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5 Smart Customer Engagement Trends You Need Now To Boost Loyalty

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Cookies Are Off the Menu

Consumer Demand for Privacy Means a New Way of Marketing

For years, the way brands interact with their digital consumers has depended on a small piece of data— a tiny text file living on your computers and devices that's commonly known as a third-party cookie. Accessed by servers and the websites you visit, third-party cookies have helped businesses
track visitors anonymously from site to site, providing a better idea of who each user is and what they're looking for.

It's that information that's helped fuel an age of digital personalization. By tracking third-party cookies, advertisers and marketers have tried to put the right ads in front of the right people and target their campaigns to those most likely to respond. And while their rate of success has been spotty, users have gotten used to the results that they've seen: **in an online survey by Forrester, an average of 71 percent of consumers expressed some level of frustration when their experience was impersonal.**

Personalization strategies based on third-party cookies have never been perfect, though. They've often involved guesswork and wrong or outdated assumptions regarding user intentions — and have raised constant concerns around data privacy.

That's where zero and first party data strategy fits in. Based on intentionally volunteered, user-controlled data, and drawing on other data types — especially valuable first-party behavioral data — it's both compliant and precise.
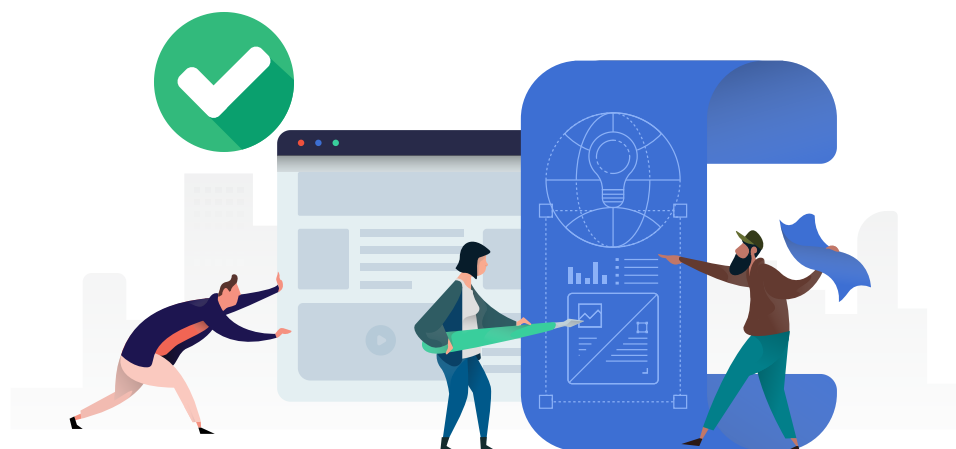
Trend #1: Digital CX Drives Major ROI
Investing in Your Digital Presence is Crucial

70%
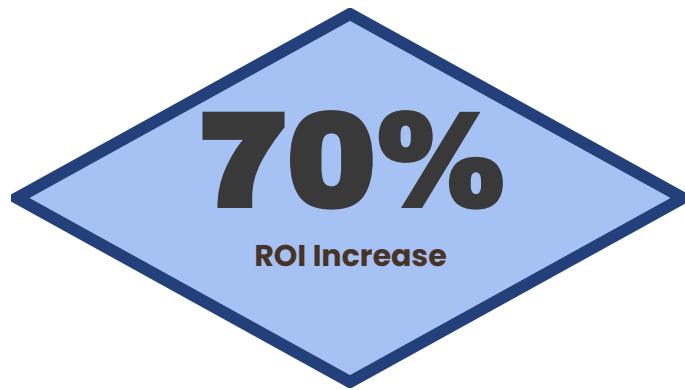
ROI Increase

The average top line revenue increase among companies that invested in digital consumer engagement over the past two years.

The Data Could Not Be Clearer

The pandemic pushed the fast-forward button on digital customer engagement, and consumers haven't let up on the gas pedal since. As long as businesses can improve their ability to engage with consumers in a personalized and trusted way online, B2C brands that have doubled down on their digital eCommerce efforts should continue to reap the rewards.

