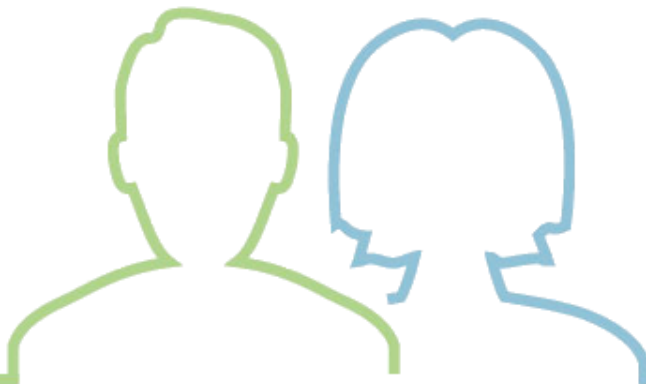


GUTCHECK MARKETING

Authenticity and Loyalty
Exploration

January 2016



Background Story & Objectives

Methodology & Target Audience

Executive Summary of Key Findings

Overall Implications

Detailed Findings & Voice of the Consumer

Appendix

- Appendix A: Respondent Profile
- Appendix B: Image Uploads
 - Loyalty Collages
 - Authenticity
 - Loyalty Process

The GutCheck team would like to better understand the common characteristics of brands, companies and services to which consumers are deeply loyal. This research will provide GutCheck a foundation of knowledge when it comes to their clients who are looking to further their loyalty or service programs.

KEY QUESTION



What makes a consumer loyal to brands, companies and/or services?

RESEARCH OBJECTIVES



1. Unaided, explore what “loyalty” and “authenticity” mean to consumers when it comes to brands, companies and/or services
 - Collage image upload
2. Determine what specific brands, companies and/or services they feel they are loyal to and why this is so
3. Aided and unaided, identify specific characteristics that are needed in order for a consumer to become loyal throughout the process (before being a customer vs. onboarding vs. ongoing)
 - Understand what brands, companies and/or services respondents don’t consider themselves loyal to and what those companies could do in order to make respondents “loyal”

Research Method	# of Groups	Total Respondents	Days in Field	Recruit to Report (in days)
Instant Research Group	2	42	2	7

This study was conducted via an online Instant Research Group where respondents answered open-ended questions and follow-ups posted by a trained moderator. This technology fosters a dynamic qualitative discussion where respondents are easily able to interact with others in the group.

AUDIENCE

Country	U.S.
Gender	Mix
Program participation	Participates in loyalty programs (Generally participate OR Participate in every program OR Participate in a few)

Group 1
Age 18 - 34

Group 2
Age 35+

Loyalty is created through continuous fulfillment of customer expectations

- Trust is generated when the quality of product/service matches customers' perceptions of it
- Sense of reliability increases likelihood for repeat purchases which lead to eventual loyalty
- Customers identify high value perception as the strongest driver in loyalty creation

Feeling appreciated/valued as a customer increases consumer loyalty

- Rewarding buying behaviors, such as loyalty programs, make customers feel valued
- A brand/service that shows genuine concern for customers' needs is very likely to retain them
- Personalized, genuine approach to customer requests leads to an increase in consumer's trust and repeat purchasing behavior

Customer service and support is key to maintaining customer loyalty

- However, it's less of a selling point and more of a retaining point; it probably won't attract customers (except by perhaps reputation), but it will keep customers
- Positive customer service experiences help drive repeated purchases
- Customer service also picks up the rebounds, so to speak; this is vital because it can make or break loyalty in terms of problem resolution

Follow-through - say what can be delivered, and deliver what customers expect based on that; avoid manipulating expectations to something that cannot be delivered

- Many consumers indicate that the basics are a vital starting point.
- These are keystone traits some brands may take for granted, including honesty and openness (transparency, to some individuals) about quality, service expectations
- These traits can lead to trust, and perception of a brand's genuineness - as long as the brand follows through

Be honest about your product, company, delivery; Let customers know what's real and what they should expect

- Many consumers, especially younger generations (in this study, 18-34) *want* to trust the brands they encounter and like.
- Taking advantage of that desire won't sit well with them, though, and they still need brands to deliver what they feel, as customers, has been promised
- Getting their interest might be a little easier, but keeping them as customers might become more difficult if they learn something about a brand that may not sit well with them (could be many different things depending on individual preference - animal testing, use of artificial ingredients, improper business practices, etc.)

