

# ENHANCING THE CUSTOMER JOURNEY TO BUILD BRAND LOYALTY

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**Increasing customer retention rates can significantly boost profits. However, many companies struggle to understand how to improve customer retention and build brand loyalty.**

The stakes have never been higher. Consumers today have high expectations and easy access to online product information and customer reviews. They quickly switch brands if they have a negative experience or perceive they could have a better experience. Customers freely use social media tools to share bad customer experiences and warn friends and family away from a particular brand.

Satisfied customers bring repeat business, and each customer interaction is an opportunity to strengthen loyalty to the company's brand. Existing customers often are sources of new business, as they make referrals and recommendations based on their positive experiences.

## THE DECISION-MAKING JOURNEY

Even loyal customers are shopping around and changing brands, so finding ways to retain current customers has become more challenging and urgent.<sup>1</sup> McKinsey & Company researchers analyzed 30 categories of products and services and found only three categories (mobile carriers, auto insurance and investments) where consumers displayed a high degree of loyalty.<sup>2</sup> Of the remaining 27 categories (ranging from cereal to personal care products, computer equipment and women's clothing), 87% of consumers shopped around and only 29% of those shoppers returned to brands they had purchased in the past.<sup>3</sup>

Marketing experts believe the key to building brand loyalty and customer retention lies in understanding the customer experience and decision-making journey. Product quality, price, exceptional service, incentives and rewards all play into customers' decisions on whether to remain loyal to a brand or to make their purchases elsewhere. The goal is to create exceptional customer experiences that retain customers and foster their loyalty when making subsequent purchases.

Younger consumers especially look for more than a simple transaction: They want an enjoyable experience and good memories of the transaction, ones that spur them to return to the brand for subsequent purchases and share their experiences with their peers.<sup>4</sup>

Many companies are turning to customer journey maps to visualize the customer experience from beginning to end. The journey focuses on customers' actions and their points of view when making purchase decisions. It follows customers through their interactions with a company, for both online purchases and direct interaction with sales and customer service staff.<sup>5</sup>

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### **PAYING ATTENTION TO THE DETAILS**

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Some of the effective tactics being used to create positive customer experiences include:<sup>6</sup>

- Use technology to streamline and simplify the purchasing process. Provide options such as stored checkout data, one-touch purchasing or the use of a digital wallet to speed transactions.
- Offer customers exclusive discounts and deals to reward them for repeat purchases. These deals may include free shipping, a special percentage discount, a coupon toward future purchases, or a free sample.

- Offer rewards for referrals to enlist your existing customers in building your brand. In addition to helping you retain current customers, referral rewards provide a source of new customers who are predisposed to doing business with your company.
- Demonstrate genuine concern and empathy in customer service interactions to show customers how much you value their business. By listening effectively and showing proper respect for customers, companies can demonstrate their commitment to building strong, lasting customer relationships.
- Respond quickly to customer issues and actively work to resolve problems. This approach can leave customers with a better impression of the company and a positive memory of how quickly issues were resolved.

**To discuss these topics in more detail, please contact your PNC Relationship Manager.**

1 "The new battleground for marketing-led growth," by David Court, Dave Elzinga, Bo Finneman and Jesko Perrey, McKinsey Quarterly, McKinsey & Company, February 2017.

Available at: <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/the-new-battleground-for-marketing-led-growth>

2 "The new battleground for marketing-led growth," by David Court, Dave Elzinga, Bo Finneman and Jesko Perrey, McKinsey Quarterly, McKinsey & Company, February 2017.

Available at: <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/the-new-battleground-for-marketing-led-growth>

3 "The new battleground for marketing-led growth," by David Court, Dave Elzinga, Bo Finneman and Jesko Perrey, McKinsey Quarterly, McKinsey & Company, February 2017.

Available at: <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/the-new-battleground-for-marketing-led-growth>

4 "How to Create Brand Loyalty Through Customer Experience," by Larry Alton, Independent business consultant Marketing blog, Dec. 11, 2017.

Available at: <https://www.inc.com/larry-alton/how-to-create-brand-loyalty-through-customer-experience.html>

5 "5 Essential Components of Effective Customer Journey Maps," by Phil Goddard, Ph.D., and Kathleen Hoski, Tandem Seven blog, Oct. 12, 2017.

Available at: <https://www.tandemseven.com/journey-mapping/5-essentials-for-customer-journey-maps/>

6 "How to Create Brand Loyalty Through Customer Experience," by Larry Alton, Independent business consultant Marketing blog, Dec. 11, 2017.

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