

MARKETING

## Brand loyalty trumps convenience for 40pc of shoppers

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*Consumers are willing to travel further to keep shopping with their favorite brands. Image credit: Neiman Marcus*

By SARAH JONES

Consumers today are faced with a plethora of choices, making brand loyalty and trust even more important for retailers.

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According to a new report from Euclid, four in 10 consumers would seek out a favorite retailer online or travel further to a physical store if their nearest location closed. Millennials are more apt than their predecessors to follow a preferred brand to ecommerce if necessary, with this generation not as concerned about the convenience of a brand's physical footprint.

"Fifty-two percent of millennials feel that it's important that their values align with the brands they like, according to our survey respondents," said Brent Franson, CEO at **Euclid**, San Francisco, CA. "Practically, that means many retailers still have some work to do to understand the perception of their brand and how it aligns or doesn't with their customer base.

"We're in an incredible moment of industry transition and competition has never been fiercer," he said. "Every differentiator helps - and authentic values alignment is a powerful one.

"When consumers tell us they view brands with values positively, it's fairly clear that perception could ultimately translate to tangible rewards and increased consumer trust."

Euclid's "**The Brand Perception Effect: How Strong Brand Values Inspire Consumer Trust and Loyalty**" report is based on a survey of 1,500 consumers in the United States.

Values and value

One of the building blocks of brand loyalty is values. This is particularly true for millennials and Gen X customers, with about half of those in these age groups looking for brands' values to align with their own.

Boomers are less concerned that the brands they choose have similar values, with only 35 percent indicating this was a preference.

Fifty-two percent of millennial consumers favor brands with diverse leadership, while only 17 percent of boomers desire inclusivity in the retailers they support.

Political stances are also at play in consumer decision making. A third of Gen Y customers and a quarter of Gen X-ers say that a retailer's position affects their perception of the brand.



*Tamara Mellon aligned itself with the Women's March. Image credit: Tamara Mellon*

One area in which boomers and Gen X consumers take the lead is in favoring American-made products. Two-thirds of boomers say U.S. manufacturing leads them to have a positive perception of a product.

Overall, 85 percent of consumers prefer brands that give back to charity.

"We're living in a cultural moment like none other, where the deep divisions we are seeing in our government are mirrored and reflected back in the sports, arts, nearly every place in our society," Mr. Franson said. "Brands are being more explicit about their values partly because consumers are giving them the space to do it as long as these brands are expressing them in a way that feels authentic.

"But stepping back, I think for most brands, it's even bigger than that," he said. "It's a genuine feeling that they should use the platforms, influence and voices they have for the greater good."

Another pillar of brand loyalty is trust. Beyond driving repeat purchases, gaining consumers' trust can impact how open they are to efforts such as personalization.

Forty-one percent of consumers in Euclid's survey said they were more apt to share their purchase history with a brand they knew and trusted. About half of consumers would be willing to have brands know their purchase history if it led to discounts or promotions.



*Consumers will share their purchase history for perks. Image credit: Bloomingdale's*

Establishing loyalty has the potential to overpower other consumer considerations such as distance or convenience.

The report asked respondents what they would do if their favorite area retailer closed the closest store. While about 20 percent would switch to a competitor, 40 percent would stick with their preferred brand, shopping online or traveling to a farther 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](#)).

Beyond millennials, Gen Z is even more concerned with finding brands that reflect their values.

While many question whether brands should comment on social or political issues, research shows that for Generation Z, social justice is the way to their hearts.

In an era during which social norms seem to be shifting and important social conversations are at a high, a new study by DoSomething.org has found that 76 percent of Gen Z consumers have purchased or are open to buying from a brand based on the issues it supports. Many are now even seeking out brands, rather than finding them by happenstance, based on social causes ([see story](#)).

"Brands earn trust and loyalty by being authentic and transparent," Mr. Franson said. "There are opportunities literally every day for brands to build that trust and strengthen loyalty, including being ethical in the use and protection of consumer data, having stringent standards for the way products are manufactured and sold and even actively working to increase the diversity of the company's employee base and leadership team.

"Let's be clear: companies can and will screw it up from time to time," he said. "But when you're generally known for doing the right things, and you apologize and make swift amends, you'll weather the storm because customers know and trust you."

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