

CUSTOMER REVIEWS



Report

The 2023 Brand Loyalty Report

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Introduction

Brand loyalty can make the difference between surviving and thriving in today's volatile economic environment. But what exactly is brand loyalty, and how do businesses achieve brand loyalty? Is there an equation to building brand loyalty in today's digitally connected yet socially distanced world?

This report sets out to dig deeper into what earns brand loyalty. In this report, we'll dive into brands who exemplify brand loyalty and give some great examples of what brand loyalty looks like in real life, digging deeper into brands with demonstrated Brand Loyalty.

Next, we'll dig into "Brand Story", something that makes every brand unique and sets them apart from the competition. We'll dig into the brand story of Apple, Nike, Lululemon and Trader Joe's to see what their brand story is, and how it helps them build brand loyalty, and ultimately what sets them apart.

Brand loyalty indicators are part and parcel part of building brand loyalty, and we'll dissect key brand loyalty indicators, such as novelty, positive associations, and tribalism, to see how these tactics help build brand loyalty and play into a brands larger brand story.

And perhaps the most crucial aspect of brand loyalty is the customer journey. Understanding the customer journey is crucial in understanding where disconnects and frustration points lie with the customer, and the fastest path to eliminating issues and creating great experiences that lead to customer retention and ultimately, brand loyalty.

And the ultimate way to understand KPIs around brand loyalty lie in metrics. Core metrics to include sentiment drivers, brand passion, social mood, brand attributes, net promoter scores and more to help marketers understand how their brand fares as it relates to customer experience and ultimately, brand loyalty.

Lastly, we'll tie this all together recap to give you digestible bullet points that make it easy to take these insights and apply them to your own brand. So, let's dig into the inner workings of building brand loyalty!

Part One: What is Brand Loyalty?

According to Investopedia, "Brand loyalty is the positive association consumers attach to a particular product or brand. Customers that exhibit brand loyalty are devoted to a product or service, which is demonstrated by their repeat purchases despite competitor's efforts to lure them away. Corporations invest significant amounts of money on customer service and marketing to create and maintain brand loyalty for an established product."

RELENTLESSLY RELEVANT

(The top 50 brands in global consulting firm Prophet's Brand Relevance Index.)

1	Apple	26	Costco
2	Amazon	27	Fitbit
3	Pinterest	28	Marvel
4	Netflix	29	Toyota
5	Android	30	Chick-Fil-A
6	Google	31	Honda
7	Samsung	32	TurboTax
8	KitchenAid	33	Microsoft
9	Spotify	34	EA
10	Nike	35	Etsy
11	Lego	36	Food Network
12	YouTube	37	Ben & Jerry's
13	PlayStation	38	Folgers
14	Disney	39	North Face
15	Pixar	40	NPR
16	Fisher-Price	41	Trader Joe's
17	Bose	42	Clorox
18	Intel	43	Hershey
19	Keurig	44	Tide
20	Paypal	45	Ford
21	Sony	46	Southwest
22	Dove	47	Chevrolet
23	Pandora	48	Dyson
24	Band-Aid	49	Uber
25	Xbox	50	Adidas

METHODOLOGY

To arrive at the ranking in its Brand Relevance Index Prophet surveyed nearly 48,000 consumers globally, including 12,694 in the U.S. The firm asked questions about 299 brands across 37 industries. Each survey participant rated up to five brands within a single category on 16 different attributes that correspond to the principles of customer obsession, distinctive inspiration, pervasive innovation and ruthless pragmatism.

Figure 1: The Top 50 Brand's in Prophet Consulting's Brand Relevance Index.

So, no surprise here, it makes good business and financial sense to build brand loyalty. In fact, in a 2019 retail study by Yes Marketing, they found that over 50% of consumers said they would pay more for a product if it's from a brand they trust.

Not the same as customer loyalty, brand loyalty has to do less with the financial reasons and more with the perception of a brand, i.e., not just the customer experience but the company's overall reputation and also its' mission and values. And to further reiterate why brand loyalty is so important, a recent study from Adobe states that loyal customers spend 67% more than new ones.¹ So what is the secret sauce of building brand loyalty in today's market when consumers have more choices than ever? Let's dissect brands notorious for brand loyalty and identify what sets them apart.

Some brands that have great brand loyalty, with almost cult-like followings are Apple, Lululemon, Nike and Trader Joe's (3 of the 4 made it into Prophets Brand Relevance 2019 report—see inset). But what drives this brand passion and dedication? Let's dig into each brand's respective story and see what they do differently.



1 <https://cmo.adobe.com/articles/2017/3/loyalty-mind-blowing-stats-tlp.html#gs.fv8wzf>

Part 2: Brand Loyalty Starts With A Good Story

Apple

Most people in the modern world are familiar with the name Steve Jobs and the idea that he created the world's first personal computer in his parent's home in Los Altos, California. There are components of the Apple Brand that have made it one of the world's most valuable companies as ranked by market capitalization (largely based on the Financial Times Global 500.)

Apple is great at telling a story. While their core business is hardware, their brand evokes feelings of something way more exciting. That is because their brand tells a great story. As a brand, their appreciation for beauty and aesthetics as part of their brand story that separates them from other hardware manufacturers.

Apple has consistently done things differently while building brand value and loyalty at the same time. This was accomplished in a few ways.

- **Trend Setting:** Apple has always led with innovation and design, which has been a key driver for consumers to purchase their products, led by consumer-driven innovations such as fingerprint access to face id technology, and starting with the world's first "personal computer" in the late 1970s.
- **Consistency:** Apple's products have the same architecture, making it easy to adapt to new hardware and making it easier for customers to make repeat purchases on their annual release cycle, which also created a sense of urgency around their products.
- **Product Engagement:** Apple focuses on ensuring that customers have "an experience" rather than just making a purchase, the Apple Watch is a great example of technology that adapts to consumers' daily lifestyle.

Apple consumers love the brand enough to tattoo their logo on their body.

The Apple Watch is a great example of how Apple offers an "experience" with its products.



