



2022 CUSTOMER LOYALTY DATA STUDY

WHAT ARE THE TRUE DRIVERS OF LOYALTY IN THE MINDS OF CONSUMERS?



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INTRODUCTION

What keeps a customer loyal?

Brands have strived to solve this puzzle for decades, and while giants with loyal followings like Amazon, Sephora and Starbucks have developed novel approaches, there is no one-size-fits-all approach to loyalty.

Brand loyalty is complex and even with the unprecedented amount of customer information available, brands still struggle to get inside the heads of their customers. **It's one thing to look at what customers are doing when engaging with your brand; it's another to know what they're thinking.**

And that's what we set out to do. We asked 2,500 consumers to tell us how they feel about the brands they're most loyal to in an effort to better understand the psychology behind what keeps them regularly buying and engaging. What keeps them a loyal customer? What really influences their opinions? How much do brand values and headlines influence decision-making?

The data we have collected and analyzed answers these questions and provides a roadmap toward a stronger loyalty strategy.



SECTION 01

THE DRIVERS AND DISRUPTORS OF LOYALTY

WHAT'S DRIVING DEMAND FROM LOYAL SHOPPERS

Product quality, the passionate community of consumers surrounding the product and the price of the brand's products are the biggest factors that keep consumers loyal to their favorite brands. What do these three things have in common? They are all things a brand can control and improve. The top three answers here can also depend on one another. A high-quality product is a cornerstone to building community around a brand and rallying a community of loyal supporters can lead to growth, and eventually, a lower price point on products for those in a loyalty program.

Which of the following best describes **why you're loyal** to your favorite brand?



WHAT REALLY MATTERS for customer loyalty? Knowing what drives and disrupts a customer's loyalty is key to understanding if you have a sound marketing strategy. While social media and celebrities often seem to drive buzz around brands, we found loyalty is really driven by qualities that are easier for brands to control.



BRINGING CUSTOMERS TOGETHER FUELS LOYALTY

For consumers who indicate a strong sense of community drives loyalty to their favorite brands, social media communities built around products or services are the most in demand. Brands have an enormous opportunity to engage with existing, organic social media communities as well as build their own followings.

The following are the activities that are **most important for fostering a sense of community** among those who consider community an important value.

| | | |
|---|--|-----|
| 1 | Joining online groups | 34% |
| 2 | Attending in-person event | 32% |
| 3 | Consuming brand related content | 18% |
| 4 | Receiving exclusive products or offers | 15% |



WHAT DRIVES CONSUMERS AWAY FROM THEIR FAVORITE BRANDS

Increases in price and decreases in quality are the leading reasons consumers said they would lose loyalty to their favorite brand and choose another. Additionally, **a third of respondents (33%) said a brand taking a contrary social or political stance to their own could cause them to lose loyalty with their favorite brand.** This stat is revealing — but may not hold much weight. As we explore later (see section 3), consumers don't often take action when values diverge.

Which of the following factors would most likely cause you to lose your loyalty to your favorite brand and try a different brand instead?

| | |
|---|-----|
| The brand's product quality declines | 65% |
| The brand's prices increase | 47% |
| The brand takes a stance on a social issue that I disagree with | 33% |
| Delivery becomes slow or unreliable | 23% |
| I hear that the brand isn't living up to its publicly stated values | 16% |
| My friends/family stop talking about or posting about the brand | 15% |
| The brand stops hosting in-person events | 6% |



WHO INFLUENCES CONSUMER THINKING

By and large, the factors that influence a customer’s loyalty hit close to home. Opinions of friends and family top the list, with personal politics and the media also playing a large role. What’s not so influential? Influencers, whether they are paid or unpaid. **Unpaid influencers only sway 46% of consumers’ opinions, and even fewer (44%) said paid endorsements influence their opinion.** The data here begins to show a pattern — that outside factors have less influence on brand loyalty than we might think.



How does each of the following impact your loyalty to a brand?

Significant Impact Some Impact No Impact

Paid celebrity/influencer endorsements



Opinions of friends/family



Unpaid celebrity/influencer endorsement



Opinions of my employer



Media coverage



My religion/faith



My political views



THE NEXT-GEN CONSUMER: COMMUNITY

For younger consumers, it isn't what a brand is selling, it's how they're selling it that impacts their loyalty and keeps them engaged. The biggest loyalty drivers for 18–24-year-olds are feeling a strong sense of community with others loyal to the brand as well as the brand's social impact. For those over 40, quality is the dominant trait driving loyalty.

