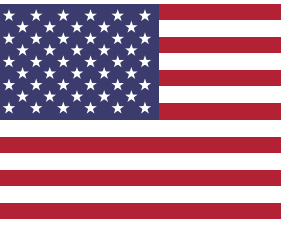


United States

Customer Loyalty Index 2024

Featuring research from respondents across the United States, as part of a global campaign across Germany, the United Kingdom, Australia, and the United Arab Emirates



Sara Richter

CMO, SAP Emarsys

"Customer loyalty is the holy grail of marketers. From repeat purchases to average order value, and customer lifetime value, loyalty can have a significant impact on brands' business objectives. But today, the nature of loyalty is changing.

In 2024, AI empowers marketers to create incredible connected experiences, making it easier for people to discover a wide array of platforms; reducing the friction involved in spending their money elsewhere.

With the process for switching brands and services increasingly streamlined, marketers must ask themselves, what does loyalty look like from the customer perspective? How do today's customers think and feel about loyalty? And what does it take to ignite true loyalty, then secure it long-term?

These are questions that we've asked customers in our fourth annual Customer Loyalty Index research. Through this data-driven report, we hope to empower our customers—companies like Ferrara, Aldo Group, PUMA, and thousands of other brands and services across the world in sectors such as Retail, Consumer Packaged Goods (CPG), Travel and Transport, Sports and Entertainment and Utilities—in their journey towards AI-leveraged, loyalty building, omnichannel customer engagement."



Methodology

The research was conducted by Opinion Matters, among a sample of 4,005 general respondents across the US. The data was collected between 06.12.2024 – 06.17.2024.

The report also includes data from past research conducted across the US by Opinion Matters in 2023—with a sample of 4,007 general respondents, 2022—with a sample of 4,011 general respondents, and 2021—with a sample of 2,042 general respondents.

Opinion Matters abides by and employs members of the Market Research Society and follows the MRS code of conduct which is based on the ESOMAR principles. Opinion Matters is also a member of the British Polling Council.

The 5 Types of Customer Loyalty

Each year, SAP Emarsys maps consumers across five key types of customer loyalty:



Incentivized Loyalty

This type of loyalty is developed by offering customers cost-saving or value-adding incentives like discounts and rewards.



Inherited Loyalty

This loyalty is based on a brand's tradition or long-standing heritage, or can be built through associations with other brands.



Silent Loyalty

Silent loyalty occurs when a customer demonstrates loyalty to a brand that they would not endorse or advocate for publicly.



Ethical Loyalty

This loyalty occurs when a customer is loyal to a brand that aligns with their individual values or stance on strong social issues.



True Loyalty

True loyalty is unwavering, unshakeable loyalty built on trust, love, and devotion to a brand—the holy grail of customer loyalty, and what all brands aspire to achieve.

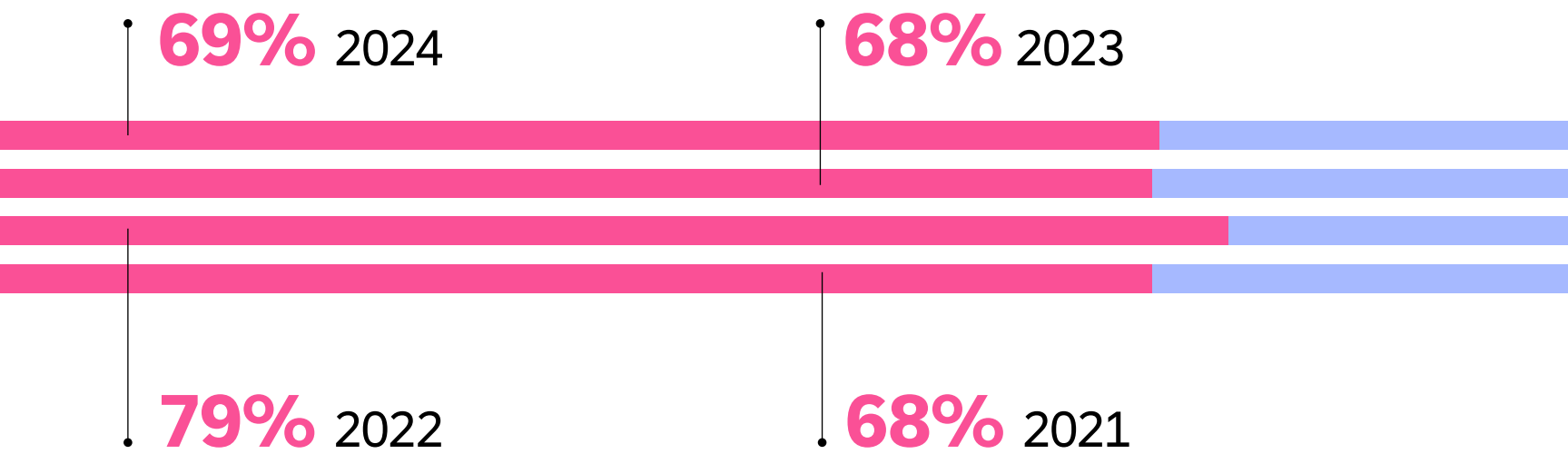
2024 Loyalty Levels

2022 ushered in peak levels of loyalty—with 79% of consumers surveyed in the US saying they were “loyal” to certain retailers, brands and stores. But as the tough economic environment globally continues, overall loyalty is down 14% and 13% in 2023 and 2024, respectively.

New technologies may be impacting this shift. Artificial intelligence (AI) makes it easier

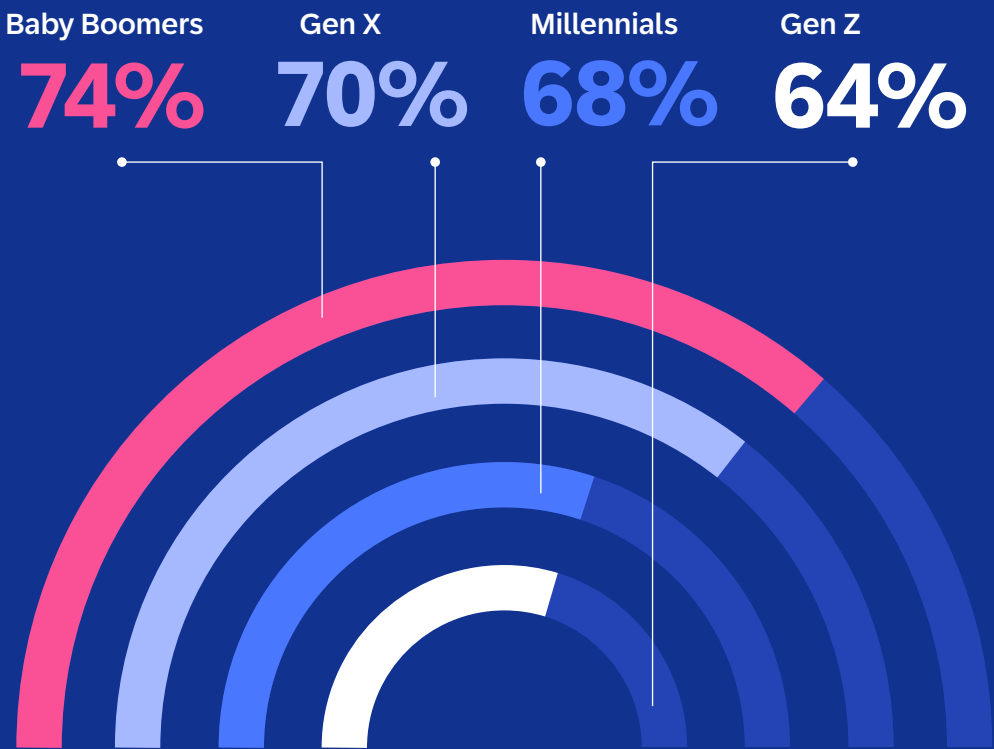
for customers to discover a wide array of alternatives and compare platforms, encouraging them to switch brands easily. Brands are also becoming savvier about using AI to build better, more personalized omnichannel experiences, allowing them to entice once loyal customers from their competitors.

Percent of respondents “loyal” to certain retailers, brands and stores



Loyalty Across Generations

Our research indicates that loyalty deepens across generations*. When consumers were asked about their sense of loyalty, the data showed that it strengthens with age, with older generations exhibiting higher levels of loyalty compared to younger ones. This underscores the importance for retailers brands and services to begin fostering loyalty early, ensuring long-term customer relationships by engaging younger generations from the start.



*Generations are divided in terms of age as: Gen Z (16 to 27), Millennials (28-43), Gen X (44-59), Baby Boomers (60+)

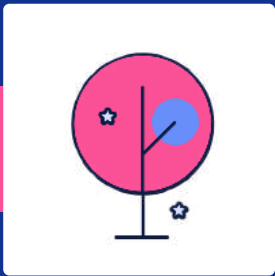
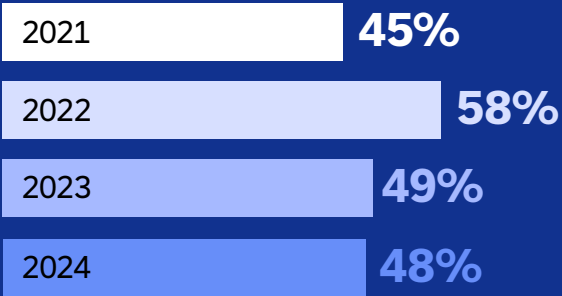
Changes in Consumers' Loyalty Types

Over the past four years, loyalty types in the US fluctuated, except for Inherited Loyalty, which remained steady at 27%. Incentivized Loyalty peaked at 58% in 2022 but has declined since. We learned in 2023 that discounts may attract a customer

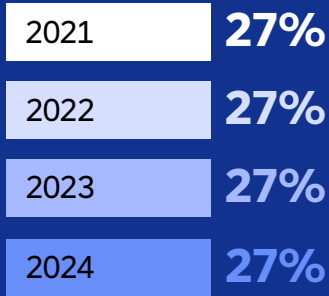
to make a one-off purchase but won't earn long-term loyalty—and in 2024 little has changed. Both Ethical and True Loyalty remain at higher levels than in 2021 and 2022, reflecting a shift towards ethical purchases and strong brand connections.



