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SAP Emarsys

Customer Loyalty Index 2023

Featuring research from global respondents across
the United States, United Kingdom, Australia, and Germany

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Customer loyalty is a persistent focus for retail marketers. Particularly when looked at through the lens of business objectives, customer loyalty can have a drastic impact on critical goals like driving repeat purchases, average order value, and customer lifetime value — to name a few. For marketers to deliver the results their businesses demand, increasing customer loyalty is a must.

Yet, with all the attention on how customer loyalty influences business outcomes, what's often missed is: what does loyalty look like from the *customer* perspective? What do today's customers think and feel about loyalty? And what does it take to actually earn and secure their long-term loyalty?

SAP Emarsys sought to answer these inquiries and more in our 2023 Customer Loyalty Index research report. This annual report, now in its third year, draws upon research conducted between August 17 2023 to August 23 2023 on 10,057 general respondents across the US, UK, Australia, and Germany.

The result of this research tells us a great deal about customer loyalty in today's world of digital-first retail, always-on commerce, and increasingly in-control consumers. It also reveals how changes in global and economic conditions have impacted which brands consumers are loyal to, and how they demonstrate loyalty.

With these data-driven insights into customer loyalty, we're better able to serve and support our clients — companies like [Gibson Brands](), [City Beach](), [Pizza Hut](), and thousands of other brands all across the world — in their journey toward loyalty-building, omnichannel customer engagement.

The 5 Types of Loyalty

Before digging into the results of the research, it's important to understand the various types of loyalty — i.e., the differing ways customers demonstrate their loyalty to a brand. Our initial Customer Loyalty Index was where we first identified the following **five types of customer loyalty:**

Incentivized Loyalty

This type of loyalty is developed by offering customers cost-saving or value-adding incentives like discounts and rewards.
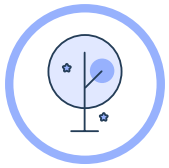
Inherited Loyalty

This loyalty is based on a brand's tradition or long-standing heritage, or can be built through associations with other brands.

Silent Loyalty

Silent loyalty occurs when a customer demonstrates loyalty to a brand that they would not endorse or advocate for publicly.

Ethical Loyalty

This loyalty occurs when a customer is loyal to a brand that aligns with their individual values or stance on strong social issues.

True Loyalty

True loyalty is unwavering, unshakeable loyalty built on trust, love, and devotion to a brand — the holy grail of customer loyalty, and what all brands aspire to achieve.

Knowing the definition of these types of loyalty helps give context and a framework for examining customers' views on loyalty. Many factors can influence when, how, and why a customer demonstrates their loyalty, and they may be loyal to different brands for different reasons.

Now, let's explore the latest consumer research on loyalty at a global and regional level.
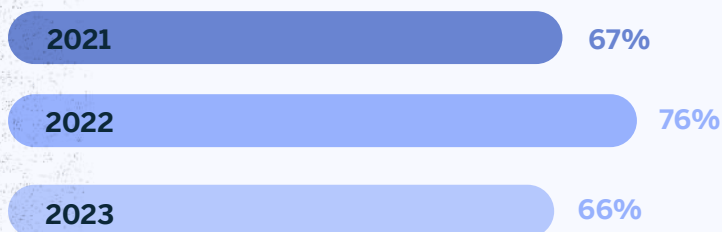
Loyalty in 2023:
A Global View

The Downward Shift in Loyalty

Across the globe, we're seeing a massive downward shift in customer loyalty.

2022 ushered in peak levels of loyalty — with 76% of consumers around the world saying they were "loyal" to certain retailers. Likely, these elevated levels of loyalty were driven by the increased consumer confidence and spending power coming out of COVID.

But a great deal has changed since then, including a tougher economic environment and a looming threat of recession, which is perhaps why global loyalty has dropped in 2023. This year, only 66% of global consumers stated they are loyal to a particular retailer. This number is an all-time low since the Customer Loyalty Index launched.

Percent of respondents "loyal" to certain retailers

2021	67%
2022	76%
2023	66%

And while a customer's likelihood of demonstrating loyalty to a brand has decreased, the requirements a brand must meet to secure a customer's loyalty have increased. In 2022, 13% of shoppers around the world said that retailers and brands need to do more to maintain their loyalty. However, in 2023, that number has jumped to 20% — a nearly 54% increase.

So, what does this mean for retailers in 2023 and beyond? When putting it all together, the data suggests that not only are there fewer customers likely to be loyal to one brand, but it will be more difficult for brands to secure those customers' loyalty long term.

Changes in Loyalty Types

Although the total number of loyal customers — defined as consumers who are devoted to one or more brands — has decreased, we can look deeper at the five types of customer loyalty (incentivized, inherited, silent, ethical, and true) to see how consumers' relationship to loyalty has changed, and which types are growing.