Think of the brand you are most loyal to — that is, the brand you're most likely to still shop with regularly a year from now. Let's call this your favorite brand. Which of the following best describes why you're loyal to this brand?

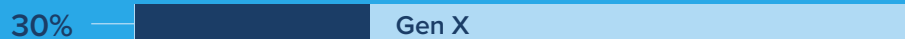
This brand does good in the world or has a positive social impact



I feel a strong sense of community with others loyal to this brand



This brand offers a higher quality product than similar brands



SECTION 02

THE HABITS AND ATTITUDES OF LOYAL CUSTOMERS

KNOWING WHAT KEEPS CUSTOMERS loyal is half the battle. To truly connect the dots on what motivates your audience, you also need to know how they're engaging and why. Are you focusing on strategies that actually move the needle toward loyalty, or are you distracted by the increasingly noisy digital media space?

HOW LOYAL CUSTOMERS ENGAGE

Nearly two-thirds (64%) of respondents check their loyalty status or points at least once a month — and 36% check at least weekly. We can also gain a lot of insight from the ways customers are **not** interacting with their favorite brands. It's interesting to note that 58% of respondents indicated they have rarely or never shared a post about their favorite brand on social media and 27% said they have never made a major purchase from the brand that required saving for. The takeaway? Brands should make sure loyalty programs are kept fresh and regularly promoted via social media channels.

In the past year, how often have you interacted with your favorite brand in the following ways?

| | Daily | Weekly | Bi-Weekly | Monthly | Rarely | Never |
|---|-------|--------|-----------|---------|--------|-------|
| Looked for news about the brand online | 15% | 23% | 11% | 16% | 16% | 18% |
| Searched for community events from the brand in my area | 23% | 16% | 8% | 11% | 19% | 37% |
| Checked my loyalty status/points | 12% | 24% | 12% | 16% | 12% | 24% |
| Posted about the brand on social media | 16% | 13% | 9% | 12% | 20% | 38% |
| Tried a new product or service from the brand | 16% | 15% | 12% | 30% | 23% | 12% |
| Made a major purchase with the brand | 18% | 12% | 9% | 17% | 27% | 27% |

CONSUMERS AND SOCIAL ACTION

Although social media and push alerts might make us think certain types of negative engagement with brands are common, the results show this isn't the case. While **57% say media coverage can impact their loyalty**, we see here that stories covering consumer action don't seem to be influencing consumers to repeat or replicate behaviors like boycotts and destroying a brand's products in protest. Bottom line: Consumers say values can impact loyalty, but they rarely take action.

Have you done any of the following with any **brand you regularly buy from** since January 1, 2021?

| | | |
|---|---|-----|
| 1 | Participated in a boycott of the brand | 16% |
| 2 | Destroyed or thrown something away from the brand | 14% |
| 3 | Posted something negative about the brand on social media | 11% |
| 4 | Posted a negative review of the brand on social media | 10% |
| 5 | Signed a petition that related to the brand's values or actions | 7% |



HOW LOYAL CUSTOMERS ARE REALLY THINKING AND ACTING

Buying regularly is the most common action taken by loyal customers, but actions taken in between purchases matter as well. It's encouraging to see so many customers who share information about their favorite brand with friends and family — our data showed earlier that friends and family are some of the biggest influences on people's opinions of brands.

Which of the following actions have you taken in the past 12 months?

| | |
|---|-----|
| Buying my favorite brand's products regularly (at least once a month) | 67% |
| Telling my friends about my favorite brand | 48% |
| Participating in my favorite brand's loyalty program | 32% |
| Providing feedback/filling out surveys from my favorite brand | 24% |
| Sharing personal data with my favorite brand | 19% |
| Posting about my favorite brand using their hashtags/handles | 17% |
| Attending an event hosted or sponsored by my favorite brand | 8% |



THE DATA ALSO SHOWS consumers may be tiring of the attention given to brands' values. Brands are often "canceled" too quickly according to 75% of consumers, and 79% say brands can be targeted for political reasons. Consumers are also not keen on showy statements by activists — **62% of consumers say destroying a product in protest is a bad way to show disapproval of a brand**, and 75% of consumers said brands have the same right to free speech as individuals. In general, viral trends and headlines make negative consumer actions like boycotts seem much more commonplace than they are.



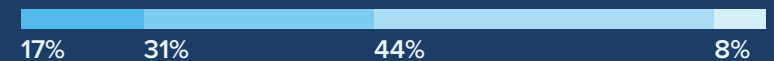
To what extent do you agree with the following statements about brands in general?