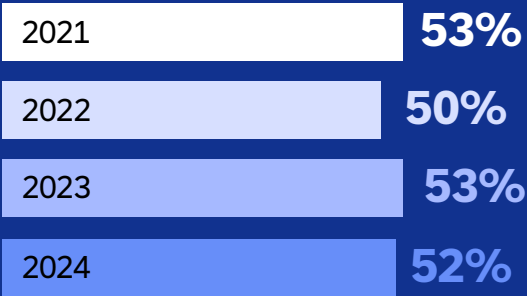
Incentivized Loyalty



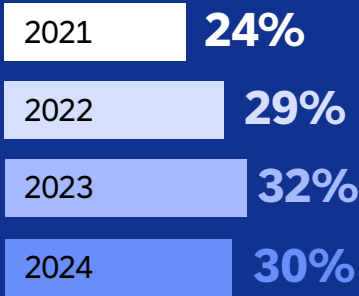
Inherited Loyalty



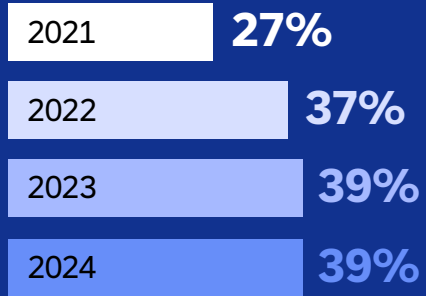
Silent Loyalty



Ethical Loyalty



True Loyalty

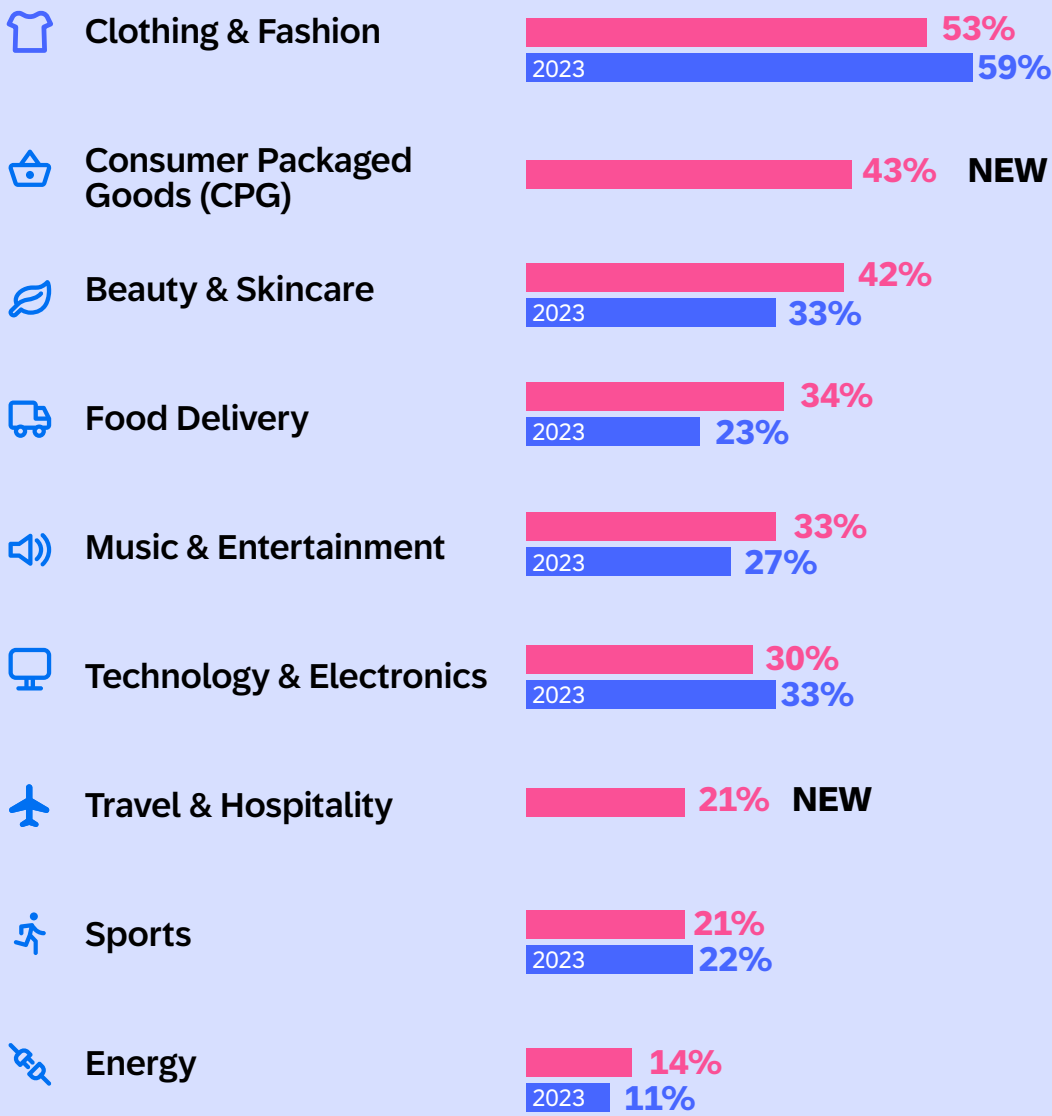


Loyalty by Sector

Although Clothing & Fashion remained first on the list of sectors US consumers surveyed are most loyal to, Food Delivery and Beauty & Skincare saw the largest year-on-year percentage point increases with 11%- and 9%-point increases respectively. Consumer Packaged Goods are new to the list and show people are still willing to stay with a packaged brand they love.

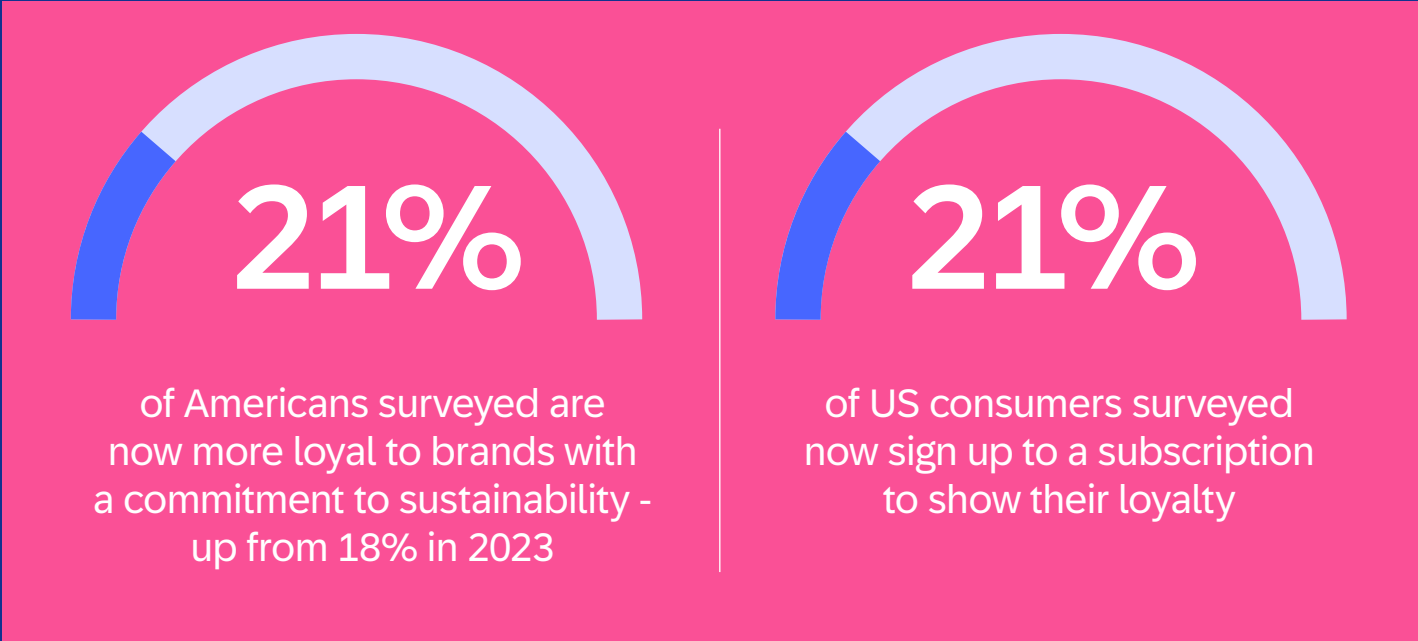


Thinking about the retailers that you are most loyal to, which industries are they in?