Incentivized Loyalty: It's no secret that price is often the deciding factor for most consumers when it comes to purchasing decisions. That's why it might come as a surprise to learn that incentivized loyalty was the only loyalty type to decrease this year. In 2023, only 48% of consumers said they are "more loyal

to retailers that offer me discounts, incentives, and rewards" — a drastic 14% drop compared to 2022, when this number was 56%.

Inherited Loyalty: Loyalty built through association with other brands has increased slightly in 2023, with 23% of consumers saying they are "more loyal to a specific brand than the stores that sell them." Compare that with 2022, where only 21% of respondents agreed with the statement.

Silent Loyalty: Customer loyalty that's demonstrated without public advocacy or endorsement has jumped 8% since 2023, with 56% of respondents in this year's survey saying they are more loyal to brands they don't necessarily "recommend to friends or family," meaning they remain silent about their loyalty. In 2022, this number was 52%.
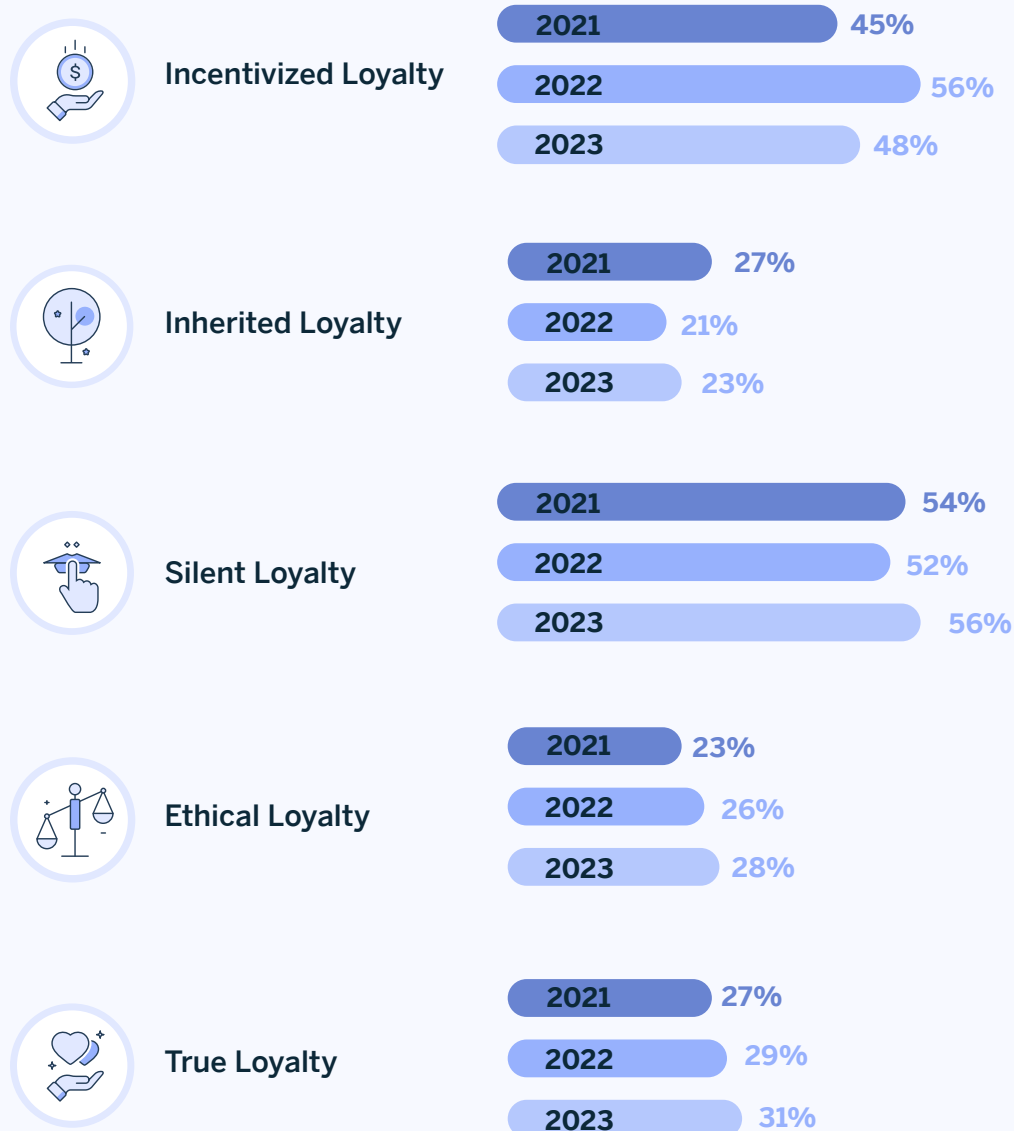
Ethical Loyalty: Loyalty founded on strong emotional connections and shared ethical values has increased overall. The number of respondents who said they are loyal to a specific retailer because that brand "has strong moral or ethical values" increased to 28%, an 8% bump from the previous year (26%).

