2024 Customer Loyalty Engagement Index

Brands Convert Mega-Expectations to Long-Term & Enduring Loyalty

Brand Loyalty Juggernauts Exert Overwhelming Category Dominance: Apple, NFL, Google, Discover, Coca-Cola, Domino's, McDonald's, Delta, PayPal

NEW YORK, NY, January 22, 2024 – Brand Keys (brandkeys.com), the global leader in loyalty and customer engagement, released their 27th annual Customer Loyalty Engagement Index (CLEI) assessments. The results validate customer expectations as the most accurate and predictive loyalty indicators, proving conclusively that identifying and addressing consumer expectations turn brands into "Loyalty Juggernauts."

Top Industry Loyalty Juggernauts

"This year's roster proves meeting or exceeding consumers' mostly emotional expectations allows brands to convert market-share and loyalty into true category dominance," noted Robert Passikoff, Brand Keys founder and president. "This works in all categories in all sectors where brands generate extraordinarily high levels of consumer engagement and true loyalty. That can turn a brand into an overwhelming economic force, far more powerful than awareness and market share alone." This year, Loyalty Juggernauts included:

Automotive: Hyundai, GEICO, Uber

Broadcast & Entertainment: Netflix, Fox & Friends, NFL

Digital Media: Google, Spotify, TikTok

Electronics: Apple, Samsung, Konica-Minolta

Finance: Discover, Chase, PayPal

Food & Beverage: Modelo, Coca-Cola, Dunkin'

Restaurants: Domino's, Chipotle, McDonald's

Retail: Amazon, T.J. Maxx, Walmart

Technology: WhatsApp, ChatGPT, HP

Travel: Delta, Expedia, Ritz-Carlton

Loyalty Works Differently Today

"The loyalty paradigm has changed dramatically since the Cola Wars of the 1970's," observed Passikoff. "Today, loyalty – and consumer choice – don't come down to 'one or the other' options. Today's loyalty

bottom-line comes down to consumers' deepest expectations, and how they *feel* brands measure up to them."

"Customer behavior and brand loyalty are now almost entirely governed by emotional values related to expectations, and expectations grow constantly," noted Passikoff. This year's CLEI makes it clear consumers do not – will not – simply settle. Their emotional expectations are the hardest to quantify and measure, but that is why they are the most valuable. In this year's survey, cross-category expectations are up 34%, but most brands have only kept up by 8%. Loyalty Juggernauts reduce that gap by up to 50%, thereby virtually guaranteeing ongoing customer loyalty.

The Economics of Loyalty

"Identify what consumers really expect – create strategies, advertising and experiences that meet those expectations, and your brand can transform into a Loyalty Juggernaut. Customers will be six times more likely to engage with you, buy you and buy you again. They are six times more likely to think of you first, pay more attention to your marketing and social networking activities and actively engage with your brand," noted Passikoff. "Therein lies the real payoff – blockbuster category leadership and loyalty."

A few economic facts that substantiate the cost-effectiveness of brand loyalty strategies:

- It costs 16 times more to recruit a new customer than keep an existing one.
- A 5% increase in loyalty lifts lifetime profits per customer as much as 78%.
- A 5% increase in loyalty is equal to a 12-21% across-the-board cost reduction program.

Loyalty Juggernauts Own Values…and Customers

Being a Loyalty Juggernaut, moves brands well beyond primacy-of-product, distribution, ad budgets, even pricing. Being a Loyalty Juggernaut essentially defines category leadership. "Brands that meet expectations *and* emotionally engage with consumers end up owning their customers and owning their categories," said Passikoff. Discover has done it by meeting expectations consumers hold for values related to "reassurance." Netflix has done it via "diversion." Amazon through "immediate gratification," and Hyundai has done it through "altruism."

Recognizing Real Loyalty

The results of the 2024 CLEI offers up something more concrete, tied less to accumulation of points and more to actual, behavioral loyalty creation. "Real loyalty isn't as nebulous as you might think," suggests Passikoff. "In fact, it isn't something that you'll recognize when it visits itself upon your brand. It's not awareness, not satisfaction. It isn't something you find on a 10-point scale. Those metrics only allow brands to bask in mediocrity, instead of reaching their zenith, thoroughly beating the competition and, essentially, 'owning' the customers."

Loyalty is more complex in the same way the consumer and marketplace have become more complex. Loyalty is the consumer-to-brand bond, the bridge between emotional engagement and ensuring *future purchases.* From a measurement perspective it's *the degree to which a brand meets expectations that consumers hold for the Ideal product or service in its category*. It's the ultimate answer to the question, "Do you know what consumers truly desire and how well does your brand deliver on those expectations?"

Loyalty Juggernauts can definitively answer, "Yes."

Methodology

For the 2024 CLEI survey, 95,607 consumers, 16 to 65 years of age, from the nine US Census Regions, self-selected categories in which they are consumers and assessed brands for which they are customers via an independently validated research methodology, a combination of psychological inquiry and statistical analyses, with a test/re-test reliability of 0.93 and results generalizable at the 95% confidence level.

This year, Brand Keys examined 1,200 brands in 114 categories to identify four category-specific path-to-purchase behavioral drivers, *each* driver's component values and their percent-contribution to engagement, loyalty, and profitability (assessments that correlate with positive consumer behavior in the marketplace at the 0.80+ level). It has been successfully used in B2B, B2C, and D2C categories in 35 countries.

A complete list of the 2024 CLEI Brand Juggernauts in their categories can be found at https://brandkeys.com/customer-loyalty-engagement-index/

For more information about the 2024 CLEI survey results, or information about integrating predictive loyalty and engagement metrics into your marketing and branding efforts, contact Leigh Benatar at leighb@brandkeys.com.