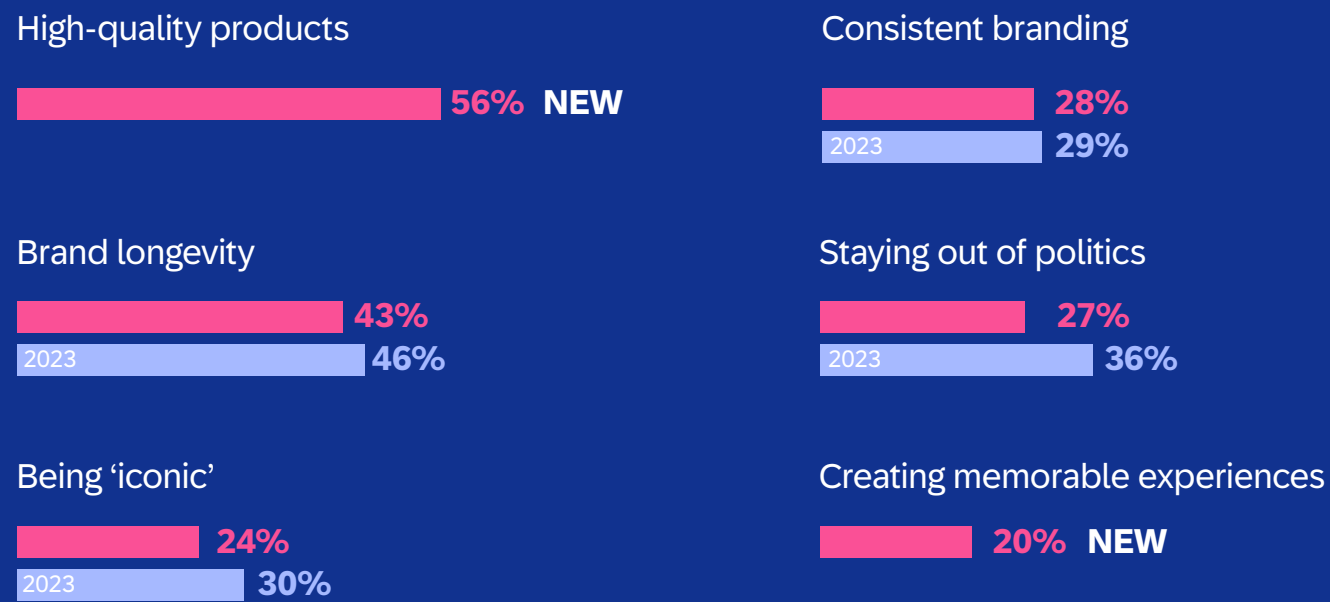


What Drives Customer Loyalty

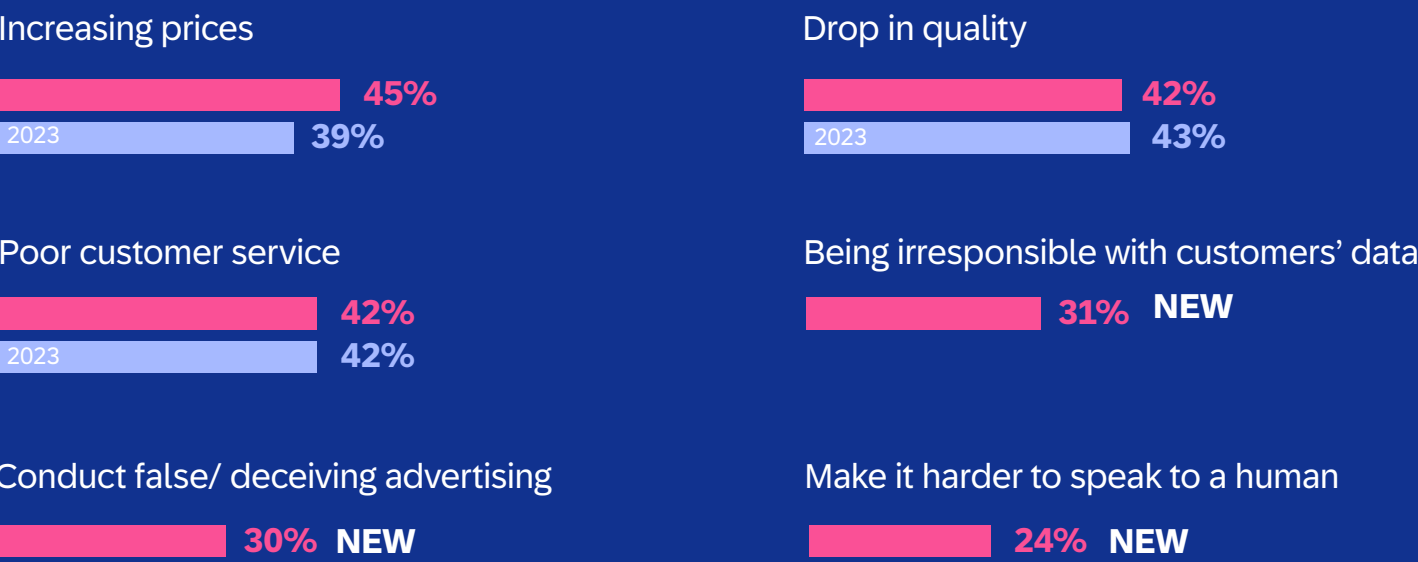
When looking at the top factors that impact US customers' loyalty to a brand, we see new factors emerging in 2024, including—on the positive side—memorable experiences, and—on the negative side—irresponsible data usage, and making it harder to speak to a human. At the same time, environmental consciousness continues to grow as a loyalty driver, while the rise of subscription-based buying and 'DTC' brands continue to provide a new channel for 'locked in' loyalty.



What positively impacts brand loyalty?

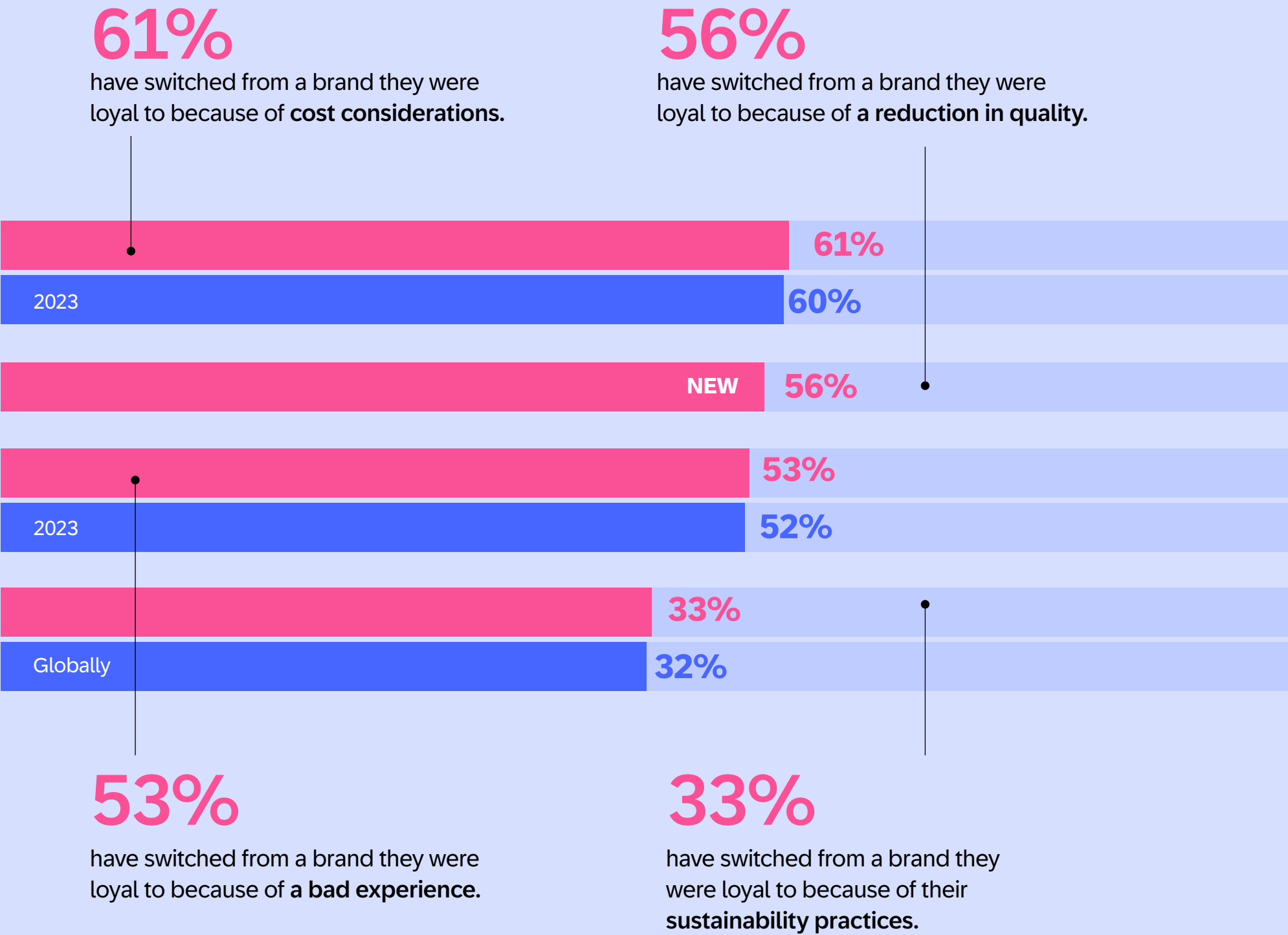
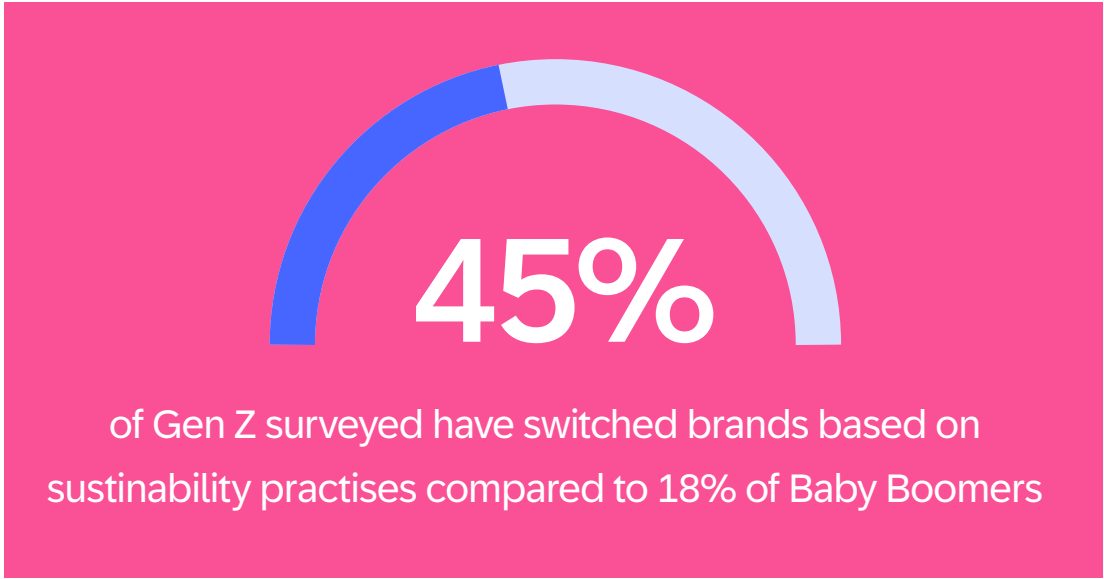


What negatively impacts brand loyalty?



Factors Driving Customers to Switch Brands

In 2024, US customers surveyed are still most likely to switch brands due to cost considerations with 61% attributing this as the motive for switching (versus 60% in 2023). While prices are an important factor, a reduction in product quality (56%) and a bad shopping experience (53%) could be the catalyst for losing loyal customers to a competitor. Factors like sustainability practices also influence a third of US respondents when it comes to loyalty.



How Customers Express Loyalty

When asked how they show loyalty to their preferred retailers, US consumers' responses revealed consistent patterns to 2023, highlighting ongoing consumer behaviors that foster brand loyalty through active engagement and advocacy.

Additionally, 24% have increased their use of loyalty programs—a 33% increase from 2023—highlighting the need for brands to adapt with personalized and cost-effective solutions to maintain loyalty.

Thinking about the retailers you are most loyal to, how do you most commonly show your loyalty, if at all?

