

Brand loyalty is dead

By  Danette Breitenbach

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Brands like to think that everyone loves their brand, but the harsh reality is that while they use your brand, they also use everyone else's brands. However, people are going into a store more often and this is an opportunity for brands.



Debbie McIntyre, marketing and research director at Spark Media. Image supplied.

This is a key finding in the 2019 Roots Survey, which was presented to the industry last week and this week in Durban, Johannesburg and Cape Town.

Understanding consumer behaviour is key for marketers to sell their products and services says Debbie McIntyre, marketing and research director at Spark Media, when she presented the findings from the survey.

“Marketers need to understand what makes buyers tick and then how to influence what they do. Roots unearthed four discoveries that are influencing buyer behaviour – loyalty, randomness, decision-making, and local imperative,” she says.

Underpinning these are the survey findings that internet use has grown considerably, that reach over time is important and that people shop at different times of the month, varying from bulk once a month to twice a month to a number of times a month. “We see this change in behaviour influenced by more stores giving consumers more choice,” she adds.

Understanding changed buyer behaviour

“For marketers to understand what makes buyers tick and then how to influence what they do Roots 2019 unearthed four discoveries that are influencing buyer behaviour - loyalty, randomness, decision making, and local imperative,” she says.

Loyalty: Today there is no 100% brand loyalty in any category. “As humans, we are naturally curious and we like choice. This shared choice is true for all categories, including media,” she says.

Randomness: Individually people display random behaviour which makes it difficult to predict what people are going to do. The Survey shows that purchasing occurs when the buyer is in a particular mood at a particular time. “With the current market so thin, it is hard work to get enough people into your store and brands/stores need to plan for continuity as you can no longer predict when buyers will come to your store.”

She adds that they will come but you do not know when. “For example, in the clothing category, buyers do not shop as often as previously, only shopping for clothing every four to five months.”

Decision-making: Buyers are making decisions intuitively, making life difficult for brands. “Humans are hardwired to make decisions quickly to conserve energy (by thinking less). Fast, unconscious, automatic decisions as opposed to conscious, slow and deliberate decisions by buyers mean that brands have to make it easy for buyers to think of what to buy,” McIntyre explains.

The local imperative: “People are choosing to shop and do things locally in their neighbourhood. This is linked to convenience, the life stage of the buyer, and the amount of time they are prepared to travel,” she says. How much a buyer is prepared to travel does differ by category and area making geo-segmentation a principal tool for brands.

This is linked to catchment areas. Using the Mall of Africa as an example, McIntyre says the Mall’s main catchment areas are still Midrand, Sandton, Randburg and Fourways. Midrand is the biggest area, in particular, Midrand central, Boulders and Carlswald. “Despite the Mall of Africa presenting buyers with a huge offering, buyers are still opting for other options in their area,” she adds.

Building on the previous point, she says it is important for brands to know in what category they are performing well and pick up on what is happening in that area. “Areas are not static but changing constantly, yet in contrast, competing stores are not changing their profile to the area’s needs.”

Started in 2001, the Roots Survey is conducted every three years. Roots’ quantitative research explores shopping behaviours and decisions and underpins an architecture that provides the industry with a roadmap to create an in-depth analysis of areas where the economically active population lives.

Roots 2019 interviewed 27,000 shoppers over 10 months and was conducted in partnership with Ads24 which allowed for the inclusion of 16 new areas enabling the building bricks of the survey to be a total of 112 surveyed areas.

ABOUT DANETTE BREITENBACH

Danette Breitenbach is a marketing & media editor at Bizcommunity.com. Previously she freelanced in the marketing and media sector, including for Bizcommunity. She was editor and publisher of AdVantage, the publication that served the marketing, media and advertising industry in southern Africa. She has worked extensively in print media, mainly B2B. She has a Masters in Financial Journalism from Wits.

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