

Loyalty in the Age of the Emotional Consumer

Forget points,
spark passion

Ogilvy One

The graphic design features a series of overlapping semi-circles and concentric lines. On the left, a grey semi-circle is partially visible. To its right, a series of concentric black and red lines form a semi-circle. Further right, another series of concentric white lines forms a semi-circle. On the far right, a large grey semi-circle is partially visible. The bottom half of the image is divided into a black area on the left and a white area on the right, with the semi-circles appearing to rise from this horizon line.

The old adage "loyalty is earned" has a whole new meaning in today's dynamic marketplace. The days of simply throwing discounts and rewards at customers are long gone. Today's discerning consumer craves connection. They want brands that resonate with their values, aspirations, and individual definitions of progress. This is where the power of emotional connections comes into play, forging bonds of loyalty that go beyond the transactional and tap into the very core of customer loyalty.

Creativity and innovation transcend simply offering a good product or service; it delves into the realm of experience. It's about crafting a bespoke journey for each customer that speaks to their unique needs and desires. It leverages the brand's purpose and vision, infusing that ethos into every facet of the customer relationship, making it clear that "it pays for me to be loyal to this brand."

But transformation itself is no longer a one-size-fits-all concept. In a world of diverse demographics, evolving lifestyles, and individualistic aspirations, brands must personalize the meaning of relationships for each customer segment. **Marketing**

Effectiveness Consultancy MESH, demonstrates that experiences that are positive + relevant drive consideration by 3X This requires a deep understanding of their motivations, preferred channels of communication, and the services and experiences that resonate most powerfully with them, fostering a sense that "this brand cares about me and my values" Technology

will be a crucial enabler in this endeavour. By harnessing the power of data, brands can create a truly connected customer journey. Imagine personalized communications that anticipate needs, streamlined service interactions that eliminate friction, and exclusive access to the latest brand innovations in products and services that reinforce the brand's commitment to the customer's progress.

Ogilvy One's Relationship Design methodology is ultimately about forging a bond beyond the purchase. It's about cultivating passionate advocates who not only choose your brand but champion it within their own circles, creating a community where "this brand gets me." This designed relationship is the ultimate competitive advantage in a marketplace saturated with choice and the increasing exponential rate of change in consumer behavior. It's about making customers feel seen, heard, and valued, transforming them from satisfied buyers into lifelong brand enthusiasts.

3x

more consideration
with positive and
relevant experiences

The background features a large, abstract graphic on the right side. It consists of several overlapping, semi-circular patterns of concentric lines. The top pattern is black and white, the middle one is red and white, and the bottom one is white and black. A solid red vertical bar is positioned on the far right, partially overlapping the patterns. The overall design is modern and geometric.

4 PATHWAYS TO MAKE LOYALTY & CRM SUCCEED

The ambition to design a meaningful and long-lasting relationship with your customers does not happen unless you have proven strategies. In our latest research with top loyalty and CRM experts in the EMEA region, we uncover what it takes to make loyalty and CRM programs succeed.

- 1. Data Without Understanding is Noise**
- 2. Loyalty Requires Courage & Commitment**
- 3. Adapting Through Creativity and Innovation**
- 4. The Power of the Collective**

DATA WITHOUT UNDERSTANDING IS NOISE

The foundation of emotional connection

We're drowning in data, but to what end? In the book, "The Library of Babel" by Jorge Luis Borges, he imagines a series of connected rooms that contain every possible combination of letters. Every coherent book ever written will exist in the vastness of this library between the countless meaningless texts. In the immensity of this knowledge, we confront the reality that it's all functionally useless. The same is true for much of the data brands have stored in their vast tech stack. It's not the volume that matters; it's how you unlock it.

