


Chapter 3


From Transactions to Relationships: The Role of Emotional Intelligence in Customer Engagement

Ridhima Sharma

 <https://orcid.org/0000-0002-7851-0292>


Vivekananda Institute of Professional Studies-TC, India

Vaishali Sethi

 <https://orcid.org/0000-0001-9827-6467>

University Canada West, Canada

Jihene Mrabet

 <https://orcid.org/0000-0003-1848-5918>

Amity University, Dubai, UAE

ABSTRACT

Customer interaction is becoming a major factor determining corporate performance in the very competitive and emotionally charged market of today. Emotional intelligence (EI) is investigated in this paper in order to improve customer engagement with an emphasis on how emotional competences of frontline staff affect customer happiness, loyalty, and advocacy. Using a qualitative study approach, twenty frontline workers and twenty consumers from various service sectors were semi-structured interviewed. Results show that empathy is fundamental in emotional involvement; consumers value real understanding and emotional responsiveness over transactional effectiveness. This study also emphasizes generally that emotional intelligence is a strategic facilitator of deep, lasting consumer involvement rather than a peripheral ability. Companies who make investments in emotional intelligence development at

DOI: 10.4018/979-8-3373-1867-7.ch003

all organizational levels are more suited to build strong emotional ties and guarantee long-term consumer loyalty in an economy driven by experience more and more.

INTRODUCTION

Customer interaction in the dynamic and ever linked market of the twenty-first century has developed outside conventional ideas of transactional interactions. Companies are now assessed not just on the quality of emotional experiences they provide to their consumers but also on the goods or services they present. In this regard, Emotional Intelligence (EI)—the capacity to identify, comprehend, control, and affect emotions—has become more important for developing close customer connections. Knowing how important emotional intelligence is to customer interaction gives companies a unique competitive edge that will help them to create sustainable development, customer happiness, and brand loyalty. Psychologist Daniel Goleman coined the term emotional intelligence to describe a set of emotional and social skills that define how well people view and express themselves, grow and preserve social relationships, handle adversity, and make meaningful and effective use of emotional data. Originally connected with leadership and interpersonal dynamics in the workplace, emotional intelligence has since become important in many different fields, especially in responsibilities with customers. High emotional intelligence employees are more suited to understand consumer emotions, react sympathetically, and modify interactions to fit both stated and unmet demands. This capacity to humanize corporate interactions drastically changes the consumer experience and promotes emotional resonance, trust, and belonging. Emotional intelligence becomes the link that ties business goals with human-centered service at a time when consumers want personalization, responsiveness, and empathy. Consumers of today want to be heard, understood, and appreciated more than they do answers. Emotionally attached consumers are more than twice as valuable to companies as highly happy consumers, according to a Harvard Business Review analysis. Emotional involvement generates brand support, recurring business, and a greater tolerance of service faults. Frontline staff members with emotional intelligence may establish these relationships by spotting minor emotional signals — dissatisfaction, enthusiasm, uncertainty — and reacting with customized solutions that improve the client experience from a simple transaction to a memorable one.

Moreover, emotional intelligence directly affects the capacity of a company to control discontent and conflict. Under service recovery models, consumers are assessing not only the resolution result but also the responsiveness and empathy of the engaged representatives. Key actions that greatly improve consumer impressions of justice and caring include identifying customer feelings, validating their experience,

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