

ventrica

Creating brand advocacy through customer experience

This white paper explores how to create loyal brand advocates, customers who will passionately support your company by delivering exceptional customer experiences.



White paper

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The power of brand advocacy

It's no coincidence that the most successful products and services are often associated with the strongest brands.

Rankings of the world's most valuable brands.

Apple is typically placed at the top, followed by other major brands such as Google, Microsoft, Amazon, Nike, Coca-Cola, McDonald's, Disney, and Facebook.

What do most of these have in common?

- They unapologetically and clearly stand for something.
- They are authentic and unique.
- They do not attempt to appeal to everyone.
- They are obsessively focused on giving their customers what they love.
- They have great stories to tell.



Branding is not advertising, it's feelings

You will no doubt have noticed that many of the brands we just listed have advertising budgets equivalent to the GDP of a small nation.

But there are plenty of famous brands that people are incredibly passionate about and that never advertise. Have you ever seen a Tesla or a Zara ad? How about Rolls Royce or Facebook? Apple spends far less on advertising than its competitors and is comfortably the most valuable brand in the world.

In truth, advertising is just one channel that brands use to achieve their only objective, which is to provoke a strong emotional reaction (usually a positive one!) in a customer or potential customer.

There are many other ways to skin a cat, including social media, content, influencers, sponsorship, events and so on. We will focus on one of the most powerful, which we call the moment of truth when a customer interacts with your brand.

Any company, no matter its size or how seemingly mundane its business is, can attract new customers and turn existing customers into raving fans by properly managing CX.

This can take place:

| **WHERE:** In-store, online, via the contact centre, at an event, or any other touchpoint.

| **WHEN:** Any time during the customer lifecycle from pre-sales to after-sales to retention.

| **HOW:** When someone hears about, enquires about, or gets to experience your product or service.

What brand fans can do for you

For its latest trust in advertising study in 2021, Nielsen surveyed tens of thousands of consumers in 56 countries. An overwhelming majority, word-of-mouth marketing includes not only personal recommendations from friends, family and colleagues but also customers leaving reviews online and commenting on social media.

88% said the most trusted source of information about a new product or service is a recommendation from someone they know.

Nielsen conducts this study every few years and has received the same response for decades: **word-of-mouth is still the most powerful sales channel.**

Customers who are brand advocates help companies grow faster by spreading the word. They use products more frequently and buy more. They are much more likely to forgive mistakes and remain loyal for longer, increasing customer lifetime value.



10 benefits of brand advocates

1. Improved customer satisfaction

Brand advocates have attained the highest levels of customer satisfaction. Their enthusiasm for the brand demonstrates that you have exceeded expectations. Satisfied customers are more likely to provide constructive feedback, helping companies continually improve their products and services.

2. Enhanced customer loyalty

Brand advocates drive higher customer lifetime value, stabilize revenue, and reduce acquisition costs. Their loyalty fosters long-term growth, with a Bain & Company study showing that a 5% retention increase can boost profits by 25% to 95%.

4. Higher conversion rates

Recommendations from trusted sources – such as brand advocates – often lead to higher conversion rates, driving sales and attracting new customers. Research by McKinsey found that word-of-mouth is the primary factor behind 20–50% of all purchasing decisions.

3. Increased engagement

Brand advocates engage deeply with a company's offerings, providing insights for product development and marketing. They eagerly try new products, give feedback, and participate in events or communities.

5. Improved customer retention

Satisfied brand advocates are less swayed by competitors, boosting retention and profitability since keeping customers costs far less than acquiring new ones.

6. Competitive advantage

A robust network of brand advocates is a hugely powerful differentiator in crowded markets. Organic promotion enhances your brand's reputation and credibility in ways that traditional marketing often struggles to do. In industries where products or services are similar, the enthusiasm of brand advocates can be the deciding factor for many potential customers.

7. Cost-effective marketing

Brand advocates can effectively provide a form of free advertising. The genuine recommendations and positive reviews of satisfied customers can reach potential customers for a fraction of the cost of traditional marketing campaigns. Word-of-mouth marketing is also more trusted by consumers.

9. Extended market reach

Brand advocates often reach segments of the market that traditional marketing might miss. They can introduce the brand to their personal and professional networks, potentially opening up new customer demographics or markets.

