MARIGOLD™

2023 European *Brand Loyalty* Report

An analysis of European consumers, with emphasis on the state of brand loyalty, the factors which influence loyalty, and the desired components of loyalty programs.

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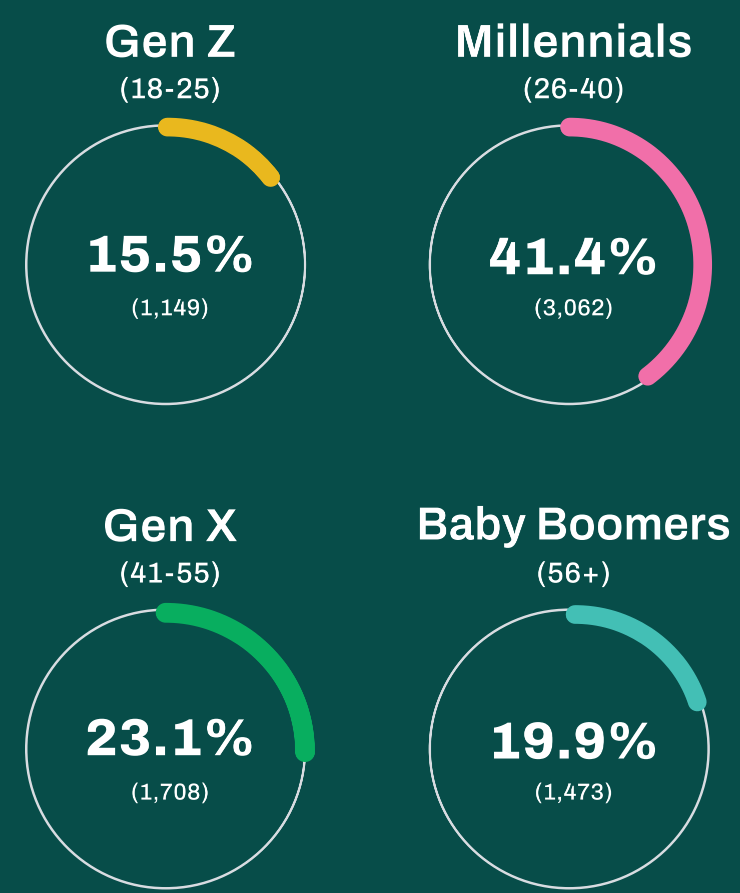
Methodology

In late 2022, Marigold, in conjunction with Econsultancy, surveyed **7,392** European consumers from the following regions: Denmark, France, Germany, Spain, Sweden, the United Kingdom and the Benelux Region.

Respondent Breakdown by Age Demographic:



Key Findings

58%

Well over half (**58%**) of European consumers are willing to pay more to purchase from their favourite brands.

76%

76% of European consumers say that their favourite brand treats them like an individual.

38%

Over a third (**38%**) of European consumers have switched away from or become less loyal to a brand in the past year.

74%

European consumers are willing to revisit their loyalty, with **74%** saying they can be won back by brands they've left.

41% **8%**

41% of European consumers are more likely to participate in a loyalty program this year, while a mere **8%** are less likely to participate.

65% **58%**

65% of European consumers want to receive discounts from loyalty programs, while **58%** want to receive loyalty points or rewards.

60%

60% of European consumers are very pessimistic about the economic outlook.

43%

43% of European consumers are more likely to rely on loyalty program benefits this year compared to last.

The Current State of Brand Loyalty

Brand loyalty in Europe remains robust, with 58% of consumers willing to pay more to shop with favoured brands. In a challenging economic environment, this metric serves as good news for brands who can successfully foster loyalty — a loyal customer base provides both a consistent revenue stream and a reduction of the stressors associated with acquiring new customers.

58%

of European consumers will pay more to shop with their favourite brands

65%
Gen Z

62%
Millennials

57%
Gen X

45%
Baby Boomers

Top Loyalty Drivers

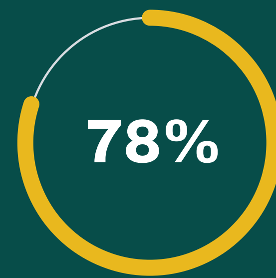
The fruits of a loyal customer base are immense, but attaining this loyalty requires an understanding of consumer preferences. European consumers, in particular, value choice and convenience — they seek a range of product options, offers and promotions, and widespread product availability.

