2021

The Brandwatch

Customer Loyalty Report

in partnership with GWI

GWI.

Introduction

Customer retention is important to every business, but loyalty is hard won – especially when a single bad customer experience can be broadcast to other consumers in just a few clicks.

For the first time, Brandwatch has partnered with GWI to combine both our data sources and expertise to answer some of the big questions around customer advocacy and detraction for retailers.

In this report, we'll combine social data and survey data from the US and UK to answer questions like:

- What are the top reasons consumers advocate for or detract from big retail brands online?
- What are some of the other key factors retailers should be watching in 2021?
- How do these issues, as well as demographic data, impact brand perception and purchase behavior?

About Brandwatch

Brandwatch is a digital consumer intelligence company based in the UK. While Brandwatch Consumer Research, our flagship platform, can process all kinds of data side-by-side, we are best known for our capabilities in making sense of the voices of billions of people through analyzing sources like public social media posts, reviews, blog posts, and news articles.

About GWI

GWI is the leading supplier of target audience insight to the global marketing industry. Trusted by the world's biggest brands, media organizations, and agencies on the daily to get closer to their audiences, the company's flagship survey represents over 2 billion people globally. Using the subscription-based platform, clients like Twitter, Google, Spotify, WPP, IPG, and Omnicom Group can gather in-depth insights into behaviors, attitudes, and interests in seconds through a combination of survey data and analytics.

We learned that

The volume of social media posts that detracted from top retail brands in the US and UK in 2020 was 20% higher than posts that suggested loyalty or advocacy.

Delivery issues is the single most prominent reason consumers detract from top retail brands online, while affordable prices is the number one driver of advocacy.

More than half of posts that complained about retail brands' sustainability focused on them using too much plastic in packing and shipping products. That said, younger and older consumers have very different perceptions around personal responsibility and sustainability.

Good feeling around smaller businesses compared to larger retailers is strong, but it's older consumers who are leading the charge and the pandemic has meant many consumers have no choice but to shop at big stores.

And much more

A brief note on our approach

Social data and survey data are inherently complementary. The former offers an unfiltered view of unprompted consumer opinion over time on almost any topic, enabling researchers to find unexpected insights and to identify opportunities and potential challenges. The latter allows researchers to ask consumers the exact questions they need answers to. Answers can be cross-referenced to reveal deeper insight and the accompanying demographic data is often really strong (especially in comparison to analysis of posts on anonymous forums).

Combining the two data sources gives researchers the chance to ask questions around the unexpected themes they found cropping up in conversations and to challenge assumptions. This kind of triangulation opens a whole world of opportunity for the modern researcher.

> **“At Hill+Knowlton Strategies our approach is rooted in behavioral science, and we make the distinction between reported, public, and private attitudes in our research. By combining sources like GWI survey data and social data from Brandwatch, we are able to build a more robust picture and get closer to the truth.”**
>
> **Michael Maybury,**
> Head of Data and Analytics at Hill+Knowlton Strategies

The full methodology can be found at the end of this report.

