

RETAIL

Quality, convenience win today's conscious consumer

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Retailers are adapting to changing consumer behavior and values. Image credit: Moda Operandi

By SARAH JONES

In the last decade, a new breed of consumer has emerged that is more demanding and informed, forcing retailers to adapt to attract and retain their business.

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According to a new report from Blis, consumers today are guided by a new hierarchy of needs that puts quality at the base of any purchasing decision. Recognizing that shoppers have more power and many choices, brands need to connect with them on multiple levels to retain loyalty in the current retail environment.

"Brands have to offer value, whether that is early access to sale information, discounts or promotions or building an affinity and sense of belonging," said Alex Wright, head of insights at **Blis**, London. "Our 'conscious consumer' knows they hold the power and can make the same purchase across multiple locations or channels. Therefore, they demand that brands work a little bit harder to sway them.

"The good news for retailers is that they can be swayed, as 69 percent report that they keep searching for better deals or prices all the way to handing over their credit card," he said. "Overlaying location data with behavioral insights means that brands have a much clearer idea of when, and importantly, how, and with what message to swoop in and make the sale even at the very last minute.

"The retailers who are thriving in this new environment have quickly adapted to the desires of the new conscious consumer. They understand that what was true of pre-2008 recession consumers is no longer true and that new habits have been formed."

Blis' "**Unlocking the New Consumer Hierarchy of Needs**" report is based on a survey of 2,000 U.S. consumers across socio-economic levels.

Needs and wants

Blis' research posits a modern retail version of Maslow's hierarchy of needs theory.

Forming the base of the pyramid is quality, as about two-thirds of consumers pinpoint this as the top factor in their choice to buy from a brand. While shoppers are willing to pay extra for something that is better made, post-recession

mindsets also lead them to consider price.

Price was mentioned as the first or second most important factor by about 44 percent of respondents, and around half of women consider cost first when shopping.

Slightly less crucial but still important is convenience. In the age of Amazon, the ease of acquiring an item can help them decide where to buy it.



Amazon has made consumers expect convenient shopping. Image credit: Amazon

Topping off the pyramid are aspects such as brand morals and the level of trust the company has built up.

Establishing a relationship with consumers makes a big difference in potential repeat purchases. While only 20 percent of consumers would be willing to forgive a brand after a mistake, 26 percent would forgive an error from a brand they like.

Affluent clientele are less apt to allow a second chance, with half of those whose household incomes are between \$75,000 and \$200,000 unwilling to forgive.

Consumers can be turned off by bad customer service, intrusive marketing or unrewarded loyalty.

When it comes to communications, promotional and functional content is sought by more consumers than emotional marketing. Additionally, six in 10 of those surveyed do not want to see brands take a political stand.

According to Blis, making outreach to potential clientele is an investment in the brand-customer relationship. Even if a particular marketing push does not lead to sales, it could help to prevent client abandonment if an error occurs later.

Before buying, consumers conduct research, mining social media and looking into brands.



Customers can be swayed up until point of transaction. Image credit: Printemps.

While consumers often research right up until buying, 17 percent buy more than \$50 worth of impulse purchases a week, where the time from discovery to transaction is less than 24 hours.

Even though price is a factor in purchase decisions, half of customers say they would pay up to 5 percent more for a higher-end option. Six percent would pay more than 10 percent more to buy at a higher-end store.

Loyalty drivers

Rather than just focusing on transactional-based rewards, loyalty programs should work to develop personalized,

relevant engagement with consumers.

According to a report from Bond Brand Loyalty, 78 percent of upper-affluent individuals say that loyalty programs are a significant part of their brand relationships, more than the average 71 percent among all consumers. Successful loyalty strategies today are integrated into the overall customer experience, taking the programs beyond points to drive positive brand sentiment ([see story](#)).

Affluent consumers today are less likely than ever to feel like they personally relate to a brand, which for many is a major factor in whether they are willing to spend on that brand at all.

According to YouGov's new Affluent Perspective Global Study, 72 percent of affluent consumers worldwide said that they felt there were very few brands that they could personally relate to, with the Middle East being the region where this feeling is the strongest. To fix this, luxury brands need to deepen their understanding of the values and desires of their customers and learn how to approach them in a way that feels both appealing and authentic ([see story](#)).

"Forty-eight percent of consumers claim to be less brand loyal than five years ago, so while consumers don't necessarily see themselves as less loyal, their behavior indicates they are," Mr. Wright said. "The conscious consumer can be persuaded to go with another brand up until payment. They are looking for high-quality items with competitive pricing, the base of their hierarchy.

"For brands looking to secure their loyalty, they should keep in mind that these consumers want deals with brands they buy from often—they expect to be rewarded for their loyalty with 30 percent of consumers putting unrewarded loyalty at the top of their turn offs," he said.

"Additionally, 71 percent of responses professed a desire for practical, value-based communications from brands while 44 percent also say they are much more likely to engage and forgive brands they like.' It led us to conclude that successful brands need to engage with conscious consumers in the moment' for immediate returns while also investing in the longer term, emotional bank to ensure they ride out future mistakes or service failures."

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