 **morgyscheffels** I love using my @apple watch when I workout!! It tracks everything I need to manage my workouts and has categories for everything I do!!! I can't workout without it!! ♥
#applewatch #applewatchseries3 #fitness #workout #iworkout #love #health #healthylifestyle #musthave
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♥ 💬 🗒
Liked by [junaet_hossain762](#) and others
DECEMBER 20, 2019
Add a comment... [Post](#)



Lululemon's community builds on its brand story of living a healthy life and bringing like-minded individuals together (see points below about tribalism).



Figure 2: Top Hashtags for Lululemon from Netbase Platform. Top Trending hashtags for Lululemon are #fitspo, #motivation and #fitnessmotivation, getting collectively almost 50k mentions in a year's time.

Lululemon

If you are familiar with the term “athleisure”, you can thank Lululemon for making this a household term. Since their inception, Lululemon has sought to be more than just a workout clothing and gear store. In their own words, they “wanted to create a community hub where people could learn and discuss the physical aspects of healthy living, mindfulness and living a life of possibility. It was also important for us to create real relationships with our guests and understand what they were passionate about, how they liked to sweat and help them celebrate their goals.”

Before Lululemon, athleisure didn't exist. When Chip Wilson first opened the first Lululemon in 2000, the sportswear market had been dominated for years by the likes of Nike, Adidas and Under Armour. There was no way a new business was going to be able to make a dent in that market. Instead of joining the already crowded sportswear market, Lululemon made their own market, exploiting “*the law of category*”—choosing to be the first in the category of their own choosing rather than the last in someone else's.

Along with creating their own category with clothes that perform well in the gym but look great outside the gym, they've also fostered community over market segments. The brand's focus on community is at the core of their brand, and fosters brand loyalty at the same time. The brand encourages “Luluheads” (a coin termed by their PR person) to come together as a community through in-store yoga classes and fitness camps, helping fitness and health minded individuals come together while re-iterating their preference for the brand. All of this ties into something that Lululemon has captured with its athleisurewear—buying into their brand is part of an aspirational experience to lead and live a healthier life, something that is much more than just buying yoga pants.



Trader Joe's

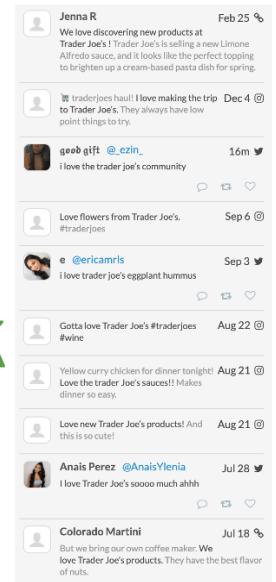
People love Trader Joe's, and for good reason, they set themselves apart from other grocery stores by offering an unrivaled shopping experience that has been created by going against the industry norm. The amazing customer experience is a result of many different factors in play, starting first with their employees, and culminating in the great value of their unique product offerings.

Trader Joe's reinforces its brand story with its' helpful, happy employees who are part of the shopping "experience" at their stores, which also feeds into its' "novelty" among other grocery stores.



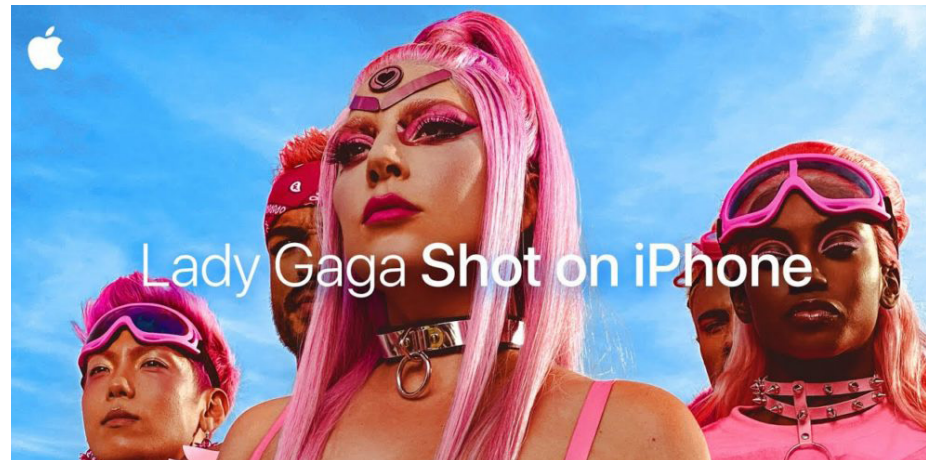
Some of the ways Trader Joe's set themselves apart while also building an amazing customer experience include:

- 1) **Engaged Employees:** Trader Joe's has happy employees who go out of their way to help their customers, a result of happy employees who love their jobs. Trader Joe's was ranked #23 on Glassdoor's "Best Places to Work" in 2019 by offering competitive wages, health care for part time employees, and valuing their employee's feedback. This in turn results in a positive customer experience, all feeding into the overall Trader Joe's experience.
- 2) **Simplicity & Value:** Trader Joe's offers no sales, reward cards or coupons but instead offers great everyday value with their own private label products, making the shopping process more streamlined and less stressful.
- 3) **Fun, Relaxed, Convenient Atmosphere:** While most people are stressed when going into the store, Trader Joe's makes the experience fun with local artwork to personalize each store, free samples, stickers and hidden animals for kids, and prepackaged grab and go globally inspired foods make the experience more fun and relaxed in comparison with a traditional shopping experience.
- 4) **Customer Centric:** Trader Joe's listens to its customers. Trader Joe's listened to its customers complain that it used too much plastic in its packaging and stopped offering single use plastic bags, repackaged items in eco-friendly packaging and even changed its house based on employee feedback- which can be given online or in-store. Listening to customers helps customers feel valued, which in turn, builds brand loyalty.



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the anathema of how it portrays its competitors as being stuffy and unlikeable, a stereotype Apple loves to play into when marketing itself versus the PCs of the world.