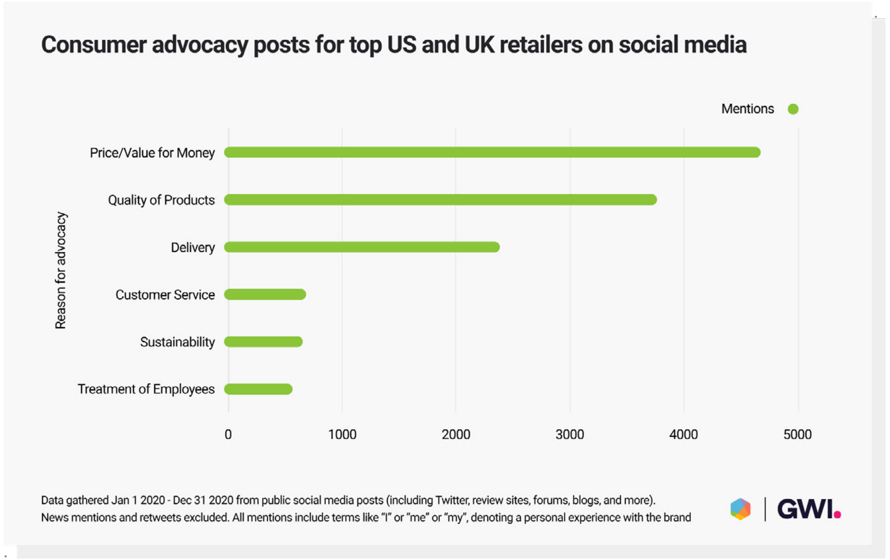
Part 1

The top 3 reasons consumers advocate for brands online

Happy customers make for brand advocates, or so we might think. But there's actually a lot of nuance in advocacy conversations – some brand attributes or behaviors are more likely to prompt a positive online promotion than others.

GWI tracks a number of brand advocacy questions quarterly. One in particular: 'What would motivate you to promote your favorite brand online?' has three consistent top answers: 'High quality products,' 'rewards (eg discounts, free gifts, etc),' and 'great customer service.' In Q4 2020, these options had 48%, 46%, and 40% of surveyed consumers select them, respectively.

The balance is slightly different when we look at the actual content of online posts which advocate for brands. Using Brandwatch Consumer Research, we were able to identify the most common reasons consumers advocate for top retail brands in the US and UK online.



Price/value for money and quality were the top two, but delivery also created a significant impact on advocacy conversations in 2020.

Affordable prices

The social data showed that, when discussing top retailers in the US and UK, consumers were highly motivated to advocate for brands that offer affordable prices.

40%

Approximately 40% of consumer brand advocacy discussion mentioned staying loyal to a brand because they offer quality products and fair prices, making it the top reason consumers promote top retail brands online.

Consumers frequently discussed where to get the most affordable household essential items, specifically at the beginning of Covid-19 lockdowns in the US and UK.

The above is not surprising given the financial hardship the pandemic has wreaked upon many consumers, and this hardship is reflected in GWI data.

In summer 2020, 67% of the consumers GWI surveyed in the US and UK said they would delay big purchases (eg cars, vacations, and home appliances). Meanwhile, 38% said they would cut back on buying everyday items and 35% said they would wait for products to be on promotion, discount, or sale.

This feeling continued throughout the pandemic. In GWI's October 2020 research on brand loyalty, 39% of consumers said they had started actively looking for discounts or offers in the last three months.

Additionally, in February 2021 consumers in the US and UK said they'd been opting for cheaper options for both small and large purchases, expressing an appetite for promotions and discounts.

Combined, the data shows us that right now value for money is not only the main driver for customer advocacy online but also a vital consideration for consumers when making purchase decisions.

Product quality

The social data tells us that product quality is the second-most prominent reason consumers advocate for top retail brands online.

20%

When discussing product quality, the word "trust" was used frequently by consumers. Mentions about brand trust accounted for approximately 20% of product quality mentions in brand advocacy conversation.

'Store brand' products were also an important theme in conversations around quality, showing that retailers' owned brand products are a key opportunity to boost advocacy – if they are good enough.

When surveyed, quality is consistently the most popular reason consumers chose in answer to the question 'What would motivate you to promote your favorite brand online?'.

Again, the data is showing a strong correlation between the factors people say would prompt them to promote a brand online and the content of actual posts that advocate for top retailers.

There is also an easy case to be made about product quality being a key factor in purchase decision making. In GWI's October 2020 research on brand loyalty, when consumers were asked "Which of these are important to you when purchasing a new everyday household brand/product (eg personal care, cleaning products, drinks)?", 'price' came in at 71% while 'quality' came second with 67%.

Delivery

The top two reasons for customer advocacy feel obvious, perhaps even timeless. The third feels very relevant to the state of our world now.

Social posts mentioning delivery made up approximately 20% of all advocacy discussion for top retailers in the US and UK.

The top theme in positive delivery posts was ordering from a particular brand because they offer consistent and reliable delivery service.