Data must become tangible, addressable, and insightful to forge real connections with your customers—and that takes more than just numbers. It requires bold investment in three critical areas:

Sharp analysis
Cutting-edge technology
Exceptional talent

Analysis

Data collection is just the beginning, but the fundamental understanding of your customers begins with knowing how to analyse the data. This is where you can uncover the "who" behind your customers' behaviour, the person behind the customer. What motivates their purchases? What are their pain points? What are their aspirations? As **Krinio Christaras, Head of CX MENAP at Mondelēz International**, aptly states:

“Loyalty can be cultivated through well-designed programs that stem from a profound understanding of our consumers' needs and behaviors.”

Krinio's understanding comes from a rigorous analysis of the collected data, wherein you identify patterns and extract meaningful insights that can inform every aspect of the customer journey. The rise of AI tools is making

this analysis easier than ever, but it needs to come with clear guardrails and understanding—guardrails grounded in your brand's purpose and mission and a clear understanding of the limitations of the current AI tools.

Technology

Collecting, storing, analysing, and activating customer data relies on the right technology. There are a number of tools brands can use for these tasks, and it depends on each brand's specific needs and goals. This might involve investing in a robust CRM system, a sophisticated marketing automation platform, or even building a dedicated data science team. **Isabel Bargans, Head of CRM Iberia at Nestlé Spain, highlights the crucial role technology plays in their loyalty program:**

“The idea is that the program should keep on growing in terms of return, with more sophisticated data plans that could add value to the consumer. Integration of the data and automatization seems key for the near future.”

Talent

If we return to the library example, finding the right book is one thing. If it's in a language the reader doesn't understand, the information inside is near meaningless. Building a team equipped to manage, analyse, and translate data into actionable strategies for the brand is paramount. This might involve hiring data scientists or CRM specialists or investing in training programs to upskill existing teams.

“The lack of a cohesive strategy, inadequate technology infrastructure, and unappealing rewards for end-users will guarantee the program's failure. Data is at the core of making all these aspects work.”

MONA AL BORNO, MARKETING DIRECTOR AT MAF

By investing in Analysis, Technology, and Talent, brands can transform data noise into a symphony of customer understanding. This understanding becomes the bedrock upon which **Relationship Design** delivers personalised experiences,

tailored communication, and emotional connections. We go from *managing* customers to designing experiences for customers.

81%

(25/31) believe that transforming raw data into actionable insights is paramount to understand and connect with customers emotionally.

EMEA LOYALTY
LEADERS
RESEARCH
INSIGHT

LOYALTY REQUIRES COURAGE & COMMITMENT

A cultural transformation

“If we don't reinvent what loyalty means in our industry and just copy and paste from other industries, I think it will fail.”

This powerful statement from **Conny Kalcher, Group Chief Customer Officer at Zurich Insurance**, underscores a crucial truth: building genuine loyalty requires more than replicating what others are doing. It demands courage, commitment, and a willingness to disrupt the status quo.

This begins with a clear understanding of what loyalty means for your brand and how it can differentiate you in a crowded

marketplace. It requires moving beyond the transactional, envisioning a future where customers are not just buyers but passionate advocates and active participants in your brand story.

This vision, however, cannot be achieved through marketing efforts alone. It necessitates a cultural transformation, embedding a customer-centric mindset across every organisational facet.

“You need a certain type of culture and staying power to do loyalty well. It's not a short-term endeavour — it's long-term, it's a strategic choice that you have to get 100% behind with major alignment from the top (CEO) to the bottom of the organisation.”

JEREMY HAYWARD (FORMER LBG CLIENT)

EMPOWERING EMPLOYEES:

Frontline employees are the face of your brand. Empowering them to go above and beyond to create exceptional customer experiences is crucial. This might involve providing them the autonomy to resolve issues, the training to deeply understand customer needs, and the tools to deliver personalised service.

BREAKING DOWN SILOS:

Loyalty initiatives thrive on cross-functional collaboration. Silos between marketing, sales, product development, customer service, and IT must be dismantled. A unified approach, where all teams work together to create a seamless and personalised customer journey, is essential to success. Nestlé Spain's NFC program is a prime example of this collaborative approach, where teams from the advertising agency, the CMR Nestlé Family Club, IT, and the global data teams from all Nestlé categories create a single core team that in unison are accountable for its success.