Work on building relationships and trust with older (ages 35+) consumers

- Slightly older consumers (35+) might be a little more skeptical of product/service claims, and require more reason to trust a brand than those even slightly younger.
- Transparency probably still very important to them, though they might still distrust transparency until loyalty has grown over time
- Will probably still be an expectation of good treatment of customers; ultimately, still want to feel important, tended to

Marketing should highlight certain benefits in order to attract consumers

- Key phrases like “high quality,” may need to be included in messaging
- What seems most important is emphasizing value (quality in relation to cost), though this can be difficult to convey since it’s up to individual interpretation of what value is

Empower customer service with necessary information and the ability to make things “right” with customers

- Customer service is a key component of not only initially gaining business, but keeping it
- Customer service individuals are invaluable in their ability to deliver messages to customers that encourage their future purchases of a brand product, or at a branded store
- Similarly, customer service representatives are vital for encouraging repeat business especially in the event of a problem a customer has encountered; what they say and do can endear a customer to a brand, or inspire them to look elsewhere

DETAILED FINDINGS



Loyalty revealed itself in repeat purchasing behavior

- Loyalty was initially described in terms of the company's and consumer's actions
 - Consumer: consistently purchased product or service; sought out a specific brand over its competitors; wasn't easily swayed to try something new (i.e. remains "faithful" to brand)
 - Brand/company: evoked feelings of trustworthiness and accountability; made consumers feel valued
- Individuals felt loyal to brands due to the perceived value they were receiving
 - Some wanted very much to feel valued by a brand; immediately noted expectation of loyalty programs, receiving perks, rewards, and special treatment in return for their loyalty
 - Others referred to more basic requirements to earn their loyalty, such as a brand offering a quality service or product, and being something the consumer would seek perhaps regardless of rewards



Loyalty can be defined as being committed to a certain brand. When one is loyal they consistently shop or visit the company, they understand their values and goals, and they seek rewards from the company.
- 18, Female, New York, Generally participate in loyalty programs



...a personal sense of wanting to continue purchasing a brand's products or services. This may come from having past positive experiences...or appreciating or respecting how the brand operates...it's wanting to be loyal to a brand in return for the brand's loyalty to you as a consumer.
- 46, Male, Florida, Generally participate in loyalty programs





A store proves its loyalty to its customers through consistent, long-term efforts to improve their lives and meet their needs. That kind of customer commitment maintains an appreciative consumer following. Loyalty programs are a good way to prove that commitment.
- 64, Male, Virginia, Generally participate in loyalty programs

Most felt that loyalty was important, though to varying degrees and for different reasons

- Loyalty felt important to some for a couple of very practical reasons:
 - Participation in loyalty programs allowed some to feel confident they were getting the best “deal” - might be due to discounts with a rewards card, money toward a future purchase, etc.
 - Buying a tried and trusted product saves time because consumer already knows what to buy for good quality, delivers what they need
 - Overall, consumers could shop with more confidence, repeat a positive experience
- Some consumers considered importance of loyalty in terms of building a relationship
 - Noted that shopping some companies/brands could actually make a consumer “feel good” about themselves, beyond the purchase itself, especially if consumer felt connected with a company’s cause, contributions to community, or other deeply-rooted connection
- A few in each age group expressed indifference to loyalty, tended to shop by focusing on which product or service offered best “deal”

 *I think loyalty is key...because these brands or companies want you to be part of their team. They create or provide services that makes you feel good about yourself either by saving you on money or providing excellent customer service...It also helps the company tailor products or services that you desire.*
- 23, Male, New York, Generally participate in loyalty programs

 *Loyalty is important when purchasing because when one is loyal they know the quality of the brand they're purchasing from. It's always better to purchase an item which quality that you know is good, rather than not knowing about it at all. Also loyalty provided rewards that can benefit the customer.*
- 18, Female, New York, Generally participate in loyalty programs

 *When I am considering...a purchase...loyalty is everything, as I know I will receive the same consistent excellent product and or service time and time again. Loyalty is a friendship that evolves and does not occur overnight...I always will defer to the company who has developed the "loyalty" mantra, even if the price is higher.*
- 52, Male, Ohio, Participate in every program

Happiness, trust, and collaboration represented as emotions associated with brand loyalty

- Pictures of dogs, people hugging or holding one another, and people serving in the military often use to symbolize the pure feelings some associated with loyalty
- Handshakes, other images suggesting collaboration reinforced the feeling that loyalty to a brand required energy and commitment from both parties involved
 - Handshakes and other images indicating ‘I trust you and you can trust me’ often used too
- A few participants explained a bit more in-depth that loyalty extends beyond a program or product
 - Emphasized that true loyalty evoked feelings of connectedness, presence of relationship

Image on the left shows a character holding a 'brand', represents someone finding their brand and really holding it dearly...Loyalty isn't just to an item, can be between people as well. If a company has provided you a service that you are keen on using, that reflects loyalty as well...image shows people being brought together.

