You Have the Data. Now What?

The EQ Imperative for Customer Loyalty

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Introduction

You walk into a boutique and a sales associate greets you by name. They know what you're looking for, maybe before you do. It's the feeling of being truly seen, and it's no longer considered a luxury reserved for high-end retail. It is the expectation every customer now carries into every brand interaction, from a grocery run to an online clothing order.

Most of us have had that experience at least once. But more often than not, brand interactions can leave us feeling completely unseen: that generic email that lands in your inbox after a purchase you already returned, the promotion for something you'd never buy, or the service inquiry bungled by a chatbot. This is the moment you realize that brand you shop all the time has plenty of data about you and does nothing with it. It's the moment when a customer quietly starts shopping somewhere else.

The gap isn't the absence of data. It's what brands do (or do not do) with it. As John M., VP of Technology at The Broadmoor, puts it: "Most brands do have plenty of data, but the gap is in speed and execution, not access. What we lack is real-time capability—by the time action happens, it is too little, too late. The moment is gone."

Every meaningful relationship depends on both IQ and EQ. IQ is intelligence—knowing the facts about someone. EQ is what you do with that knowledge: the ability to show up in ways that make the other person feel genuinely understood. For brands, data is the IQ—every signal of who your customer is, what they browse, what they buy. EQ is the organizational commitment to act on that intelligence in ways customers can actually feel, at the moment it matters. Most brands have mastered the IQ. The gap—and the opportunity—is in the EQ. This paper explains how to close that gap, use AI to scale emotionally intelligent interactions, and deliver customer experiences that drive loyalty and set brands apart.

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John M., VP of Technology at The Broadmoor

The intelligence exists: the connection is still missing

Consumer brands have accumulated more customer data than ever: Online shopping, social media, apps, POS systems, loyalty programs, and service interactions all fuel the deluge. Most brands are doing something with the data, from segmenting for promotions to pulling purchase history for customer service management. But doing something with data and fully activating it are two different things.

60%

of enterprises suffer from "dark data"—information that is collected but never used—and 54 percent can't access or act on real-time data at all. Most brands are sitting on mountains of IQ they've never figured out how to deploy in real time.

SAP Global Engagement Index, 2026

The gap between what customers need in moments that matter, and what brands can actually deliver, is known as the *engagement divide*. Customer interactions continue accelerating while data activation remains slowed by siloed teams and disconnected systems. True activation breaks those silos wide open, so a customer's purchases, preferences, and history travel with them across every channel and each interaction feels like a continuation, not a fresh start.

Only **38%**

of consumers believe brands actually know who they are and what they need when they make contact—despite brands having more data about them than ever before.

SAP Global Engagement Index, 2026

The cost of the Engagement Divide is real: the frantic search that ends without a recommendation, the moment of indecision that a timely offer would've converted, the cross-channel return that becomes a service nightmare, the referral dropped instead of shared. These moments aren't lost for lack of data. They're lost because the data never reached the person or system that could act on it.

Closing the gap starts with connecting disparate systems into one unified, AI-ready foundation. Only two in five decision-makers believe their departments are truly coordinated today. Activation requires that systems share intelligence, moving behavioral insights out of the marketing silo and transactional data out of the back office, allowing it all to move freely to where it can be used.

The litmus test: Can a store associate, a customer service agent, and a fulfillment manager see the same customer in the same moment? If not, the foundation isn't there yet.

The EQ imperative: prioritize a unified data foundation

The ideal is a single customer view comprising behavioral, transactional, and operational signals—available in real time, accessible across departments, and engineered to feed AI models rather than just dashboards.

Evolving from transactions to trust

Most brands haven't built that practice yet, and customers have noticed. Forty-four percent of customers say brand interactions feel less personal and more generic than before*—a signal that the EQ gap persists. The customers who drive referrals, write reviews, and tell their friends are quietly disengaging. The disconnect between brand confidence and customer reality reveals why: 77 percent of brands say they have a strong emotional bond with their customers, while 41 percent of customers say brands don't understand them as a person. That overconfidence is exactly what's standing in the way.

The brands closing the IQ/EQ gap are making two organizational moves.