Strongly Agree Somewhat Agree Somewhat Disagree Strongly Disagree

Liking or buying a brand can be a political statement



Destroying/throwing away a product is a good way to show disapproval in a brand



Brands have the same right to free speech as individuals



People are too quick to criticize, cancel or speak out against a brand on social media



Brands can be unfairly targeted for political reasons



CONSUMERS ARE WARY OF SHARING DATA — EVEN WITH THEIR FAVORITE BRANDS

The majority of consumers trust their favorite brands to keep their data safe — but they are very reluctant to proactively share information about themselves. For brands trying to get a better picture of customers through data as most internet browsers phase out third-party cookies, this is a red flag. Brand leaders must start showing their customers immediate and direct value from the data they share. Even when faced with a potential discount or benefit from sharing data, consumers were reluctant to say they would give up this personal information — despite the fact that in some cases, it’s likely the brand already has it.

As with all new forms of data or information that marketers can potentially access, it is on the brand to prove why the data will eventually be valuable. As it stands, some consumers may have a tough time understanding why providing their biometric data, browsing history or physical location can help them. It’s up to brands to develop innovative ways to make that data valuable for customers – and mostly importantly, demonstrate that value.

Which of the following pieces of information would you be **willing to share with your favorite brand** in exchange for a better customer experience or discount?

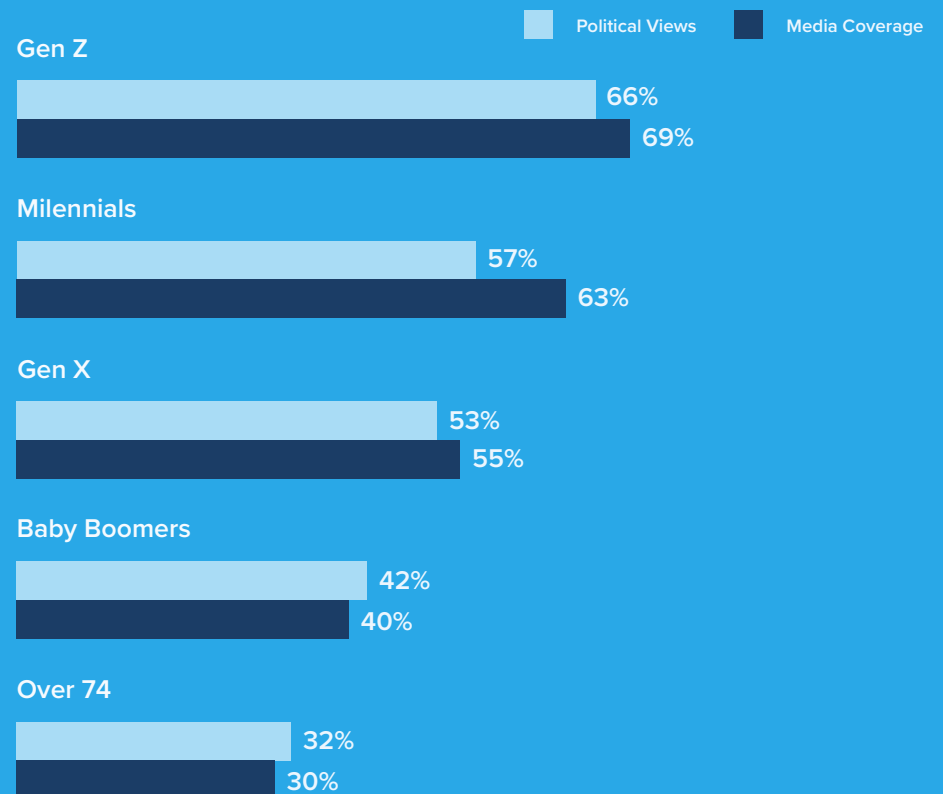
| | |
|--|-----|
| Email | 73% |
| Name | 65% |
| Birthday | 56% |
| Phone number | 38% |
| Demographic data (race, age, income) | 34% |
| Home address | 31% |
| Social media handle | 21% |
| Health and well-being data (heart rate, sleep times) | 12% |
| Biometric data (finger print, eye scan) | 8% |
| Social security number | 8% |
| Web browsing history | 7% |



THE NEXT-GEN CONSUMER: INFLUENCES

The opinions of friends and family have the most impact across generations on their brand loyalty. Following that, **younger generations (ages 55 and under) are more impacted by media coverage**, while older generations are slightly more impacted by their political views.