True Loyalty: True, unshakeable loyalty built through brand love also increased in 2023, with more respondents stating they "strongly agree" that they "have a favorite brand [they] love and trust." This year, 31% of respondents expressed this form of true loyalty to a brand, compared to 29% in 2022.

We continue to see this type growing yearly, showing just how valuable long-lasting true loyalty based on meaningful relationships can be for a brand.

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2023 Data at a Glance: Changes In Loyalty Types

Incentivized Loyalty

2021	45%
2022	56%
2023	48%

Inherited Loyalty

2021	27%
2022	21%
2023	23%

Silent Loyalty

2021	54%
2022	52%
2023	56%

Ethical Loyalty

2021	23%
2022	26%
2023	28%

True Loyalty

2021	27%
2022	29%
2023	31%

Statistics from Emarsys (an SAP Company) Customer Loyalty Index 2023, a study of 10,057 global consumers.

Why Is Incentivized Loyalty So Volatile?

Knowing that discounts and deals are such powerful motivators, why is incentivized loyalty so volatile this year? What does this large drop tell us?

Looking further into the data, we see that incentivized loyalty is fleeting. Shoppers who are loyal based on getting the best price or deal expect discounts and exclusive benefits regularly — but yet, these incentives are only effective when they are irregular. This puts a time limit on how long incentivized loyalty can be used to keep a customer with a brand. Shoppers who prioritize cost above all else will move from brand to brand in pursuit of the best deal.

Another way to look at it: incentives are potent drivers of short-term loyalty; incentives alone can't sustain long-term loyalty. Consumers freely admit they're running out of patience, feeling that brands need to give them more and haven't done enough to reward their long-term loyalty.

Brands can benefit by using the window of opportunity that incentivized loyalty creates to convert these shoppers and lead them towards "true loyalty" based on unshakable love for the brand. While it's one of the hardest types of loyalty to secure, it's also one of the most reliable and steadily increasing types. Loyalty that is based on emotional connection with a brand and its products, and genuinely valuing their interactions, is the most enduring.

What Else Makes a Customer Loyal?

This year's research revealed interesting reasons why customers are loyal to particular retailers. One of the most important things a brand can do to keep customers coming back has to do with their product offerings. This year, we saw 47% of consumers agree that "offering the widest range of products" earns their loyalty, a 7% increase from 2022 (44%).

In spite of the drop in overall incentivized loyalty, discounts and incentives can still drive repeat business for a brand. In 2023, 45% of consumers stated that "offering regular discounts, loyalty points, and incentives" is the reason they are loyal to a particular retailer. This is a solid 15% increase from 2022, where only 39% of consumers agreed. Again, loyalty gained with this approach is often short-term.

Unsurprisingly, "excellent customer service" is another notable driver of loyalty, with 44% of 2023 respondents citing it as the reason they remain loyal to a brand — a 22% increase from 2022 (36%). Along those lines, customers value being appreciated, and the data on this has been consistent year over year. In 2023, 27% of customers state "being valued by retailers in their communication and engagement" as a reason they are loyal, compared to 26% in 2022.

The aforementioned data is particularly relevant for brand marketers who are focused on driving loyalty for their brands, especially when you consider that the majority of these factors

(offering meaningful incentives, excellent customer service, and demonstrating appreciation to customers) are influenced by marketing, and can be impacted by sound marketing strategy.

More succinctly, to drive loyalty, retailers will need to refine their communications to ensure customers feel properly served, valued, and rewarded.

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2023 Data at a Glance: What Makes a Customer Loyal?

In 2023, **47% of global consumers are loyal to retailers that offer a wide range of products,** compared to 44% in 2022

45% are loyal due to discounts and incentives compared to 39% in 2022

44% are loyal due to excellent customer service compared to 36% in 2022

27% are loyal because retailers make them feel valued compared to 26% in 2022

How Industry Impacts Loyalty

In this year's Customer Loyalty Index report, we wanted to understand how loyalty might differ across different industries. Unsurprisingly, we discovered that a customer's willingness to be