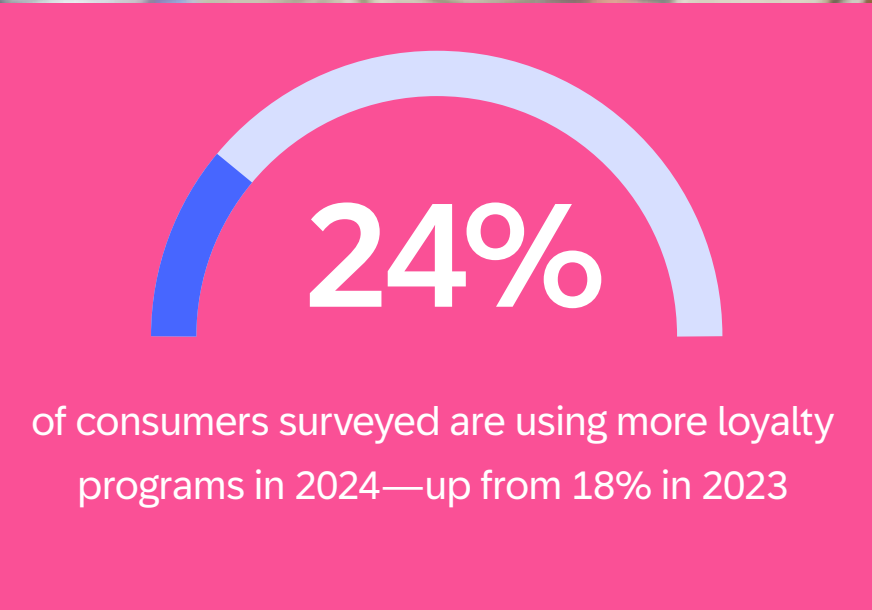
Shopping with them frequently



Recommending them to friends and family



Installing their app



SAP Emarsys Partner Insight

"Understanding nuances in customer loyalty is crucial for brands aiming to deepen their engagement strategies. The insights in the Customer Loyalty Index are invaluable because they highlight the diverse stimuli that drive loyalty or cause churn.

For us, two trends stand out. One, consumers are increasingly likely to switch brand loyalty due to a negative experience, making it essential for brands to deliver an exceptional customer experience at every interaction. Two, shifting loyalty patterns particularly among younger generations due to brand boredom or sustainability issues, drive home the need for brands to stay ahead of consumer values and preferences.

Against this backdrop, building lasting loyalty means creating tailored loyalty programs that engage, recognize and reward customers uniquely. Recognition is essential to foster loyalty, and is often more impactful than rewards, which are frequently equated with discounts in consumers' minds. By tapping into something deeper, recognition aligns seamlessly with personalization, making customers feel seen and valued.

To truly foster this connection, AI-driven personalization and an omnichannel approach are essential, ensuring a unified and meaningful customer experience across all touchpoints."



Erin Raese
SVP Growth & Strategy, Annex Cloud



In-depth analysis #1

Mobile Loyalty

How in-app shopping is impacting customer loyalty



The Impact of Mobile Apps on Loyalty

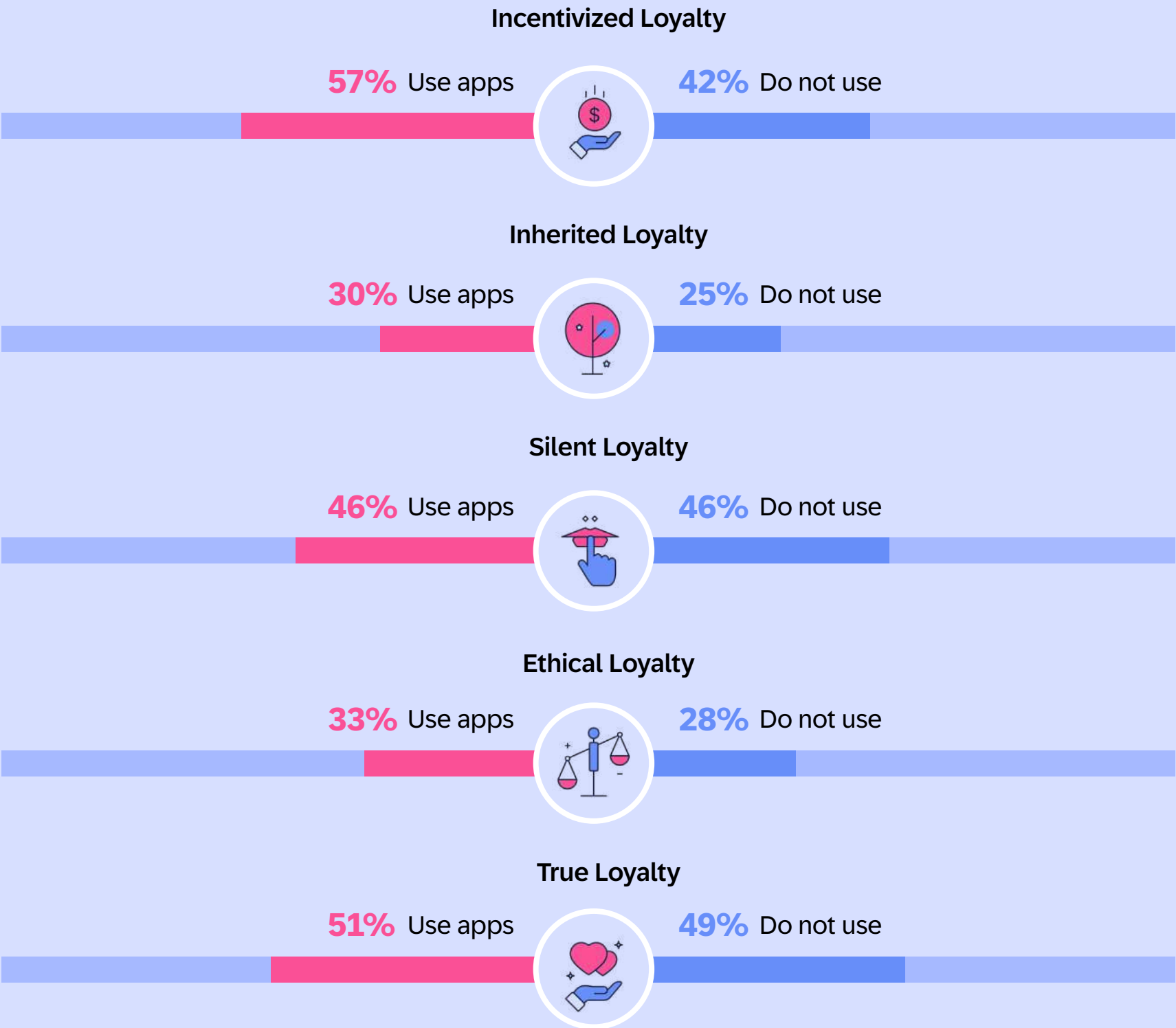
According to the latest market data, two-thirds (66%)* of US consumers now make purchases on a mobile device. Given this booming market, we examined what keeps mobile app users loyal. Our research reveals a significant insight: American consumers surveyed who have their favorite brands' apps on their phones are more driven by offers and other incentives (36%) compared to those who don't use apps.

This highlights the crucial role that promotional offers play in influencing mobile consumer behavior and loyalty to brands when done in a personalized way. Consumers who download and keep their preferred brands' apps are not just casual users; they are highly engaged and motivated by the benefits these apps offer. This behavior underscores the importance for brands to create compelling incentives within their mobile apps to maintain and grow customer loyalty.

*Source: <https://www.yaguara.co/mobile-commerce-statistics/>



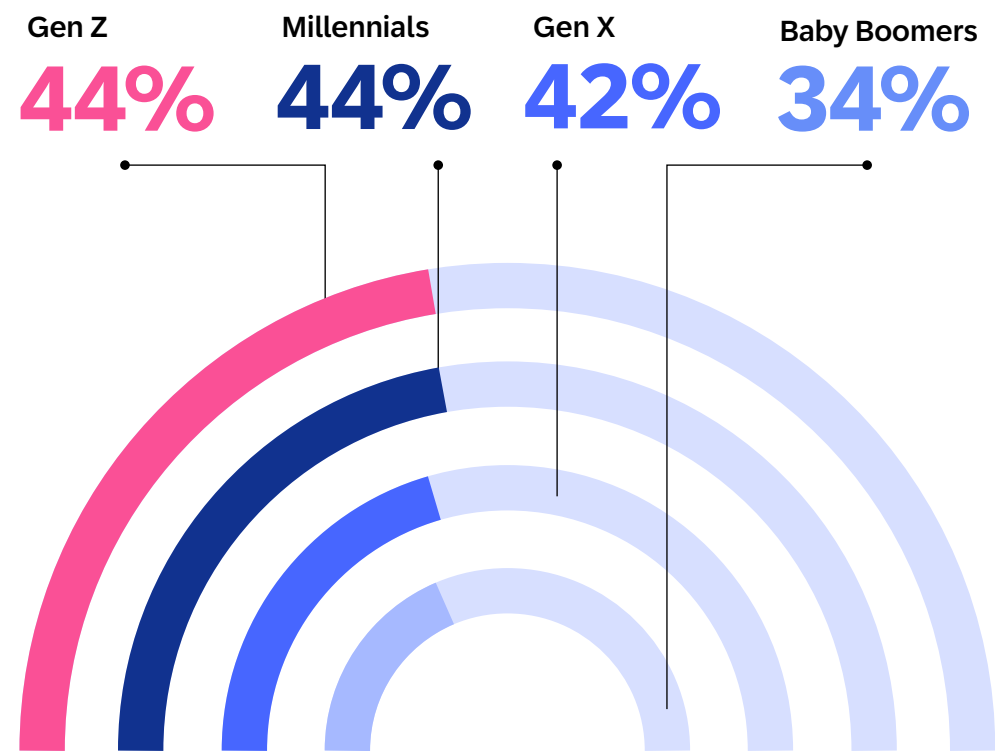
Loyalty Types Among Consumers Using Mobile Apps