- 24, Female, Washington, Generally participate in loyalty programs



My first thoughts of loyalty center around a dog. No matter what...my dog loves me and is eager for my attention. Next is a handshake. Loyalty should be uncomplicated, based on consistent courtesy and honesty. The third picture shows how my loyalty is intertwined with my customer satisfaction.

- 60, Female, Georgia, Generally participate in loyalty programs



When I hear the word Loyalty...I feel happy because I am being loyal to something I like and I feel happy for the way they show us that they're loyal to us too. I feel confident because I know I am being loyal to a brand or company that is of great quality, and I feel proud of using the products, sharing my experiences :)

- 20, Female, New York, Participate in every program



YOUNGER GROUP MAY BE MORE OPEN TO TRUSTING, BUILDING RELATIONSHIP



35+ GROUP EMPHASIZED NEED TO TRUST, SAVE MONEY TO FEEL LOYAL



“ The hand shake is a symbol of an agreement between two people, which show trust and loyalty. The man catching the woman is a symbol of trust between two people, showing that I'm putting my values in your hands. And the two heads with the gears is a symbol of collaboration, saying "I'm putting my time and energy into you and your product so I expect the same in return.”
 - 19, Female, Missouri, Participate in every program

“ I chose a happy face because feeling loyal to a brand would make me feel happy and content that I've found a company that I feel good about. The "Thank You" note is basically a sign of gratitude; it comes from appreciating a company enough to grant it your loyalty. And the final image represents trust;...believing in that specific brand or company - not only related to what they're selling but how they communicate and engage with you.
 - 46, Male, Florida, Generally participate in loyalty programs

- Interpretations varied not by age, but by individual understanding
- Over half took it to mean “authentic” and “sincere” related a company or product’s claims
 - The ability to be genuine meant setting expectations and delivering on them
 - Might describe a product’s ability to deliver on a promise
 - Might describe an entire company or brand name’s ability to live up to its own brand as interpreted by consumers
 - “Transparency” was used to describe how a company might deliver on genuineness
- A few related the word with being “original” or a long-standing brand that has maintained quality over the years; some also related it specifically to good quality
- Nearly all agreed that genuineness is important
 - A few felt that it may not matter as much for smaller purchases, but it would for more costly items
 - Important aspect of being genuine seemed to be customer support in case a product failed



To me genuine means that they are real and trusted. They are products and services that you can rely on.

- 28, Female, Nevada, Generally participate in loyalty programs



Genuine, to me, indicates a certain level of trust. It means I can read a product label and find it believable. It means that I do not expect to find out later that the company was lying about what they advertised. A reverse example was for me to learn that there is absolutely no pumpkin in Starbucks's pumpkin latte.

- 60, Female, Georgia, Generally participate in loyalty programs



It is very important to me. I like my brands, etc. to be reliable. I like to get the same level of service, item, etc no matter where I purchase the items from. I like that if they do make a mistake, that they take care of it, without a hassle.

- 51, Female, Connecticut, Generally participate in loyalty programs

Consumers chose “genuine” brands that they seemed to identify with, relate to, or even respect

- Tended to choose brands that they felt offered good, consistent quality
 - Indicated good past experiences and trust in the brands
- Other genuine qualities reflected in brands included:
 - Good treatment of their employees
 - Customer-oriented return policies
 - Strong problem resolution processes
 - Gives back to community / charities via time or money



*...Costco because they have a good reputation for how they treat their employees; they're good to the customer but also are supposed to be a good place to work and promote from within, that's something I respect...also have a good return policy, another good quality...
- 33, Female, Utah, Generally participate in loyalty programs*



Costco offers good quality products and services to their customers that they stand behind. they also provide great opportunities for their employees. They truly make their products and services benefit everyone. - 48, Male, Minnesota, Generally participate in loyalty programs