When discussing grocery deliveries, consumers would praise brands that had same-day-or-less delivery. Meanwhile, consumers recommending brands based on delivery service made up almost half of all positive delivery discussion.

There is a lot of crossover with conversations around customer service here, too (which was the fourth biggest reason for customer advocacy around top retailers). Some of the top activities that prompted consumers to advocate for a brand online around its customer service included positive experiences returning items and receiving a delivery order.

This preference around delivery was echoed in the GWI data.

51%

When consumers were asked "Thinking about online shopping, which of these will be more important to you in the future than they used to be?", 'reliable delivery' and 'free delivery' both came out on top with 51% of consumers selecting these options.

'Free returns' was the third most popular option, with 42% of consumers selecting it. Meanwhile, when consumers were asked 'Which of these do you want brands to be?', 'reliable' scored above every other factor.

Part 2

The top reasons consumers detract from brands online

On the flip side of customer advocacy is detraction – posting negative comments about experiences with brands online. Again, there are particular experiences that tend to be more prominent in online complaints or negative comments than others.

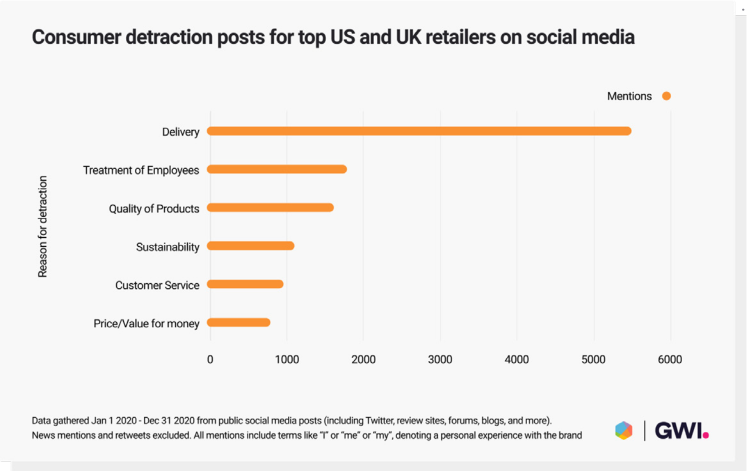
These issues are particularly important for brands to pay attention to.

20%

Brand detraction post volume online in the UK and US was 20% higher than brand loyalty discussion, suggesting that consumers are more likely to post about negative experiences than positive ones.

There are plenty of pain points that can be addressed as a result of analyzing these kinds of mentions, plus negative experiences that are posted online (especially if they gain traction beyond a consumer's own following) can lead to full-blown brand crises.

Using Brandwatch Consumer Research, we were able to identify the top reasons someone might be compelled to detract from a top retail brand online.



Delivery was, by far, the top reason, while treatment of employees and product quality were also important themes in detraction conversation.

Delivery

The most common detractor topic for consumers discussing top retail brands online was delivery service or options.

47%

Almost half of consumer detraction discussion (47%) came from negative posts about delivery delays or an inadequate amount of delivery time slots offered by retailers.

There were some regional differences in delivery data. Delayed delivery conversation accounted for more than 15% of negative delivery discussion, and was more of a detractor for US consumers. Meanwhile, UK consumers were more likely to negatively post about the lack of delivery appointments/ time slots available on brand websites, or difficulty meeting the minimum charge price to secure a delivery slot.

Again, there was a lot of crossover between customer service and delivery conversation in our detraction analysis. Consumers expressing frustration over not being able to get shipping updates and difficulty reaching a customer service rep about late deliveries accounted for more than 25% of negative customer service and delivery conversation.

Delivery is also a key reason why someone might advocate for a retail brand. Ironing out issues with delivery should be a key priority for retail brands in 2021 – it'll lead to happier, more loyal consumers, more online advocacy, and less online detraction.