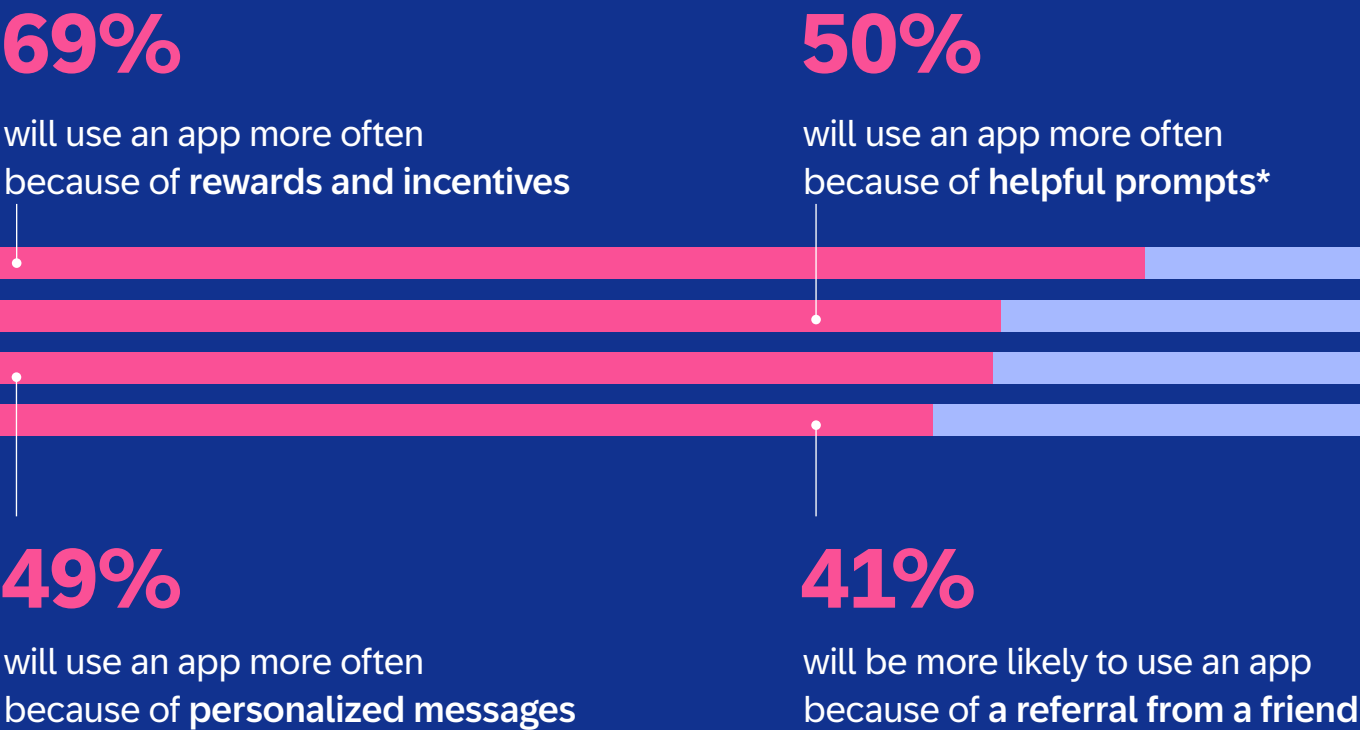
Why Consumers Use Apps

Consumers are using mobile apps for more tasks than ever before, both in the US and around the world. Surprisingly, there is not a strong generational divide when it comes to app usage. Gen Z and Millennials surveyed lead the way in using their favorite apps, however, Gen X is close behind.

App Usage by Generation



Top Prompts To Using App

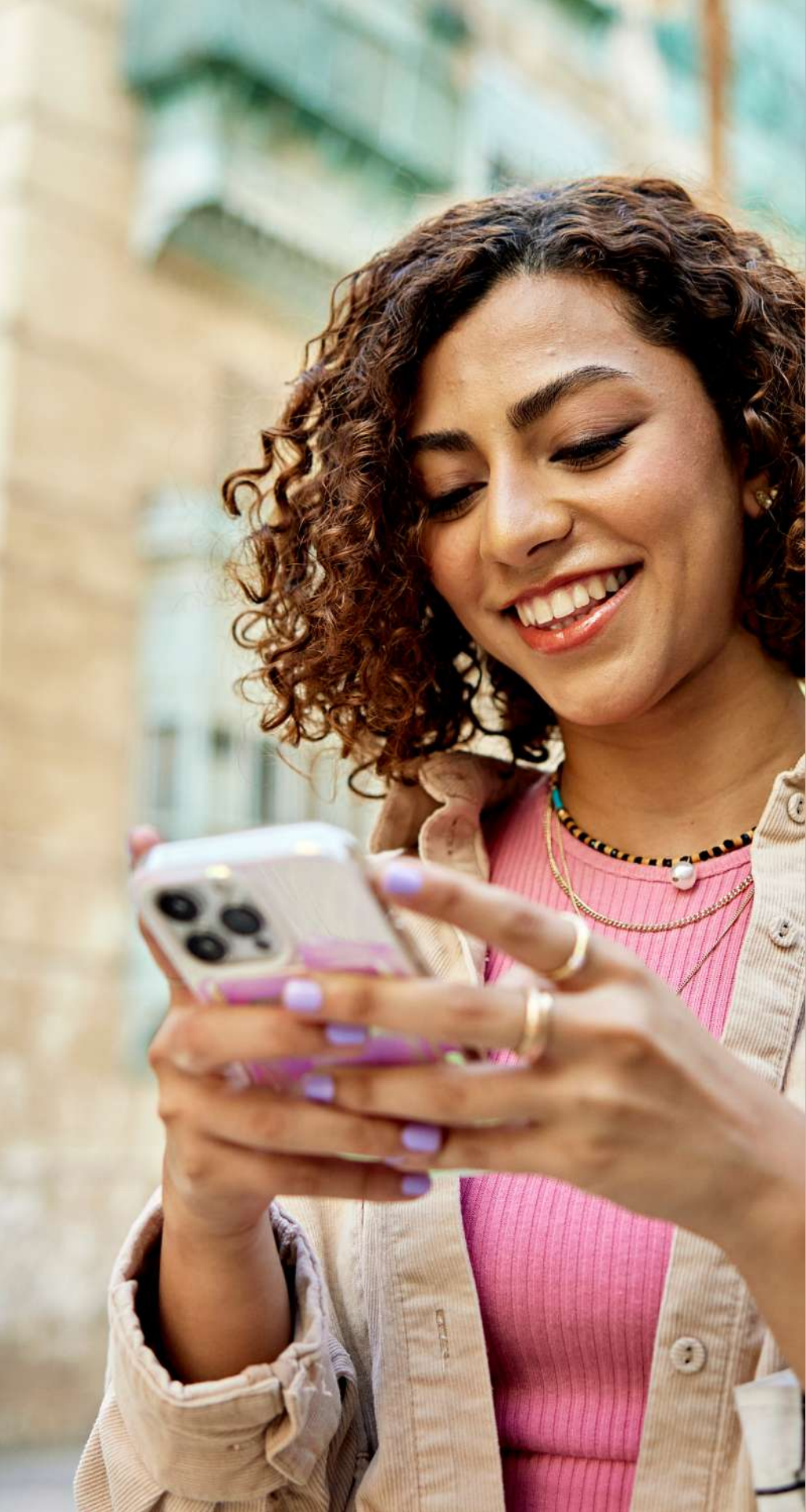
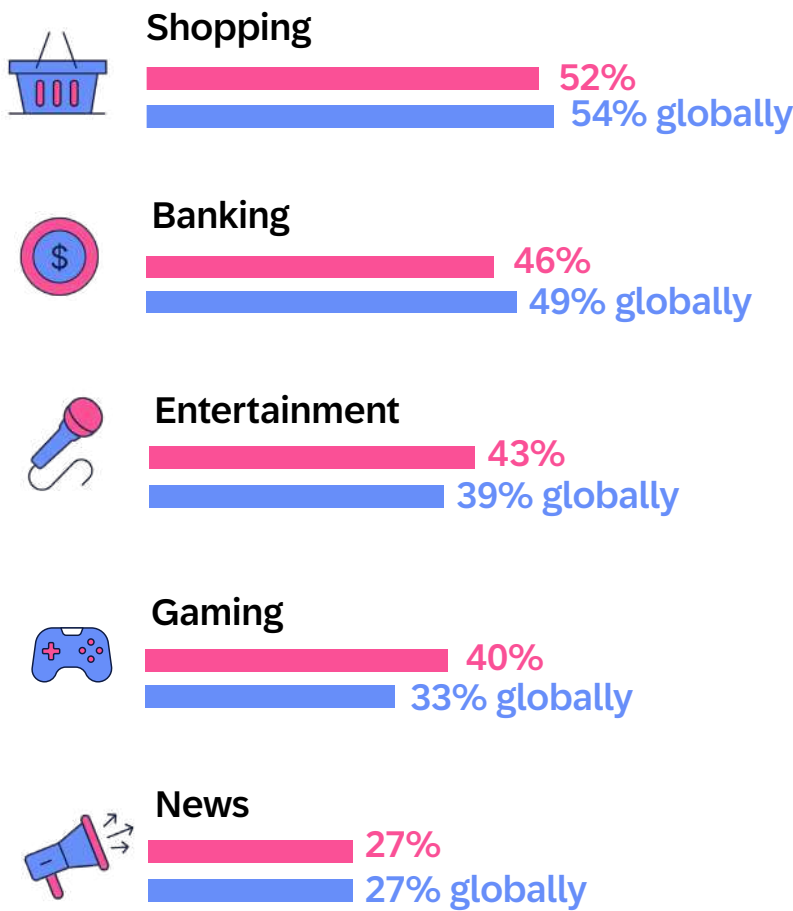


*e.g. order updates, new release updates, additional services available, upgrade options, service delays, withdrawal notifications

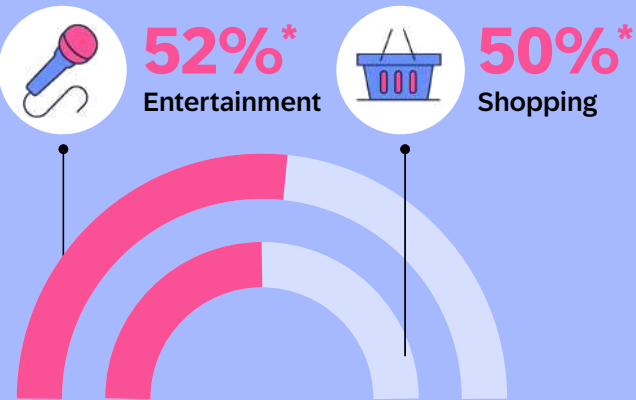
Consumers' Favorite Apps

The top 5 apps used by US respondents matched those in our global ranking, with shopping being the key use case. While Gen X and Baby Boomers primarily use apps for shopping and banking, younger generations use apps the most for entertainment and shopping.