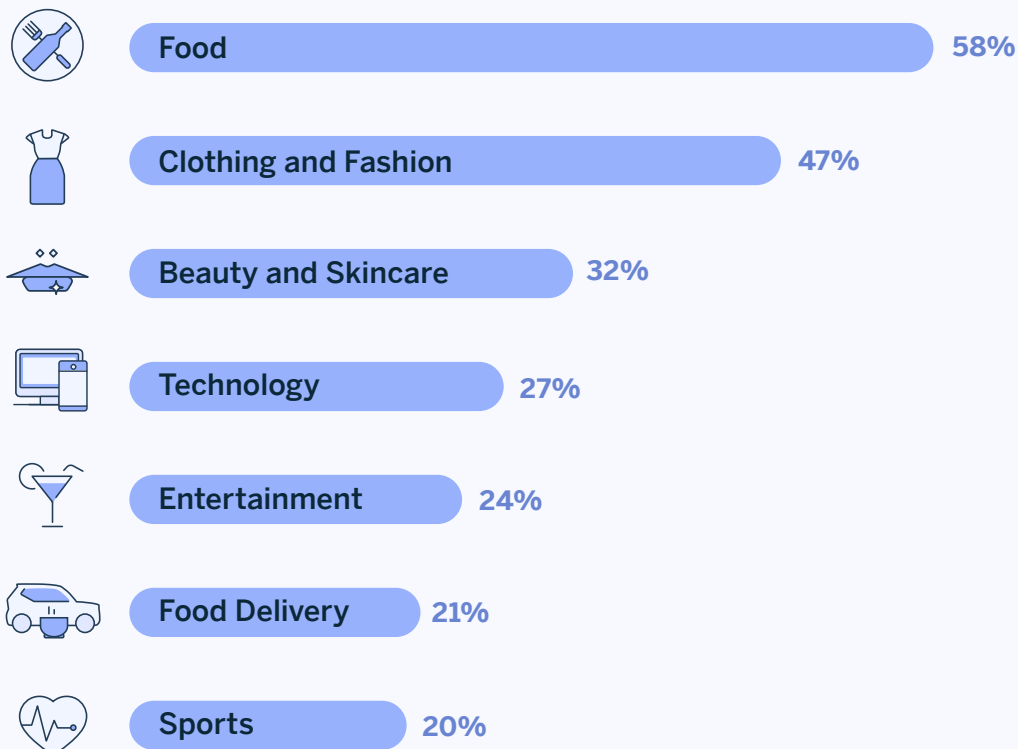loyal to a brand will indeed fluctuate depending on industry.

The top industry that saw the greatest degree of customer loyalty is Food, at 58% — an increase of 5% from 2022 (55%). Clothing and Fashion — which held the top spot the previous year — is now at 47%, a 15% drop from 2022 (55%). Rounding out the third spot was Beauty and Skincare, with 32% of respondents being most loyal to brands in this industry — a 14% decrease from last year (37%).

Here's a further breakdown of loyalty by industry:

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2023 Data at a Glance: How Industry Impacts Loyalty

"When thinking about the retailers you are most loyal to, which industry are they in?"

Industry	Percentage
Food	58%
Clothing and Fashion	47%
Beauty and Skincare	32%
Technology	27%
Entertainment	24%
Food Delivery	21%
Sports	20%

Statistics from Emarsys (an SAP Company) Customer Loyalty Index 2023, a study of 10,057 global consumers.

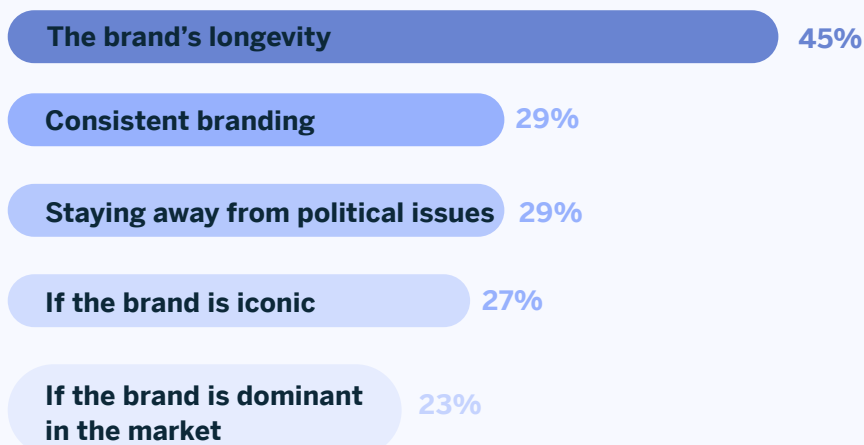# How Attitudes and Behavior Influence Loyalty

Marketers are accustomed to the rising expectations of consumers. The latest research from this year's Customer Loyalty Index further confirms this growing trend and reveals the attitudes and behaviors that most influence loyalty in 2023.

One critical question our research looked to answer had to do with factors that positively impact loyalty. When asked, "What, if anything, would positively impact your loyalty to a brand?" 45% of respondents stated "the brand's longevity," making it the top-rated answer. "Consistent branding" and "staying away from political issues" took the next two spots, tied at 29% of respondents.

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2023 Data at a Glance: What Positively Impacts Loyalty?

"What, if anything, would positively impact your loyalty to a brand?" (Select all that apply)

The brand's longevity	45%
Consistent branding	29%
Staying away from political issues	29%
If the brand is iconic	27%
If the brand is dominant in the market	23%

Statistics from Emarsys (an SAP Company) Customer Loyalty Index 2023, a study of 10,057 global consumers.