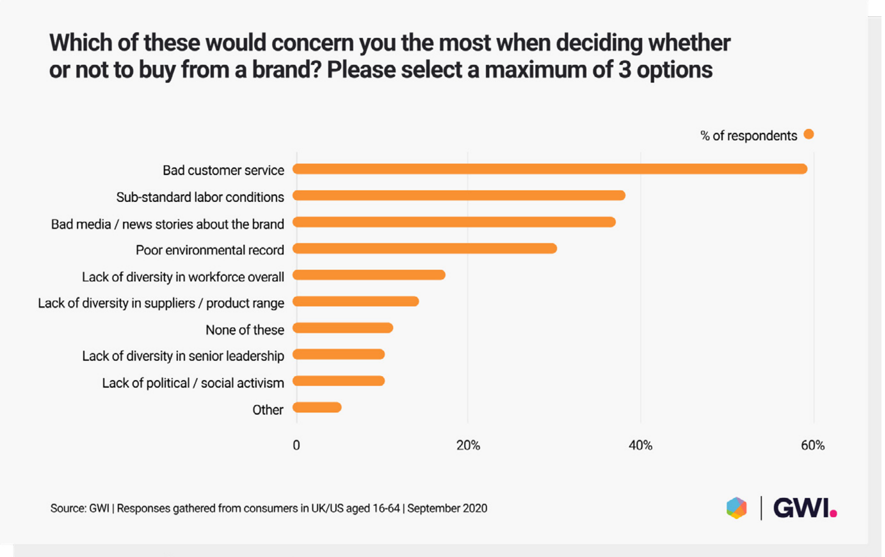
Detraction | Reason 2

Treatment of employees

Poor treatment of employees was the second biggest topic in consumer retail brand detraction discussion (20% of detraction posts). Lack of employee benefits, low pay, and harsh working conditions were top themes in consumer posts.

Consumers were most passionate about not shopping at brands that didn't pay their employees a living wage and, throughout 2020, people were disappointed that large retailers weren't offering hazard pay for employees due to them being essential workers in a pandemic.

The importance of employee treatment for consumers was reflected in GWI data. In September 2020, GWI asked consumers in the UK and US about the things they want to see brands or companies putting more focus on since the outbreak of Covid-19. They found that treating staff fairly was one of the top three priorities, with 44% of surveyed consumers selecting this option. Meanwhile, when consumers were asked about the factors that might concern them most when deciding whether or not to buy from a brand, sub-standard labor conditions came in second place with 38% of consumers selecting this option.



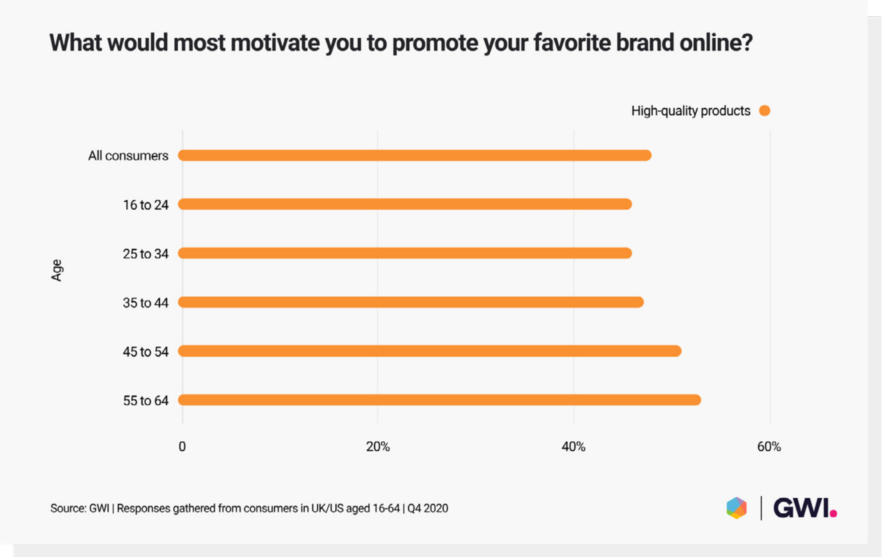
Detraction | Reason 3

Quality of products

Poor quality products was the third biggest topic in consumer detraction conversation around big retailers. Grocery items were the top product mentioned in negative quality discussion, with many consumers posting that they will not shop at a specific brand due to poor quality food items.