Top 5 Apps Most Regularly Used



Apps Most Regularly Used by Younger Generations (Gen Z and Millennials)



Apps Most Regularly Used by Older Generations (Gen X and Baby Boomers)

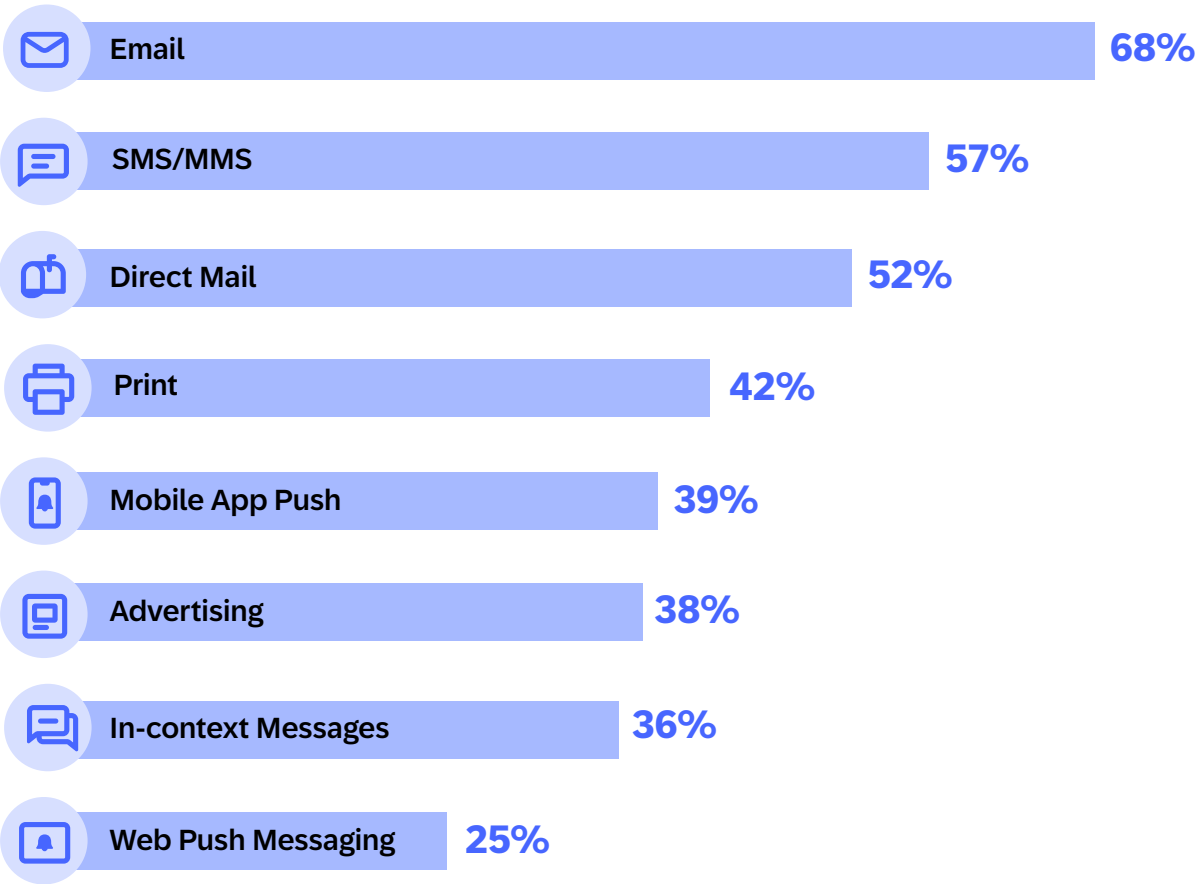


*average percentages.

Reaching Out: How Consumers Want to Be Contacted

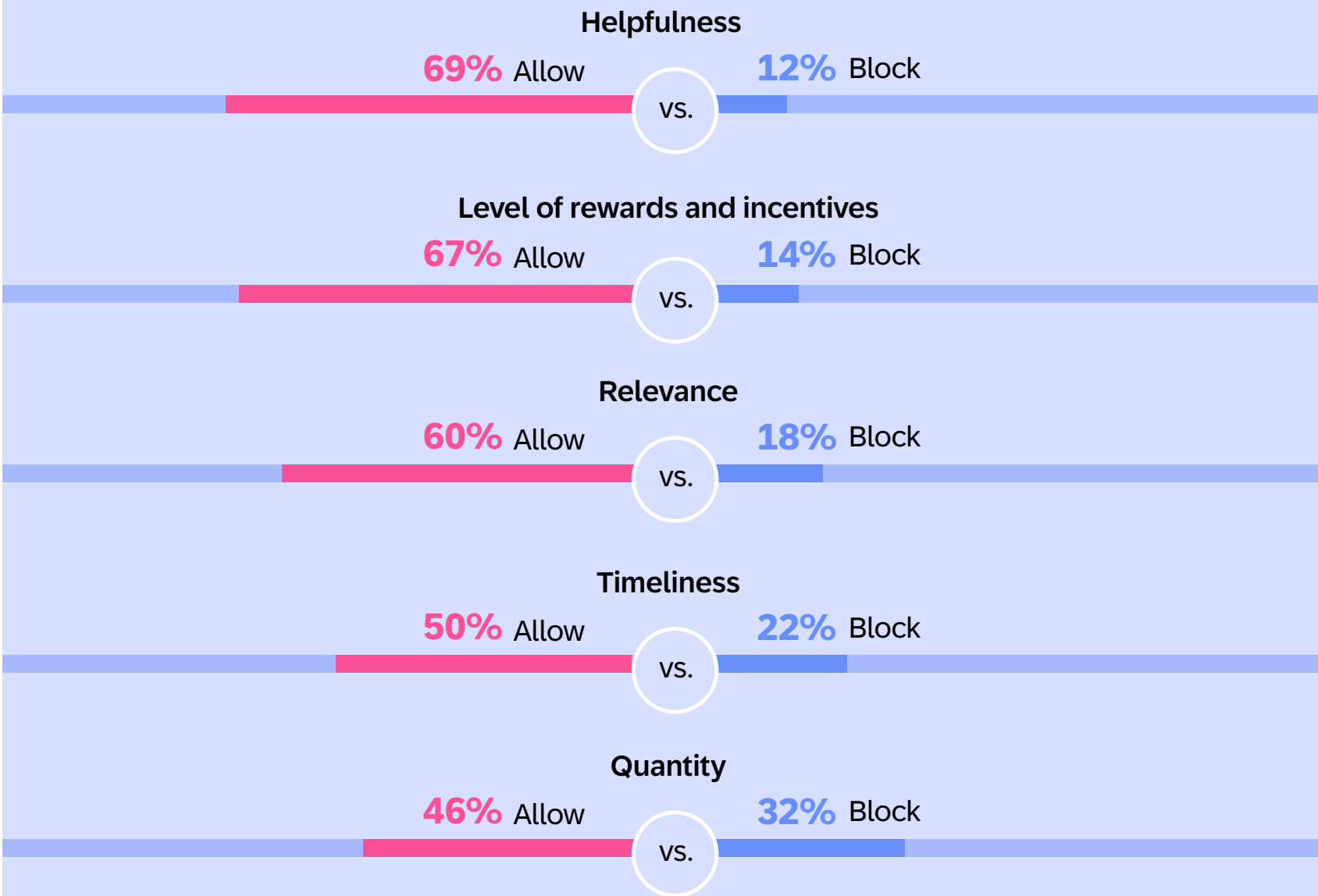
When it comes to loyalty, communication is king. That means brands must connect with potential customers in a way that appeals to them.

Consumers' preferred communication channels



Overall, brands looking to encourage their US customers to use their apps should pay attention to the helpfulness, level of rewards and incentives, relevance, and timeliness of their messages instead of quantity—last on the list.

What encourages consumers to allow or block messages from apps?



In-depth analysis #2

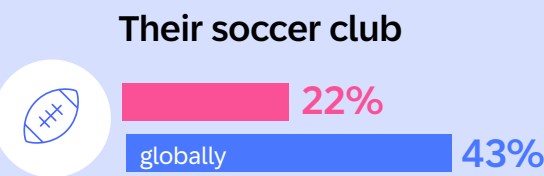
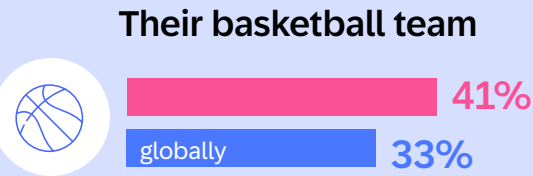
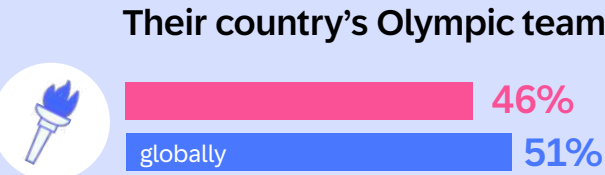
From Loyalty to Fandom

Loyalty among sports and entertainment fans

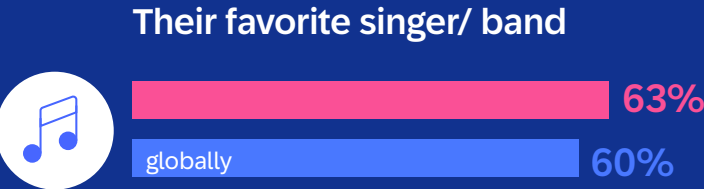
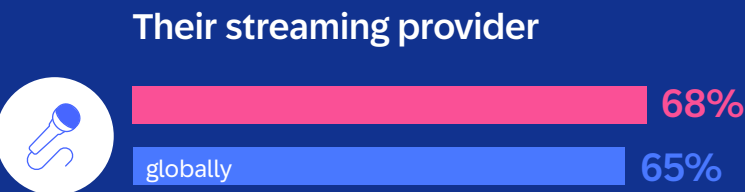
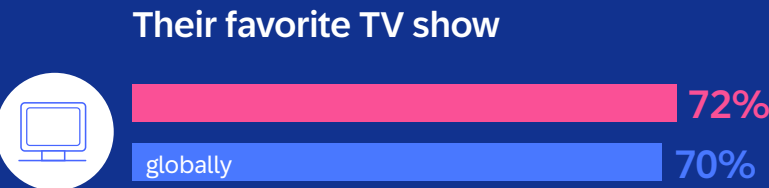


Loyalty Among Sports, Music & Entertainment Enthusiasts

Nowhere is loyalty more prevalent than among fans—those absolutely committed to a sport, team or even their favorite band. By examining these groups, brands can learn about their approach to loyalty and building a fanbase of their own. When it comes to the world of sports, US customers surveyed are most loyal to:

