



Young Consumers Are Demanding Loyalty from Brands

2018/03/28

Source: National Jeweler

Millennials and Generation Z have grown up with instant access to information and brands, which has greatly influenced their decision-making. Yet they haven't abandoned the more traditional forms of engagement, and are finding ways to combine the digital experience with in-store visits, Alliance Data found.

1. Loyalty is earned.

Price and quality are the top influencers for younger consumers when deciding among brands, but once those two factors are removed, selection and convenience are the most important factors. Gen Z and older millennials also value consistency in product while younger millennials value rewards programs.

2. Loyalty is complex.

For millennials, it's also based on rewards, quality, discounts, reliability and coupons, among other things. For Gen Z, brand loyalty is described by the terms quality, reliability, discounts, and rewards. Other notable aspects popped up for all groups like helpfulness, free shipping and convenience.

3. Loyalty is fragile.

Younger consumers expect great service and a great experience across all channels, and if those expectations aren't met, they won't hesitate to take action and voice their opinion. This means they're also more likely to be influenced by reviews and posts about a brand, and also to express their pleasure (or displeasure) over an experience.

4. Loyalty is multifaceted.

Transactions and sales should no longer be the only measure of loyalty, since it is now a combination of both function and emotion.

Once more emotional elements are introduced by a brand—like shopping options that make consumers' lives easier, offering exclusive products, or even factors like making personal recommendations or showing they are socially responsible—it then moves past traditional brand loyalty and into aspirational territory.