



BUILDING AND ADAPTING EMOTIONAL LOYALTY DURING THE COVID-19 PERIOD



Since Covid struck, consumer behaviours have been in flux. The temporary closures of physical stores and the growth of online shopping reaching new heights¹ has led customers to change their consumption patterns to fit with the changing world.

When 'non-essential' stores re-opened their doors once more in June, it was not the experience we were used to. Retailers needed to entice customers back into the store, overcoming hurdles such as increased anxiety caused by the virus and meet new spatial and mask-wearing measures. The rise in online shopping also blurred pre-pandemic customer loyalty further, as customers explored other brand offerings – less likely to be constrained by locality.

As part of shifting consumer preferences, we have witnessed² new gravitation towards brands which are demonstrating purpose. Therefore, it's no surprise that purpose-driven organisations are growing at more than double the rate of other organisations.

Recent Capgemini research underscores³ this, with more than half of respondents stating that they expect brands to give back to society, showcasing their sense of purpose. This means that organisations

should look to create a deep and personal connection with their customers by establishing a consistent and genuine emotional loyalty.

The constantly changing environment drives the need for retailers to ensure that their purpose shines through the chaos. We have identified four key areas which brands should explore and act upon to showcase their responsibility and build back emotional loyalty.

1) Giving back to the local community

Recent research⁴ has shown that 77% of charities have said that Covid-19 has negatively impacted their finances, while there has been a spike in the demand for their services. As typically charities play a vital role in supporting the local community, many will struggle as resources run low.

The need for organisational help is highly valued. We found that half of all consumers agree that brands have a responsibility to help the community by using their resources for good. We've seen examples of this across the board, with Apple CEO Tim Cook

pledging⁵ to donate 10 million respirator masks to hospitals in the US and across Europe, while Hilton and American Express partnered to provide 1 million⁶ hotel rooms to frontline medical professionals during the pandemic.

By embodying a sense of purpose, organisations can demonstrate their ability to use resources in a responsible way, which will re-engage customers with their brand's mission.

2) Looking at the logistics

The supply chain has not faced a period as complex and unpredictable as during Covid. Brands should look deeper at their supply chains, not only as an important means of regaining supply stability but also as businesses which are vulnerable to the impacts of the pandemic.

Organisations can look to ensure that every link in the supply chain is valued and considered by providing finance for struggling, yet vital, suppliers or operators – particularly important for smaller and vulnerable components. While showcasing a brand's commitment to its purpose,

¹ <https://www.imrg.org/media-and-comment/press-releases/online-retail-sales-reach-twelve-year-high-as-e-commerce-underpins-the-new-normal/>

² <https://www.capgemini.com/wp-content/uploads/2020/04/Covid-19-Consumer-Behaviour-in-CPR.pdf>

³ <https://www.capgemini.com/wp-content/uploads/2020/04/Covid-19-Consumer-Behaviour-in-CPR.pdf>

⁴ <https://drive.google.com/file/d/1l6tjTDdFnR-7tW998wsz5AtHCgISfZJs/view>

⁵ https://twitter.com/tim_cook/status/1246916489589837824?lang=en

⁶ <https://apnews.com/Business%2520Wire/9816a4305a454e90e242cac20c7bdf>



this supportive behaviour would ensure operational continuity.

Large multinational consumer goods company Unilever is one such example, offering⁷ £438m of cash flow relief to support small and medium-sized suppliers in its supply chain. This included extending credit to small-scale retail customers whose income relied on Unilever products while also offering early payments to assist with financial liquidity. Smaller examples include the London Fire Brigade, who committed⁸ to providing relief for businesses which had been impacted as a result of Covid-19.

3) Recognising vulnerable customer needs

Brands need to show compassion to those for whom the pandemic presents a far greater risk, such as the elderly and those in vulnerable groups. This shows a brand's personal side and demonstrates their social responsibility to protect high-risk groups, which in turn may help to improve the quality of life of these groups at a much-needed time.

Retailers such as Morrisons and

Sainsbury's set up⁹ exclusive hours and separate ordering channels which allow for these groups to shop for groceries earlier in the day when a store is at its cleanest for customer peace of mind.

Companies have also created timeslots and methods which will support the 'nation's heroes' on the front line, such as healthcare workers, to have uninterrupted shopping time. Many brands, from network providers¹⁰ to restaurants and clothing companies, have additionally been showing their support for frontline workers through providing special discounts¹¹ on products.

4) Supporting your staff

An opportunity for brands to put action to their words by placing their staff's financial and emotional wellbeing first.

As the impact of the pandemic has created heightened anxiety, fear, and low-mood, care and compassion towards your employees goes a long way. We've seen brands from across sectors taking this into consideration, with Tesco increasing¹² staff discounts on products while other companies extend their mental health support and health packages.

While strengthening the dialogue between employees and their employers, these measures can path the way to building back consumer trust and loyalty.

Looking forward

A brand's purpose extends beyond profit, it is an organisation's reason for existence. It is during unprecedented times where consumers look to brands to demonstrate responsibility towards its internal and external employees, as well as the wider society.

With over half of consumers expecting companies to give back to society and showcase their purpose, the organisations which focus on making their promises a reality will reap the benefits that strengthened emotional loyalty sows.

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⁷ <https://www.unilever.com/news/press-releases/2020/helping-to-protect-lives-and-livelihoods-from-the-covid-19-pandemic.html>

⁸ https://www.london-fire.gov.uk/media/4574/lfc-0372-supplier-relief-due-to-covid-19_redacted.pdf

⁹ <https://www.anglesey.gov.uk/en/Residents/Emergencies/Services-offered-by-supermarkets-for-elderly-disabled-vulnerable-people-carers-and-key-workers.aspx>

¹⁰ <https://www.gov.uk/government/news/half-a-million-frontline-nhs-workers-benefit-from-coronavirus-telecoms-deal>

¹¹ <https://www.mirror.co.uk/money/nhs-discounts-available-frontline-workers-21894388>

¹² <https://www.thegrocer.co.uk/pay/tesco-to-extend-coronavirus-bonus-payments-to-frontline-staff/604485.article>