



# 7 Brand Loyalty Drivers

What makes the loyalty community brand-loyal?

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**LOYALTY360**<sup>TM</sup>  
The association for customer loyalty



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KNow Research



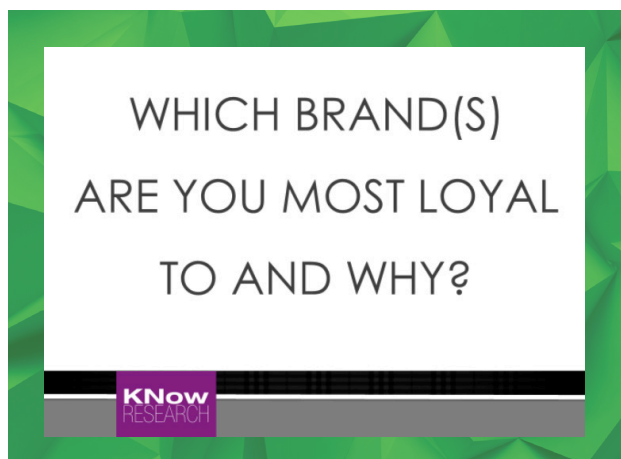
## BACKGROUND

In May 2019, **KNow Research** conducted a Pop-Up Insights Booth at **Loyalty Expo** to delve deeper into the question and find out what drives this brand loyalty and how loyalty marketers view brand loyalty. KNow Research is a full-service, qualitative insights consultancy that enables marketers and brands to understand customer motivations through custom research design.

## METHODOLOGY

**The researchers asked Loyalty Expo attendees a simple question:  
“What brand/s are you loyal to and why?”**

91 participants contributed a post-it note with a reason why on it and in that process, a specific brand was mentioned 64 times.



Please note that the research in this project does not replicate the findings from a large scale quantitative sample. Instead, this research is qualitative in nature and should be used directionally to inform strategic thinking.



# FINDINGS

## A. A Difficult Question

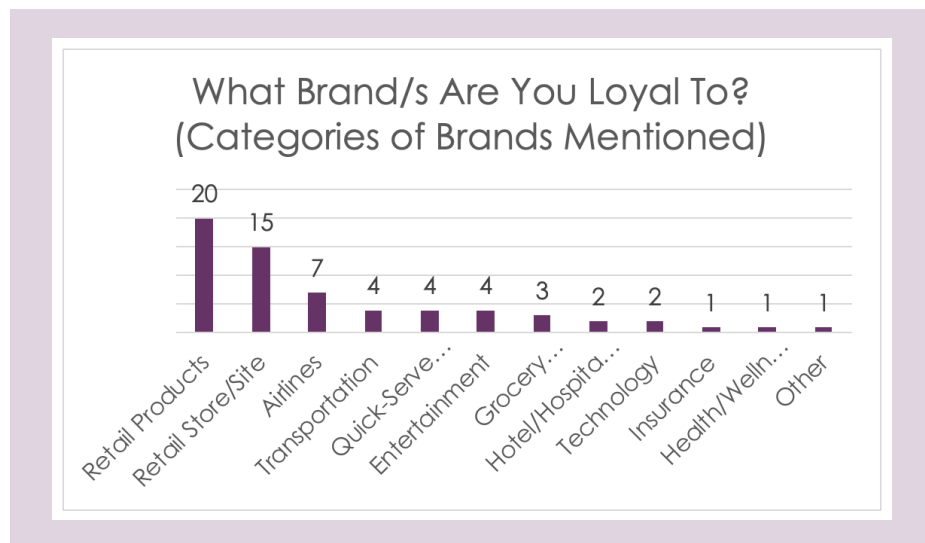
- Participants had more difficulty answering the question than we anticipated. Despite working towards inspiring and retaining loyalty in others on a daily basis, when reflecting their brand choices, many needed time to consider the question. Most started by thinking of products they loved, and then considered if they were actually loyal to them. Others thought about what they bought/used most frequently and then thought about if that was because of loyalty or if instead it might be because of habit or inertia.
- In the end, most participants chose a product or service that made an emotional connection with them. That emotional connection inspires them to choose that brand every time they needed something within that category.
- Many realized that the feeling loyalty is built up over time, by brands that touched their lives in unique ways and have distinct moments of connection. Participants were less likely to choose brands that wove into their daily lives seamlessly (e.g., banks, credit cards, insurance, household products, grocery stores) and more likely to choose those who gave them wow moments or acted in a way to make them proud to be a customer (e.g., their car dealer, their favorite coffee chain, an online retailer). We also had the segment who chose brands that have become so ubiquitous in our lives that they felt they couldn't help but be loyal to them (e.g., a certain online retailer and a certain technology provider).