We also found consumers discussing shopping at more local businesses because they felt the quality was better than similar products at large retailers. We'll explore this more in our spotlight section below on small businesses vs big retailers.

It's always important to note that priorities may not be uniform across different groups. For example, GWI survey data reveals a key correlation between consumer age and the reverence they have for product quality. As mentioned above, GWI asked consumers what would most motivate them to promote their favorite brands online in Q4 2020. While quality was a top reason for all age groups, it was particularly resonant for those in the 55-64 age bracket. 53% of these respondents selected 'quality products' compared to just 46% in the 16-24 age group.



Part 3

Issues and trends to watch

While the top reasons for advocacy and detraction are listed above, we picked up on two other trends in our survey and social data that warranted additional study.

Spotlight 1

Small businesses vs big retail brands

Interest in smaller retailers

Brandwatch analysis showed that conversation in favor of supporting local and small businesses became more popular towards the last quarter of 2020, especially around gift-giving and shopping-heavy holidays.

That said, GWI data shows that support for local shops and businesses and how they've dealt with the pandemic has been high since early on in the pandemic. In March 2020, consumers were asked "How much do you approve / disapprove of how the following have handled the coronavirus / COVID-19 outbreak so far?". Local shops/businesses came out on top with 73% of consumers choosing this option, ahead of corporations, banks, and the government.

The pros and cons

Social data shows that more affordable prices and reliable and fast delivery were common reasons consumers were motivated to shop at big brands over small businesses. And some said quick shipping (two days or less) from big retailers is giving people unrealistic expectations when it comes to delivery times from small businesses.

GWI data echoes the above. When asked 'When shopping online, which of these features would most increase your likelihood of buying a product?", free delivery (63%) and coupons and discounts (46%) came out on top. These are areas where bigger retailers have a clear advantage.

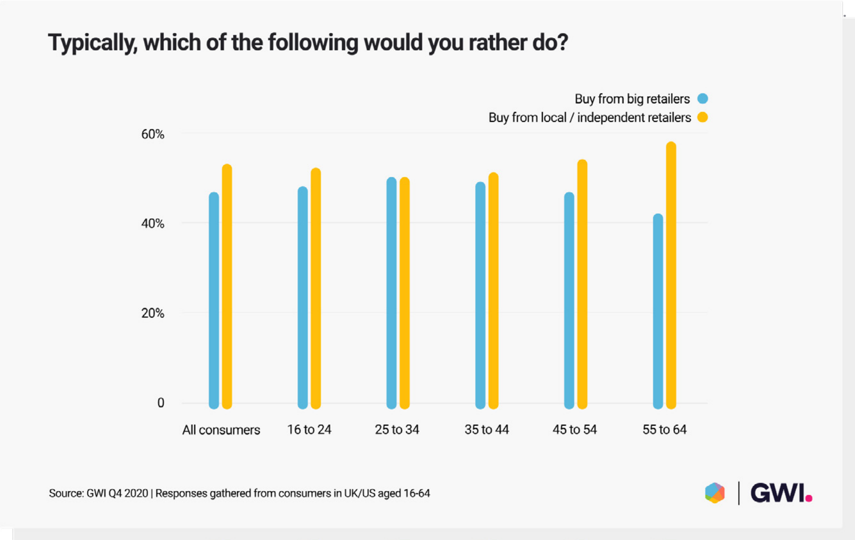
That said, there is a lot of good feeling towards smaller businesses and, as mentioned above, many consumers talk online about the quality of goods sold in local stores as opposed to big retailers.

Spotlight 1 | Small businesses vs big retail brands

Choosing between big and small retailers

While it's not a huge driver in terms of mention volume in advocacy or detraction conversation for the top retail brands, consumers who discussed supporting small businesses over big retail brands were very serious about their commitment.

GWI survey data gives us additional information on who this group of consumers are. Q4 2020 data from GWI shows that in general consumers would prefer to buy from local or independent retailers vs buying from big retailers. But preference for local or independent stores also grew in line with respondent age, with 58% of 55 to 64-year-olds preferring to buy local.