*I find Toms to be a very genuine company. They are very upfront about what they stand for, and they follow through on their promises to charity. They are someone you can see as a real person and relate to.
- 36, Female, Iowa, Generally participate in loyalty programs*



Age groups chose genuine brands via similar processes, but what really impressed them varied a bit

18-34 SEEMED ESPECIALLY IMPRESSED WITH STRONG, PERSONALIZED SERVICE



CONSISTENCY OF QUALITY OVER TIME AND LOCATIONS IMPRESSED 35+



I think Sony is a genuine company because they make reliable products that lasts for years without any faults. Their customer service is very helpful in helping you with any products in a timely manner. Like once my PS3 broke and they sent me a prepaid box to ship it back to them and have it repaired under warranty. They stand behind what they say and fulfill it for satisfied customers.

- 23, Male, New York, Generally participate in loyalty programs



No matter where I go in the country, I know I can depend on the product I buy from Starbucks. The quality of the product is consistent ...I feel like I'm at my local store no matter where I am. The baristas are knowledgeable everywhere and it's a nice feeling to know that no matter what store I'm in, I will receive the same level of service. Starbucks knows exactly who they are, what they do and how to do it.

- 51, Female, Connecticut, Generally participate in loyalty programs

Nearly everyone agreed that being genuine relates in some way to consumer loyalty

- Many felt that the two “go hand-in-hand”
 - Most stated that they would not be loyal to a brand that they didn’t feel was genuine
 - However, a consumer’s ability to gauge how genuine a brand actually was, was felt to take a little time (to assess the brand’s ability and desire to deliver on what’s expected/promised)
- Some reiterated that building loyalty takes time
 - Noted that genuineness could lead to loyalty over some time
- Regardless of an individual’s initial definition of “genuine,” consumers trust that a brand will meet their expectations (whatever those might be) was vital



Sephora for example...I get greeted as soon as I walk in. The ladies make sure to continually make sure my needs are met throughout my shopping experience. They offer any help or assistance I may need and I always walk out with free samples or beauty advice. I always leave with a smile and to me that makes a genuine company. I am loyal to that store because of their fantastic service and products. By them setting their service bar so high, that has established a good amount of trust for me.

- 24, Female, Washington, Generally participate in loyalty programs



People know what they like, and if they feel they can rely on a vendor to produce a consistent product at a fair price, they will come back. That is a genuine effort on the behalf of the company which is likely to maintain a loyal customer base.

- 64, Male, Virginia, Generally participate in loyalty programs

Purchases stemming from loyalty ranged from cars to soda, suggesting trust and personal preference are influencers

Category	Brands / Product Types	Age Group(s)	Notes
Banks / Financial Services	Key Bank, Discover, Wells Fargo, Chase	Both	<ul style="list-style-type: none"> Absence of problems, quick problem resolution
Cars	Honda, Toyota, Ford	Both	<ul style="list-style-type: none"> Trusted lasting quality Expressed preference for certain dealers
Car Care Services	Brand's dealership, Hughes Automotive, local providers	Both	<ul style="list-style-type: none"> Once found a place they trusted, tended to stay with them
Clothing Brands / Sports Attire (esp. shoes)	Nike, Hot Topic, Reebok, Chap's, Brooks	Both	<ul style="list-style-type: none"> Running shoe brands especially evoked loyalty Upon finding brand that fits, loyalty began
Drug Stores	CVS, Duane Reade	Both	<ul style="list-style-type: none"> Loyalty programs especially important (CVS) Carry preferred product brands, trusted
Entertainment / Hobbies	Netflix, video games (Nintendo), Manga, Disney	18-34	<ul style="list-style-type: none"> Innovation was key Good customer service, listens to customer 35+ did mention Disney, Legos
Food Products	Snack foods (various), natural/organic food brands	Both	<ul style="list-style-type: none"> Taste preferences for particular snack foods Trust in quality of food brands
Grocery Stores	Wegmans, Food Lion, Harris Teeter, Krogers, others unspecified	Both	<ul style="list-style-type: none"> Loyalty programs, esp. discounts on gas Carried trusted food brands Quality fresh foods available consistently
Personal Care Brands	Crest, Bounty, Huggies, Tide, Glad trash bags	Both	<ul style="list-style-type: none"> Said to be loyalties built over time, some brands used for lifetime Consistent quality, trusted