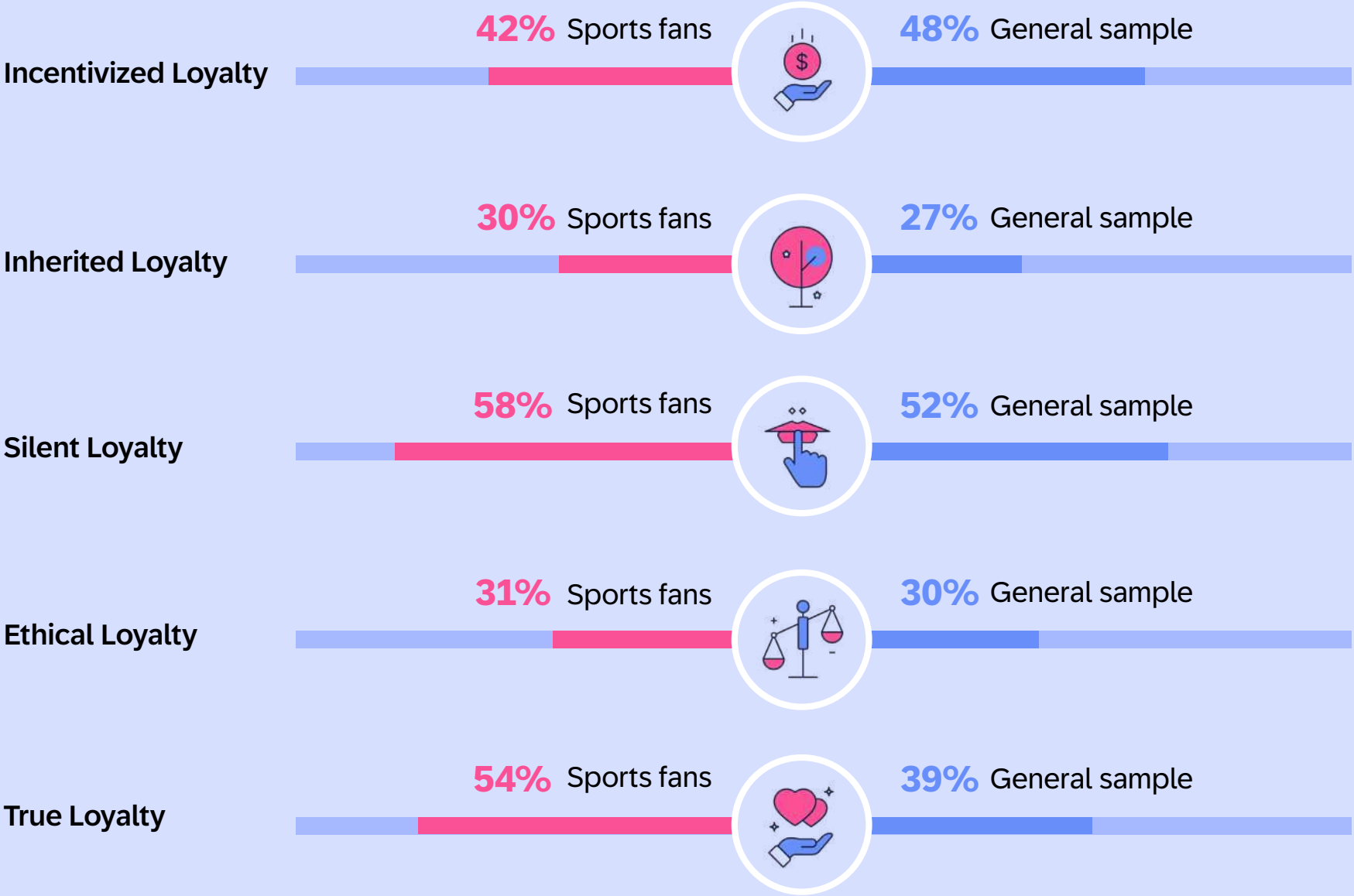


When other interests, such as music and entertainment, are added into the equation, loyalties soar high.



Sports Fans and their Loyalty to Brands

When we think of loyal groups, sports fans are some of the first to come to mind; and for good reason! It seems that fan loyalty carries beyond their favorite team and extends into other areas, with 84% of sports fans surveyed generally acting as more loyal consumers than other Americans surveyed (69%). This trend is true across almost every loyalty type measured in the Customer Loyalty Index. Most notably, US sports fans are 17% more likely to display True Loyalty—being entirely devoted to certain products, retailers, brands and services—than the general sample.



In-depth analysis #3

Consumer Packaged Goods Loyalty

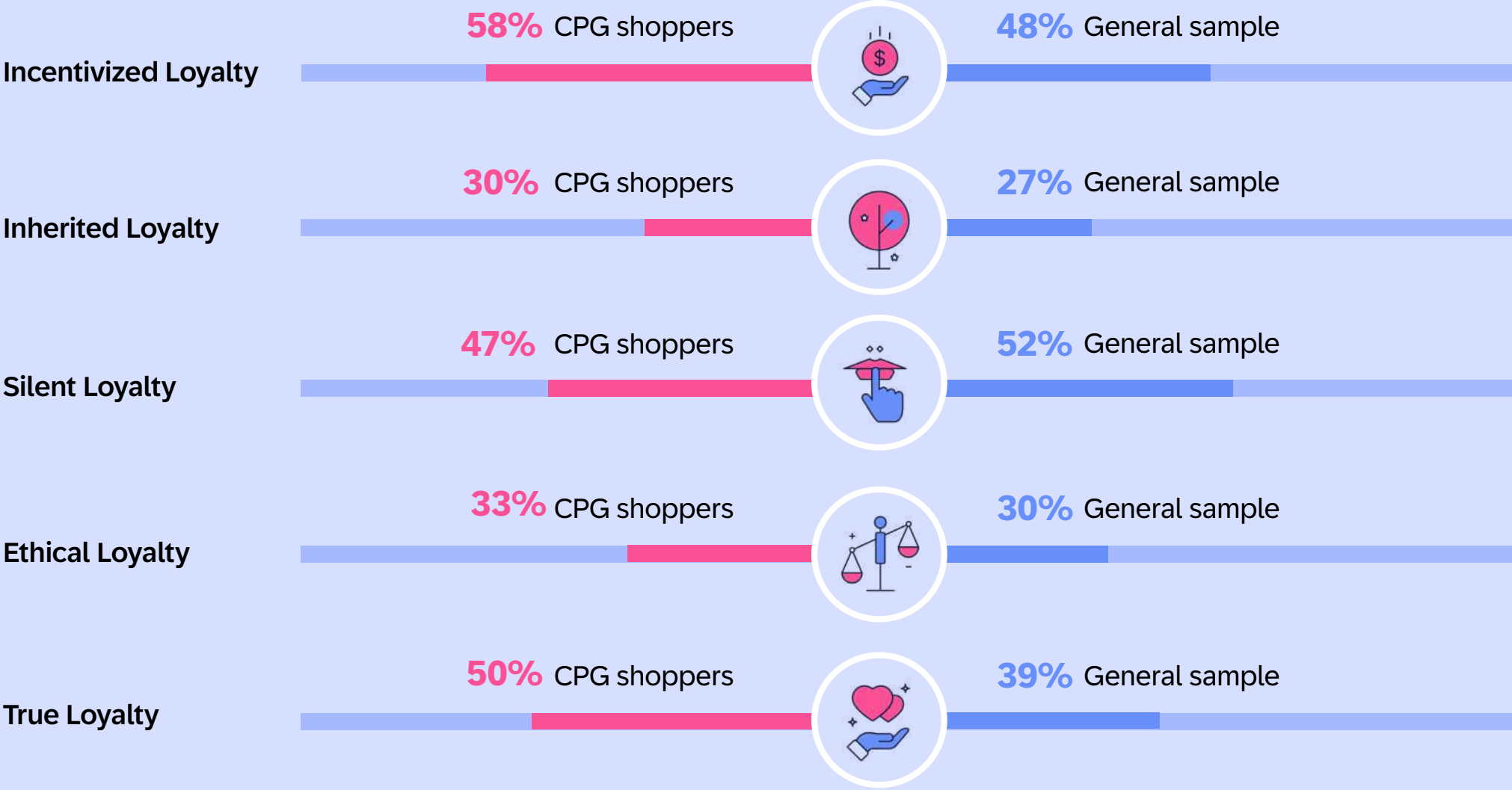
Loyalty trends among CPG shoppers



Loyalty Types Among CPG Shoppers

When analyzing loyalty types among Consumer Packaged Goods (CPG) shoppers in the US, we observed notable differences compared to the general population. CPG shoppers surveyed are 21% more likely to be loyal to

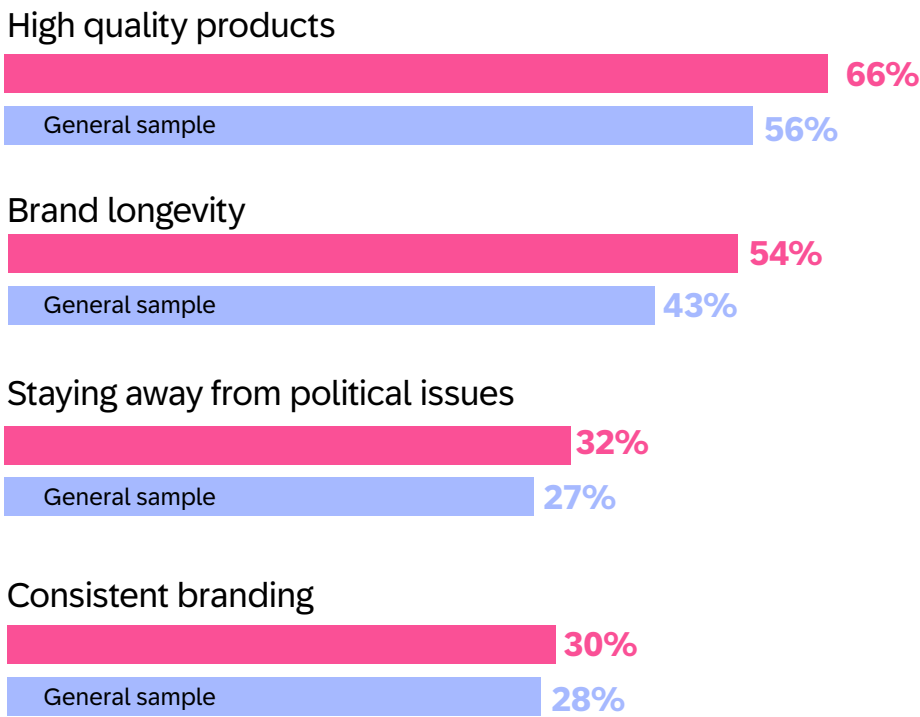
brands that provide incentives, and rewards. Additionally, they are 28% more likely to exhibit True Loyalty—demonstrating a strong commitment to specific products, retailers, brands, and services—compared to the general sample.



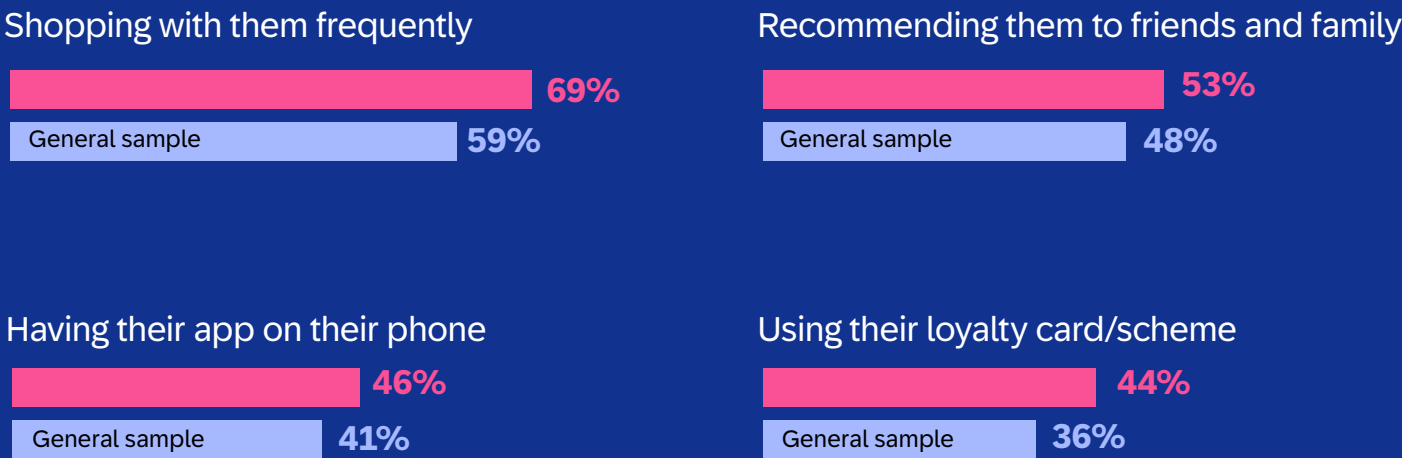
Key Drivers and Expectations of Loyalty Among CPG Consumers

Our analysis reveals distinct patterns in consumer loyalty among CPG shoppers compared to the other respondents in the US. CPG shoppers place a higher value on product quality, brand longevity, and political neutrality, and they are more engaged in demonstrating their loyalty through frequent shopping, recommendations, and app usage. They also have specific expectations in return for their loyalty, including reduced prices, excellent customer service, and rewards such as loyalty points and cashback.