These results suggest that customers are likely to be loyal to well-established brands or any brand that can demonstrate longevity and consistency in their marketing and branding.

But these are not the only factors influencing loyalty. Two critical factors emerged from this research that are especially relevant for retail marketers: *the customer's expectation for personalization and value-adding experiences.*

We previously noted that 20% of consumers in 2023 expect brands to "do more to maintain their loyalty," compared to only 13% last year. Additional research offers more details about those expectations in the following way:

- 24% of respondents from this year's survey agreed that they are now "more loyal to brands that market to them in a more personalized, specific-to-their-needs way."

- One-fifth (20%) of consumers say that they are now "more loyal to brands that offer [them] the best personalized deals," while the same number (20%) also agree that they have "started using more loyalty programs to ensure [they] get the best value from brands."

So, what else do customers expect to get in exchange for remaining loyal to a brand? According to respondents, they expect:

46%
More loyalty points to be spent however they choose

45%
More personalized offers/discounts

45%
More exclusive offers

With this data in mind, we can see a clear link between personalization and loyalty. Based on the survey results, the retailers who can provide customers with value-adding experiences and personalized, tailored content will have greater success fostering long-term loyalty.

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2023 Data at a Glance: How Attitudes and Behaviors Influence Loyalty

"Why, if at all, have your attitudes and behaviors about customer loyalty changed in the last 12 months?" (Select all that apply)

"I now prioritize cost over brand loyalty."

2022	32%
2023	29%

"My loyalties have not changed in the last 12 months."

2022	33%
2023	24%

"I think retailers and brands need to do more to maintain my loyalty."

2022	13%
2023	20%

"I am now more loyal to brands that offer me the best personalized deals."

2022	20%
2023	20%

"I have signed up for or started using more loyalty programs to ensure I get the best value from brands."

2022	19%
2023	20%

Statistics from Emarsys (an SAP Company) Customer Loyalty Index 2023, a study of 10,057 global consumers.

How Loyalty Is Expressed

Thus far, we've explored much of the research around what it takes to earn a customer's loyalty and what factors can impact their degree of loyalty. But, for the customers that are loyal to a particular brand, what does that loyalty look like? How is it expressed?
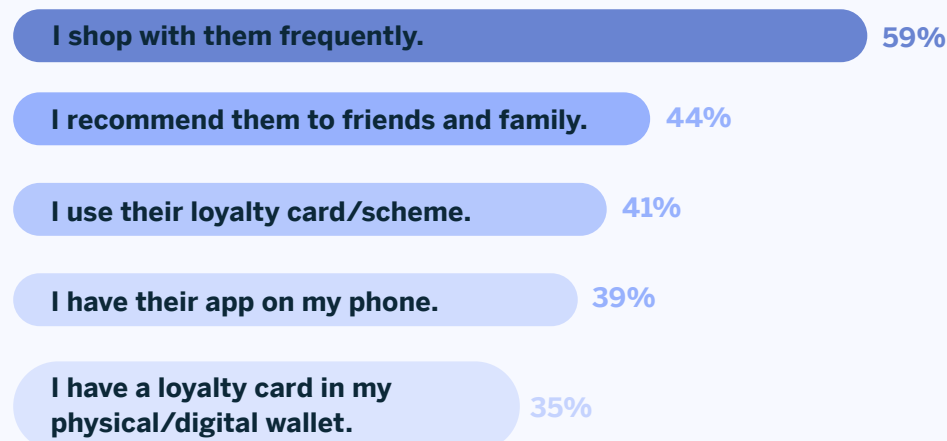
For our 2023 survey, we asked respondents to tell us how exactly they show their loyalty to retailers.

Here are the top 5 ways:

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2023 Data at a Glance: How Customers Express Loyalty

"Thinking about the retailers you are most loyal to, how do you show your loyalty, if at all?" (Select all that apply)

I shop with them frequently.	59%
I recommend them to friends and family.	44%
I use their loyalty card/scheme.	41%
I have their app on my phone.	39%
I have a loyalty card in my physical/digital wallet.	35%

Statistics from Emarsys (an SAP Company) Customer Loyalty Index 2023, a study of 10,057 global consumers.

Interesting points to note: customers this year are less inclined to show their loyalty through frequent shopping (60% in 2022 vs 59% in 2023) or recommending the brand to others (48% in 2022 vs 44% in 2023). They're also less likely to keep the brand's app on their phone. However, they are more likely to use the brand's loyalty card and carry a loyalty card in their physical or digital wallet.

Based on the direction of these trends, for brands looking to keep engaged with their loyal customers, a strong case could be made for leveraging mobile wallets. With use of loyalty cards on the upward trend, and with more customers keeping digital loyalty cards in their mobile wallets, this will become an exceedingly important channel for engaging customers.