68%

(21 out of 31) believe that loyalty shouldn't be rigid, but rather constantly reinvented to survive, an organization that fails to adapt will fail.

EMEA LOYALTY LEADERS
RESEARCH INSIGHT

EMBRACING CHANGE:

Building true loyalty often requires challenging long-held assumptions and disrupting existing structures. This might involve rethinking organisational hierarchies, investing in new technologies, or even overhauling.

ADAPTING THROUGH CREATIVITY & INNOVATION

The secret sauce in making
emotional connections

“In such a competitive sector, where purchases are not as rational, it is necessary to continue innovating, obtaining information, and creating strategies that allow us to continue delivering these benefits.”

This insightful observation from **Juan Carlos Murillo, CRM Data Specialist & Project Manager at Nestlé**, highlights a fundamental truth about the loyalty landscape: the need to constantly evolve. What worked yesterday might not resonate today, and what works

today might be obsolete tomorrow. To thrive in this dynamic environment, brands need to embrace a mindset of relentless creativity and innovation, constantly adapting to meet the ever-changing expectations of their customers.

“We've had the club for a long time and it's been doing really well — it's taken a bit for granted. I think it's a hidden gem in the business and so it probably hasn't had the attention it needs.”

OGILVY CLIENT

“My vision for the future is a 'loyalty as a service' model thriving within a vastly broader and more connected ecosystem.”

KRISTYANE VONG, CDX - GLOBAL CRM & CONSUMER CARE LEADER AT MICHELIN

77%

An overwhelming majority of interviewees (77%) believe that embracing new technologies, experimenting with different approaches, prioritizing creativity, and continuously evolving are essential for loyalty programs to thrive.

EMEA LOYALTY LEADERS
RESEARCH INSIGHT

EMBRACING NEW TECHNOLOGIES:

From AI-powered personalisation to gamified experiences, augmented reality, and beyond, brands must be fearless in exploring how new technologies can enhance loyalty programs and create more engaging and rewarding interactions. Nestlé Spain, for example, is already exploring the potential of AI for personalisation, while Eurobank has implemented AI to highlight potential cashback opportunities to customers.

EXPERIMENTING WITH DIFFERENT APPROACHES:

The days of one-size-fits-all loyalty programs are long gone. Brands must experiment with other strategies, tailoring their programs to their diverse customer base's unique needs and preferences. This could involve exploring tiered benefits, experiential rewards, subscription models, or even partnerships with other brands to create a more holistic and valuable ecosystem. For example, Majestic Wine's "Lock It In" program offers a subscription-like model for specific wine groups, catering to a particular customer segment and providing a unique value proposition.

RELENTLESS CREATIVITY:

Creativity is the lifeblood of any successful loyalty program. Brands need to constantly inject fresh ideas and engaging content to keep their programs from becoming stale and predictable. This could involve surprising customers with unexpected rewards, gamifying the experience, incorporating user-generated content to foster community, or partnering with influencers who resonate with their audience. The F1 team reused an old technology, robocall, to bring F1 drivers to fans' phones through the amazingly creative "Wake Up" call program.

CONTINUOUSLY EVOLVING:

Long-term success in loyalty relies on continuous evolution. Brands must constantly monitor customer feedback, analyse program performance, and adapt their strategies to stay ahead of the curve. This requires a willingness to challenge existing assumptions, experiment with new ideas, and never settle for the status quo. By embracing this agile and adaptive approach, brands can create loyalty programs that are rewarding, engaging, inspiring, and reflective of their customers' ever-changing desires.

THE POWER OF THE COLLECTIVE

Partnerships in loyalty – a delicate dance

“We're seeing a growing trend of brands forming strategic partnerships to amplify their reach and increase visibility.”

KRINIO CHRISTARAS OF MONDELEZ INTERNATIONAL

Brands are recognizing a growing trend in the loyalty landscape: they don't have to go it alone. A strategic use of partnerships can help amplify reach, enhance value, and create more engaging experiences for customers. When executed effectively, partnerships can be a powerful force multiplier for loyalty programs. They offer a range of potential benefits, including;

ACCESS TO NEW CUSTOMER SEGMENTS

Partnering with brands that target complementary audiences allows you to tap into new customer pools and expand your reach beyond your existing base.