*SAP's 2026 Global Engagement Index

> "My goal is to create a multi-touchpoint experience, so people engage with us on social, in store, with retailers, via email, on our site—all these different places. That's where true brand building takes place."
>
> Bianca Bolouri, Global VP of E-Commerce, Wella

They build a living picture of each customer—and share it with everyone who interacts with them. That means everyone—customer service, store associates, operations, logistics, finance, and product—not just the teams that have traditionally owned the customer relationship. If a decision touches the customer experience, the person creating it needs the same view: buying preferences, purchase history, and the content and campaigns that actually engaged them. When that data flows together into a single, accessible view, brands stop guessing and start acting on what they know.

Understanding alone doesn't build a relationship; connection does.

Customers don't care how many systems it takes; they care that the experience holds up.

2 in 5

decision-makers say their departments are truly coordinated.

Done right, every touchpoint reflects what happened at every other one: A customer who buys online and returns in-store is greeted by a sales associate who already knows her and what she bought. Or someone who engages with a campaign receives a personalized follow-up. Customers don't care how many systems it takes; they care that the experience holds up. Most brands aren't there yet. 76% are investing in omnichannel engagement technology, but only two in five decision-makers say their departments are truly coordinated. Years of "best of breed" investments have created ecosystems of disconnected tools—each strong in isolation, each creating friction at the seams where the customer experience crosses a system boundary: marketing to commerce to fulfillment. A connected experience requires a coherent system where customer, operational, and engagement data are intentionally designed to work together, not bolted together after the fact.

When it works, the difference is unmistakable. A brand that notices a shipment delay—and reaches out first—turns potential frustration into a moment of trust. That is only possible when supply chain signals, customer engagement data, and fulfillment communications are built to work together and operate as one.

They redefine what loyalty looks like. The community access, the editorial tip, the exclusive preview—these are the moments that tell a customer the brand is invested in them, not just their next transaction. The brands that do this well offer a "brand world"—a multi-touchpoint presence across social, in-store, email, and direct channels that gives customers reasons to stay engaged when they aren't buying. That ongoing engagement is what builds customer devotion by turning the relationship from transactional to emotional.

That means moving past point balances and redemption rates to rewards and experiences calibrated to deeper customer insight—access, recognition, and moments that make a customer feel seen as a person, not a purchase. If your loyalty program lives in its own silo, it's measuring transactions, not building relationships.

The metric that matters isn't conversion rate, it's intimacy: the kind you can track through trust, repeat engagement, and sentiment.

The right question to ask of every interaction isn't "did it perform?" but "did it strengthen the relationship?"

That requires a loyalty engine connected to the full customer picture—not a points calculator running on a separate database. The signals that drive next-best-experience decisions—recent browse, recent purchase, recent service interaction, channel preference, lifetime value, even supply chain status—need to flow into loyalty in real time, and loyalty actions should flow back out into commerce, marketing, and service. When value lands that way, loyalty stops being transactional and begins to compound.

The litmus test: Pick one system boundary in your stack and trace what happens to customer data as it crosses. Does it arrive complete and actionable, in real time? If not, that margin is costing you a relationship.

The EQ imperative: start with your integration points where customers feel the friction

The places where integration pays the highest dividends are where the customer experience crosses a system boundary. Audit your stack for those handoff points first. That's where the EQ gap is widest—and where closing it will have the most immediate impact on how customers experience your brand.

AI as the engine: the handoff is the test

AI has fundamentally changed what's possible at scale. Real-time personalization, proactive outreach, loyalty orchestration across every channel—all can now happen automatically, for millions of customers simultaneously. AI is the operational engine that makes EQ achievable at a volume no human team could reach alone.

The key is deploying it with the right process design, and that means much more than a chatbot. The real opportunity is AI embedded in the operational fabric of the brand—every system, every team, and every customer moment informed by intelligence working in the background. Used well, it feels like a knowledgeable associate who already knows you. Used poorly, it's the wall customers hit when the bot runs out of answers and that frustration transfers from the bot to the brand.