How Not to Foster Loyalty (What to Avoid)

One of the biggest standouts from our research, mentioned at the top of the report, is that customer loyalty on the whole is declining. But why? With overall customer loyalty dropping, it's important to know what might be driving customers away from a brand, never to return.
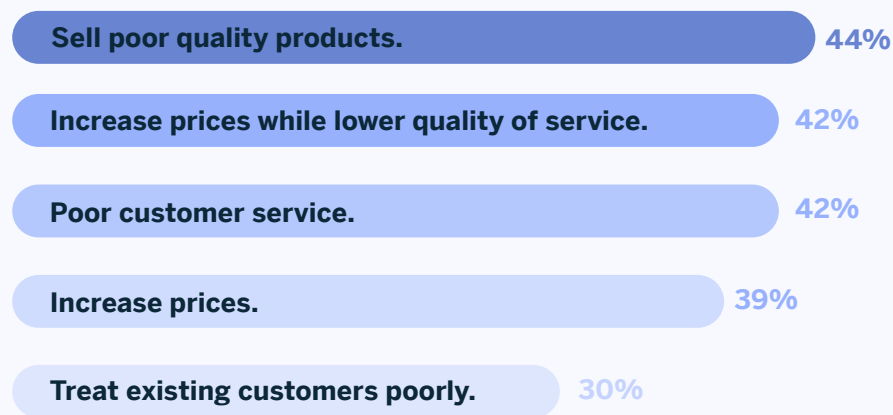
- Topping the list in 2023 Is "selling poor quality products" with 44% of consumers citing this as a reason a brand would lose their loyalty.

- Behind that, 42% of consumers said "increasing prices while lowering the quality of service" would be reason enough.

- "Increasing prices" in general and "treating existing customers poorly" (i.e., only offering discounts to new customers) would also be reasons for losing a customer's loyalty, at 39% and 30% of respondents respectively.

Compared to 2022 when "increasing prices" was the top reason for losing a customer's loyalty (55% of respondents) and "poor customer service" didn't even make the list, 2023 shows just how important quality products and quality customer service has become to consumers. This year's customers will be looking for excellent product quality and excellent customer service, which puts the onus on brands to deliver exceptional levels of service with the resources they have.

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2023 Data at a Glance: What Causes Brands to Lose a Customer's Loyalty?

"What are the top things a brand would have to do, if anything, to lose your loyalty?"

Sell poor quality products. **44%**

Increase prices while lower quality of service. **42%**

Poor customer service. **42%**

Increase prices. **39%**

Treat existing customers poorly. **30%**

Statistics from Emarsys (an SAP Company) Customer Loyalty Index 2023, a study of 10,057 global consumers.

Now that we've explored the data on a global level, we can dive deeper into a country-by-country basis for a more nuanced understanding of customer loyalty.

Loyalty by Country in 2023:

USA

Overall Loyalty Drops Big in the US, But Still High

In this year's report, the US shows the largest year-over-year drop in customer loyalty, going from 79% in 2022 to 68% in 2023 — a 14% decrease.

While this sharp decline in customer loyalty is significant, the US still leads the way globally when it comes to the percentage of consumers who remain loyal to specific brands. For both Australia and Germany, that figure is 65%, while in the UK, it's 64%.

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2023 Data at a Glance: Overall Customer Loyalty by Country

"I consider myself loyal to certain retailers, brands, and stores."

USA
- 2022 — 79%
- 2023 — 68%

UK
- 2022 — 73%
- 2023 — 64%

AUS
- 2022 — 73%
- 2023 — 65%

DE
- 2022 — 68%
- 2023 — 65%

Statistics from Emarsys (an SAP Company) Customer Loyalty Index 2023, a study of 10,057 global consumers.
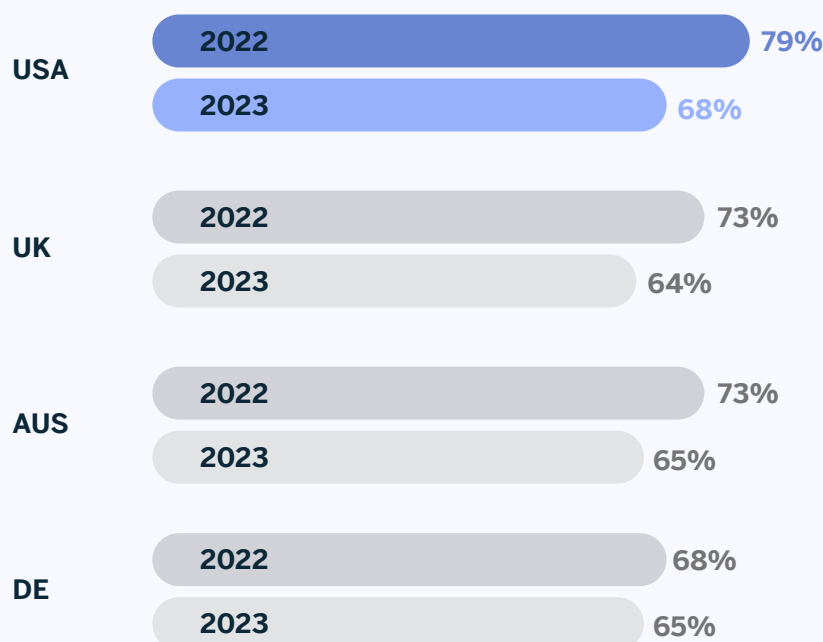
Even though the US experienced the largest drop in customer loyalty, the fact that they continue to lead in percentage of loyal customers indicates great potential for brands to nurture loyalty amongst US consumers. The key will be understanding what earns US consumers's loyalty and how they expect to be rewarded.

