

Reading

Brand Loyalty

From the neighborhood¹ barber to the international conglomerate, most businesses have a common goal: repeat customers. Developing a committed clientele can be more valuable than attracting new customers, whose loyalty to a company's products may be fleeting.

Brand loyalty is a psychological bond that, once established, is difficult to reverse—and it is more complicated than simply buying the same product time and again. True brand loyalty differs from what some marketing researchers refer to as spurious loyalty—a passive type of buying motivated by habit, convenience, price, and availability but not the result of any true loyalty or passion for the actual merchandise. Convincing consumers with spurious loyalty to try another brand can be quite easy.

Products that create true consumer loyalty tend to be nonessential day-to-day items such as tobacco, beverages, candy, and beauty products, as well as luxury purchases such as designer clothes and cars. Household staples such as milk, eggs, sugar, and paper products create little brand loyalty, with most consumers just as likely to purchase private labels or store brands or whatever is on sale.

A product must have acceptable quality to establish true brand loyalty, but even top quality is not enough on its own to forge a strong connection with a consumer. Customers relate to products for emotional and symbolic reasons. People identify with the image associated with a brand, for example, as a result of a celebrity endorsement or because of the social values of the company. In addition, people consistently purchase pricey items because of the perceived status those items confer.

Brand-loyal consumers are unlikely to defect to the competition because loyal consumers develop a preference for a product, ignore negative associations, and believe it outperforms others, even when there is little difference among brands. For example, beverage drinkers in blind taste tests regularly fail to select their favored brand—even though they mention taste as the primary reason for their loyalty.

Brand loyalty is a worldwide phenomenon, but it is a luxury that prevails where people have more money to spend. In China's burgeoning economy, sales are soaring for certain top-of-the-line luxury cars after concerted efforts were made to promote them. At the same time, European fashion companies are taking advantage of Chinese consumers' thirst for designer labels, selling goods worth billions of U.S. dollars a year.

Consumers become less selective about brands in economic downturns. During the recession of the early-twenty-first century, more con-

¹BrE: neighbourhood

sumers in Europe and North America turned to **brands** that cost less instead of the ones they preferred, and more retailers packaged goods under their own private labels. Although private labels are also influencing shoppers in South Africa and Japan, they have had little effect in Hong Kong, where people have more disposable income and therefore remain loyal to the higher-priced brands.

Brand loyalty is less prevalent in poorer countries where consumers have fewer choices and price is usually the priority.

Answer the questions about **Brand Loyalty**.

Questions 1-8

Do the following statements agree with the information in the reading passage?

Write

TRUE if the statement agrees with the information.

FALSE if the statement contradicts the information.

NOT GIVEN if there is no information on this in the passage.

- _____ 1. International conglomerates are more successful at creating brand loyalty than small businesses are.
- _____ 2. New customers may have only a fleeting interest in a particular brand.
- _____ 3. Brand loyalty occurs more often with household staples than with luxury items.
- _____ 4. Brand loyalty includes the belief that one brand outperforms other brands.
- _____ 5. Endorsement of a product by a famous person can help create brand loyalty.
- _____ 6. Companies can convince consumers to change their brand loyalty by lowering prices.
- _____ 7. The phenomenon of brand loyalty is seen in countries around the world.
- _____ 8. Consumers are drawn to certain brands because they believe these brands give them status.

My Words

Write the words that are new to you. Look them up in the dictionary and write their definitions.

Words	Definitions
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Word Families

noun	consistency	Brand loyalty is about the consistency with which consumers buy a certain brand.
adjective	consistent	Not all consumers are consistent when it comes to buying certain brands.
adverb	consistently	A company wants consumers to consistently buy its brands.

noun	loyalty	A company wants the loyalty of its customers.
adjective	loyal	A customer who feels loyal to a certain brand will always buy that brand even when the price rises.
adverb	loyally	Customers may loyally buy all the brands of a particular company.

noun	passion	Customers may have a passion for a particular brand.
adjective	passionate	A person who feels passionate about a brand tends to ignore any problems the product may have.
adverb	passionately	Loyal customers passionately defend their favorite brands.

noun	prevalence	The prevalence of certain brands is a result of the effort companies put into promoting them.
verb	prevail	Brand loyalty usually prevails over price.
adjective	prevalent	Brand loyalty is more prevalent in places where people have more money to spend.

noun	selection	Larger stores can offer a wide selection of brands.
verb	select	People may select a brand that they believe gives them status.
adjective	selective	Some people are very selective about the brands they buy.
adverb	selectively	Some people shop selectively, whereas others just buy whatever they see on the shelf.

noun	thirst	As long as there is a thirst for luxury items, companies will keep producing them.
verb	thirst	Some consumers thirst for the newest of everything.
adjective	thirsty	In a burgeoning economy, consumers are thirsty for products that were not available to them in the past.
adverb	thirstily	People shop thirstily for new products that appear on the market.

Word Family Practice

Choose the correct word family member from the list below to complete each blank.

In promoting their brands, companies try to create a **1**..... for their products so that large numbers of people will want to buy them. Consumers who make purchases **2**..... will choose the brands that they feel are the best ones. Therefore, companies try to create an image for their brands that is attractive to consumers. They want their brands to appear exciting. If consumers feel **3**..... about certain brands, then they are likely to be **4**..... in buying them. When a company introduces new products to the market, **5**..... customers will buy them because they already feel good about the company's brands and trust them. Companies that are successful in creating brand loyalty **6**..... in the market.

- | | | |
|----------------|------------|--------------|
| 1. thirst | thirsty | thirstily |
| 2. select | selective | selectively |
| 3. passion | passionate | passionately |
| 4. consistency | consistent | consistently |
| 5. loyalty | loyal | loyally |
| 6. prevalence | prevail | prevalent |

Word Skill

Prefix out-

The prefix out- can mean *better* or *greater*.

Read the sentences. Write a definition for each underlined word.

1. The company introduced a new car that outperforms other similar cars.

outperform: _____

2. This company is very good at promoting its brands, and its products always outsell the competitors.

outsell: _____

3. This company's products are very popular, and its loyal customers outnumber those of other companies.

outnumber: _____

Unit 7

Listening

CD 1
Track
21

Listen to the talk. Complete the notes below.

Write **NO MORE THAN ONE WORD** for each answer.

Creating Brand Loyalty

Make your brand seem special.

Customers want to feel that your brand gives them **1**.....

Get **2**..... from famous people.

Give the idea that the brand is bought by **3**..... people.

Make customers feel **4**..... about your brand.