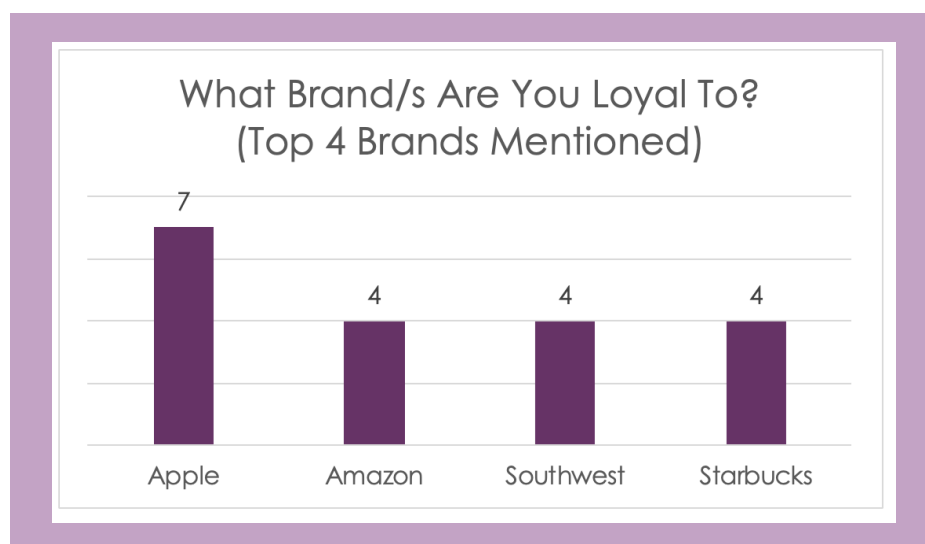


## B. Retail was the Most Mentioned Category

- The researchers categorized each brand mentioned by respondents and found that the category mentioned most frequently by participants was Retail Products (20 mentions), followed closely by Retail Store/Site (14 mentions).
- When breaking down the rest of the categories, Airlines comes in 3rd place with 7. Other Transportation, Quick-Serve Restaurants & Entertainment were in a three-way tie with 5 mentions each.



- In terms of specific brand mentions, Apple was the winner with 7 total mentions:



*You don't need a phone to feel connected to other people. I think that Apple just does such a great job of making that easily accessible to so many people. – Conference Attendee*



## C. Brand Loyalty Drivers

Drivers for brand loyalty fell into 7 main themes:



### Theme #1: Emotional Benefits

The top-mentioned reason for being loyal to a brand was because the brand gave the user intangible emotional benefits. These benefits are sometimes hard to put into words and are related more to a feeling towards the brand rather than an outcome of a loyalty program, incentives or product features. Instead, participants told us “it lets me connect with my kids”, “it’s a status symbol”, “I feel part of the team.” These intangible feelings connect consumers with brand intimately and weave them into their lives on an ongoing basis.

