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2023 Customer Loyalty Engagement Index Identifies a New Model for “Normalized” Brand Loyalty

**91% of Categories See Shifts in How Consumers View and Compare Brands,
95% of Brands See Massive Expectation Gaps Between Consumer Desires and Brand Delivery**

**New Loyalty Configurations Result In Seismic Changes in Loyalty Rankings:
Disney+, Trader Joe’s, Enterprise, Lego, Booking.com, H&R Block, Levi Strauss Now #1**

McDonald’s, Chipotle, Samsung, the NFL, Colgate Reclaim No. 1 Loyalty Ranks

NEW YORK, NY, January 9, 2023 – Shifts in the order of product/service category loyalty drivers in nearly all (91%) of the 110 categories with 987 brands tracked have fundamentally changed the face of brand loyalty, radically widening gap between customer desire and brand delivery, according to the 26th annual *Customer Loyalty Engagement Index* (CLEI), conducted by Brand Keys (brandkeys.com), the New York-based brand loyalty and customer engagement research consultancy.

“Two and a half years after the pandemic upended life, the marketplace is normalizing,” said Robert Passikoff, Brand Keys founder and president. “But the characterization ‘normalized’ now takes into account extraordinarily complex levels of social and consumer advocacy, combative political tribalism, and an economic rollercoaster, all of which explain consumers’ new-views of product categories and brands amid frighteningly higher expectations.”

2023 Newest Customer Loyalty #1 Leaders

Brands rated #1 in their categories for the first time include:

Corona Extra,
Disney+,
Enterprise Rent-A-Car,
Aquafina,
Trader Joe’s,
Booking.com,
Oscar Meyer,
Epsom,
Levi Strauss,
H&R Block,
Lego,

Dannon,
Don Julio Tequila and
Drury Hotels.

Returning Brand Champions

Because of the new ways in which consumers view categories along with their increased expectations, certain brands were returned to the #1 loyalty spot in their categories. This year those brands included:

McDonald's,
Uber,
The NFL,
Chase,
L'Oréal,
Apple (headphones),
Chipotle,
Dick's Sporting Goods,
CVS,
Samsung (smartphones), and
Colgate.

Customer Expectations: A Two-Word Model For "Normalized" Brand Loyalty

As complex as the brandscape and consumers have become, the new paradigm for loyalty can be captured in two words – "customer expectations." But as expectations are more emotional than rational, identifying them is tricky. It's tricky because expectations are often unarticulated and more-often subconsciously felt. Hence our use of psychological measures," said Passikoff. Shifts in expectations result in massive changes in consumer wants, needs and desires. And how brands are seen capable of delivering against those expectations. You really do need to be able to measure both those things. Customer loyalty is calibrated precisely to those expectations."

Consumers have an Ideal for every product and service that they use to gauge how brands measure up when it comes to their loyalty. It describes the emotional and rational values each consumer uses, often unarticulated and more-often subconsciously felt, to *view* the category, to *compare* brands, and to *buy and remain loyal*. More importantly, whether emotionally or rationally-based, consumers hold expectations for *each* value. Those include aspects like personal goals, connection, customer experience, image and self-image, and the basics: value, availability, product range, product efficacy, reputation, and trust.

"Brands that best meet consumer expectations always have the most-loyal customers," said Passikoff. The shift in how consumers view brand Ideals (in 87% of the categories tracked), combined with substantial expectation increases (in 95% of the categories) directly correlate to the shift in overall 2023 brand loyalty rankings.

Owning Brand Loyalty

"Because expectations are more emotionally-based today," said Passikoff, "brands have a difficult time identifying and tracking them. But there are 'hero' brands that pretty much 'own' the #1 spot in their categories long enough to earn a 'perennial loyalty' designation." Those brands include:

Discover Card (26 years running),

Google (23 years),
Domino's (19),
Dunkin' (17),
Konica Minolta (16),
Hyundai (14),
AT&T Wireless (14),
Amazon.com (12), and
Home Depot (11).

Meeting extraordinarily higher consumer expectations have had a multiplier-effect when it comes to emotional brand engagement, desire, and loyalty.

Brand Loyalty For the "New Normal"

"The new paradigm for brand loyalty is pretty straightforward," said Passikoff. "Expectations are the key. But as expectations are more emotional than rational, identifying them is tricky. And that results in massive changes in what consumers want and equally massive gaps between what they desire and how brands are seen capable of delivering. Happily, accurate loyalty metrics can help identify, close gaps, and keep marketers on the path to profitability."

A list of the 2023 CLEI brands rated #1 for loyalty in their categories can be found at:

<https://tinyurl.com/bdu84eff>

Methodological Framework

For 2023, Brand Keys interviewed 113,550 consumers, 16 to 65 years of age drawn from the nine US Census Regions. Respondents self-select categories in which they are consumers and brands for which they are customers, assessing 987 brands in 110 categories.

Brand Keys uses an independently-validated research methodology fusing emotional and rational attributes, benefits, and values of categories to identify four category-specific path-to-purchase behavioral loyalty drivers, the expectations consumers hold for each driver, and the values that form the components of each driver, including their percent-contribution to brand engagement, loyalty, and brand profitability.

A combination of psychological inquiry and higher-order statistical analyses, the approach has a test/re-test reliability of 0.93, with results generalizable at the 95% confidence level. Brand Keys loyalty assessments correlate very highly with positive consumer behavior in the marketplace at the 0.80+ level and have been successfully used in B2B, B2C, and D2C categories in 35 countries.

For more information about where individual brands rank in the Brand Keys loyalty database, 2023 CLEI survey results, or information about integrating predictive loyalty and emotional engagement metrics into marketing and branding efforts, contact Leigh Benatar at leighb@brandkeys.com.