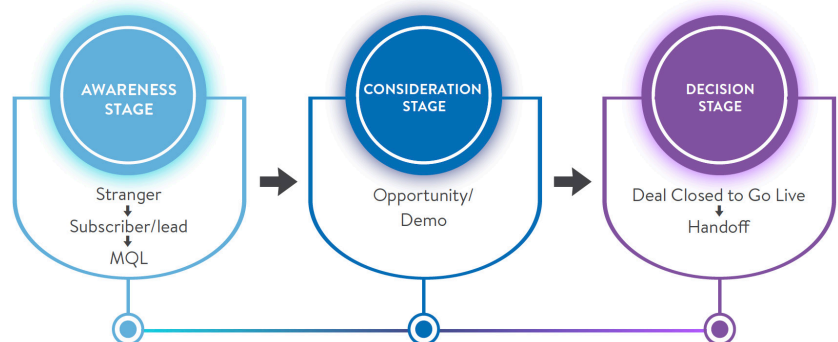
The trailer for Lady Gaga's first solo release in three years, "Stupid Love" was shot only with an iPhone, proving to be an excellent advertisement for the brand.

Figure 3: The Customer Journey²



Part 4: The Customer Journey²

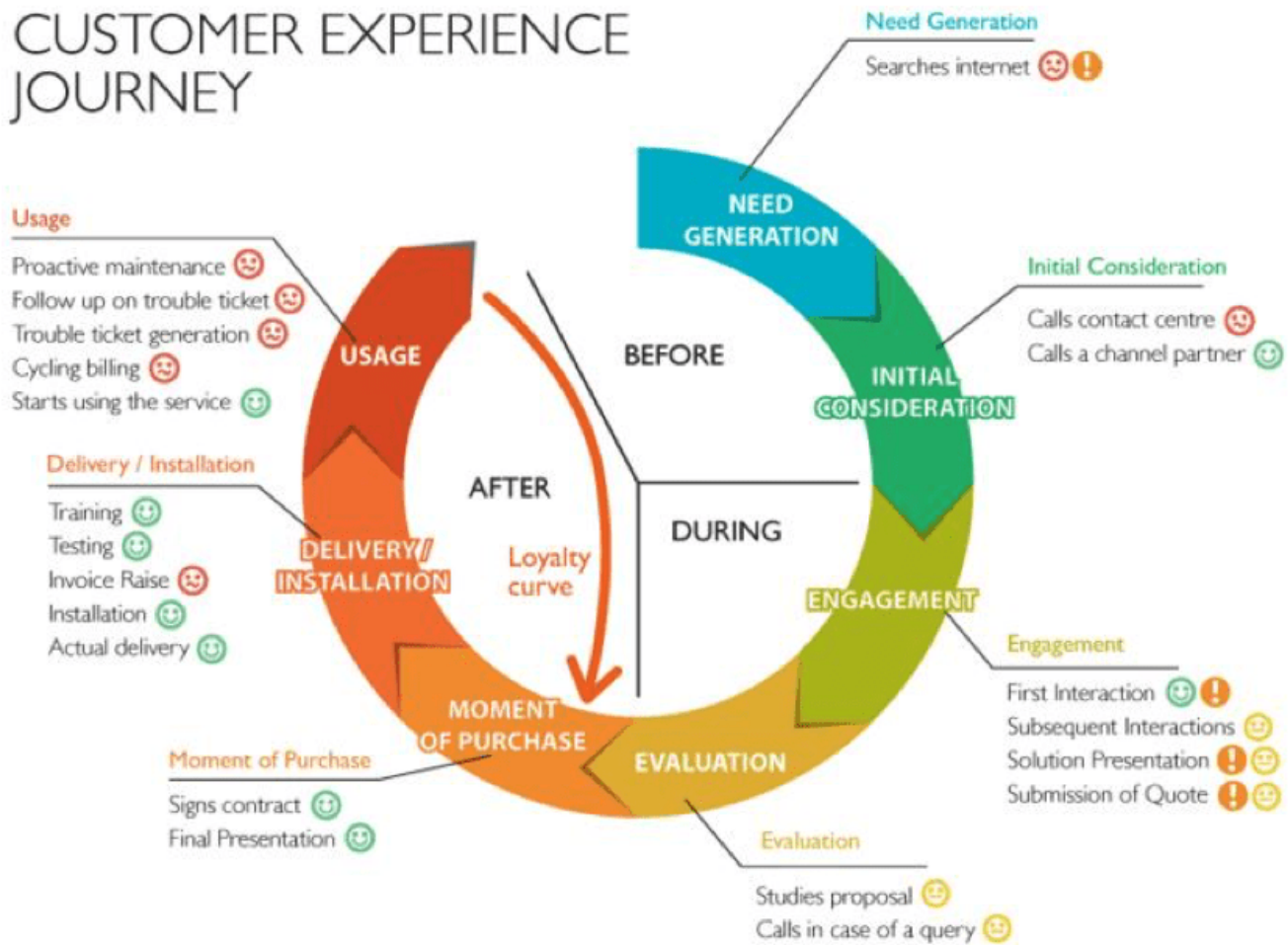
A customer journey is essentially the process at which a customer interacts with your company. It can look and feel different according to your company, such as the experience of buying groceries or vetting software, but here are some examples below that fit many use cases:



Along this path, you also ask:

- What is the customer thinking or feeling?
- What is the customer action?
- What or where is the buyer researching?
- How will we move the buyer along with us in mind?

CUSTOMER EXPERIENCE JOURNEY



According to HubSpot, “most customer journey maps start as excel sheets that outline key events, customer motivations and areas of friction within the user’s experience.” Putting this information into a visual will describe an average experience with your business.

Understanding this relationship of interactions will help you identify how to plan your touchpoints to create the most effective and efficient process for your customers that will help your customers achieve their goals.

To create a customer journey map, i.e. a roadmap of the customer experience, you first need to get more info about your customers. This is where the helpful and targeted approach of inbound marketing comes to play. By mapping out the customer journey, you’ll better understand

what kind of content and experiences will attract the customer to your company and its website, what keeps them there, what is the opportunity to improve on those places where customers experience pain points, which could encourage them to check out your competitor instead.

Learning where customers experience pain points is a great opportunity to take a negative experience and turn it into a positive experience for a customer. And, the stats support this. According to *Forbes*, 84% of companies that work to improve their customer experience report an increase in their revenue. To drive this message home, this same survey says that 96% of customers say that customer service is important in their choice of loyalty to a brand. And let's reiterate that customer experience and customer service are not the same thing, but they do work hand in hand, and if a company is proactively focusing on customer experience, then they should see a decline in negative customer-service related activities.

