BRAND LOYALTY

Words

Look for the following words as you read the passage. Match each word with its correct definition.

Words

1. bond
2. brand
3. burgeoning
4. conglomerate
5. consistently
6. convince
7. endorsement
8. fleeting
9. ignore
10. loyalty
11. outperform
12. passion
13. phenomenon
14. prevail
15. promote
16. reverse
17. selective
18. staple
19. status
20. thirst

Definitions

A. adj., intentionally choosing some things and not others

B. v., to get somebody to do or believe something

C. n., public support for something

D. v., to be common among certain groups

E. n., large company that owns smaller companies

F. v., to not pay attention to

G. n., faithfulness, belief in something

H. n., connection

I. v., to perform better than

J. n., very strong feeling or interest in

K. n., company name for a product

L. n., a strong enthusiasm for something

M. n., social position

N. adj., brief, ending quickly

O. v., to advertise

P. adv., regularly, always

Q. v., to turn around, change to its opposite

R. adj., growing

S. n., something unusual that happens, a fact

T. n., a basic household item

LIVEWORKSHEETS

Reading

Brand Loyalty

From the neighborhood[1] 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-

[1]BrE: neighbourhood

LIVEWORKSHEETS

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.

LIVEWORKSHEETS

My Words

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

Words	Definitions

LIVEWORKSHEETS