High-Quality Service, Low Prices Earn Loyalty in US

The number one reason US respondents are loyal to retailers is a wide range of products (48%). But closely tied for second are "excellent customer service" and "consistently low prices," both at 47%. This suggests that, while US consumers are attracted to brands that can provide excellent customer service, they also value brands that can reliably offer reasonably priced products.

One additional note: 44% of US respondents said "regular discounts, loyalty points, and incentives" earned their loyalty in this year's report. This is a 26% increase from 2022, where only 35% of respondents said the same. While this increase may seem incongruent with the overall drop in incentivized loyalty, this suggests that incentives are powerful for initiating short-term loyalty. But those incentive-driven customers will quickly switch brands for a better deal, which indicates that it's a less powerful way for sustaining long-term loyalty. Furthermore, a one-size-fits-all approach to discounts and incentives won't cut it, as those customers expect their offers to be personalized.
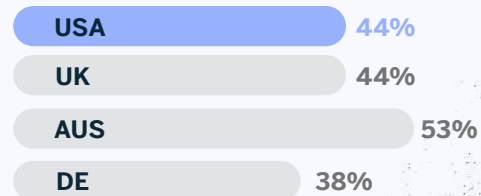
SAP Emarsys Customer Loyalty Index

2023 Data at a Glance: Why Customers Are Loyal (By Country)
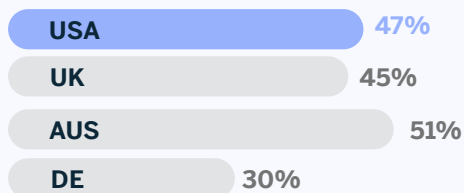
"Why are you loyal to particular retailers?"

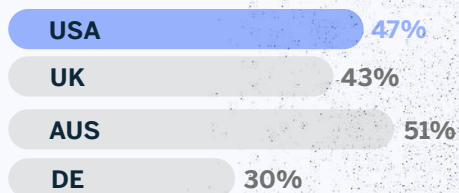**They offer the widest range of products that I want.**

USA	48%
UK	47%
AUS	50%
DE	41%

They offer regular discounts, loyalty points, and incentives.

USA	44%
UK	44%
AUS	53%
DE	38%

They provide excellent customer service.

USA	47%
UK	45%
AUS	51%
DE	30%

They provide consistently low prices.

USA	47%
UK	43%
AUS	51%
DE	30%

They offer good return policies.

USA	35%
UK	28%
AUS	29%
DE	21%
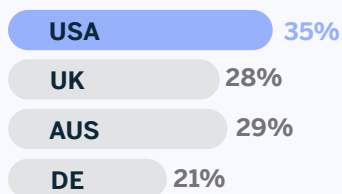
Statistics from Emarsys (an SAP Company) Customer Loyalty Index 2023, a study of 10,057 global consumers.

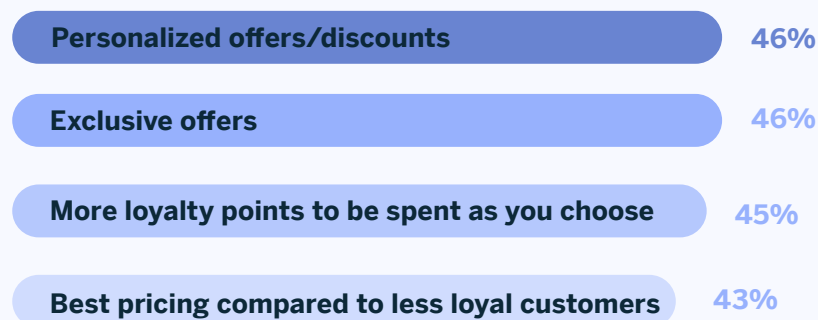# Loyal US Consumers Expect Personalized Offers and Exclusivity

Based on this year's survey results, it's clear that Americans expect to be rewarded for their loyalty. So for brands looking to earn the loyalty of US consumers, an emphasis on personalized, value-adding incentives and experiences will be vital.