Trader Joe's took their customer's feedback to heart when they told the grocer it was using too much plastic packaging. They developed a "sustainability framework" to help them and their vendor partners, to identify packaging improvement opportunities. This resulted in Trader Joe's removing 6 millions pounds of plastic by eliminating or replacing packaging on more than 40 produce items and eliminating plastic rings on its 6 packs of beer. Listening to customers is part of what makes consumers continue to flock to their stores for an in-store odyssey and helps them to be the most profitable grocer per square foot, selling \$2,000 a square foot in groceries, compared to Whole foods \$1,200.⁴

Nothing has heightened the need for understanding the customer journey, and quickly, then the global pandemic. COVID-19 has changed the way many people shop and interact, forcing many companies to quickly figure out how to reach their customers, as a matter of survival.

As the first wave of lock downs started in China, Nike started a campaign to encourage their target audience to use their lifestyle apps to stay fit while at home, which they translated into engagement with their commerce app, increasing their digital business in China by more than 30%.

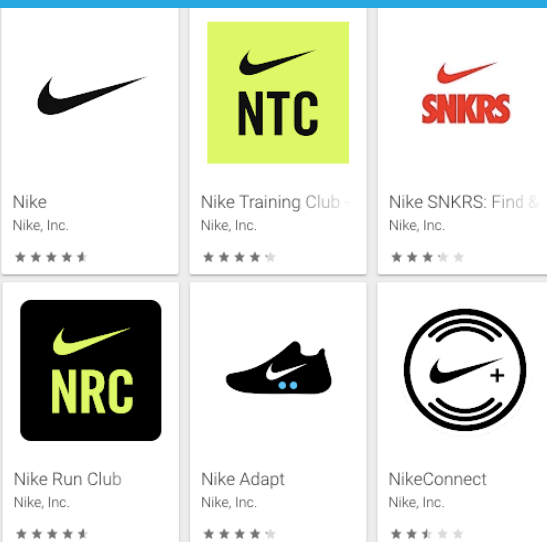


Figure 4. Nike's Consumer Apps. Nike's consumer facing apps made it easy for them to pivot their retail strategy during economic shutdowns as a result of Covid-19, allowing them to shift customer touch points from in-store to their mobile shopping app.

**IF YOU EVER DREAMED OF PLAYING
FOR MILLIONS AROUND THE WORLD,
NOW IS YOUR CHANCE.**

Play inside, play for the world.



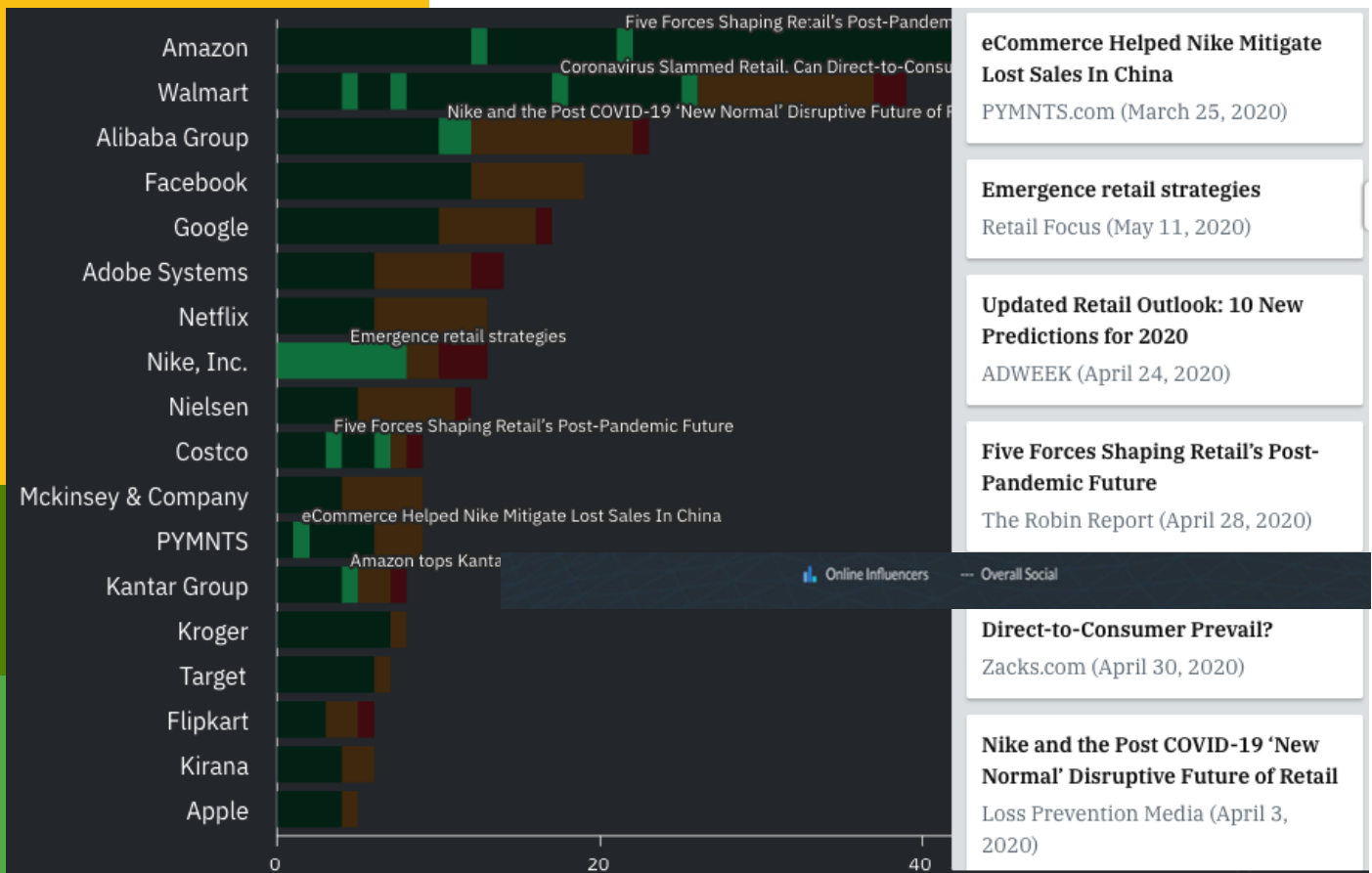


Figure 5: Nike news network analysis from NetBase Quid®. The Quid platform shows that Nike emerges as one of the only brands emerging from the DC2 conversation during Covid-19, which ultimately proved to be the path to success in retail during the shutdown.