ENHANCED VALUE PROPOSITION

Partnerships can provide access to a broader range of rewards, experiences, and benefits, making your program more appealing and valuable to customers.

INCREASED ENGAGEMENT AND FREQUENCY

Offering more opportunities to earn and redeem points across a wider network of partners can drive higher engagement and program usage.

SHARED MARKETING COSTS AND RESOURCES

Partnerships can allow you to pool resources and share marketing costs, maximising efficiency and impact.

For a prime example of a successful multi-category program that effectively leverages partnerships, let's look at **Virgin Red**. By connecting various Virgin brands and partnering with external companies like Tesco, Chase, and Citibank, Virgin Red offers a diverse range of rewards and experiences, allowing customers to earn and redeem points within a broader ecosystem.

"However, partnerships inherently carry certain risks, which we are carefully evaluating as part of our strategic considerations," cautions **Christaras**, highlighting the need for careful consideration and strategic alignment. Misaligned partnerships can result in:

**BRAND
DILUTION:**

Partnering with brands that don't align with your values or target audience can confuse customers and dilute your brand message.

**CUSTOMER
CONFUSION:**

Poorly integrated partnerships can create a fragmented customer experience, making it difficult for customers to understand how to engage across different partners, ultimately leading to frustration and disengagement.

**OPERATIONAL
COMPLEXITY:**

Managing multiple partnerships can add significant complexity, requiring careful coordination, communication, and potentially costly technological integrations.

To navigate the partnership landscape effectively and maximise the potential while mitigating risks, brands need to adopt a strategic approach.

74%

While nearly three-quarters of interviewees (74%) recognize the potential of partnerships to boost loyalty programs, they caution that strategic planning and seamless integration are essential to avoid pitfalls.

EMEA LOYALTY LEADERS
RESEARCH INSIGHT

“A stand-alone loyalty program is not enough, it needs to be 'fed' with different acquisition/retention tools like CRM programs, subscription or exclusive services.”

JOËL MULLER AT NESTLÉ, GLOBAL

- 1. Define clear objectives:** Before approaching potential partners, clearly define what you hope to achieve through the partnership. Is it increased reach, an enhanced value proposition, access to new customer segments, or a combination of these factors? Clearly defined objectives will guide your partner selection process and ensure alignment from the outset.
- 2. Choose partners that align with your brand:** Look for partners that share your brand values, target a complementary audience, and offer products or services that enhance your brand experience. The partnership should feel natural and beneficial to both brands and, most importantly, the customer.
- 3. Seamlessly integrate partners into your program:** Ensure a smooth and consistent customer experience across all partners. Clearly communicate how to engage and strive to make the integration seamless to avoid customer confusion and frustration.
- 4. Continuously monitor and evaluate performance:** Regularly track key metrics to assess the effectiveness of your partnerships. Are they driving the desired results? Are customers engaging with the partner offerings? Be prepared to adjust, re-negotiate terms, or even dissolve partnerships that aren't delivering the expected value. Loyalty program partnerships are a delicate dance, requiring careful planning, execution, and ongoing management. By prioritising strategic alignment, clear communication, and a customer-centric approach, brands can harness the power of the collective to create enriching and engaging loyalty experiences.

THE FUTURE OF LOYALTY

A tapestry of emotion, data, and innovation

The landscape of customer loyalty is undergoing a profound transformation. The days of transactional, one-size-fits-all programs are fading into the past, replaced by a new era where emotional connection, data-driven personalisation, and relentless innovation reign supreme.

“In a changing and increasingly unreliable world, and in an ultra-competitive and increasingly opaque sector, being able to maintain a trusted relationship with your consumer is the gateway to being able to continue maintaining it.”

JUAN CARLOS MURILLO, CRM DATA SPECIALIST & PROJECT MANAGER, NESTLÉ.

