



Brand loyalty is a shortcut to quick purchase decisions

Vasi Andronic

In March, ISRA Center Marketing Research finalized the study «Brand (New) Loyalty in Romania, in 2018. How human is your brand». The purpose of the study was to identify how brands succeed in earning and preserving consumer loyalty, in digital age. In the present interview, Vasi Andronic, Senior Insights Researcher, presents some of the research results. Further insights and conclusions are to be shared at BRAND-NEW BRANDS - marketing conference on the reinvention of FMCG and food retail brands, organized by Piața on April 19 or by request.

Why do people need brand loyalty?

Because it simplifies our day to day decisions to a significant degree and because the brands to which we are loyal give us the most treasured commodity of today: TIME. Loyalty is a shortcut to quick decision making.

There are some perks for brands, too. If a person is loyal to a brand, there are high chances for them to go straight for that particular brand rather than prospect the shelf landscape, all those pulsating red and yellow stickers shouting “promotions”. Let me share with you a softer definition of loyalty, which stuck with me despite having heard it many years ago, in a focus group discussion. People were asked to draw the package of their favorite brand in view of package design upgrade. We wanted to identify the iconic elements, the “intangibles” when crafting the redesign and one participant said: “Brand X is like an old friend who is so close to me that I don’t even see its features anymore.”

How does loyalty translate into behavior?

Generally, once a brand earned our loyalty, we have the tendency to attach a positive aura to it and idealize it. It's like falling in love. There are all sorts of cognitive biases at work, justifying our choice and favoring the chosen brand.

For instance, if we identify ourselves with a brand, we invest it with more trust; the habit of purchasing that brand and simply being exposed to it make us like it more. We tend to invest money and effort in something we have already chosen although we would be better off with an alternative; we tend to focus on the positive aspects of the brand in order to validate our choice.

You have opted for the “human brand” model in this study. What does this model entail?

As humans, we sway between paradoxes and inconsistencies every day and are engaged in an endless search for the middle way. On the one hand, brands have almost real time access to increasingly complex consumer data and have the opportunity to communicate with consumers directly, anytime and anywhere. And this is great!

On the other hand, consumers learn, compare, dispute and are courted all the time in a busy environment of online and offline stimuli. Thus, the relationship of brands and individuals is redefined and recreated by means of technology. This entails more responsibility on the brands' side. We witness the reactivation of a highly personal level of accountability which was present in the days of tailor made suits and custom made shoes. Only, in the digital age, news (especially bad or fake news) travels faster and reaches an unpredictable number of individuals. In light of this, all that is marketing echoes on brand loyalty. Any action may strengthen or damage the relationship with consumers.

With this picture in mind, we searched and searched for a theoretical model that could help us get precious insights as well as a view in sync with our online-offline existence. And we found it! The “**human brand**” paradigm by Chris Malone and Susan T. Fiske. According to the authors, a brand which manages to convey both warmth and competence effortlessly has high

chances to reach consumers' hearts in spite of the overcrowded and extremely challenging current setting. We translated this model into a two-dimensional battery of statements: "warmth - emotion" and "competence – functionality". The statements allowed us a targeted approach and helped us measure if, indeed, the brands to which Romanians are most loyal perform well on both dimensions and prove "human" in the end.

Does loyalty manifest itself differently across generations or demographic subgroups?

The results of our study indicate the presence of choice-supportive bias, i.e. the tendency to focus on the positive aspects of the brand in order to confirm having made a good a good decision. This unites all the generations included in the study.

Beyond this common red thread, we notice that Generation Z (18-22 y.o.) applies a more critical filter even in case of the brand which they "love", as compared to Millennials (23-37 y.o.), Generation X (38-52 y.o.) and Baby Boomers (53- 64 y.o.). Generation Z is also the most active in responding to the brand which has earned their loyalty, interacting more with the brand both online and offline. In a nutshell, Generation Z is assertive, applies critical thinking and knows how to capitalize on failure on their road to success rather than fear it. They are in fact the real digital natives; they are naturally born connectors and communicators. The Millennials have been making headlines for quite a while, but maybe it's time for brands to talk to this younger Generation X because these people may become a powerful voice of loyalty, valuable influencers of other generations and creative contributors to brand evolution. Another discriminating demographic clue shows us that loyalty is proportional with income and education. Moreover, parents with one child have an interesting particularity. They are more loyal to brands as compared to parents having two or more children.

What role does technology play in increasing brand loyalty?

There is a strong link between technology and loyalty which may be understood from a twofold perspective:

1. The direct influence on loyalty by the actual use of technology/devices. In our study, technology is one of the top categories for which Romanians have the strongest affinity. The DNA of this category has the right ingredients to attract and preserve loyalty. However cold its core may be, technology is quite personal! Gadgets, smartphones, wearable tech and other devices are simply Self extensions and status badges, implicitly. Of the two dimensions, <Warmth> and <Competence>, technology raises only associations in the <Competence> cluster. And it triggers ambivalent assessments: it differentiates itself positively on the statement “*It is an innovative brand which helps me discover new things*” and negatively on the statement “*It is a brand which rewards my loyalty*”.

2. The indirect influence on loyalty by means of Internet usage. As far as the frequency of Internet usage, people using Internet daily are the most loyal consumers as compared to occasional users or non-users of Internet. We were curious to see what brands the former mentioned to a significantly higher extent by and we got iconic brands such as Apple and Coca-Cola.

What brands generate the highest level of loyalty?

If we take a look at the top 3 brands having earned Romanians’ loyalty, the podium includes Samsung, Ariel and Adidas. Less than 1 in 10 Romanians loyalists mentioned a local brand.

We realized eventually that things were not as complicated as they seemed at first sight when analyzing the symbiosis of brands and people in the online & offline dimension. In fact, as with any turning point, we had to take a few steps back to broaden our perspective and remind ourselves that consumers, shoppers and marketers are all... human. Each individual is a jigsaw puzzle of needs and if we have the wisdom to identify these needs, we can find a “recipe” which brings us closer to consumers. By means of specific actions relating to our human nature, brands may achieve remarkable things and have a lasting echo. Let’s be human! It’s easy, because it is in our nature.



How did the project “Brand (new) loyalty in Romania. How human is your brand” come about?

We, ISRA team, started 2018 with a list of curiosities instead of resolutions. We plan for several such initiatives by means of which to provide relevant and genuine inspiration. When proposing the topic “What does brand loyalty mean in 2018 Romania?”, the greatest controversies and curiosities as well as the recurrent “yes, but...” made their way into my Inbox.

I knew then that this concern which animated and engaged everyone to such an extent had that “something” which was worth researching in-depth. When it comes to market research, complexity and tension is, in fact, the measure of valuable insight. And this is how our pet project, “Brand (new) loyalty in Romania. How human is your brand”, came into being.

The data was collected by CATI in February - March 2018 and reflects the input of a representative sample of urban consumers: N= 801, 50k+, cu $\pm 3.46\%$ margin of error.

Interview conducted by Maria Vaschi for *Piața* magazine:

<https://bit.ly/2qqnBO6>

