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**PRESS RELEASE
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New Study Measures Effects of “Recession” On Brand Loyalty

**44% of Categories See Increased Loyalty Levels Including:
Automotive, Beauty and Personal Care, Household Cleaners, Pet Food, Luxury Goods and Snacks**

Airlines, Credit Cards, Gasoline and Streaming Video Among Categories Seeing Declining Loyalty Levels

NEW YORK, NY (August 2, 2022) – While the United States has not officially declared a “recession,” nearly seventy percent (68%) of consumers believe a recession has already arrived, according to a new survey conducted by Brand Keys, Inc. (www.brandkeys.com), the New York-based brand loyalty and emotional engagement research consultancy. The current survey examined loyalty levels in 39 B2C and B2B categories.

Perception Is Reality

“In this instance, perception is reality. There’s an enormous difference between ‘availability,’ ‘affordability,’ and ‘loyalty,’” noted Robert Passikoff, Brand Keys founder and president. “Supply chain disruptions, low inventories, and inflation all logically affect sales. Loyalty is a totally different paradigm and operates differently.”

Loyalty Is Never About Price

“Consumers can’t control the economy,” noted Passikoff, “But they *do* manage loyalty. Brand loyalty is *never* about price. It’s the emotional engagement that ensures future purchase. *It’s the degree to which a brand meets expectations consumers hold for their Category Ideal.*” It’s the unequivocal answer to the question, ‘How well does the brand deliver on what you really desire?’ In this instance, how brands are meeting their expectations in the context of a recession.”

“A recession – or consumers’ perceptions of a recession – became the perfect test market for brand loyalty,” said Passikoff. While a recession may *force* consumers to adjust their spending or even buy a substitute brand, it doesn’t affect their loyalty *to* a brand. Categories adapt to economic circumstances, with loyalty levels increasing or decreasing.

17 Categories With Increased Loyalty Levels

Among category-consumers who believe there is currently a recession, 44% of the categories saw increased loyalty levels including:

Apparel	Automotive	Beauty Care	Beverages (alcoholic)
Computers	Fast Food	Footwear	Healthcare
Household Cleaners	Luxury Goods	Paper Products	Personal Care
Pet Food	Snack Foods	Technology	Telcom Video Games

15 Categories (37%) Saw Loyalty Levels Decline

Airlines	Appliances	Beverages (non-alcoholic)	Credit Cards
Electronics	Gasoline	Hotels	Insurance
Investments	Online	OTC Pharma	Casual Dining
Retail	Streaming Video	Utilities	

Loyalty Levels Remained Unchanged In 7 Categories

Banks Furniture Office Equipment Shipping Social Media Sporting Goods Toys

An Economic Acid Test For Loyalty

“The current economic environment – and consumers’ perceptions of it – provided the perfect ‘acid test’ of ‘The Loyalty Rule of Six (loyal consumers are six times more likely to give a brand the benefit of the doubt in uncertain circumstances). We usually see this on a brand-by-brand basis, where an individual brand runs into a problem or gets into trouble. But the current marketplace allowed us to examine loyalty expectation levels on a category-to-category basis. There’s not a lot more uncertain than an economic upheaval.”

Get Ready For 2022’s Loyalty Leaders

The “Effects of Recession On Loyalty” survey is a sub-analysis of the Brand Keys annual Brand Loyalty Leaders List survey traditionally released in September.

The survey, a cross-category examination of loyalty in 150 categories made up of 1,675 brands, includes assessments (M/F, 16 to 65 YOA, recruited from 9 US Census Regions) from respondents who self-select categories in which they are consumers and brands for which they are customers.

In this recession-drilldown, respondents who participated rated the current economic environment as “recessionary.” Unlike economic-use models that rely on historical data and profitability conjecture, Brand Keys’ evaluations are 100% consumer-driven, measuring the emotional and rational aspects of each consumer’s decision process and current levels of customer expectation.

A brand analysis for the individual brands that comprise each of the 39 categories is also available, overlaying real-world experiential and emotional insights onto your customer’s path-to-purchase to identify values and drivers behind your customer’s category expectations, providing an actionable roadmap for brands to deliver against your customers’ desires – ensuring loyalty.

For more information as regards recessionary effects on loyalty for your brand, please contact Leigh Benatar at leighb@brandkeys.com