8. Valuable feedback loop

Advocates often give unsolicited feedback, providing direct insights that are valuable for product development, quality improvement, and customer service. Their input helps you stay ahead of market trends and customer needs.

10. Crisis mitigation

In times of public relations challenges, brand advocates can serve as a buffer. Their positive experiences and loyalty can help counterbalance negative publicity and maintain consumer trust during difficult periods.

Now we know why it's important to have brand advocates, let's take a look at how to create them.

The principles of brand marketing

Before we discuss the specifics of how customer experience creates brand fans and advocates, let's consider some of the factors that help create a strong brand in the first place.

Any business can, and really should, provide excellent customer service. It's just good business practice. A great customer experience, on the other hand, should not only meet the customer's immediate need (the minimum requirement of good service) but also be memorable, unique, reflective of the brand's personality, and aligned with the brand's values.

In other words, it should cut through the noise and stand out.



The 5 drivers of brand advocacy

Applying some of the basic principles of brand marketing and integrating them into the customer experience can create strong emotional connections with customers.

The corner stone of strong brands

Awareness

Are your target customers and key stakeholders aware of your brand? Is it the first one that comes to their minds?

Emotional connection

Does your brand connect with people on an emotional level?

Relevant differentiation

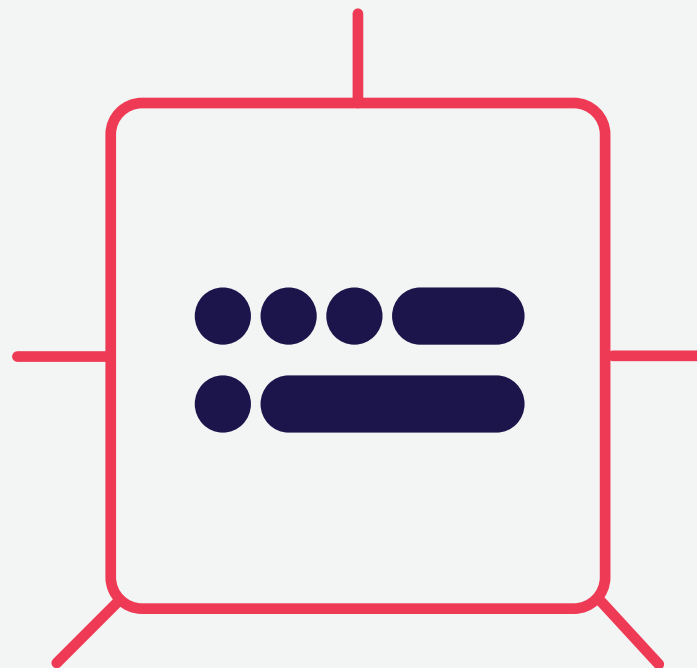
Is your brand unique or different in customer relevant, customer compelling ways?

Accessibility

Do customers and potential customers perceive your brand to be convenient?

Value

Does your brand deliver a good value for the price?



Let's look at more concrete examples of what we mean...

1. Storytelling

Human beings respond to stories like almost nothing else. They appeal to us at a deep fundamental level that taps directly into our emotions. Stories help drive awareness and attract people to your brand.

Example: Nike's "Just Do It" campaign tells stories of perseverance and athletic achievement that feature both professional athletes and everyday people overcoming challenges, reinforcing the target audience's vision of themselves.



CX application: Strong brands often include an origin story, whether it's the founder's personal journey or the company's mission. The true power lies in aligning the brand's purpose and values with those of its customers, with employees helping to make that connection.

2. Be different, not better

It's good to be better, too, but focusing on uniqueness is a surefire way to distinguish your brand from the competition as long as your customers identify with what makes you unique.

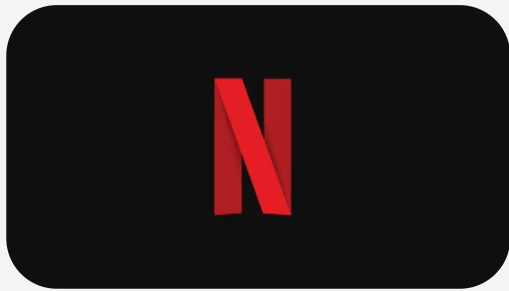


CX application: In the 'moment of truth,' Apple makes customers feel special by offering unique products, distinctive stores, and personalised service. In-store consultations with well-trained employees who share similar traits and aspirations further enhance the experience.