"Particularly in a time of crisis, a customer's interaction with a company can trigger an immediate and lingering effect on his or her sense of trust and loyalty....Keeping a real-time pulse on changing customer preferences and rapidly innovating to redesign journeys that matter to a very different context will be key,"¹⁵ writes Kelly Underman for McKinsey.

Part Five: How to Measure Brand Loyalty

Just as there are many different brands and unique business models, there surely are and can be more ways to measure loyalty. However, there are some key metrics that are universal when discussing loyalty.

Share Of Wallet

Share of Wallet is calculated as customer spend/ customer category spend. I.e.: a customer's capacity to spend in your category is finite so what is your percentage of that overall spend?

Customer Lifetime Value

This is a metric that is calculated as the average transaction value X the average number of times a customer transacts before lapsing, minus your cost per acquisition (CPA).

Outside of actual monetary spend, what other numbers are important and will tell you: if 1) a customer is happy and 2) if they plan on returning.

Net Promoter Score

The standard in measuring brand loyalty by most marketers is this score which is an index that measures the willingness of your customers to recommend your company to others.

Getting your hands-on data and analytics to help better identify how customers and potential customers feel about your brand and your competitors to poll the proverbial “audience of opinion” from online conversations is easier than ever. The hardest part is finding a tool that will make the task of pulling insights from data easy, not hard.

NetBase Quid® has a lot of features built into the platform that make it easy to quickly identify brand loyalty indicators, or potential risks that threaten brand loyalty and the customer experience, giving unique insights as to where the customer journey can be improved and enhanced.

AI Technology makes it easy for NetBase Quid® to surface insights out of the box, to quickly understand key brand loyalty indicators, such as:

- Sentiment Drivers
- Brand Passion
- BPI
- Social Mood
- Brand Attribute Themes
- Conversation Clustering To Identify Dominant Conversation Themes

Figure 6: Top Behaviors from the NetBase platform. Sentiment Drivers such as “behaviors” help brands quickly identify what consumers purchase or do not purchase their brand.

Figure 7: Details for ‘not wear’
By clicking on the “not wear” tab, you can quickly identify why people would not wear the brand, such as “went to buy a new one didn’t when I discovered it was made in Pakistan instead of England and the quality was not nearly as good”.

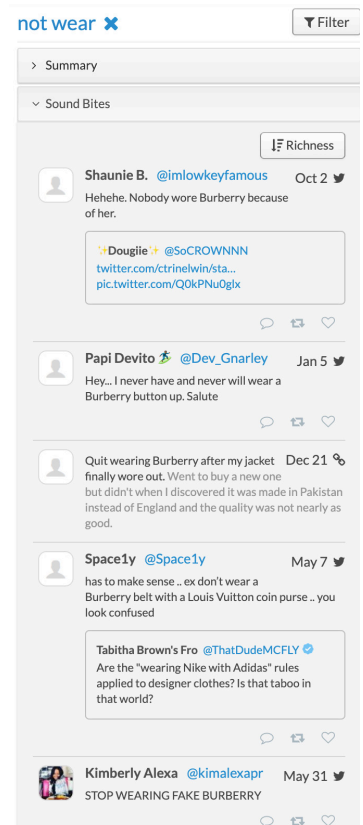


Figure 8: BPI (Brand Passion Index) from the NetBase Platform. The Brand Passion Index shows which brands fall in the love versus like quadrant of the Brand Passion Index. In this BPI of luxury brands, Burberry and Louis Vuitton are highest in both sentiment and passion intensity, showing consumers love versus like the brands.