Loyalty is an emotion, not a transaction. No statement better and more succinctly defines the essence of modern loyalty. Customers today crave more than just rewards; they seek belonging, shared values, personalised experiences, and relationships with brands that truly understand and anticipate their needs.

Building genuine emotional relationships with customers requires understanding their motivations, aspirations, and values. This involves moving beyond demographic data and delving into psychographic insights, understanding what makes your customers tick, what they care about, and what drives their decision-making.

To thrive in this new era, brands need to embrace a holistic approach to loyalty, based on these fundamental principles:

DATA AS A GUIDING LIGHT:

When analysed effectively, data becomes a powerful tool for personalisation and anticipation. By understanding customer behaviour, preferences, and pain points, brands can tailor their communications, offers, and experiences to create a sense of individual recognition and value.

THE COURAGE TO CHALLENGE:

Building true loyalty requires a willingness to challenge the status quo, challenge existing structures, and embrace new technologies and approaches. This might involve rethinking organisational hierarchies, investing in new technologies, or even overhauling existing business models to become more customer-centric.

A CULTURE OF COLLABORATION:

Loyalty is not just a marketing initiative; it's a company-wide philosophy that needs to be embedded in every facet of the organisation. Breaking down silos between departments, fostering cross-functional collaboration, and empowering employees to go above and beyond for customers is essential for creating a truly customer-centric culture.

RELENTLESS INNOVATION:

The loyalty landscape constantly evolves, and brands must evolve. This requires a commitment to continuous improvement, a willingness to experiment with new technologies and approaches, and a relentless focus on delivering exceptional customer experiences.

The brands that will win understand that loyalty is not a destination but a relationship. Lasting relationships are a journey of continuous learning, adaptation, and deep commitment. By embracing these principles, brands can build long-lasting relationships with people beyond purchasing—where people are passionate advocates, active participants in a brand's story, and integral members of a thriving community. In the ever-evolving landscape

of customer relationships, loyalty remains an elusive yet invaluable prize. It's no longer a destination achieved through transactional rewards, but a journey of shared success built on emotional connection, data-driven understanding, and a relentless commitment to exceeding customer expectations.



BUILDING EMOTIONAL BONDS

Loyalty stems from meaningful propositions and value exchanges, building bonds that lead to true loyalty derived from that emotional connection we build over time.

Ogilvy One's Relationship Design unlocks positive emotions and engagement, driving valuable, positive relevance by design. With it, a brand can diversify, engage deeply, or innovate. We use creativity to enhance customer relationships, unlock brand potential, and leverage technology and data.

Our approach drives loyalty, enhances brand equity, and boosts profitability, making brands more valuable to consumers and consumers more valuable to our brands.

Driving Brand preference

WHY LOYALTY

Because loyalty creates an emotional connection with customers, and measurable financial impact for the business.