To add an extra layer, European consumers skew heavily towards brands who respect data privacy. An overall 75% find a brand's data privacy policies to be an important or critically important factor to maintaining loyalty, rising to 83% for Boomers. Consumer desires for data privacy, paired with the necessity of compliance with the General Data Protection Regulation (GDPR), highlight the value of zero-party data strategies. By creating voluntary opportunities for customers or prospects to share psychographic data, brands can offer a higher level of personalisation, ultimately increasing the chances of establishing lasting loyalty.

European consumers cite that these factors are important or critically important to maintaining loyalty:

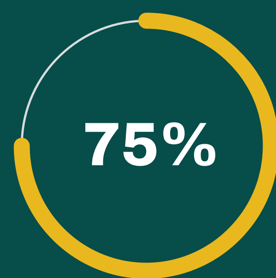
Range of options and product choice

72% Gen Z
78% Millennials
80% Gen X
82% Boomers



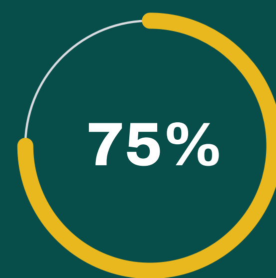
Availability online and in-store

73% Gen Z
78% Millennials
80% Gen X
81% Boomers



Data privacy policies

69% Gen Z
72% Millennials
78% Gen X
83% Boomers



Offers and promotions

69% Gen Z
75% Millennials
79% Gen X
78% Boomers

How Favoured Brands Communicate

When developing strategies to enhance brand loyalty, we can look at successful brands for inspiration. How are the favourite brands of consumers communicating?

For European consumers, the communications from favoured brands are consistent and personalised. Personalisation is a recurring theme — consumers want their loyalty to be recognised and their unique needs to be adequately addressed. The brands committed to fostering better relationships are the ones that are elevated to preferred status and poised to see long-term benefits across the customer lifecycle.

Data privacy also resurfaces — over three-quarters (78%) of European consumers say that their favourite brands use data in a way that makes them feel comfortable. Respecting privacy boundaries and maintaining transparent data privacy policies are worth the effort.

European consumers say their favoured brands do the following:

Provide a consistent experience

81% Gen Z
81% Millennials
82% Gen X
84% Boomers

Use data in a way that makes them feel comfortable

76% Gen Z
78% Millennials
79% Gen X
79% Boomers

Reward them for their loyalty

75% Gen Z
79% Millennials
78% Gen X
74% Boomers

Treat them like an individual

75% Gen Z
75% Millennials
76% Gen X
79% Boomers

Brand Loyalty Attrition

With a sizable number of European consumers willing to pay more to shop with favoured brands, maintaining the favoured status is key. However, a worrying 38% of European consumers have switched away or become less loyal to a previously favoured brand in the last year. The most common reasons users cite for loyalty attrition are the quality of a brand's products or services (33%) and that brand's offers and promotions (33%). Economics are a potential looming factor — burdensome economic conditions can lead to a decline in product and service quality and a reduction of promotional offers, known as "downgrading."

The good news for brands is that 74% of the European consumers who have switched away from or become less loyal to a previously favoured brand say they can be won back. Attrition never feels great, but it does provide an opportunity of reflection for brands. Targeting lapsed customers with personalised experiences — such as surveys, questionnaires or win-back offers — can provide insight into their reason(s) for departure. Even if these targeted communications fall short of reclaiming lost customers, brands can still gather valuable data to prevent future attrition.

38%

of European consumers have switched away or become less loyal to a previously favoured brand in the last year

51%	42%	34%	25%
Gen Z	Millennials	Gen X	Baby Boomers

WORTH NOTING: Sizable majorities of Gen Z and Millennials are willing to pay more to shop with favoured brands, but they're also more likely to leave brands. On the other hand, older generations (especially Boomers) are less willing to pay more to shop with favoured brands but are also far less likely to attrite.