Politics and media have different levels of influence depending on the generation. The following data shows the percentage of each age group who say they are influenced by political views or media coverage of a brand.



SECTION 03

BALANCING BRAND VALUES AND LOYALTY

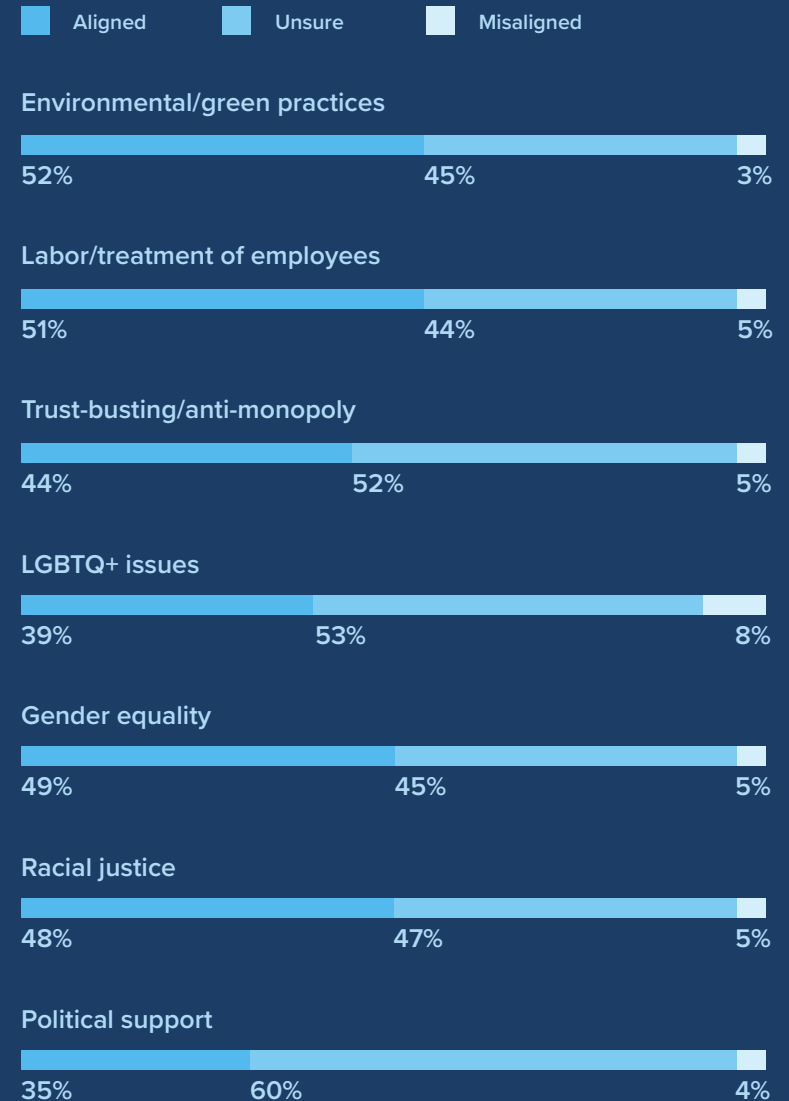
HEADLINES AND SOCIAL FEEDS often make it seem like the latest brand slip up or outrage has devastating consequences. But is this really the case? It doesn't appear so. Only 16% of consumers say a brand's social good or values is the main reason they stay loyal, and the same number said they would abandon a brand if it didn't live up to their pledges. In the end, 44% of consumers say they continue to shop with brands that don't share their values — meaning social stances and reactions to trending social media may not be as important as they seem.

BREAKING DOWN BRAND VALUES AND CUSTOMER LOYALTY

When you ask consumers how their values align with their favorite brand, one thing is clear — very few say they are loyal to a brand completely misaligned with their values. But the bigger story for brands is that their values and the stories they tell about them are in their hands. Since a significant amount of consumers are unaffected or neutral about their favorite brand's values, brands shouldn't necessarily feel pressured to take a public stance.

A high percentage of loyal customers are not aware of how their own values align with their favorite brands. This is particularly true for political support — **60% of consumers are unaware of where their favorite brand falls on the political spectrum**. After several especially polarized elections and political shifts, brands may not need to worry about assuaging the whims of customers based on party lines nearly as much as they may think they do.

To what degree is your favorite brand's activity in each of the following areas aligned with your own values?





