Random Acts of Kindness: Can Brands Make Customers Feel Good?

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Spreading some good vibes

When was the last time you witnessed a good deed? Someone holding a door open? Someone in the office receiving a genuine compliment?

Random acts of kindness are firmly back in people's consciousness after February 12-18th was promoted as the official Random Acts of Kindness Week (#RAKWEEK2017), encouraging individuals and businesses to give something to others randomly without expecting anything in return.

There is a lot of debate surrounding random acts of kindness and whether they are indeed random by companies and brands, or if they are just for publicity.

Tamara Littleton, CEO of social media agency <u>The Social Element</u> argued this point on <u>Econsultancy</u> regarding businesses and their random acts of kindness:

"If you expect something in return, this is more of a transaction than a good deed. If it's a marketing stunt to get more followers, it'll show.

"If it's genuinely a brand value to do business by doing good, it'll also show and that value should run through everything else the brand does, not just social media."

Brands should take part in random acts of kindness. Why? It's about humanising your brand and allowing staff and customers to connect on a personal level. After all, people like people, and loyalty programmes are just an example of a small sacrifice to have people engage with your brand.

The science behind kindness

Good deeds, or random acts of kindness, are proven to positively affect people's health – <u>researchers at the University of British Columbia</u> found that when people with anxiety carried out acts of kindness it helped to reduce their anxiety, and lead to an increase in relationship satisfaction.

With <u>kindness shown to not only reduce anxiety</u>, <u>but pain and depression too</u>, it's crucial for businesses to make sure they provide a positive experience, as <u>87% of consumers are</u> <u>more likely to share positive experiences</u>.

Quite simply, the business or brand should feel good for giving something back, and the customer feels happy and positive about the brand for receiving the kindness given to them.

Dr George Fieldman, a Cognitive Behavioural Psychotherapist sums up perfectly the

science behind kindness, at the launch of <u>Pret A Manger</u>'s 'Make Someone Smile' scheme:

"Altruism – the act of doing something for somebody else at a cost to yourself – has a fascinating effect on us. It can help us feel better about ourselves, and a simple act of kindness can create authentic feelings of joy; not just for the person on the receiving end, but also for the person doing the giving."

Acts of kindness help retain customers

Doing something good for your customers is an easy way to retain them, with current customers shown to spend <u>67% more</u> than new customers. But to do that, acts of kindness don't necessarily have to be random. Businesses can look to structured loyalty programmes as a cost-effective way to retain customers, such as customer loyalty cards.

In a survey for <u>The Loyalty Report</u>, 29% of respondents said they would not have been loyal to a brand if it wasn't for their loyalty programme. So, when those benefits stop or change it can have an adverse effect on customer loyalty, as shown with <u>Waitrose when it decided to change its rules about free coffee.</u>

With loyalty programmes, it's important you study the data and look at analytics behind your customers, as the more you know about your customer, the more personal you can make your acts of kindness – meaning they're more likely to be well received.

That's not to say you shouldn't take part in random acts of kindness – in fact many loyalty schemes use the communications around their platforms to launch competitions and give prizes to loyal customers ... creating that *extra special* feeling of value and kindness.

Kindness can result in return on investment

With the uncertainty of Brexit, and other recent political events which will impact businesses financially, kindness unfortunately may not be on the top of most people's agendas. Also, ROI on company initiatives is being scrutinised further and further to see whether loyalty schemes are worth the investment.

<u>Our research</u> has found that 88% of all businesses with loyalty schemes are more profitable than their competitors, while a report from the <u>Chief Marketing Officer</u> <u>Council</u> found that most marketers believe that people signed up to loyalty programmes are the best and most profitable customers.

So if research shows loyalty schemes are an effective way to profitability, and marketers believe customers who sign up to these schemes are the most profitable, then how do you make it happen? Simple – personalised marketing.

<u>Personalised marketing</u> and personalised rewards, based on information that customers have willingly given you, provide a more targeted approach which should result in better conversion and ROI.

When it comes to random acts of kindness, it may be difficult to prove your return on investment – but take away the random aspect and instead use a calculated approach where you look into understanding your customers and what they want. If you do that, then your acts of kindness will result in a better experience for your customer and that will build loyalty.

As Jeff Bezos, Chief Executive Officer of Amazon <u>puts it</u>: "If you do build a great experience, customers tell each other about that..."

There is a demand for loyalty rewards

The marketing and consumer landscape is changing rapidly, with many traditional strategies falling by the wayside. But everyone loves a good bargain or freebie, and that doesn't go away as the years go by.

<u>The BBC reported</u> that the discount sector grew a massive 48% between 2010 and 2015, showing that customers and staff members are keen to save money wherever possible. If loyalty rewards offer discounts, you are likely to get people signing up – but the key is to attract that demand. So, how do you do that?

The answer to attracting demand is to adapt to where your audience is interacting, and to make it relevant for them. <u>Technology is shaping</u> how people interact with loyalty rewards, and kindness can reach further, and grow in size, thanks to social media platforms such as Twitter and Facebook.

As many as 72% of people see their mobile devices being the preferred medium of communicating with brands so bare this in mind when looking to reward your loyal customers, communicate your acts of kindness through these channels and your customers will do the same.