

Is there any such thing as brand loyalty at the supermarket?

Earlier this year, the CMO Council and the Pointer Media Network came out with a study reporting alarming erosion of consumer loyalty to brands bought at the supermarket.

“For the average brand, 52 percent of highly loyal consumers in 2007 either reduced loyalty or completely defected from the brand in 2008,” the study said.

Wow — and this was before the recession kicked in. So, we thought it would be interesting to ask our readers — predominantly senior-level marketers — if they thought brand loyalty was BS where supermarket brands were concerned.

The survey seemed to generate more than its share of comments and controversy. Some of the controversy surrounded the questions themselves, particularly one where we were trying to get at degrees of loyalty in various product categories.

The critics had a good point. We simply listed 20 popular categories and asked respondents to select those in which they usually purchased more than one brand. Some respondents noted that an unchecked box might mean they didn't shop the category, not that they were loyal to a particular brand in it.

That said, out of the 20 categories, only nine — ketchup, colas, deodorant, toothpaste, frozen dinners, laundry detergent, toilet paper, canned vegetables, and yogurt — registered as die-hard, single brand, “loyalty” categories by more than 50 percent of respondents.

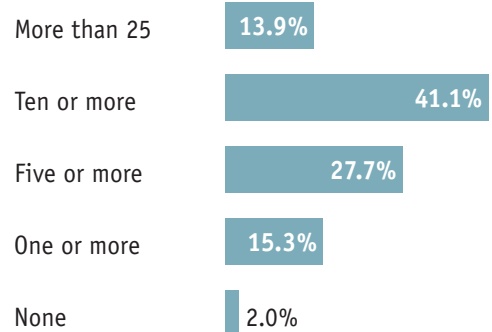
Based on respondent comments, it's possible that ketchup and colas made the cut because Heinz and Coca-Cola dominate their respective categories. It is also possible that frozen dinners, canned vegetables and yogurt scored well because these categories might be less popular than some others.

Other respondents also took issue with our definition of loyalty as “a brand that you buy at the supermarket every time, without fail, and to which you have an emotional or rational attachment.”

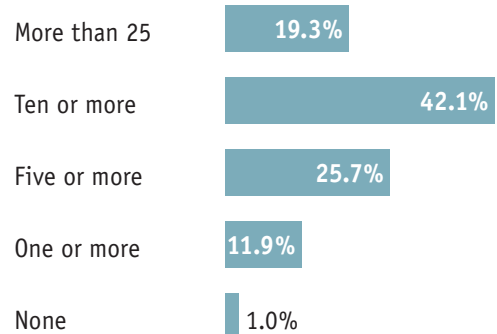
Some said they didn't buy the same brand every time because favored brands weren't always available. Others said they were on a loyalty hiatus from some brands because of the recession. Still others said they were loyal to more than one brand in a category and liked some variety.

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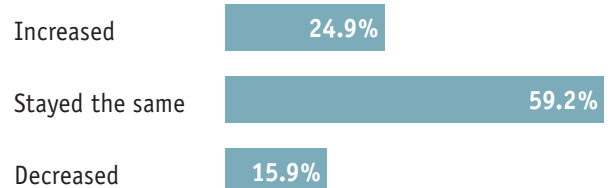
How many brands have your loyalty at the supermarket today?



How many brands had your loyalty at the supermarket a year ago?