On social media, consumers also discussed how small businesses have had to close because they can't compete with big retail brands. Some consumers expressed frustration and said they have no choice but to shop at large retail stores because the small businesses near them have all closed.

So interest and good feeling around smaller businesses is not to be sniffed at. While big retailers have great advantages in their delivery and cost-cutting abilities, older consumers are passionate about supporting local companies. Sadly for some, the choice has been made for them as many smaller businesses were forced to close due to the pandemic.

Spotlight 2

Sustainability

Packaging

Sustainability didn't make as big an impact in our above research on advocacy and detraction conversation as other factors, but that's not to say it's not a key battleground on which retail brands can make great gains.

What we did learn from sustainability posts within our detraction research was that more than half of them related to brands using too much plastic in packaging and shipping products.

That said, the fact that some brands are now using plastic-free packaging was mentioned frequently by consumers advocating for top retail brands.

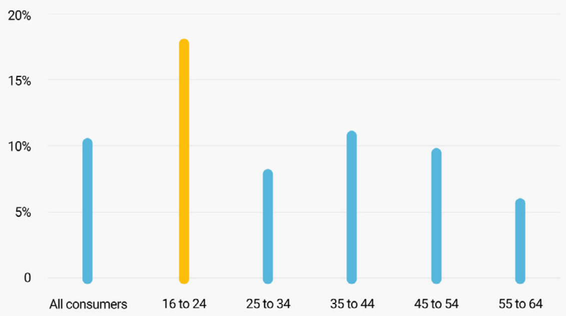
There are also regional differences in the conversation here. More than 20% of plastic packaging detraction discussion came from the UK, with grocery items stored in plastic being the top theme in conversation. Fruit and vegetables wrapped in plastic were also mentioned frequently in detraction posts, and often spoken about as unnecessary by consumers in the UK. Meanwhile, consumers in the US were more likely to talk about waste when it comes to shipping materials after receiving deliveries from top retailers.

Frustration around packaging has been picked up by GWI too. Their January 2021 Zeitgeist study found that 52% of consumers wanted to see brands creating products with less packaging and 51% saying they wanted to see more products with recycled packaging.

Consumer responsibility

A fascinating lens to look at this data through is age. The data shows that younger consumers are less likely to see their own actions as impactful, while those in older age groups are more likely to have bought more products with recyclable packaging in the last year.

Consumers responding 'Don't think my individual impact makes a difference' to the question 'Which of these are barriers for you when it comes to purchasing eco-friendly products?'



Source: GWI Zeitgeist January 2021 | Responses gathered from consumers in UK/US aged 16-64

GWI.

> **"Although younger age groups do participate in practical actions like recycling, they're relatively more inclined to believe individual action is futile without companies taking more responsibility. Gen Z and millennials are up to twice as likely as older generations to believe their individual impact doesn't make a difference when recycling and adopting reusable packaging."**

Chase Buckle,
Head of Global Trends at GWI

Methodology

Brandwatch social research centred around advocacy and detraction discussion around the top three retailers in the US and the top two in the UK by revenue. The date range for this research was Jan 1 2020 - Dec 31 2020. Data sources include Twitter, review sites, forums, blogs, and more. News mentions and retweets were excluded, and search terms like “I” or “me” or “my” or “myself” were used to capture personal experiences. If you’d like more information on the data, please contact react@brandwatch.com.

GWI – This report draws insights from GWI’s Q4 2020 wave of research across 47 countries, with a global sample of 180,852 respondents. All figures in this report are drawn from GWI’s survey research among internet users aged 16-64. This report also draws on their custom GWI Zeitgeist research from January 2021, among 2,000 UK and 2,001 US internet users, and from September 2020 among 2,000 UK and 2,000 US internet users. Respondents who took part also completed their flagship survey. See more about their data coverage here or contact them at hello@globalwebindex.com for more on their methodology.

Ready to find out more?

Find meaning in the billions of conversations happening online and understand what your consumers really want.

Book a Meeting