

Is Brand Loyalty Really Dead?

We don't think so...

There's an increasing view in today's marketplace that brand loyalty is no more. Those who hold this view believe that consumers are now influenced by price advantages over product quality and the security that a trusted brand name can provide. Those with this attitude also believe that services such as loyalty programs and membership benefits only serve to slow down the inevitable death of brand loyalty, arguing that, going forward, price will be ruler and loyalty to brands, a thing of the past.

Before naming price as the major influencing factor in ones purchasing decisions, clarification is a must. With the economic instability seen throughout the past few years it would be foolish to say purchase price isn't a factor, and that segmentation is occurring between consumers who differentiate on price over quality. While certain products, like groceries, are dying out in major brand loyalty wars, the issue that arises focuses on whether those evaluating brand loyalty's death are confusing two key elements. The first being "price driven", the idea that consumers who are cost conscious and are willing to overlook brand loyalty and product quality, as a result of price. The second being "product culture", consumers who maintain a strong sense of brand loyalty, and who's purchasing patterns are strongly influenced by product quality and diversity (typically organic and free range products).



The problem is that it's not enough anymore to just have an interesting or innovative product. A product that will ultimately become a successful seller needs to embody the right brand identity, product design, quality, manufacturing and culture that targets the intended consumer. With the introduction of the web, the concept of "culture" becomes a crucial factor and often sets a brand apart in the market place.

The web has provided a voice for brands to express opinions, show case new work and expand their customer base to a level once never thought to be possible. The definitive goal of an organisation is to create a culture which best reflects their business and suits their customers.

Apple is used regularly as an example of an organisation that has successfully taken the mantle in a variety of product categories whilst pioneering design in new categories altogether. They have done a lot of things right, which has allowed them to create possibly one of the strongest brand loyalties in the market today. Initially it was their Dieter Rams inspired—sleek and slim, compact and exciting design—that took not only the tech world by storm with an array of products that changed the way the average consumer views and interacts with the world on a day-to-day basis, but has also remained at the core of every successive Apple product since.

However, their popularity is no longer solely attributed to their products—although innovative and revolutionary—it is now felt that their popularity is a direct result of the culture they have created, the status symbol they have acquired and, overall, the brand identity they have developed.



You just have to observe the fanatical nature of Apple's fans, those who queue up outside their stores for days, just to get their hands on a new product. Apple has made itself into a celebrity and their customers (just like a music fan) follow their idol everywhere and anywhere, even if they launch a lack lustre single (or product).

The idea that brand loyalty is totally dead is inaccurate. While economic instability has had a significant effect on consumers' mindset and purchasing patterns, for most it still holds a significant amount of power when it is closely associated with a cultural trend and clever marketing strategy. What's important is making sure your company gets the balance right between brand identity and the culture that your product promotes. If this is done correctly, purchase price then becomes a secondary consideration to the consumer. After all, there are plenty of mp3 players on the market today but the majority of people will still choose Apple at a greater cost.

If the 'brand culture' connects with consumers at multiple levels the marketing story can be very compelling and powerful. This then begs the question, "is your product a commodity item" or "must have" lifestyle choice? Does it enhance the consumer's view of themselves or, importantly the opinion of others? A consumers' choice is complex in so many ways; the key to success (loyalty) is to get the story right.



see
inside
think
outside.

This is our channel for airing opinions; a few of ours, our International Design Partnership friends and if you've got some, yours. Our aim is to start a few fires, kick up a few tired ideas into shape and stir up a healthy debate on what we see around us.

If you want to join in the debate or introduce a friend to the channel then you can mail us at newsdesk@uno.net.au