Customer service important aspect of making consumers feel appreciated

Category	Brands / Product Types	Age Group(s)	Notes
Restaurants / Fast Food	Domino's Pizza, Starbucks, Moe's Burrito, McDonalds, Chick Fil A, local sites	Both	<ul style="list-style-type: none"> Chain restaurants offered consistent quality Local restaurants gave personal service, made customers feel appreciated
Retailers	Amazon, BJ's, Costco, Sam's Club, Target, Wal-mart	Both	<ul style="list-style-type: none"> These brands in particular chosen due to outstanding customer service, return policies, problem resolution Product selection good, trusted
Skin Care / Beauty Products, Services	Revlon, other unspecified brands; hairdressers named by 35+ audience	Both	<ul style="list-style-type: none"> Can be hard to find "right" product, once found, continue to use Similar applied to hairdressers
Soda	Coke, Pepsi products, Diet Coke, Red Bull, others	Both	<ul style="list-style-type: none"> Sometimes lifetime of loyalty Taste preferences influence
Tech Product / Electronic Brands	Apple products, Samsung, Sony, Dell, Android	Both	<ul style="list-style-type: none"> Customer service very important Personal preference for Android or Apple interfaces/software mattered
Tech Services	Verizon, Dish Network, AT&T	Both	<ul style="list-style-type: none"> Evoked "if it isn't broken, don't fix it" attitude among some Others trusted service they received
Travel / Travel Services	AAA, Delta, Southwest Airlines	More prevalent among 35+	<ul style="list-style-type: none"> Loyalty programs esp. via credit cards

Despite wide range of purchases discussed, reasons for loyalty overlapped quite a bit



I am loyal to Verizon and not because they're cheap (because they aren't) but because I've been a customer of theirs for over 10 years and know that they can be relied on. I'm also loyal to Crest...using their products since I was a child. I've tried some others but have always gone back to Crest as I think they have better quality products. Third I would say that I am loyal to Disney...a place and company that makes me feel special. Whether I'm going to one of their parks, watching one of their movies or shopping their products, I am happy!

- 28, Female, Nevada, Generally participate in loyalty programs



...Amazon (I buy a lot of books from them--I love books and especially enjoy getting Kindle versions when they are on sale), Kohls (they have good sales and coupons and I can get some really smoking deals from them when I stack their codes), and Costco (I just like them and feel like they are a good company, so I buy from them whenever I can--if they have the lowest or equal prices on something).

- 33, Female, Utah, Generally participate in loyalty programs



I'm loyal to products or brands that are consistently high in quality and provide a good experience, listen to their customers, and reward my loyalty in return. In this regard, I am especially loyal to Starbucks and Lego.

- 38, Female, New Jersey, Generally participate in loyalty programs



I am loyal to my local grocery store. They have consistently good prices, and I am rewarded by using a loyalty card. I get discounts on food and gas. I am also loyal to my hairdresser because she does my hair at a very reasonable price. One time she missed my appt. and she did my hair for free (cut and color!). It's why I keep going back. Third, there are restaurants I prefer locally that have consistently good food at good prices, so I keep going back to them.

- 38, Female, New Jersey, Participate in every program

Consumers didn't seek brands for loyalty purposes; they tended to stumble upon brands that made them feel that way

- Many were first introduced to a brand to which they now feel loyal by a friend or family
 - Might have been because friend/family wanted to show them something they just bought, or a favorite place they like to shop; in any case, this led to the participant trying something new
- A few people by chance stopped in to a new store or restaurant and liked their experience
 - Often it seemed as though a helpful employee suggested ways to save money, introduced a loyalty card, or gave some other indication that the consumer should return - and how it would benefit
- For products, loyalty seemed to grow as a person began using a new brand
 - Trust was built in product's ease of use, it's quality, how long it lasted
 - This wasn't true in every case; sometimes trying a new product led to a sort of "wow" factor, such as one consumer who recalled seeing an iPod for the first time, and another who tried Dr. Pepper for the first time



...we decided to try "this new burrito place" and I immediately fell in love. I liked everything about it, and I liked it even more when I learned about "Moe Mondays" (discounted burritos) and that the restaurant had a loyalty-type program...it just made sense to keep going back there.

- 28, Male, New York, Generally participate in loyalty programs



CVS is right around the corner from me, started out as a convenience to shop there. But then when I signed up for the loyaltycard and saw all the savings I was getting, it made me go there more often. I can't wait to get their new sales ad on Sunday to see deals for the upcoming week...an associate showed me some very helpful ways to make it stretch even farther. I was a true fan from that moment on.

