

## **Consumers Intolerant of Unrequited Brand Love in Bad Economy**

The relationship between consumers and the brands they love has always been complex. Like any romance, it runs the gamut from the slightly to the highly irrational, depending on how old, deep and personal the connection runs.

During tough times like a recession, sometimes the bond between consumer and brand grows even stronger. When life is uncertain, consumers take fewer risks and cling to the trusted and familiar. It's where they find stability. Indeed, some research has shown that the higher consumer anxiety is, the stronger the brand attachment can become. One 2009 study in the *Journal of Consumer Research*, for instance, found that consumer who are the most anxious about life and death cling the most fiercely to the brands they love. As the study's authors put it, "Materialistic consumers with anxiety about their existence are especially in need of the symbolic security that brand connections provide."

Certainly for the last year and a half, as we watched some our most familiar institutions collapse, many of us could have fit into that category--materialistic consumers with high anxiety about our existence. While some research, such as the 2009 Catalina Marketing Corp. study, revealed that consumers ditch their favorite brands in tough times--only 4 out of 10 big brands held on to their highly loyal customers from 2007 to 2008, others suggests that consumers remain loyal to their favorites—for richer and for poorer.

For instance, a recent study released by Ohio brand engagement agency Northlich, revealed that brand love didn't always waver for consumers throughout the recession. The study, conducted in partnership with Marketing Research Services, Inc., relied on a year of focus group discussions with consumers age 18-64. The goal was to capture shopping habits before and during the recession, with a third eye towards which would survive post-recession.

One of Northlich's unexpected findings was just how determined today's consumers are to maintain relationships with their favorite brands. Brand Planner and Behaviorist Miguel Sanchez, who led the year-long frugality study, says, "We found that consumers were willing to spend hours of their personal time to track down bargains on the brands they love. Being loyal meant hunting for deals--even if it meant shopping at three or four retailers, subscribing to online coupon networks, and setting aside time each day to plan a shopping trip. Still, all consumers had their limitations. Many admitted that private label products offered brand-product quality without the 'headache' of tracking down bargains."

The most interesting finding says Sanchez, was that consumers expected brands to recognize and compensate them for the sacrifices of time and money they made to stay loyal. "The rallying cry was simple--they wanted a brand to meet them halfway. The tacit understanding was that, if this was done, brands could gain consumers long-time

loyalty, no matter what the economy brought down.”

It's an idea that makes sense, particularly if The Great Depression is any indication. As marketing columnist Wayne Hilbert recently noted on [smallbusinessnewz.com](http://smallbusinessnewz.com), The Great Depression saw unprecedented consumer loyalty, because certain stores let cash-strapped consumers open credit lines. In many cases, this loyalty lasted a lifetime.

Certainly, plenty of brands have tried to win customer loyalty by meeting them halfway when the economy was at its roughest this time around as well. Procter & Gamble, for instance, took a chance and introduced less expensive versions of traditional products. Not only did they introduce a reduced-price Tide Basic, they also cut the cost of Cheer.

Meanwhile, Frito-Lay offered its “20% more in every bag” promotion, giving consumers more for their hard-won recession dollars.

And let's not forget Hyundai, which launched its memorable campaign that allowed new buyers to walk away from their loan if they lost their job within twelve months after purchasing a new vehicle. What better way to allay the consumer fears that may have been the biggest obstacle to buying? The campaign won a series of advertising awards and delivered an increase in both sales and market share.

“While you don't want to cheapen a brand by reducing cost so much the brand loses value, you can show you recognize the sacrifices consumers have made,” says Sanchez. “We found consumers take great pride in their ability to find bargains and cut back—in their survival strategies--so much so that we think the desire to be met halfway will continue even as the economy bounces back.”

While being met by a brand halfway was important to consumers, other indicators that a brand love would survive, despite tough times, were a) quality that consumers didn't perceive as replicable and b) kid love for brands. “Much of our research was in the food category,” says Brian Newberry, Chief Brand Engagement Officer at Northlich. “We found consumers wouldn't skimp on taste unless it was an ingredient going into a recipe. Heinz catsup, for instance, was a non-negotiable. So were certain cereal brands. AND people would not compromise when it came to their kids. Or their pets.”

It looks like consumers' relationships to brands post-recession continues to be fascinating and full of surprising plot twists, if not completely irrational, just like it was before and during the economy bomb. But one thing is certain—unrequited love is a bitch, especially when it comes to brands.

For more information on Northlich's year-long study, New Next Normal, contact Brian Newberry, Chief Brand Engagement Officer at [bnewberry@northlich.com](mailto:bnewberry@northlich.com).