3. Customer centricity

Jeff Bezos' obsession with giving customers what they want has famously made Amazon the world's largest retailer. Being customer-centric means having a value proposition relevant to your target customers (not necessarily to everyone) and being flexible enough to adapt when customer demands change.

Examples: This can take many guises, from Amazon's relentless focus on customer convenience to Netflix evolving its business model from DVD rentals to streaming when both technology and consumer preferences moved on.



CX application: Start by understanding your target audience and their needs. Use data analytics, social listening, and conversational analytics to anticipate and address customer needs proactively. Encourage feedback and be ready to respond and adapt swiftly.

4. Consistency

While quality should always be aimed for, consistency is the key to creating fans. This is why bands lose more fans when they stray from the formula that made them successful than when they turn out a slightly dodgy album that still sounds like their first one.



Examples: Coca-Cola's brand identity is instantly recognisable as it has never really changed, and McDonald's fast service is something its customers know they can rely on.

CX application: Maintain a consistent brand voice and visuals across all touchpoints. Train staff to deliver uniform service and messaging. Use omnichannel strategies for seamless experiences across platforms.

5. Emotional connection

People are naturally drawn to others who they believe share their values and tastes or who pursue similar hopes and dreams.

Connection comes from demonstrating those shared values in authentic and engaging ways without feeling forced. (not necessarily to everyone) and being flexible enough to adapt when customer demands change.

Examples: With their "Real Beauty" campaign, Dove challenged stereotypes by using real women instead of professional models, instantly creating a connection with their audience. By sponsoring and hosting extreme sports events and creating exciting content around adventurous activities, Red Bull actively and genuinely engages with its audience like no other brand.