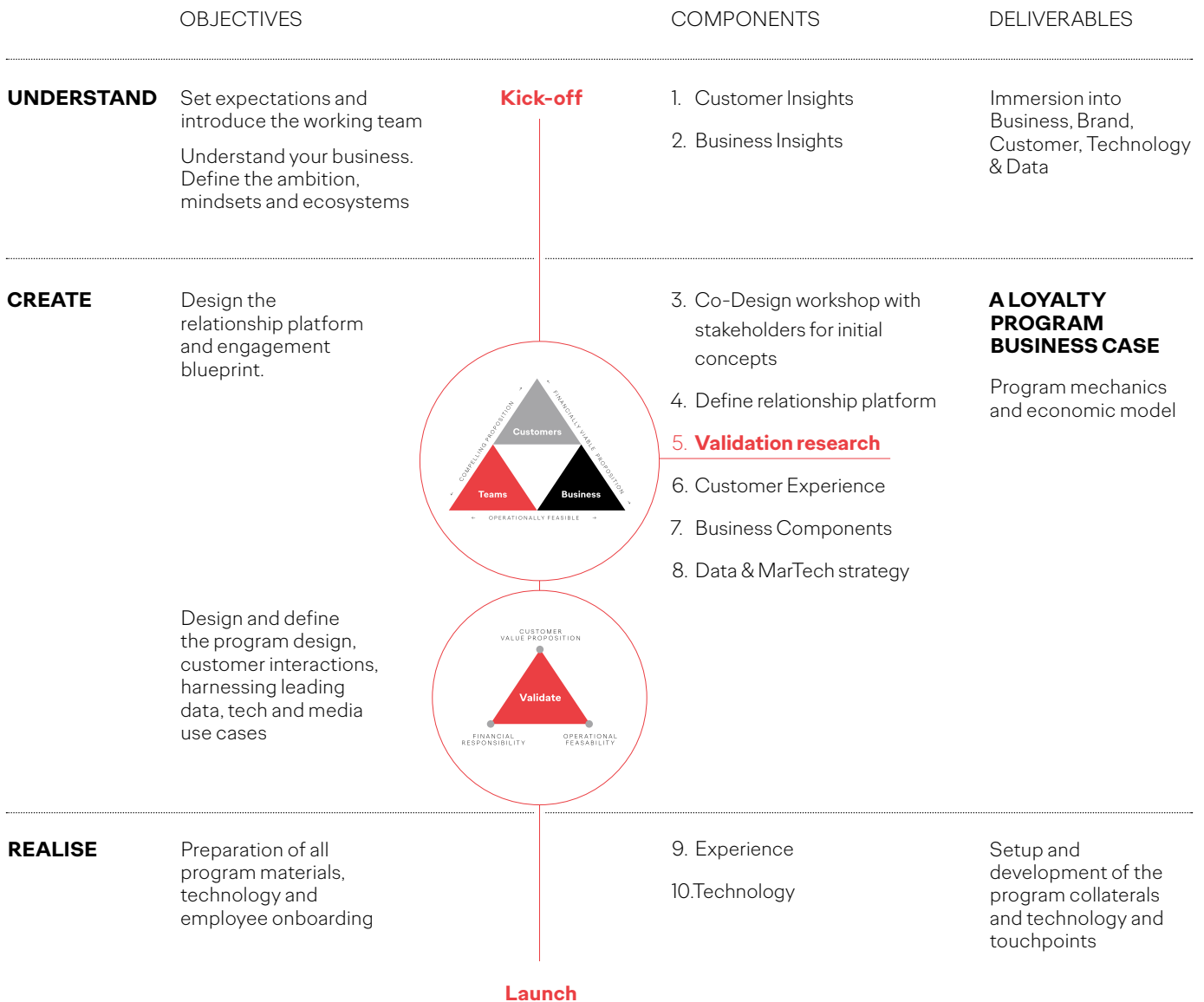
Improves and enhances the total customer experience

Creates brand differentiation through the 4 bonds of loyalty

Builds brand equity

Increases customer LTV

Loyalty program design process



ACKNOWLEDGMENTS

Ogilvy would like to extend our sincere gratitude for the invaluable contribution to all participants in our research project on the impact and value of loyalty programs for brands in the EMEA region. Your expertise and insights were instrumental in shaping the findings and the development of this report.

We sincerely appreciate the time and thoughtfulness you dedicated to this endeavour. Your participation has enriched our understanding of the evolving loyalty landscape and the critical role these programs play in driving brand success.

Thank you once again for your invaluable support and collaboration. Your efforts have not gone unnoticed; we are truly grateful for your contribution.

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ABOUT US

Ogilvy One

...creates brand, business, and customer value by designing personal, data-driven relationships at the intersection of creativity and technology.

ONE GOAL

Creating impactful relationships by Design

ONE BELIEF

Most customers say brands don't get them. So brands need to build a new kind of relationship with their customers

ONE BELIEF

One led by creativity. One powered by data. One supercharged by AI. And one built for an audience of one.

ONE TEAM

We are thousands of creative people, each bringing our own ideas, skills, experiences and superpowers. We collaborate borderlessly, across timezones, disciplines, cultures & beliefs.

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