- 50, Female, Texas, Generally participate in loyalty programs



One of my friends recommended Stonyfield milk to me when I had my 1st baby in the USA. I was worried about the antibiotics and hormones in the regular milk. This product gave me a peace of mind. I have kept buying milk, yogurt and other dairy products from this brand for 11 years now.

- 47, Female, Oregon, Participate in only a few

Images reflecting emotions toward a favorite brand were carefree, happy, excited – lacked any sense of worry

- Images tended to exhibit pure joy, indicating a purchase that leaves them feeling good and without concern
 - Some photos related a brand or product to a particular part of their routine, which suggests how a brand can become so much a part of someone’s life
- At this point, comments indicated that some consumers feel a favored brand “gets” or understands them
 - Others very much identified with a particular brand, felt using it reflected who they were

I feel calm, relaxed and comfortable. I choose this image, because by the time I sit down to watch Netflix is either the weekend or after a hectic day of work, so it always give me the same feeling.

- 26, Female, Florida, Participate in every program



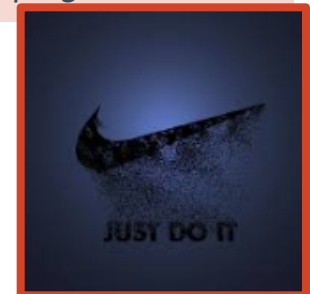
I love love love Amazon Prime. When I get a package in the mail I get excited, even if I know it is coming. I even love getting my diapers and laundry soap through them...Amazon has saved me many trips to the store and for that I can jump for joy...

- 41, Female, Missouri, Generally participate in loyalty programs



Nike by far is my most loyal brand; mostly because sports and outdoor activity is a big part of my life...Not only are they quality products that feel comfortable wearing but also look good...To me it represents an athletic lifestyle, outgoing; enjoying life and staying fit.

- 42, Male, Idaho, Participate in every program



Balancing improvements and change with existing expectations kept consumers loyal

- Maintaining expectations related to quality, cost, and loyalty programs said to be very important to retaining loyalty
 - Customer service was much-noted aspect to this as well, added greatly to feeling appreciated
- A few people noted that being innovative, and making improvements to current products and systems would be another aspect to maintaining their loyalty
 - These innovations and improvements would still need to align with consumer expectations
 - For example, Nintendo or Samsung must continue to innovate to maintain interest and keep pushing the envelope
 - This may not be advisable for all brands; long-standing, trusted names such as Coke or McDonald's for which consumers always know what to expect, might carefully research changes

I'll stay loyal if the company sticks with what made me loyal in the first place--keep offering good deals, high quality items, etc. If I feel like the quality declines, prices increase, deals are less frequent, or they become harder to work with, I have no problem switching to something else that's a better fit for me.
- 33, Female, Utah, Generally participate in loyalty programs

I will stay loyal to anything that can give me the sense of confidence that I won't have to buy a new one because it has poor quality, something that is unique and that compliments my personality or my taste (food, clothes, preferences, etc)...
- 26, Female, Florida, Participate in every program

Repeated good experiences, meeting my expectations, not changing what I have come to appreciate. These factors are why I stay loyal to a brand.
- 43, Female, North Carolina, Generally participate in loyalty programs

Loyalty changed often with downfall in customer service, product quality, or change in opinion of brand

- Something triggering a change in opinion of a brand or company may shift loyalty
 - Chevrolet accepting bailout money, Chipotle’s difficulties with e. coli, and learning more about how a chicken brand processed its food were examples of shifts in opinion
- Decrease in quality of what a store sells or ingredients used in cooking can change loyalty
 - Decrease in J. Crew’s clothing quality, products at Radio Shack caused change in preferred brands
 - Especially true in eating establishments where ingredient quality shifted food’s taste
 - Similarly, changed menus might shift loyalty if favored items were removed
- Events that make consumers feel less valued, especially poor customer service, can delete previous loyalties
 - Many examples in this area, such as Sprint and Samsung not working with consumers to fix problems
 - Poor treatment on a visit to a store or discussion over the phone may have similar effect
- Location forced some shifts in loyalty, for convenience or absence of stores in an area

“...I had a Blackberry Smartphone about 6-7 years ago...was great for about a year or two...The company lacked innovative ideas and their customer support was never that helpful. I ultimately decided to switch to an iPhone... phones were much better...good and consistent customer service.

