worthy first access to daily content, new products, exclusive designs and promotions
- NIKE Running Club and Nike Training Club communities
- Members “level-up” status with engagement
- Digital integration for seamless engagement



Fanatics All In Challenge.

- Charity live auction and sweepstakes delivered Reciprocity and Status appeal
- Merged philanthropic efforts with fans' competitive spirit
- Promotion offered exclusive experiences like:
 - 1:1 time with "A-List" celebrities
 - Interactions with top athletes
 - Premium seats and behind-the-scenes access
 - Hundreds of one-of-a-kind experiences
- Athletes and celebrities publically challenge each other to be "All In"
- Winners recognized on Fanatics site, social media, PR coverage and on celebrity's site
- \$60 million raised for COVID hunger relief efforts





Key Takeaways.

Make your move by understanding and activating your customers' emotional loyalty motivators

01

Understand your customers emotional loyalty drivers

02

Adjust program benefits, experience and value proposition

03

Assess and adjust customer messaging

04

Create non-transaction engagement with complementary partnerships

05

Enhance segmentation and targeting approach and **expand** KPIs to track emotional drivers

06

Test and learn to preserve margin with optimized offer strategy



Understanding Emotional Loyalty Drivers.

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