How Do Brands Meet Growing Demand

Many brands question how they can meet the growing demands for personalization service and building transparent relationships.

Why?

Because building personalized customer engagement experiences means that brands must have a deep well of customer data to access in order to create a customized experience for each customer. To do that right, they need to demonstrate a commitment to using personal data in an trustworthy way. This creates a unique balancing act for companies, but those who master it will be the organizations that reap outsize rewards.

Trend #2: Make it Personal

Today's Consumer Wants An Experience Made Just For Them

75%
of Companies
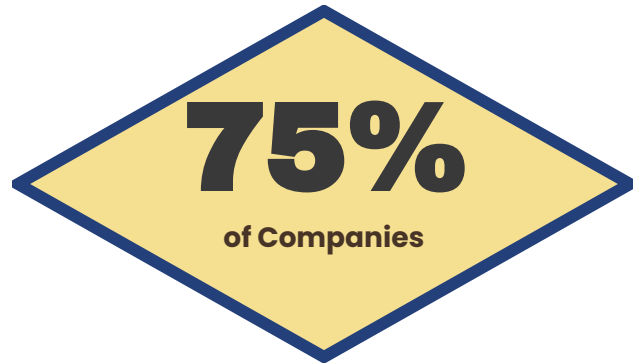
75% of Companies Who Have Begun Using Deep Data to Personalize Their Marketing Efforts Have Seen An Increase in Sales

Never a Better Time

There has never been a time when the personalized customer experience was more important than it is today. A multitude of studies reveal that personalization improves the customer's experience, helps drive sales, and increases customer loyalty. If there's one aspect that is essential to building customer loyalty, it's creating personalized engagement and establishing a rewarding **customer journey** through your entire brand.

Customer Journey Intersection Points

The customer journey is all the intersection points that a customer has, that is, every interaction the customer has with a business, from the first time they search for your business online through to them placing and receiving their order. By looking closely at the intersection points in the customer journey with a robust **Customer Loyalty Platform** brands can create a history for each customer, determine future buying trends, make relevant suggestions and recommendations, and personalize the experience a customer has with a business, all of which has the effect of improving the customer experience.

Trend #3: Emotions Influence Purchasing Power

The Data Could Not Be Clearer

A Desire for Personal Experience Creates Emotional Connection

57%
of Consumers

57% of Consumers Indicate that an Emotional Connection to a Product or Brand is a Deciding Factor in Purchases

Emotional Connection to Your Products

Most people can remember a time when they purchased an item with no questions asked because it simply felt good. Tapping into customers' emotions to drive marketing efforts is the differentiator between a good brand and a powerful brand. Smart, future-focused companies have been looking at the emotional side of customer experience strategy for some time now, because it plays a major role in the purchasing decisions of consumers.

Marketing Experts Agree

While most marketing experts will agree that emotions influence decision-making, determining how to harness that knowledge has proven difficult for many without a **robust, data-driven Customer Loyalty Platform** to back it up. A big cause for this confusion is the type of data brands are using to achieve a deeper understanding of their clients. Big data can be useful in understanding WHAT consumers are doing once they arrive at your website, but it tells us little about WHY they are making the choices they are, or forecasting future behavior. Leveraging small data like **First and Zero Party** data such as a customer's values, behaviors, likes, and dislikes is the best indicator of future performance and the best way to produce longevity for your brand.

Trend #4: The Age of Artificial Intelligence is Here

The Push for Real-Time Experiences Drives The Need for Predictive Modeling

61%
of Consumers

61% of Consumers Say That They Appreciate Brands That Make Customized Suggestions for Products and Services Based on Their Purchase History

Customers Appreciate Brands

The marketing function of a company can greatly benefit from artificial intelligence (AI). In order to match products or services to customer needs, and to persuade clients to buy, AI technology has the potential to make a dramatic difference. Artificial intelligence tools are being used increasingly to enhance customer experience. These tools are able to interpret customer data in order to identify needs and preferences. They can also provide personalized recommendations and solutions. This allows businesses to create a more customized experience for their customers. It also helps them understand the different stages a customer goes through as they use their products or services.

