

# Brands need to reset priorities to connect with tomorrow's US consumers – new GfK study

*One year after lockdowns began, consumers still love brands – but loyalty may be up for grabs*

NEW YORK, NY, UNITED STATES, April 12, 2021 /EINPresswire.com/ -- A new GfK study in the US shows that, one year after the start of the COVID-19 pandemic, nearly 9 in 10 US consumers say they are loyal to at least "a few" brands. But to sustain those good feelings, brands need to keep close watch on a fast-changing array of expectations, desires, and concerns.

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Nearly half have "a lot" of brand favorites

The research from GfK's new What's Next 4 Consumers studies shows that 87% of US consumers feel loyal to at least a few brands, with 43% reporting they have "a lot" of favored brands. Only 11% say they "pay no attention" to brands at all.

Brand stickiness in 2021

43% -- have "a lot" of favorite brands

44% -- have "a few" favorite brands

12% -- usually do not pay attention to brands

Source: GfK's What's Next 4 Consumers – US only

GfK also found that 36% say they are more likely to trust brands with their personal data now, compared to before the pandemic – a figure that almost doubles for higher-income (66%) and higher-educated (60%) households. By contrast, only 15% said that their level of trust has dropped.

Both online and brick-and-mortar retailers have seen consumer trust rise, and at exactly the same level; 43% of consumers report that their trust in online sellers has increased at least somewhat, and 43% said the same thing about in-person stores.

"Most brands have tried hard to do the right things and respond to consumers' needs and wants in the midst of 2020's confusion and concern," said Eric Villain, SVP of Marketing Effectiveness at GfK. "On the broadest measures, we see that brands held onto loyalty – and perhaps even grew

their consumer relationships.”

## The changing rules of brand loyalty

But the new study also shows that, in some respects, brand loyalty may be “up for grabs” if marketers do not follow a distinctly altered playbook. Groups that once could be taken for granted may now be in play; patriotism in branding carries surprising risks; and expectations around social responsibility and price sensitivity are just two areas that will demand closer attention.

In the study, three-quarters (76%) of consumers report that products based or made in the US hold at least some special status with them when it comes to making purchase decisions. But only 30% say US brands represent a higher standard of quality (upper-income and higher-educated households had more positive feelings). And only 22% say the US produces more innovative products – with levels also higher here among middle-aged consumers and those in higher income and education brackets.

“While US branding still enjoys a kind of automatic loyalty with consumers, seeing those products as superior is a different issue,” Villain observed. “At a time when consumer access to foreign-made goods is growing exponentially, US manufacturers cannot take loyalty for granted. In fact, post-pandemic buyers may need to be convinced anew of the value US brands deliver.”

## The quandary of brand activism

A similar ambivalence emerged around brands focusing on social and political issues. More than half (54%) of consumers felt strongly that treating people of all ethnicities, races, and genders equally is essential to earning their brand loyalty. But one-third (32%) also said that they frequently avoid brands because of the social issues they have taken; and when asked if products should take positions on “extreme” social unrest or violence, only one in four (25%) people said “definitely.”

“The pandemic and social equality movements inspired a lot of brands to rediscover their purposes – or, in some cases, adopt them for the first time,” said Villain. “But these ‘good works’ may have costs, no matter what position brands land on; marketers simply cannot be too careful in navigating this ‘opportunity’.”

## Demos in play?

The study also revealed that some seemingly predictable groups may have taken their pandemic experiences to heart – and changed stripes for good. Almost half (44%) of adults in upper-income (\$150K+ annual) US households, for example, say they now need to consider the price of a product more than in the past, and 38% report that they are now more likely to buy whatever is convenient or inexpensive.

Women also report generally lower levels of brand identification and concern. They are more likely to say they have only a few favorite brands and more likely to not avoid brands due to their social positions – both signs of a more pragmatic approach to brands and purchases. Men, on the other hand, rank higher in saying that they have “a lot” brands they are loyal to.

“Our study shows that brand loyalty is still a powerful force – but the conditions for staying on consumers’ good sides have changed,” Villain concluded. “We see some of these changes as permanent, while others are likely to evolve. There has never been a more crucial time to stay in close touch with people in the US – with a renewed dedication to revealing what matters to them and leaning into those concerns and needs.”

This first What’s Next 4 Consumers study was conducted among 1,000 US adults in late February 2021.

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