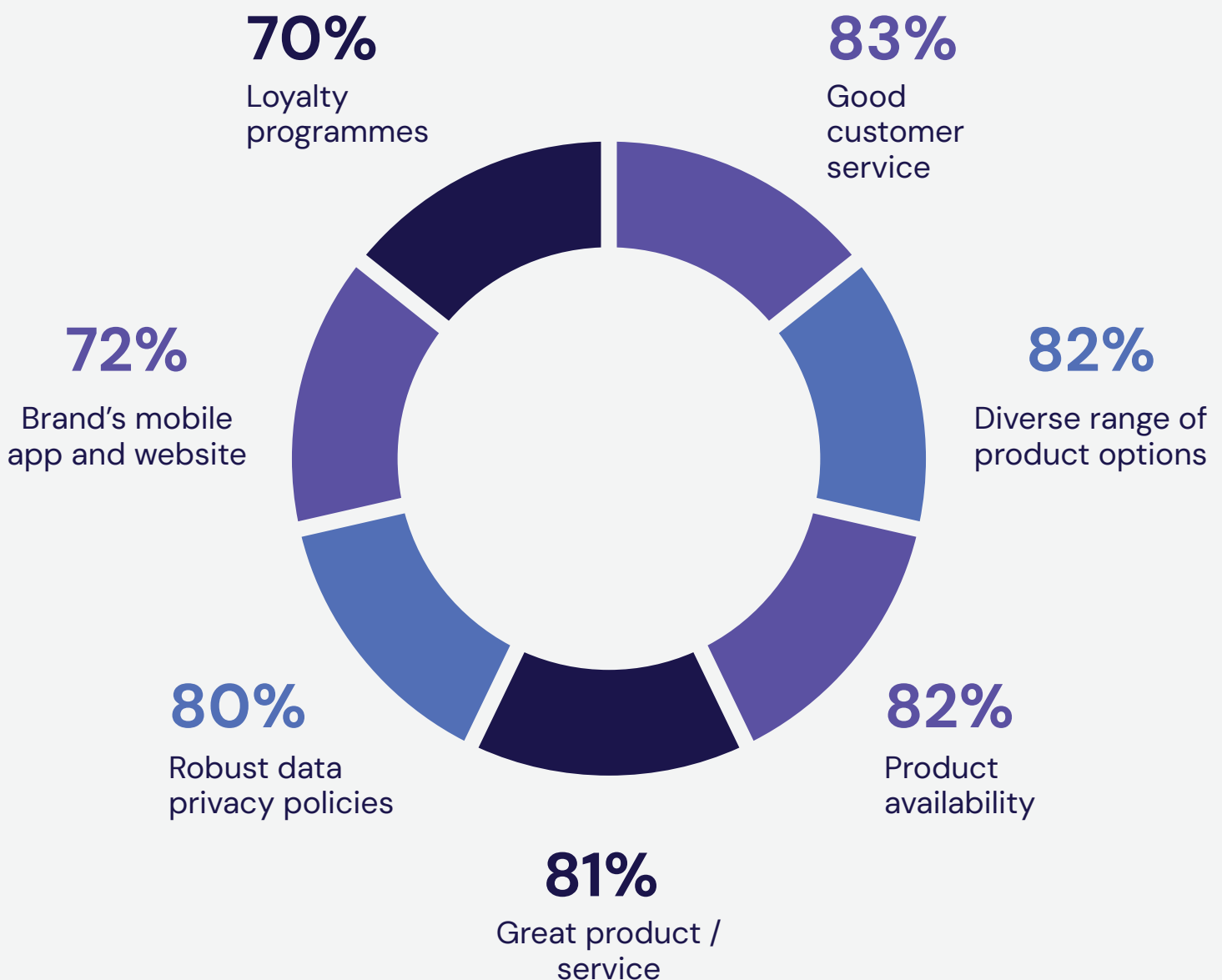


CX application: Assuming you understand your target customers and know what they and your brand have in common, your job is to find ways to manifest that connection. This includes hiring staff who share this connection, training staff to be empathetic and supportive, and developing loyalty or reward programmes that encourage customers to demonstrate your shared values. Above all, be authentic, unique and memorable.

Leveraging customer experience to **create brand advocates**

In a 2023 survey of 200 businesses and 1,000 consumers, 83% said good customer service was the top factor influencing their loyalty to a brand. Whilst many other factors come into play – see the chart below – this figure further proves the direct link between CX and loyalty.

Top factors driving brand loyalty – US 2022



Let's explore specific strategies for leveraging CX to create brand advocates...

Deliver exceptional customer service

Great customer service is still the cornerstone of great CX.

To achieve this:

Deliver omni-channel consistency:

Ensure that customers can start a process on one device or channel and seamlessly continue it on another without having to repeat all their details or start over again.

Implement robust support systems:

Utilise advanced ticketing systems, knowledge bases, and customer relationship management (CRM) tools to handle and track customer issues efficiently. This ensures no customer concern falls through the cracks and enables personalised follow-ups.

Set and monitor key performance indicators (KPIs):

Establish metrics such as first-call resolution rates, average handling time, and customer satisfaction scores. Review these KPIs regularly to identify areas for improvement and recognise excellent performance.

Invest in comprehensive employee training programmes:

Equip your staff with the knowledge, skills, and empowerment they need to provide outstanding service. This includes product knowledge, communication skills, problem-solving abilities, and emotional intelligence.

Leverage technology for enhanced service delivery:

Implement AI-powered chat bots for 24/7 instant responses to common queries. CRM systems can give agents a 360-degree view of customer interactions, enabling more informed and personalised service.



2. Personalise customer interactions

Personalisation makes customers feel valued and understood. Without it, they may see the relationship as transactional and take their business elsewhere. Personalising customer relationships offers many benefits.

And here are some ways to do it:

Harness customer data:

Collect and analyse data from various touchpoints to build comprehensive customer profiles. This includes purchase history, browsing behaviour, customer service interactions, and anecdotal feedback.

Implement sophisticated CRM systems:

These systems track and analyse customer interactions, preferences, and history. This enables personalised recommendations, targeted communications, and tailored service experiences.

Utilise AI and machine learning:

These technologies can predict customer needs based on past behaviour and similar customer profiles. This allows for proactive personalisation, such as suggesting products a customer will likely need or enjoy.



Personalise across all channels:

Ensure that personalisation extends beyond email marketing to include website experiences, mobile apps, in-store interactions, and customer service engagements.

Loyalty programmes:

A multi-tiered loyalty programme can boost customer retention and advocacy. Offer rewards based on engagement and spending, encouraging loyalty over time. Include transactional benefits (discounts, points) and experiential rewards (exclusive events, early access to new products) to appeal to customer preferences.

Incorporate gamification elements:

Use progress bars, badges, or challenges to make the loyalty programme more engaging and fun. Ensure that customers can earn and use rewards without excessive barriers or restrictions.