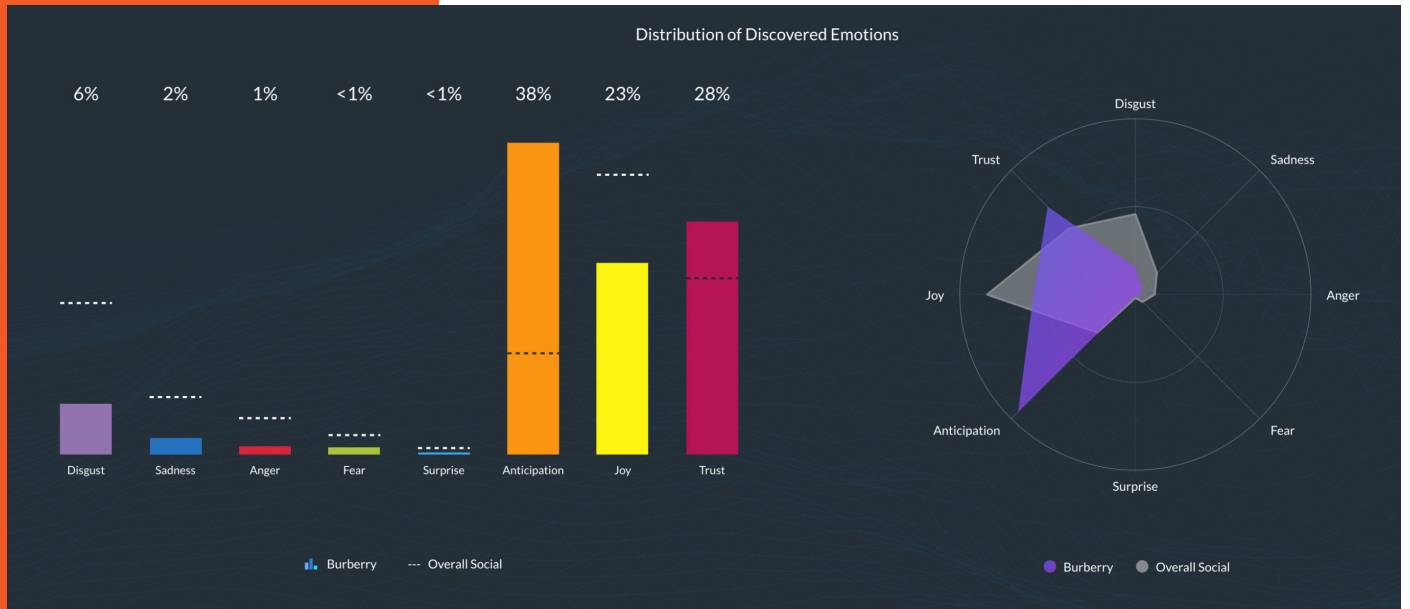
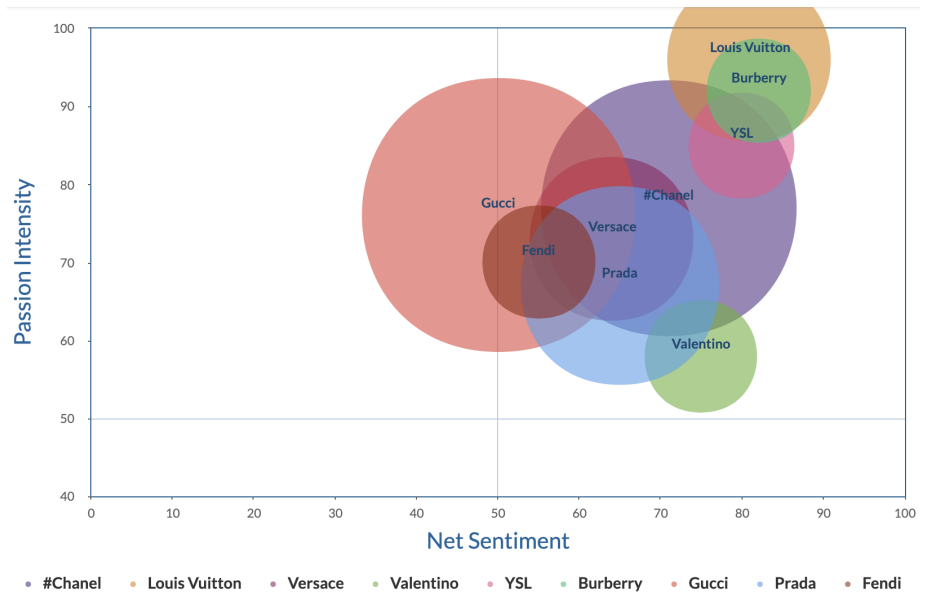


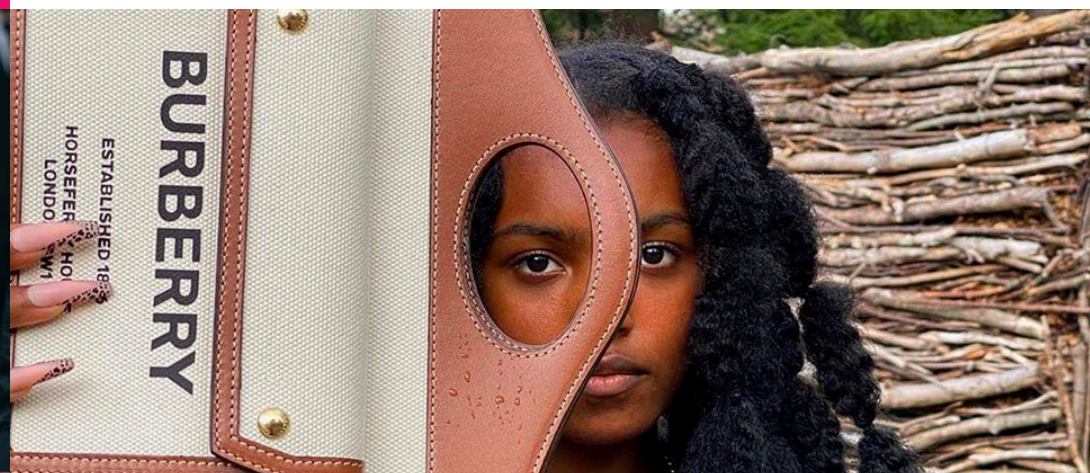
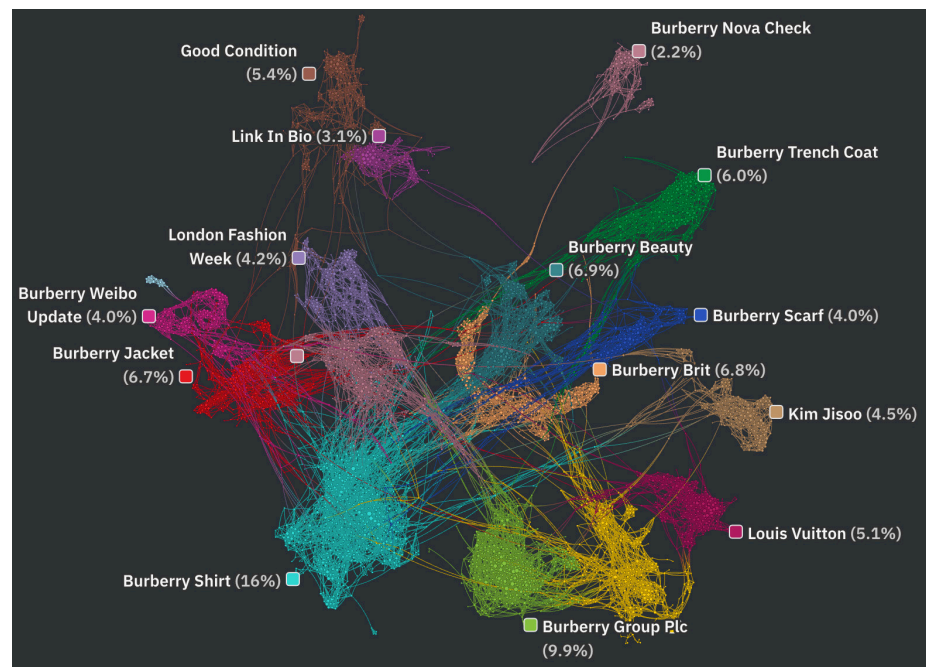
Figure 9: Social Mood from AI Studio in NetBase. AI technology in NetBase Quid® determines top moods around Burberry, with anticipation gaining 38% of social mood, followed by trust at 28% and joy at 23%.



