

New Research Tool Determines Brand Loyalty of Consumers

By John Karolefski

A proprietary research technique that identifies actual purchasers of a particular brand based on the actual amount that they spend has been developed by **Partners In Loyalty Marketing** (PILM).

The Top Shopper Dialog (TSD), which tells manufacturers the “why” behind consumer behavior, is now available after successful performance with select CPG companies over the past year.

“This new approach avoids one participant commandeering the session or driving responses by others as often happens in focus groups. It also avoids the ‘yes-no-yes-no’ cadence that sometimes marks telephone quantitative research,” said Michael Schiff, managing partner of PILM. The Chicago-based strategic consulting and research firm helps retailers and manufacturers grow same-store sales and consumer loyalty.

Consumers are selected to participate in a TSD based on shopper loyalty card data from cooperating retailers. The interviews themselves are telephone one-on-ones in which a PILM staff member directly engages participants in a natural, free-flowing conversation.

“Since we know interviewees are purchased confirmed, we can start the conversation at a different point than one might with other research methodologies,” said Schiff.

A recent TSD was successfully performed with a large beverage manufacturer at two retail chains. Concerned over a slumping economy, this manufacturer was developing a loyalty program and wanted to know how to differ messaging between key demographic targets. The brand learned that it was less about which demographic bucket they were in, and more about how frequently they purchased.

“They thought they had a uniform group of Heavy Buyers, which they had a lock on,” said Schiff. “The truth was that they actually had three groups of Heavy Buyers with varying degrees of loyalty and rationale for how often they interacted with the brand.”

The TSD was originally designed as Heavy Buyer research to help manufacturers transform their base message into something that this small, but extremely important, group of buyers could respond to.

“Most Heavy Buyer communication is simply brands’ existing creative, just repurposed,” said Schiff. “Heavy Buyers have already bought into that message. The key is to build upon that, find that next level of communication that increases loyalty, build a relationship to the brand, and create advocates.”

The TSD has also targeted Lighter Buyers to see what may propel them to “heavier” status. Most recent requests, however, have been in determining the driving forces behind why some loyalty consumers are leaving the brand.

“In today’s declining market, it is no surprise that manufacturers are more worried about attrition than before,” said Schiff. “What may be surprising is that, while it does play a factor, price is not the only reason consumers leave a brand. It may not even be the first one they mention when you speak with them. In fact, more often than not, the reasons why somebody stays and others leave are closely linked. This is good news for any manufacturer looking to increase their overall retention rate.”