THE TOP REASONS FOR ATTRITION:

33% Quality of products or services

32% Gen Z **35%** Millennials
29% Gen X **30%** Boomers

33% Offers and promotions

27% Gen Z **33%** Millennials
37% Gen X **40%** Boomers

25% Availability online and in-store

24% Gen Z **26%** Millennials
23% Gen X **21%** Boomers

23% Customer service and support

21% Gen Z **24%** Millennials
24% Gen X **18%** Boomers

WIN THEM BACK:

74%

of European consumers who have switched away from or become less loyal to a previously favoured brand in the last year say they can be won back

72% Gen Z **76%** Millennials **75%** Gen X **67%** Boomers

Loyalty Programs

Loyalty programs provide an excellent opportunity for brands to foster emotional connections with their customers. These programs also have the imperative benefit of rewarding repeat customers, thus driving sales and increasing customer lifetime value. The data suggests that brands with robust loyalty programs have a massive opportunity to create inroads with European consumers — 41% of consumers are more likely to participate in a loyalty program this year, while a mere 8% are less likely.

When it comes to the desired components consumers want from loyalty programs, financial incentives like discounts (65%) and points and rewards (58%) top the leaderboard. However, there still lies value in other non-financial offerings. A fair portion of European consumers cite interest in exclusive or early access to products, events or services (28%) as well as personalised product and service suggestions (21%).

41%

41% of European consumers are *more likely* to participate in a loyalty program this year compared to last.

39% Gen Z
46% Millennials
42% Gen X
32% Boomers

8%

8% of European consumers are *less likely* to take part in a loyalty program this year compared to last.

12% Gen Z
7% Millennials
8% Gen X
9% Boomers

THE MOST COMMONLY DESIRED LOYALTY PROGRAM COMPONENTS:

65% Discounts on products or services

51% Gen Z
61% Millennials
70% Gen X
79% Boomers

58% Points or rewards

45% Gen Z
57% Millennials
60% Gen X
66% Boomers

28% Exclusive or early access to products, events or services

30% Gen Z
28% Millennials
29% Gen X
23% Boomers

21% Personalised product or service suggestions

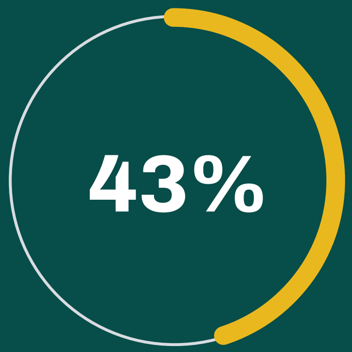
20% Gen Z
22% Millennials
20% Gen X
22% Boomers

Economic Uncertainty

Rising prices and economic uncertainty have put economic issues at the forefront for many European consumers. An overall 60% say that they feel very pessimistic about the economic outlook, rising to a massive 74% of Boomers. With considerable economic pessimism, it is of little surprise that consumer behaviour is shifting. A notable 43% of European consumers are more likely to rely on loyalty benefits this year compared to last, while only 22% are less likely. Though this behaviour points to faltering economic confidence among a significant portion of consumers, it also serves as an opportunity for brands to demonstrate empathy with customers. Loyalty programs can appeal to the financial considerations of customers, while helping brands garner zero-party data that can then be leveraged to improve personalised experiences.

of European consumers feel very pessimistic about the economic outlook

49% Gen Z　56% Millennials
66% Gen X　74% Boomers



of European consumers are more likely to rely on loyalty programs benefits this year compared to last

42% Gen Z　46% Millennials
43% Gen X　39% Boomers

Where *relationships* take root.

Marigold's approach to Relationship Marketing stands alone in a world of one-size-fits-all marketing technology companies. Our solutions are designed to accommodate specific company sizes, industries and maturity levels.

To learn more about European consumer trends in areas ranging from preferred purchase channels to desired messaging preferences,

Check out our 2023 Consumer Trends Index for Europe