That is why the handoff matters. The precise failure point for most brands is the moment AI is no longer adequate and a human needs to step in. Less AI isn't the answer. The handoff needs the same deliberate design as the automation itself, with clear escalation triggers, human agents equipped with full context, and transitions that feel natural. That's the difference between a brand maximizing its own efficiency and a brand taking the time to know its customers.

The EQ imperative: treat AI agents as colleagues, not replacements

That means giving them the same data access human teams have, the same accountability for outcomes (not just deflection rates), and the same handoff discipline. Each AI agent in a customer-facing workflow should have a defined role, a defined escalation path, and a human counterpart who owns the outcome when AI alone isn't enough.

The litmus test: When your AI hits its limit, does the customer experience get better or worse? If the answer is *worse*, the transition isn't part of the experience—it's the end of it.

Traditional loyalty programs live on (but prioritize purpose over points)

For decades, the loyalty program was the primary tool brands used to keep customers. Earn points, redeem rewards, come back for the deal. It was clean, logical—and entirely transactional. Today's leading brands understand that this kind of IQ-only loyalty is fragile, lasting only as long as your offer beats the competitor's.

Consider Migros, the Swiss grocer, whose 20-year-running Cumulus loyalty program counts 50–60 percent of Swiss citizens as members. By most measures, that is a loyalty success story. Yet Chief Digital Officer Daniel Gahlinger is clear-eyed about the risk: Even the most embedded program in the world can become boring. When buying groceries feels like just another transaction, customers stop caring where they come from; they seek out the best price, the fastest delivery, and the lowest friction. The program is still running, but the relationship is gone. What's left is pure logistics: orders, fulfillment, returns. A warehouse with a checkout button.

The antidote isn't to abandon the traditional loyalty program, but to make the program a delivery mechanism for EQ. AI makes this possible at scale, using behavioral signals and purchase history to make rewards feel personal rather than algorithmic, and to create experiences that give customers reasons to engage beyond checkout.

Migros is already moving in this direction. To breathe new life into its program, the brand is building what it calls a "digital customer twin"—a 360-degree view of each member that draws on common data shared across business units, including its integrated banking partner. The goal is hyper-personalization across every stage of the customer journey, from online discovery through in-store checkout, with gamification elements designed to make the experience feel less like a grocery run and more like a memorable experience.

The EQ imperative: make the loyalty program earn its name

Issue points, and you've built a discount program. The brands that build loyalty treat the program as a delivery system for recognition with rewards that reflect what you know about the customer. That requires the loyalty engine to be connected to the full customer picture and not a siloed database tracking redemption.

The litmus test: Pull up your best customer in your loyalty platform. Can you see their last service interaction? Their item movements in their cart? Whether their current order is running late? If the answer is *no*, your program is measuring transactions—not building a relationship.

“Bots are not loyal. They look only for the best price and best availability. If we want to continue to have humans as customers in our shops and channels, the experience must be emotional and attractive. Otherwise, you will have just logistics and an API, but not a real customer relationship.”

Daniel Gahlinger, Chief Digital Officer, Migros

Closing the distance between data and devotion

A customer experience in which the brand seems to know you and what you were looking for, before you could articulate it? That kind of experience doesn’t happen by accident. Behind it is a brand that has done the work: unifying data, connecting systems, aligning a team around a clear view of the customer, and applying intelligence at the moment it matters. That’s the bridge between data and devotion.

The gap is shorter than most brands think, and crossing it is a matter of mining emotional intelligence from IQ across the entire organization—not just for the next campaign, or the next quarter, but as an ongoing commitment. The data already exists. The AI-driven tools to use it are here. What’s needed is the decision to use data as if customer relationships depend on it—because they do.

The brands closing the data-to-devotion gap make three key strategic moves:

1. **They connect their customer data so everyone can access it.**
2. **They show up with real-time personalization for purchases and beyond.**
3. **They redefine loyalty as emotional loyalty.**

Brands that make these moves do something more than optimize the next transaction. They invest in relationships that last with personalization grounded in what the customer needs now—not what they needed last week—anticipating disruption before they experience it, making each experience feel designed for them, not the masses.

That is what turns a customer into someone who doesn’t just come back—but someone who wouldn’t think to go anywhere else.

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