*Traditions and routines result in loyalty: “I have no idea why, but I love Volkswagen.”*

*You can't put into words why you shop a certain brand sometimes.*

*It's a love that's buried deep. – Conference Attendee*

*I am a big Starbucks fan and the reason why - they make me feel inspired. I obviously love their coffee, it tastes delicious, but I love being part of their community...part of the community is walking around with my Starbucks cup...seeing other ideas that people are posting and seeing how excited they are about their Starbucks experience...and sitting in the coffeeshop and just feeling inspired. – Conference Attendee*

[!\[\]\(4b7a79268f6ba26c1471d4232fffa85a\_img.jpg\) Video Clip: Emotional Benefits](#)



## Theme #2: Quality Products

Quality was right on the heels of Emotional Beliefs, as the runner up with 16 responses. When a brand consistently puts quality at the top of their list, it really pays off by acquiring and retaining loyal customers. Unsurprisingly, participants are loyal to products that they can rely on, that are not only good quality products and services, but products and service that offer that quality consistently over time: “It’s the one that works” / “it solves my problem.” If a brand has a quality product, it will consistently come to the forefront of a consumer’s mind when looking to purchase again and again and becomes “The perfect product for me”.

*I love Tesla because it's like driving in the future. I'm never going to buy a gas-powered car again... They've transformed the driving experience to be more like a computer or phone. My car gets updated every month. – Participant*

 [Video Clip: Quality Products](#)

## Theme #3: Customer Experience

When a brand focuses on understanding their customer’s wants and needs from a service perspective, it can drive loyalty. When a brand pays attention to new customers and treats them well in terms of service, they become regular customers. Once they are regular customers that high level of service encourages them to come back time and time again. Participants said these brands “listen to me” and “interact directly with me” to “consistently creating a positive experience.”

*I am a HUGE fan of Southwest Airlines, I love...the fact that I get to change plane reservation without having to pay any fees whatsoever, especially being in business where things are so chaotic, and I need that flexibility. I love that I get to check bags with no fees, which is great especially when you're traveling to large conferences and going on vacation. – Conference Attendee*

 [Video Clip: Customer Experience](#)

## Theme #4: Ease & Simplicity

Another very common theme voiced by participants was brands that offer an “easy, low effort, no friction” experience. Participants want brands that make their lives easy and give a “seamlessness experience between products.” This convenience and effortlessness makes products and services a habit. Automatic refills, payment and shipping are some of the ways mentioned that brands are making it easy to “set it and forget it,” making a brand a default in the category.

*We are loyal to Peapod because of pure convenience...they're available...they're there and they drive our groceries to our house. – Conference Attendee*

 [Video Clip: Ease & Simplicity](#)



## Theme #5: Company Values

**As customers look for increased transparency and corporate responsibility from brands, how the brand cares for the environment/causes and their corporate ethics/culture has a big impact on loyalty. This can be shown through strategic partnerships, making their progressive “brand story and leadership style” known, and/or aligning with “core values” of their target audience.**

A great example was for Dawn Dishwashing Liquid. The participant wrote “love wildlife”; she went on to tell us that she really loves the commercials where they show the people in the community washing off ducks with Dawn after an environmental oil spill because it cuts through the grease. This type of “good deed” went a long way with this consumer and now, she will only buy this brand of dish washing detergent.

 [Video Clip: Company Values](#)

## Theme #6: Personalization

**As loyalty marketers know well, when brands tailor product or services to customers as individuals, those customers are more likely to return to the brand repeatedly and become loyal. Going the “extra mile” for some of our participants by making them feel known, heard and catered to makes all the difference when considering who their loyal to.**

*The reason I picked Ritz-Carlton is really the personalization of the experience. I can remember each time I've been to the Ritz-Carlton in my local town. For some reason they know who I am the minute I walk in the door and it makes me feel special. – Conference Attendee*

 [Video Clip: Personalization](#)

## Theme #7: Recognition

**Recognition and rewards make customers feel important, heard, seen and appreciated. When customers receive an “amazing birthday credit” or are “recognized by my favorite restaurant,” they feel like their relationship with the brand is a two-way street.**

*And I love their [Southwest] points redemption system. I can go somewhere internationally for only 10k points, so much love to Southwest! – Conference Attendee*

Other comments that did not fit into one of the above categories came with a caveat. Even though they were loyal to a particular brand, the reasoning behind it wasn't necessarily because of a positive interaction. We heard comments like “I really rely on their service, but I'm not proud of that” and “they monopolize the industry” as reasons for loyalty in some cases. Somewhere along the line, these brands earned their loyalty and they are sticking with them.