Figure 10. Brand Attribute KPIS by Brand. In the crosstab in NetBase Quid®, you can identify sentiment around core KPIS such as “brand attributes” including customer service, quality, trust and value for your brand and competitors. In this example, we see Burberry perform best across all metrics, a good indicator of brand loyalty.



Figure 11. Social Conversation Clustering Social Network Analysis in Netbase Quid®. In this Social Network analysis, we see that Burberry’s beauty business and K-Pop influencer Kim Jisoo’s appearance at fashion week dominate the conversation.



In addition, you can upload your internal data, to quickly analyze your data and make sense of it. For example, looking at low NPS scores in NetBase Quid® can quickly help you identify what is causing customer dissatisfaction, and saves time from digging through hundreds of surveys. Conversely, it can help companies identify what they are doing right to emphasize and build on this as a company.

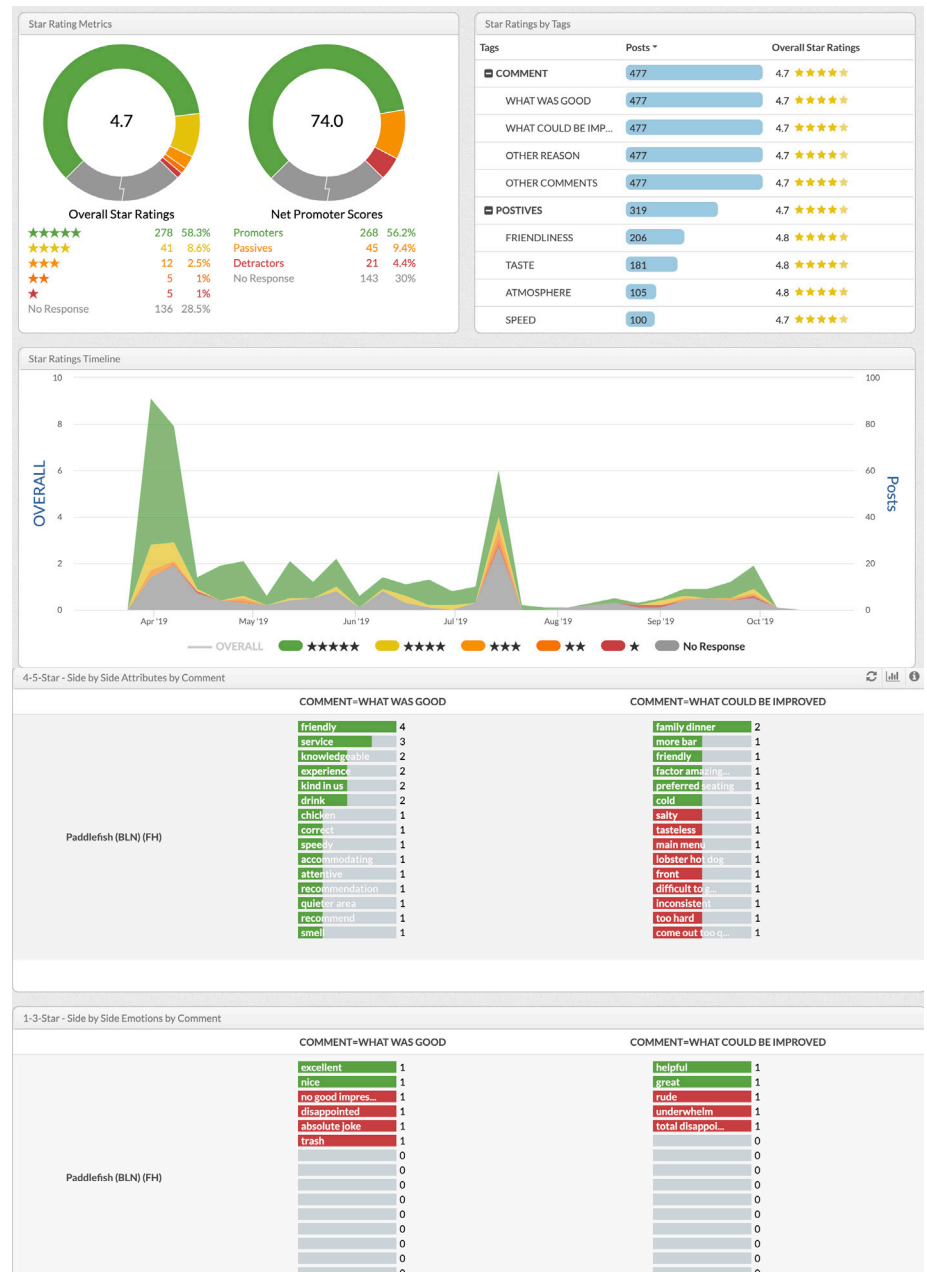


Figure 12: NPS Score Analysis—Survey Insights in NetBase Quid®. Taking survey feedback and analyzing by NPS stars quickly identifies key issues around process improvement for this restaurant brand.

3 Smartinsights.com

4 Should America Be Run by Trader Joes <https://freakonomics.com/podcast/trader-joes/>

5 Adapting Customer Experience in the Time of Coronavirus <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/adaptingcustomer-experience-in-the-time-of-coronavirus#>

Part 6: Best Practices For Brand Loyalty

Let's recap what we've learned so far and put it into action.