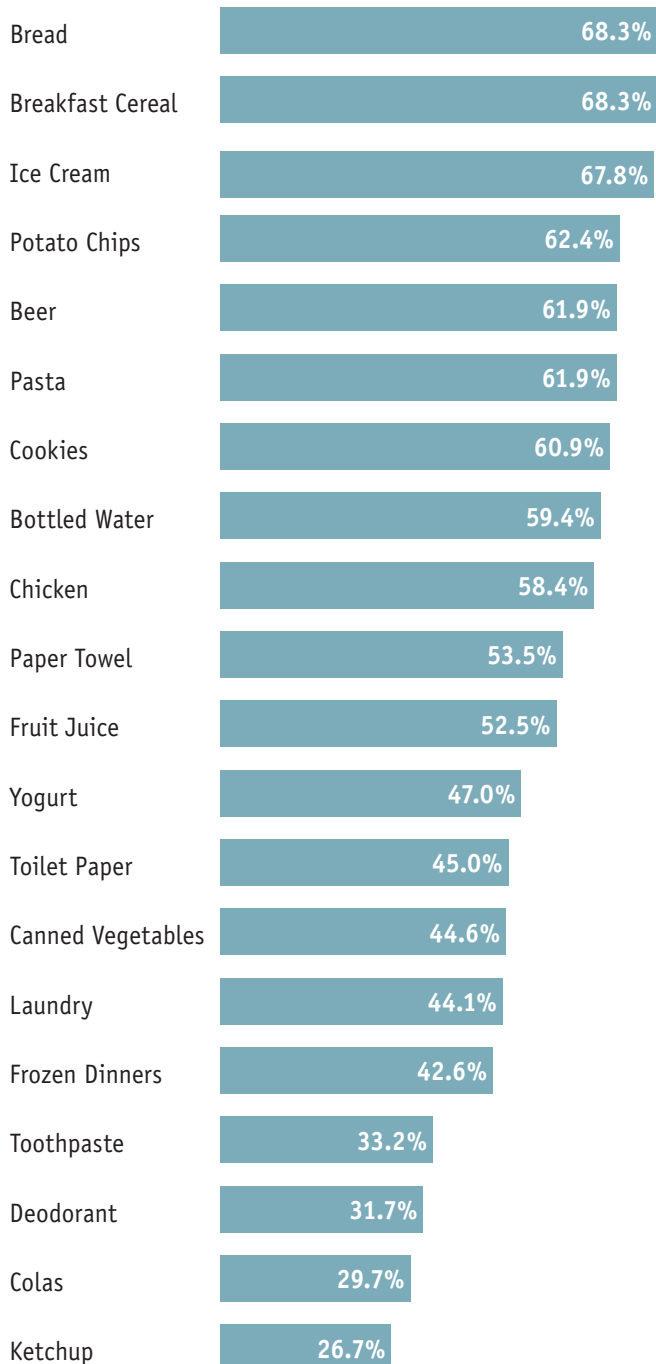


How has your loyalty to private-label brands changed over the past year, if at all?



Loyalty

In which of the following categories do you usually purchase more than one brand? Pick as many as apply.



An open-ended question, in which we asked respondents to name the brands to which they were most loyal, was notable for intense “loyalty” across a large number of brands. As one respondent put it, “Loyalty, not monogamy.”

So, perhaps the prevailing definition of “loyalty” is different in marketing than it is in ordinary life, where loyalty usually means long-term emotional devotion beyond reason, sometimes at odds with one’s own best interests.

Maybe marketers (and shoppers) have their own definition of loyalty that’s a step or two removed from its traditional meaning. Could be that’s a result of so many years of marketers defining “loyalty” as discount programs whose real objectives, ironically, can be to promote disloyalty.

In fact, although a solid majority (67 percent) of respondents said they use a loyalty or retailer charge card at their favorite supermarket, a nearly equal number (64 percent) said that their supermarket’s loyalty or charge-card program did not make them more loyal.

Meanwhile, our survey also found remarkable stability in levels of loyalty with 41 percent saying they were loyal to “ten or more brands” today, versus 42 percent a year ago.

And despite conventional wisdom that private-label brands have enjoyed a sales bonanza during the recession, 59 percent of our respondents said their loyalty to private-label brands had “stayed the same” over the past year. Respondents also said they were more loyal to brands (54 percent) than to the supermarkets where they buy them (46 percent).

Finally, to the bottom-line question of whether brand-loyalty is BS, a whopping 86 percent said, “no.” But don’t get the idea that just because we’re “loyal” to your brand means we’re going to buy it.

RESPONDENT PROFILE

A total of 203 survey respondents included brand marketers (24%), consulting firms (19%), and agencies (16%). Twenty percent worked in packaged goods firms, 13% in media/entertainment and seven percent in retail. A majority were senior-level executives with 72% reporting more than ten years of experience in marketing.

Survey Results:

http://hubmagazine.com/survey/loyalty_bs