AI Connects All Customer Data Points

Ai is widely used today to simplify processes, increase efficiency, and reduce errors. But deploying real AI means having the proper tools in place to facilitate predictive analytic models. Since these models are created from comprehensive customer data points, the more data you collect and deploy about your customers, the better your use of AI tools becomes. In this way, businesses are able to understand their customers' needs, and thus they are able to create the right content for them. This is why a data-driven **Customer Loyalty Platform** is so crucial to essence of Customer Experience.

Trend #5: Micro-Segmentation is Now Industry Standard

When it Comes to Customer Loyalty, People Want to Be in a Group of One
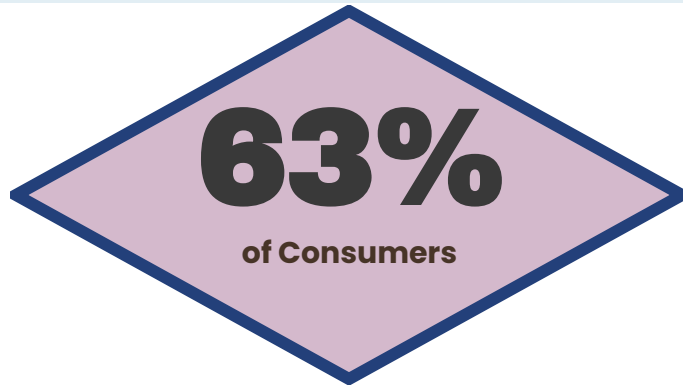
63% of Consumers

63% of Consumers Say They Want an Experience Catered to Their Specific Purchasing History and Predicted Purchases

Micro-Segmentation is Needed

Group segmentation used to be enough to deliver a personalized experience that customers appreciated. Now however the customer no longer wants to be treated as a group of people with similar interests (which is referred to as "audience targeting"), they want to be treated as an individual with very specific likes and dislikes. This is an example of **micro-segmentation**, and it's what customers are expecting now. In fact, the level of specificity for customers has gotten to the point where audience targeting is practically considered to be spam.

Marketing Efforts Start From The Outside

To do micro-segmentation correctly, your marketing efforts need to start from the outside and work inward. For example, begin by capturing the broadest data points of your customers (such as basic demographic information, location, etc.) then funnel down to more specific data points, such as online behavior, purchasing history, and then if you have it available, psychographic data. The further you can condense your data down to a **360-degree single customer viewpoint**, the more highly targeted - and successful - your marketing efforts will be.

Conclusion

How to Implement These Trends NOW to Boost Your Customer Loyalty

75% of Companies Think They're Providing Good Personalized Experiences; Only Half of Consumers Agree. The Takeaway? There's Room for Improvement

Nurturing relationships with existing customers is crucial to establish staying power in todays' digital landscape. It's a growing reality that building loyalty programs centered around engagement is a key driver for **long-term customer loyalty**. Smart brands across all industries are responding to today's hyper-personalized trends by utilizing robust data-driven platforms and building versatile customer loyalty programs aimed at turning passive customers into promoters. Some marketers may think loyalty programs are a time consuming strategy that delivers a low return on investment; however the data is clear, personalization and data is the foundation of all great customer experiences.

Whatever direction you take, always remember that at the core of a successful business is a base of loyal and satisfied customers. So, employ data – but make sure to do it in a way that will help you find quick and effective ways to keep your clients happy and coming back for a long time. The best way to do that? **A Customer Loyalty Platform like Group FiO's.** If you're serious about developing a Customer Loyalty Program that yields powerful results driven by deep customer data, Contact **Group FiO** to find out more and get started on real **Customer Loyalty TODAY**

Contact Us

For any questions or to request a demo of FiO's Customer Loyalty Platform Please Contact:

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