Companies spend a fortune on customer relationship marketing programmes to build the relationships. In turn, those CRM-centric relationships are fundamental planks of brand loyalty.

According to US trade publication Brandweek, 76 percent of consumers across all demographic groups consider a product's brand before making a final product selection. The average cost for acquiring a new customer is approximately five times more than keeping an existing customer for almost all industries. Therefore, building brand loyalty can save an organization up to 500 per cent on new customer acquisition year-after-year.

Brand loyalty is the repeat purchase made by the consumer out of commitment to the brand. Brand loyalty is evident when the consumer deliberately chooses a brand from a set of alternative brands rather than simply through inertia - there is inevitably overlap between habit and loyalty.

It's an evolutionary process. When a consumer develops loyalty towards a brand develops a favorable attitude towards the brand resulting in commitment. When the customer becomes emotionally rather than merely intellectually vested in a brand, loyalty to the brand becomes cemented.

Customers will buy a company's products or services if there is true or perceived differentiation, a high level of service and consistent value. Brand differentiation pivots on a company's ability to meet customer needs on that emotional level mentioned above rather than merely an intellectual level.

But functional differentiation is inevitably shortlived as this can typically be replicated by rivals. Companies need to be able to execute customer service at a consistently high level –the value of aligning CRM strategies correctly to create a quality of service differentiator.

Consistent experience

The ultimate goal of branding is to create loyal customers. With loyal customers, marketing is easier, selling is faster, premium pricing is more acceptable, repeat business is extremely higher, and positive word of mouth helps generate new
From a marketing perspective, brand customers build a relationship with the brand and often become advocates of the brand by word of mouth which results in further strengthening the brand.

Delivering a consistent customer experience across markets is essential for building a strong brand. Initially brand loyalty is most likely to stem from functional benefits, but the relationship that develops is likely to go beyond this in a short space of time.

So what does it take to strengthen brand loyalty? As noted above, delivering a high level of customer service and ensuring customer satisfaction are clearly the most powerful differentiators in the marketplace - cementing brand loyalty in the process.

But it’s worth going back to basic principles. There are some fundamental tenets of brand building that apply. For a start company needs to have a proper identity to work with and to use as the springboard for unique positioning and differentiation. It must be nurtured and remain consistent at every touch point, inside the company and outside. There has to be a single, cohesive brand experience. For the customer, every touch point must work together to create that experience.

Focus on something that sets company apart from the others. Create a position. Positioning is the place a product or service occupies in the minds of prospects. Decide what position suits background, abilities, and audience, then build the marketing and CRM strategies around that.

Above all, be aware that this is a long game. It’s going to take time. Don't confuse brand awareness with brand loyalty and certainly not with brand equity. Awareness is step one. If customers don't know you exist, they certainly won't consider you, but that's very different to having a loyal, long term relationship.

CRM can help, but loyalty comes through experience and time. CRM technologies must be viewed as enablers that operate within the context of wider business strategies – valuable as a means to an end, but not the 'silver bullet' that some might claim to be.