3. Communicate brand values clearly and consistently

Brand advocates are not just promoters of your products or services, they are ambassadors of your brand values. It's crucial to communicate these values clearly and consistently across all touchpoints.

Develop a comprehensive brand messaging guide:

This guide should outline your core values, mission, and unique selling propositions. Ensure this messaging is consistently reflected in all communications, from marketing materials to customer service interactions.

Create content that highlights the advocate's role in your brand's story:

This can include customer success stories or user-generated content campaigns. When advocates see themselves reflected in your brand's narrative, they're more likely to share it.

Develop an advocate toolkit:

This will include brand guidelines, key messaging points, and pre-approved images, ensuring consistent and accurate brand representation. Provide training resources to help advocates become more effective brand representatives.

Be transparent about your company's goals and challenges:

Honesty builds trust and allows advocates to feel like true partners in your brand's journey. When advocates understand and align with your values, they're better equipped to represent your brand authentically.

Share stories that illustrate your brand values in action:

This could be through case studies, customer stories, employee spotlights, or behind-the-scenes glimpses into your company's operations. These narratives help advocates understand and connect with your brand more deeply.



4. Encourage and act on customer feedback

Brand advocates are not just promoters of your products or services, they are ambassadors of your brand values. It's crucial to communicate these values clearly and consistently across all touch points.

Actively seeking and responding to customer feedback demonstrates that you value their opinions and are committed to continuous improvement.



Implement diverse feedback collection methods:

To gather comprehensive feedback, use surveys, social media monitoring, focus groups, and direct customer interactions.

Create accessible feedback channels:

Make it simple for customers to provide feedback at any point in their journey, whether through in-app prompts, post-purchase emails, or easily accessible feedback forms on your website.

Analyse feedback systematically:

Use text analytics and sentiment analysis tools to process large volumes of feedback and identify key themes and trends.

Close the feedback loop:

Show customers how their input has led to tangible changes in your products, services, or processes. This could be through personalised follow-ups, public announcements, or "You spoke, we listened" campaigns."



5. Measure brand advocacy

Effective measurement is crucial for managing and improving brand advocacy efforts. This section outlines key metrics and methodologies for gauging their success.

Net promoter score (NPS):

NPS measures customer loyalty and likelihood to recommend.

- | Implementation: Survey customers on their likelihood to recommend (0-10 scale).
- | Categorise: Detractors (0-6), Passives (7-8), Promoters (9-10).
- | Calculate: % Promoters - % Detractors = NPS.
- | Best practices: Conduct regularly, segment results, and follow up for insights.
- | Interpretation: Positive is good; above 50 is excellent. Compared to industry benchmarks.

Customer satisfaction (CSAT):

CSAT provides specific insights into aspects of customer experience.

- | Deploy short surveys at critical touchpoints.
- | Use consistent rating scales (e.g., 1-5 or 1-10).
- | Calculate the percentage of satisfied customers.
- | Analyse trends over time and correlate them with other metrics.

Customer retention rate:

High retention rates often correlate with strong advocacy.

- | Calculate: $(\text{Customers at end} - \text{New customers}) / \text{customers at start} \times 100$.
- | Analyse across segments and time frames.
- | Use data to identify retention factors and predict churn.

Referral rates:

Directly measures advocacy effectiveness.

- | Implement a formal referral programme with tracking.
- | Calculate: $(\text{Referral acquisitions} / \text{total new acquisitions}) \times 100$.
- | Track quantity and quality of referrals.
- | Analyse performance across advocate types and assess ROI.

Social media engagement:

Provides insights into advocacy reach and impact.

- | Key metrics: Volume, reach, engagement, and sentiment of brand-related content.
- | Use social media listening and analytics tools.
- | Identify influential advocates and effective content types.
- | Correlate social sentiment with other brand health metrics.

Sales leads from advocacy

Links advocacy efforts directly to revenue.

- | Use unique tracking for advocacy-driven leads.
- | Implement CRM to attribute leads to specific efforts.
- | Track the quantity and quality of advocacy-generated leads.
- | Calculate ROI and identify the most effective advocates.

Successful companies excel in creating exceptional experiences and effectively measuring advocacy efforts. It's an ongoing process of delivering value, engaging customers, and refining strategies based on measurements. The result can mean you unleash on a horde of fans willing to tell the world how amazing your brand is.