- 1) **Identify Your Brand Story:** First, let's remember that every brand has a story, and your brand story is an integral part of how consumers perceive your brand. Ask yourself—what is your brand story and how do people connect with it? How are they emotionally connected? If you aren't sure, it's time to ask the data to inform your story telling strategy and see what changes need to be made to your brand story.
- 2) **Map The Customer Journey:** Do you know how customers interact with your brand? Collect the data to understand how consumers interact with your brand. Better understanding all the touchpoints and interactions with your brand will help make process improvements to the customer experience. Find out what your company does right and what can be improved on. This process will result in better understanding your customer, and ultimately, understanding what you get right, and what you get wrong so changes can be made that directly impact brand loyalty.
- 3) **Brand Loyalty Indicators:** Look for opportunities to create and reinforce positive experiences with your brand. Once you map your customer journey, you should be able to better understand touchpoints across your brand. This knowledge will empower you to make process improvements as well as identify opportunities to reinforce your brand message and create positive associations with your brand along this journey.

"When you're through changing, you're through."

—Martha Stewart

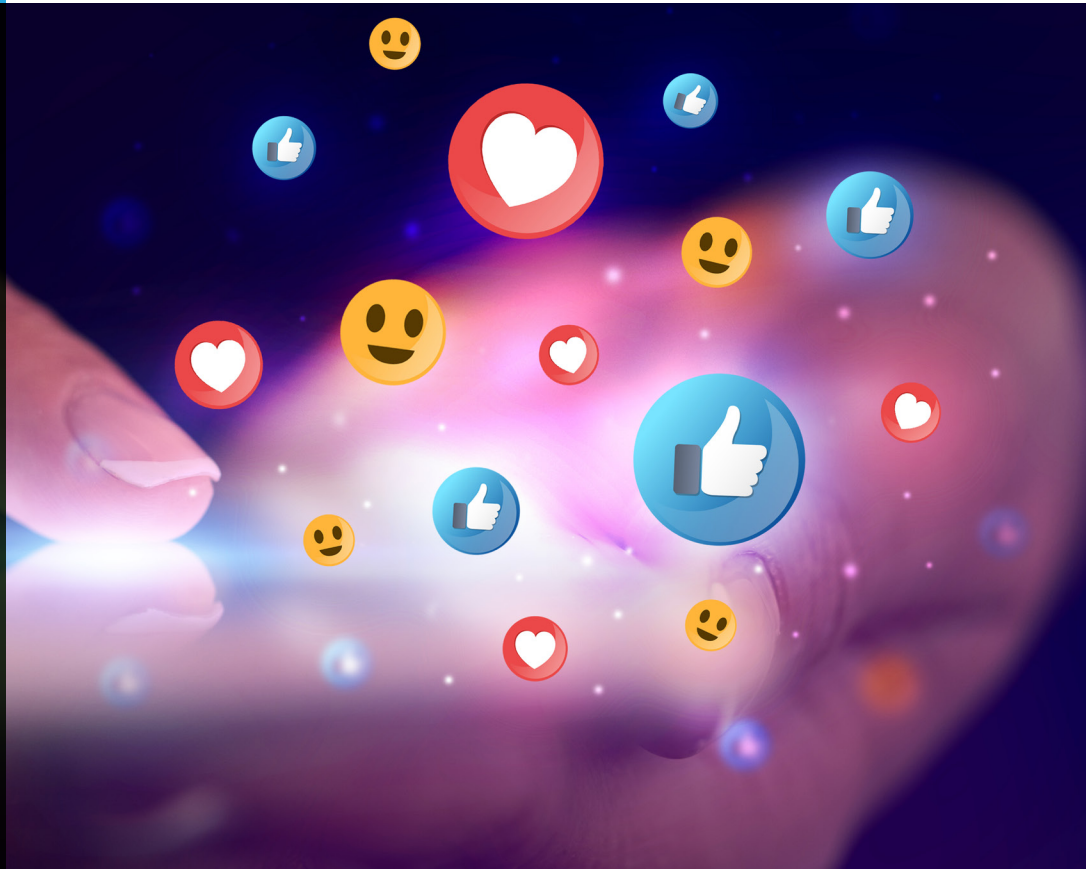
- 4) **Collect And Analyze Customer Data To Measure Brand Loyalty, Improve, And Stay Competitive.** Today's digitally driven world makes it easy to collect data on your customers as they interact with your company. Learn as much as you can about your customers to not only eliminate pain points in the customer journey, but to identify opportunities in the market. NetBase Quid® makes it easy to identify what consumers want, what they dislike about your competitors, and to identify white space opportunity in the market. Our AI driven technology spells out exactly what consumers like/dislike about your brand what drives customer loyalty. Be smart and use these easy to obtain insights to get ahead!
- 5) **Be Agile And Be Prepared To Pivot.** COVID-19 taught many companies that business models can change in an instant. Be prepared to pivot and adapt to changing consumer needs and preferences. What worked a year ago may not work today? That's why the smartest companies mine the data to better understand what the consumer wants to not just react but proactively give them what they want and need. Data driven insights abound to help companies make smarter, faster decisions to run agile, data driven businesses.

Conclusion

We've laid the framework to better understand your brand and what builds brand loyalty. The integral part of this equation is data. Use data as your guide to understand the perception of your brand, if your brand story is resonating, and what changes can be made to make it more memorable. Understanding the customer's journey and their experience with your brand can unlock the key to building brand loyalty, and ultimately, customer retention, the true path to profitability.

Do you know what the data says about your company? Is your brand story resonating? Have you dug into the data to truly see how consumers feel about your brand and what the experience is with your company?

If you can't answer these questions, we can help. NetBase Quid® is here to help you understand what your data says and to give you a deep dive into the opinions of the consumer. The path to brand loyalty starts with understanding consumer perception. Schedule a tour of the NetBase Quid® platform now to understand what the data says about your company, your competitors, and opportunity in the market to build brand loyalty, the key to building a futureproof company.





We make the world make sense™

About Us

NetBase Quid® delivers AI-powered consumer and market intelligence to enable business reinvention in a noisy and unpredictable world.

Our platform uses advanced artificial intelligence to process billions of indexed resources across all forms of structured and unstructured data, empowering brand, agency, and consulting services customers to make smart, data-driven decisions accurately, quickly, and efficiently.

We are the trusted partner of Ogilvy, T-Mobile, Lufthansa, YUM! Brands, Walmart, Hyundai, Wunderman Thompson, Microsoft, BCG, Gopuff and Dotdash Meredith.

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