 [Video Clip: Recognition](#)



## Conclusions

- Emotional connection, consistent quality products and frictionless experiences do much to earn and keep customers coming back to a brand. When brands evoke a positive feeling of connection, loyalty to that brand can easily follow.
- When brands make it easy to buy and use their products and services, the choice becomes second nature. Sometimes this pattern can become so inherent, consumers don't realize what drives the devotion to the brand itself.
- But be sure to become an emotional habit rather than an inertia-based habit. Emotional connections are stronger and last longer.
- Keep in mind that these core consumer needs can be even more important than personalization and rewards.



Video Clip: Watch the entire Loyalty Expo interview highlight reel

## Thank you to all of our participants!

We learned much from you and think some of you might have learned a bit about yourself as well. We encourage you to take this experience away with you and consider asking your target audiences what makes them loyal and why within your own category. Listening, valuing, and recognizing customers are key components when building trust and having/maintaining quality products and services are also necessary to keep the loyalty fires burning.



The completed learning wall with input grouped by theme.





## A bit about KNow Pop-Up Insights Booths

**KNow Research's** Pop-Up Insights Booths invite intercepted participants to give feedback on a topic of interest at a centrally located pop-up location on a 'learning wall' and in a short video interview.

It's a quick & engaging way for participants to share their top of mind feedback on industries and brands that impact their lives. Our clients appreciate visiting the booth, watching the 'learning wall' grow and receiving a video highlight reel of key takeaways from the exploration around the topic of interest.

It's also a great starting point for a company either trying to figure out whether it needs more research or to understand which areas may benefit by deeper insight dives.

**Contact us** to find out more about innovative qualitative methodologies like this and how they can help you **stay In the KNow**.



# An Afterword By **LOYALTY360**<sup>TM</sup>

The association for customer loyalty

## What Brand(s) Are You Most Loyal to and Why?

**This question is foundational to the quest for true brand loyalty, a question that is top-of-mind to all who are involved in driving brand loyalty for their respective organizations, a question that was perfectly suited to ask 400 customer-focused executives who were gathered in one place.**

An excellent opportunity presented itself during this year's **Loyalty Expo** to get qualitative insight into this question, and so, in partnership with KNow Research, we felt the spirit of this conference perfect to tackle this timely question. The need to get more informed feedback on customer loyalty from the vanguard of the industry could not have been more sublime as Loyalty360 is often asked about the most effective drivers of brand loyalty and how companies, knowing where they are in a continuum, can build or improve it.

The drivers of brand loyalty are many, and there is not a simple response to this question, but to get the perspectives from our audience as to which brands they are most loyal to and why could provide valuable insight. While the question may have seemed like a simple one, it made even those that work every day in customer loyalty and experience pause and reflect. This pensiveness was great to see, as answers just aren't as readily available or logical as one would expect, even to those deeply versed in the industry.

As seen throughout the responses, there are several different reasons why someone might be loyal to a brand. It could be convenience, the quality of the product, the rewards from a program, or the fact that the brand simply provides a seamless experience. However, most of these reasons tie into a larger overarching factor – something that we at Loyalty360 have seen from our membership and community – and that is

emotional connections to a brand. Brands know that this exists, but sometimes it is hard for them to place their fingers on it or even explain it, especially when those who desire to explain it were trying to do so in rational or measurable terms. These challenges are seen in the varied responses.

