

Chapter 3

Emotional Intelligence in Understanding and Influencing Consumer Behavior

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ABSTRACT

This chapter explores how important emotional intelligence (EI) is in determining consumers' behaviour. The psychological foundations of emotional intelligence are examined, focusing on how consumers use EI to make decisions. The usefulness of theoretical frameworks, such as the ability and trait models, in comprehending customer preferences is investigated. The chapter also reviews several approaches to measuring customer sentiments, from sophisticated sentiment analysis to conventional surveys. To demonstrate how emotional intelligence (EI) improves consumer engagement and brand loyalty, case studies, best practices, and practical implementations of EI in digital marketing are provided. The chapter continues with a study of the effect of emotional intelligence (EI) on customer retention and a look at the new directions in emotional AI and its possible applications to consumer behaviour research.

1. INTRODUCTION

In modern marketing research, the complex relationship between emotions and customer behaviour has taken the stage. Comprehending the psychological factors influencing customer decisions as markets change and competition heats up has

DOI: 10.4018/979-8-3693-1918-5.ch003

become increasingly crucial. The psychological idea of emotional intelligence, or emotional intelligence (EI), is emerging as a crucial lens through which to understand and impact customer behaviour. This chapter begins a thorough investigation of the complex ways in which emotional intelligence (EI) influences customer decisions. It explores EI's theoretical underpinnings, methodological applications, and practical consequences in the dynamic marketing field.

A. Historical Overview of Emotional Intelligence (EI)

Definition

According to Mayer and Salovey (1997), emotional intelligence is the capacity to recognise, comprehend, successfully manage, and control emotions. This complex concept encompasses more than just emotional awareness; it also includes the cognitive processing of emotional data. Goleman (1995) further popularised the idea by highlighting its usefulness in various contexts, such as business and interpersonal interactions. Emotional intelligence (EI) serves as a prism through which marketers may interpret the emotional nuances that influence consumers' purchase decisions in the context of consumer behaviour.

Importance of Emotional Intelligence in Consumer Behaviour

The importance of emotional intelligence in consumer behaviour stems from its ability to clarify the feelings that motivate people to make particular purchases. According to research by Hennig-Thurau et al. (2006), emotions play a crucial part in consumer decisions, and emotionally intelligent people can better traverse and take advantage of these emotional subtleties to make well-informed decisions. Understanding and using emotional intelligence (EI) in marketing tactics is crucial for companies looking to build enduring relationships and brand loyalty as customers seek meaningful and emotionally charged brand encounters (Kim, 2012).

This introduction lays the groundwork for a thorough examination of emotional intelligence in consumer behaviour by outlining the fundamental ideas, theoretical underpinnings, and significant contribution of emotional intelligence to understanding the intricate world of consumer decision-making.

Objectives

This literature review aims to achieve the following objectives:

1. Recognising How Emotion Influences Consumer Decisions

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