- 23, Male, New York, Generally participate in loyalty programs

“I was loyal to Walgreens for all our prescriptions. The customer service was going downhill and then they gave me the wrong meds...After several rude employees I couldn't stand going in there so I switched to CVS...the people are friendly and I still get a rewards program that is very comparable.

- 41, Female, Missouri, Generally participate in loyalty programs

“We ate at the same local restaurant for years and the food and service was great. All of a sudden, the quality of the food declined, and our orders were consistently wrong. When we said something, they acted like they were inconvenienced and got snippy...That was the last time we ate there.

- 51, Female, Connecticut, Generally participate in loyalty programs

Curiosity plays a role in a brands' ability to gain attention from new consumers

- Offer a service or product that's better for the individual
 - Cell phone reception was given as an example
 - Product quality noted to be a good way to gain interest - as long as it can deliver on claims
- Cost was a bigger driver for some than for others when considering a brand change
 - Value perception came into play for most, versus simply finding something cheaper
 - Value especially important to 35+ group, who were also more likely to want proof that a new brand could carry through on claims
- Additional incentives may encourage change - free warranty, gift card, free sample, etc.
 - Good customer reviews or encouragement from friends/family may be more likely to spark interest than incentives alone
- Offer something unique
 - Noted to tempt especially more tech-driven participants in 18-34 group, mentioned less by 35+



If it's a new brand, I would have to get a sample or a referral from a friend or a unique selling point that would make it stand out from the rest of the brands to consider switching brands eventually.
- 26, Female, Florida, Participate in every program



In order to make me switch from a company I was loyal to, a competitor would have to offer a similar product/service that is superior...Better rewards, maybe better health benefits, experiences... whatever the situation may be. It must fulfill what the current product is filling and also go above and beyond.
- 28, Female, Nevada, Generally participate in loyalty programs



First, they would have to offer a big discount or even a free sample for me to consider switching from a brand I was currently loyal to. For ongoing loyalty, they would have to consistently offer the same or better service or product for at least the same or a lower cost.
- 60, Female, Georgia, Generally participate in loyalty programs

Regaining loyalty required multiple steps, some convincing – but was possible

- Over half in each age group said they have not returned to a brand they used to be loyal to
- Those who had named several reasons they had returned:
 - Left the original company because something else seemed better; when they found it wasn't, went back to brand to which they had initially been loyal
 - A new product/service offered by brand to which they had previously been loyal appealed to them, drawing them back
 - Left originally preferred company when they discontinued a favored item; returned to that same brand when that item was returned to their product line
 - When originally preferred brand learned of the customer's dissatisfaction, they went above and beyond to solve the problem and keep the consumer happy
- Several who had returned to an original brand also noted that it helps when a company admits a mistake/fault in addition to making it right
 - Seemed to add a more human element to dealing with a company



I left dish network for AT&T yet I realized I was so wrong for that because I was over charged and the channel listings weren't as good as Dish Network so I reactivated my Dish services and cancelled AT&T.

- 26, Male, Texas, Generally participate in loyalty programs



I did go back to PepBoys after they messed up on my oil change. I requested a specific brand (Castrol) to be put in instead they used Shell...I complained on their site. Within a day, that shop called me and apologized and was able to provide the product and service I wanted for free.

- 23, Male, New York, Generally participate in loyalty programs



I stopped shopping at a clothing store due to the declining quality...(They) sent me a letter with a coupon asking why they hadn't seen me. I called the customer service number they provided and explained why. The rep told me what they had done to fix the issues...asked me to give them another chance. I did and found out that they had indeed fixed the quality issues. I'm back to being a loyal customer.

- 51, Female, Connecticut, Generally participate in loyalty programs

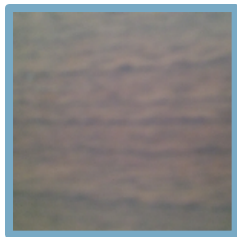
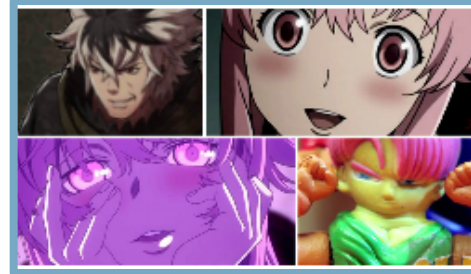
APPENDIX