WHILE VALUES MAY NOT IMPACT LOYALTY to an extreme degree, it doesn't mean customers don't identify with brands. Sixty-nine percent of respondents say their favorite brand is part of who they are, and 24% of those respondents said they strongly feel the brand impacts their identity. This is a critical opportunity for brands — consumers who feel your brand is part of their identity can be some of your most engaged and loyal customers. The lesson? Brands need to find ways to make deeper connections between the customer and the product, not necessarily to align with values.

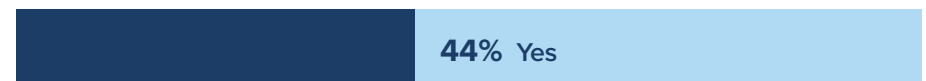
WHY AND WHEN CONSUMERS CHOOSE PRICE OVER PRINCIPLE

Forty-four percent of consumers say they continue to buy from brands that have different or opposing values. The takeaway here is that 72% of consumers willingly or unwillingly purchase from a brand that has contrary stances or beliefs to their own. The reasons vary, but price is the biggest factor — **56% of consumers still shop with brands that have contrary beliefs to get a better deal**. But quality (52%) and convenience (37%) are also factors. Finally, nearly a third (30%) said they simply don't believe their values need to match a brand's.

“My favorite brand is part of who I am.”



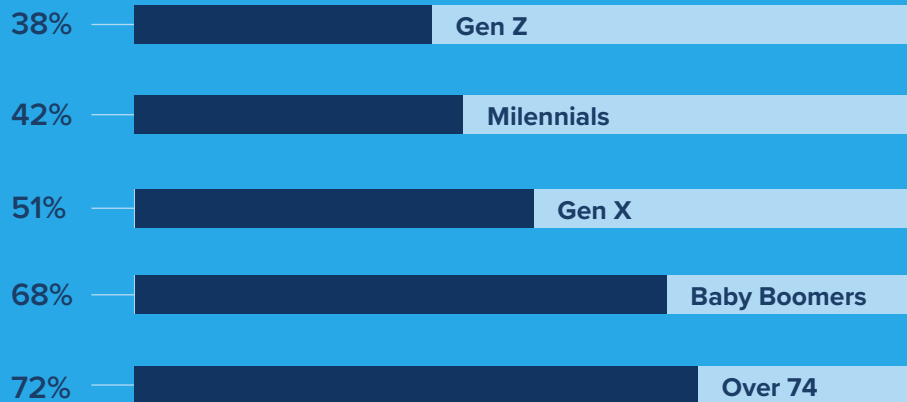
“Do you continue to buy from a brand that holds beliefs contrary to your own?”



THE NEXT-GEN CONSUMER: VALUES

Younger generations are more aware of their favorite brands' values compared to their older counterparts, which is in line with younger generations placing more emphasis on brands' social impact. On average, the younger the consumer, the more likely they are to be aware of the values and social stances of brands. Nearly three-quarters (72%) of those over age 74 say they don't know the values of their favorite brand, while only 38% of those under 24 say the same.

Unsure/don't know their values (average percentages across seven different social topics)





DRIVING LOYALTY FORWARD

The world has changed significantly in the past few years, but the underpinnings of loyalty have not. Price, quality and the community around the brand dominate when it comes to increasing loyalty, and ultimately convenience plays as big a role as anything. The noise of social media and headline-grabbing actions like boycotts? Not so much.

Are you in touch with what really drives your customers? Ready to build the communities and loyalty structures that consumers want? We'd love to talk—[reach out to get started.](#)

METHODOLOGY

Clarus Commerce surveyed 2,500 U.S. consumers in September 2021.



ABOUT CLARUS COMMERCE

Clarus Commerce is a leader in loyalty and customer engagement strategies. Our solutions use strategic incentives to engage consumers throughout the lifecycle of their relationship with your brand. We help you capture your consumer attention, motivate the behaviors your brand wants to see, and use the meaningful insights generated to promote deeper and more valuable engagement for your customers.

Your customers choose if they engage with you—we give them a reason to.

If you're ready to drive meaningful, data-driven results for your brand, visit claruscommerce.com to learn more.

Interested in learning more about loyalty? Download and explore the following resources:

[2021 Loyalty Industry Data Study](#)

[2021 Premium Loyalty Data Study](#)

[eBook: The Ultimate Guide to Loyalty Management](#)

[eBook: Everything You Need to Know About Adding a Premium Tier to Your Existing Loyalty Program](#)