**As found in a research study we conducted with SAP in early 2019, we found that the foundation of building a great customer experience and loyalty is trust. Trust is a long-term connection built through factors including personalization, authenticity, responsiveness, and consistency. With this trust comes an emotional connection – one that maybe started in a transactional sense but, over time, has been established on a deeper-level. Trust is also not something that is easily defined but is tied closely to emotion.**

We can come up with examples of how emotion and loyalty may overlap (we all have individuals, sports teams, musicians, pursuits, and even companies we may be passionate about), but banking on consumers' emotions and irrational interests comes with risks for brands. It is therefore important that emotional loyalty be supported by routine and logic, or, in other words, rational and behavioral loyalty, which can be reconciled and explained, if the brand plans on outlasting the highs, lows and potential uncertain that may come with emotion.

**This brings us back to the original question we asked executives at the 2019 Loyalty Expo. Initially, you may think that companies that have traditional loyalty programs – some great and some good enough – are the easy answer to this question.**



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## What Brand(s) Are You Most Loyal to and Why? (Cont'd)

**However, when looking through responses, we saw that some of the brands that attendees mentioned they are “most loyal to” don’t have a traditional loyalty program at all. How could this be? Isn’t driving loyalty the whole reason these brands started programs in the first place?**

The stats around loyalty programs are well known. An average person belongs to upwards of 13 programs, but they’re only active in about seven of them. In our **2019 Loyalty Landscape Report**, we saw that 56 percent of loyalty memberships are not active at all. Some loyalty programs are certainly successful and drive amazing results, as we have seen throughout this year’s Loyalty Expo, particularly with some of the winners of this year’s Loyalty360 Awards. However, some companies spend an exorbitant amount of money on loyalty programs every year and members are not engaging. These programs are great when getting people to sign up, but then what?

This is where bigger picture customer loyalty and customer experience, integrated with strong employee understanding, socialized within and throughout the organization via strategy and operational aplomb, comes into play. As seen in our Loyalty Landscape Report, the number of respondents that said their brand has an explicitly defined loyalty program decreased in 2019 (about 57 percent) as compared to 2018 (almost 78 percent). This is because brands are seeing loyalty as more than a program; they’re seeing it as an overall company strategy and commitment to the customer. We have always believed that customer loyalty is bigger than the program, and that the program is a facet of the pieces needed to drive effective and efficient customer loyalty.

As the association for customer loyalty, we have the opportunity to constantly interact with brands on what they are see-

ing, hearing, doing, what their customers are asking of them, and the requisite challenges they are having. This emphasis on emotional loyalty is one that can be clearly seen through the interviews we have conducted, the conference presentations, and the Loyalty360 Award finalists, some of whom were first timers and others who had established reputations as providers of top-of-the-line, loyalty-focused strategy.

**Again, as seen in our Loyalty Landscape Report, these brands are ones that have customer advocates and have built or are planning to build customer communities. They have a dedicated focus on customer experience. They truly listen to their customers, and they take VoC feedback into consideration. They are looking to adopt and integrate new technologies at a time in which 77 percent of brands don’t feel or do not know if their marketing teams have the hard skills to understand, implement, and run new technology due to changing expectations in the field. They have innovation teams, a Chief Customer or Loyalty Officer, and socialize their loyalty strategy internally regularly. Their entire employee base is bought into driving amazing customer experiences and loyalty. And in the end, they have not only built a transactional or even behavioral relationship with customers, but also a long-term emotional relationship.**

With this in mind, we can look at the question of “what brand(s) are you most loyal to and why?” anew. It makes sense that pieces that can surround and build emotional loyalty – quality products, ease of experiences, personalization, customer experience, and recognition – were all contributing factors mentioned when selecting a brand.

While these brands may or may not have a traditional transactional “spend money and get points” loyalty model, they have shown their dedication to their customers by taking customer relationships to the next level, so much so that they are the brand that is top of mind when it comes to customer loyalty. ■





## **About Loyalty360**

Loyalty360 is the only objective community for customer loyalty. It seeks to enable and encourage dialogue among industry leaders. Through a unique blend of content, collaboration, and diverse learning opportunities, we've created a network of brands and technology providers that represent some of the best voices that the customer loyalty industry has to offer. Visit us at [Loyalty360.org](http://Loyalty360.org) or follow us [@Loyalty360](https://twitter.com/Loyalty360).