Next steps

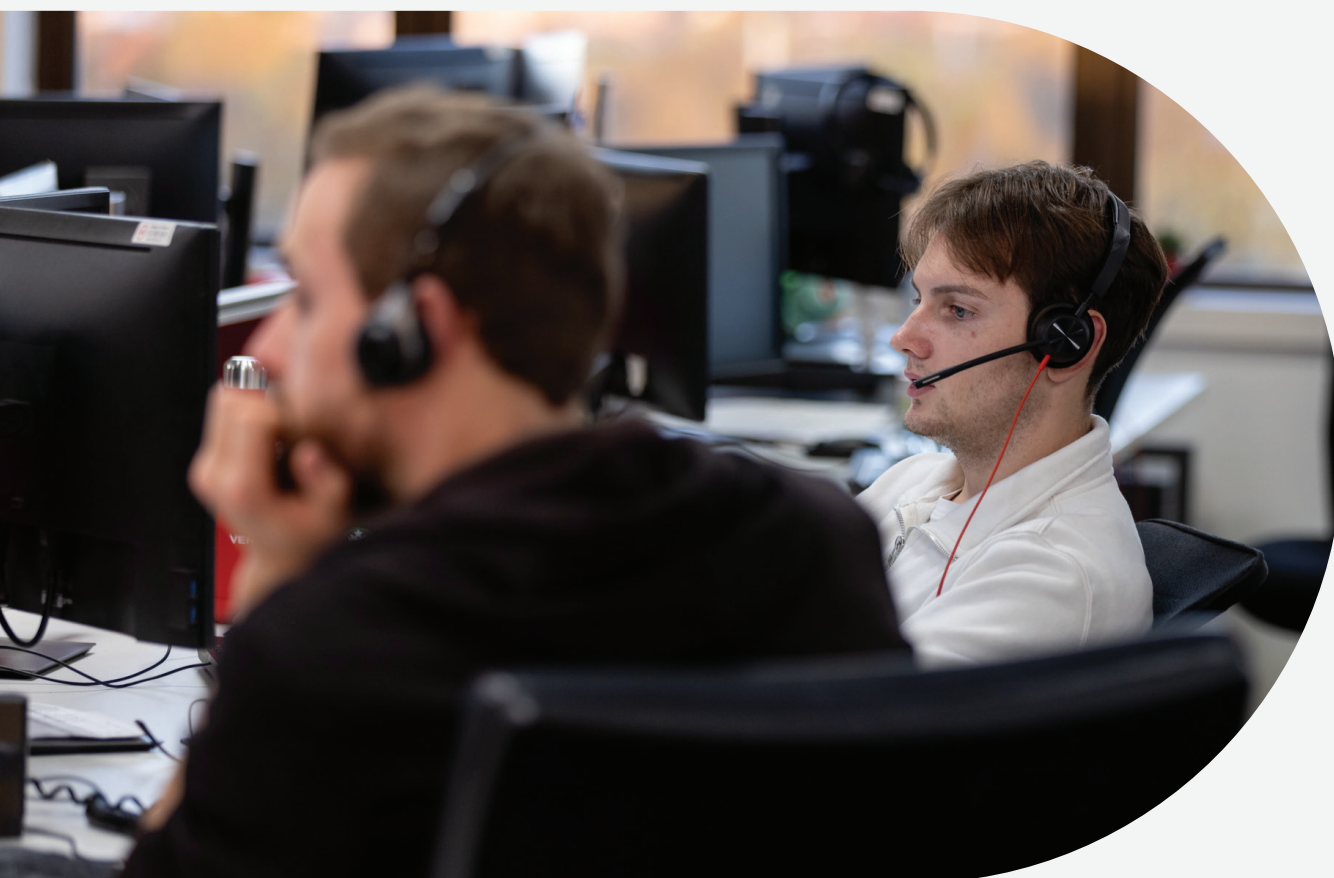
Authentic brand advocates are invaluable particularly in an era of declining trust in traditional advertising and rising marketing costs.

By investing in customer experience and advocacy, your business can transform satisfied customers into passionate brand champions, driving awareness, credibility, and success.

Ventrica specialises in helping brands cultivate deeper relationships with their customers. Through Emotive CX we help brands identify what their customers want and then execute the CX programmes and customer journeys that will bring to life the values and goals that the brand and customer share.

It's about giving your brand a consistent, authentic voice.

Get in touch to find out more.





White paper

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