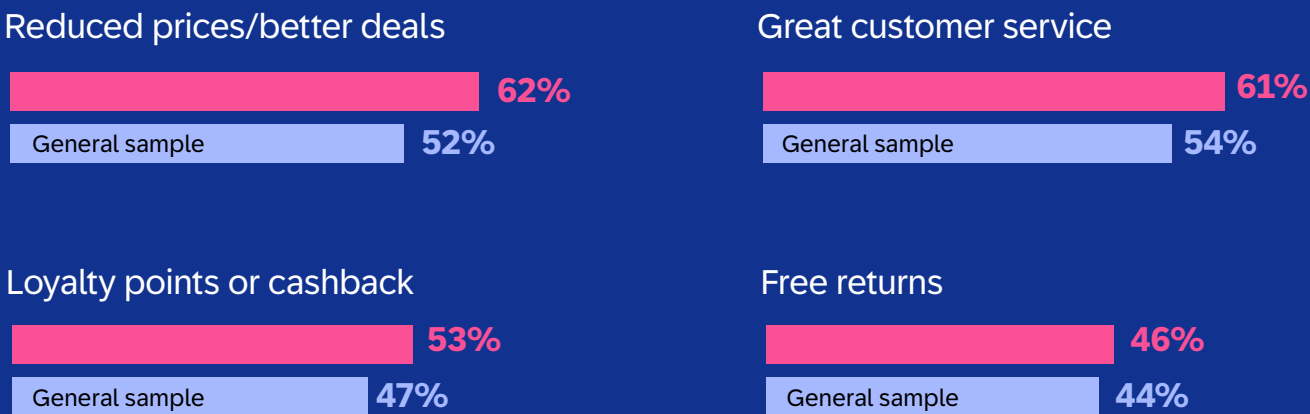
Top factors that most positively impact the loyalty of CPG shoppers



CPG shoppers most commonly show their loyalty to a brand by



Top factors that CPG shoppers expect in exchange for their loyalty to a brand



In-depth analysis #4

Luxury Loyalty

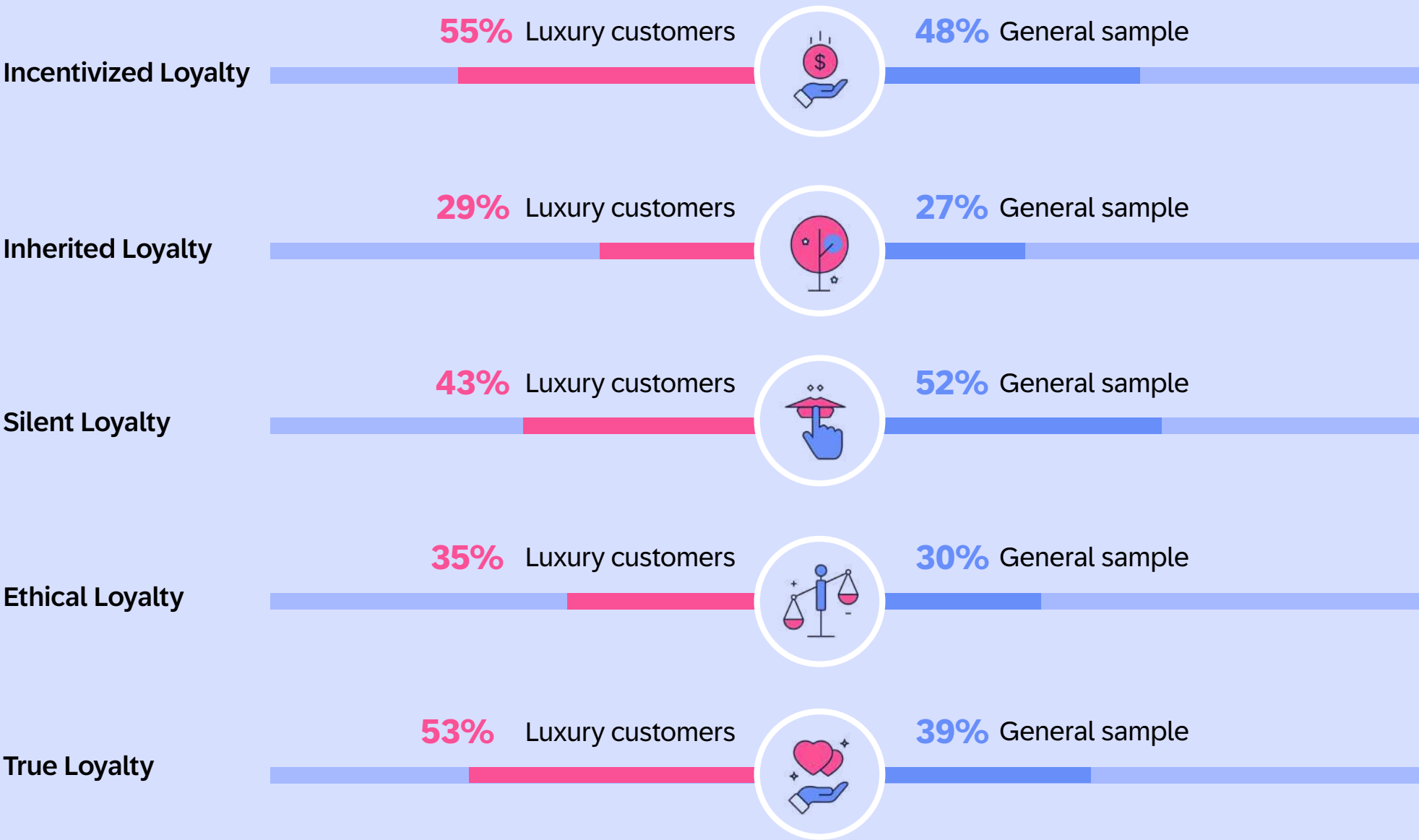
Loyalty among fans of high-end or exclusive brands





Loyalty Among Luxury Shoppers

Another area explored in this year’s Customer Loyalty Index report is the relationship between luxury customers surveyed* and brands. Unlike the general sample however, they are 36% more likely to show True Loyalty to a brand, making them some of the most devoted customers to certain brands and retailers.



*Respondents who answered “they produce high quality / exclusive products” to the question “What best explains why you are loyal to particular retailer(s)?”

The Likes and Dislikes of Luxury Shoppers

Unsurprisingly for luxury shoppers, quality is king. At a time when many brands are cutting product quality to reduce costs, luxury brands cannot afford to make the same mistake, with 55% of luxury buyers saying a drop in quality would negatively impact their loyalty. Consumers also expect a higher level of service from luxury brands. When compared to non-luxury brands, a single bad customer service experience is 31% more likely to impact loyalty.

While these brands can still offer incentives, rather than competing on price, luxury retailers need to focus on building their brands, promoting their heritage, longevity and ‘iconic’ status.

What positively impacts brand loyalty?

High-quality products



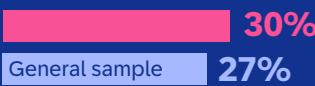
Brand longevity



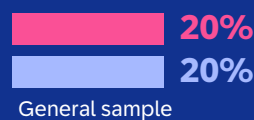
Being ‘iconic’



Staying out of politics



Creating memorable experiences



What negatively impacts brand loyalty?

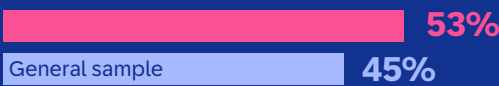
Drop in quality



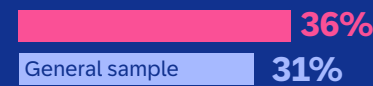
Poor customer service



Increasing prices



Being irresponsible with customers’ data



Conduct false/ deceiving advertising



Driving Customer Loyalty in 2024 and Beyond

Key takeaways

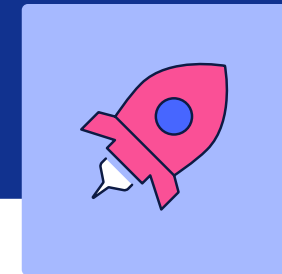
- 1 Focus on Personalization:** Providing personalized offers and content is essential for loyalty. Brands should leverage AI to find data and insights to tailor their offerings to individual customer preferences.
- 2 Create Memorable Experiences:** With high-quality products and memorable experiences emerging as key loyalty drivers, brands should focus on creating unique and positive customer experiences, in-store or online.
- 3 Leverage Mobile Apps:** Investing in mobile app development and ensuring the app provides valuable features and rewards can significantly boost customer loyalty. Apps should be user-friendly and offer personalized content and incentives.
- 4 Prioritize Product Quality and Pricing:** Maintaining high product quality and offering competitive prices are crucial for retaining customer loyalty. Brands should focus on these aspects to meet consumer expectations.
- 5 Encourage Active Engagement:** Encourage customers to actively engage with the brand through frequent shopping, recommendations, and using loyalty cards and mobile apps. Active engagement fosters deeper loyalty.
- 6 Enhance Customer Service:** Excellent customer service remains a significant factor in fostering loyalty. Brands should invest in training and support to ensure customer interactions are positive and helpful.
- 7 Offer Incentives and Rewards:** Incentivized loyalty is nuanced and hard to get right, particularly in a sector where customers can be put off by lowering prices. Discounts may attract a one-off visit but to ignite true loyalty, regular loyalty points, VIP experiences and exclusive offers can be vital to provide an elevated experience to keep customers engaged over a longer period.



Watch On-Demand Omnichannel & AI Masterclass



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Supercharge Your Omnichannel Customer Engagement



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