APPENDIX A: RESPONDENT PROFILE

PARAMETER	TARGET AUDIENCE	ACTUAL AUDIENCE	
		AGES 18-34 (21)	AGES 35+ (21)
Country	U.S.	U.S. 21	U.S. 21
Gender	Mix	Male: 9 Female: 12	Male: 7 Female: 14
Age	As indicated by segment	18-24: 9 25-34: 12	35-44: 9 45-54: 9 55+: 3
Loyalty program participation	Non-rejector loyalty programs	Participate in every loyalty program offered to me: 6 Generally participate in loyalty programs: 14 Generally do not participate but there are a few I participate in: 1 Do not participate in loyalty programs: -	Participate in every loyalty program offered to me: 6 Generally participate in loyalty programs: 14 Generally do not participate but there are a few I participate in: 1 Do not participate in loyalty programs: -

APPENDIX B: LOYALTY COLLAGES | 18-34



APPENDIX B: LOYALTY COLLAGES | 18-34



A woman's loyalty is tested when her man has nothing ... A mans loyalty is tested when he has everything.

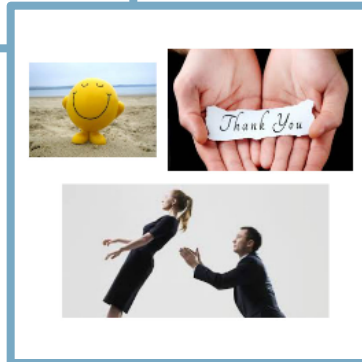
Life is not about the people who act true to your face. It's about the people who remain true behind your back...



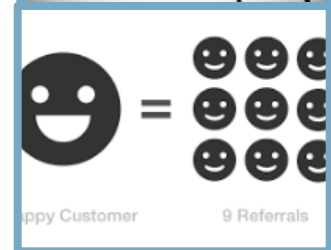
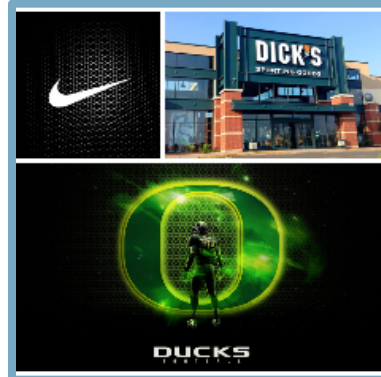
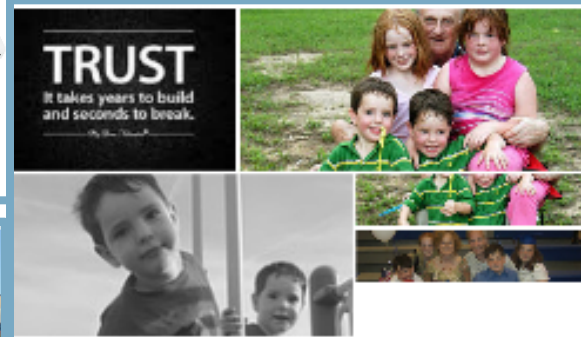
PHARMACY



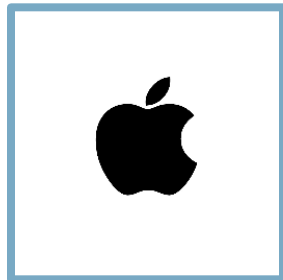
A good brand provides a clear and memorable sense of what your business stands for.



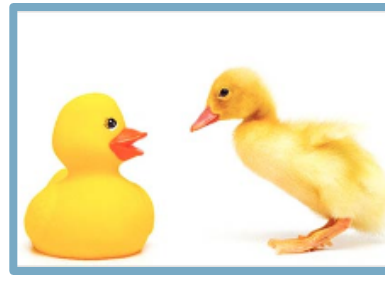
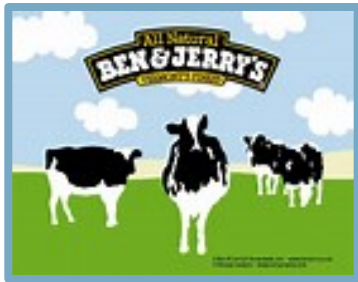
APPENDIX B: LOYALTY COLLAGES | 35+











APPENDIX B: AUTHENTICITY | 35+



APPENDIX B: LOYALTY PROCESS | 18-34