Research reveals that, in exchange for their loyalty, more than 2 in 5 (43%) US respondents "expect to be given the best pricing compared to less loyal customers." Additionally, 46% of respondents expect to receive "personalized offers/discounts" for their loyalty, and 46% also expect to get "exclusive offers."

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2023 Data at a Glance: What US Consumers Expect in Exchange for Loyalty

"What, if anything, do you expect to see in exchange for your loyalty to a particular brand?" (Select all that apply)

Personalized offers/discounts	46%
Exclusive offers	46%
More loyalty points to be spent as you choose	45%
Best pricing compared to less loyal customers	43%

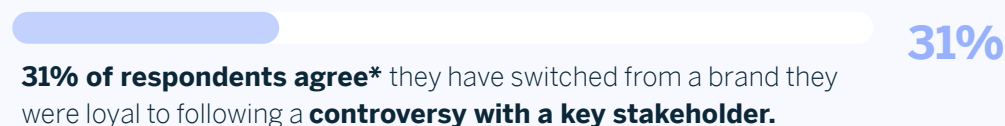Statistics from Emarsys (an SAP Company) Customer Loyalty Index 2023, a study of 10,057 global consumers.
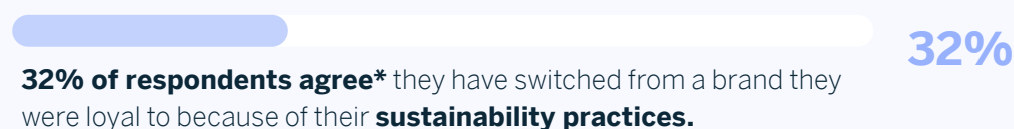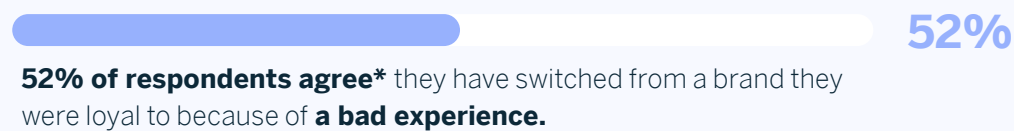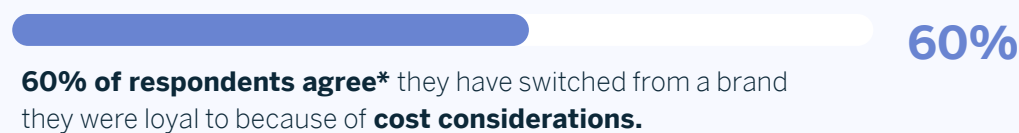
For brands content with delivering subpar customer experiences in 2023, they are more at risk of losing loyal customers to a competitor than they were the previous year. In 2022, 43% of US respondents said they have "switched from a brand they were loyal to due to a bad experience," but this year, that number has increased to 52%. This supports the notion that Americans expect retailers to meet their expectations and provide highly satisfying experiences, or they will take their loyalty to another brand.

Bad experiences aren't the only things that will drive loyal customers away. Factors like cost considerations, stakeholder controversy, and sustainability practices also influence US respondents when it comes to loyalty.

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2023 Data at a Glance: What Drives US Loyalty Customers to Switch Brands?

60%

60% of respondents agree* they have switched from a brand they were loyal to because of **cost considerations.**

52%

52% of respondents agree* they have switched from a brand they were loyal to because of **a bad experience.**

32%

32% of respondents agree* they have switched from a brand they were loyal to because of their **sustainability practices.**

31%

31% of respondents agree* they have switched from a brand they were loyal to following a **controversy with a key stakeholder.**

* "Strongly agree" and "somewhat agree" responses combined

Statistics from Emarsys (an SAP Company) Customer Loyalty Index 2023, a study of 10,057 global consumers.

# Loyalty by Country in 2023:
The UK

Overall Customer Loyalty Decreased in the UK

In the UK, overall loyalty has decreased. 64% of UK consumers consider themselves "loyal" to certain brands this year — whereas 73% said the same in 2022. This level of loyalty falls below results from Germany, Australia (both 65%), and the US (68%), showing that UK consumers are the least likely to be loyal in 2023.

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2023 Data at a Glance: Overall Customer Loyalty by Country

"I consider myself loyal to certain retailers, brands, and stores."

USA
| 2022 | 79% |
| 2023 | 68% |

UK
| 2022 | 73% |
| 2023 | 64% |

AUS
| 2022 | 73% |
| 2023 | 65% |

DE
| 2022 | 68% |
| 2023 | 65% |

Statistics from Emarsys (an SAP Company) Customer Loyalty Index 2023, a study of 10,057 global consumers.
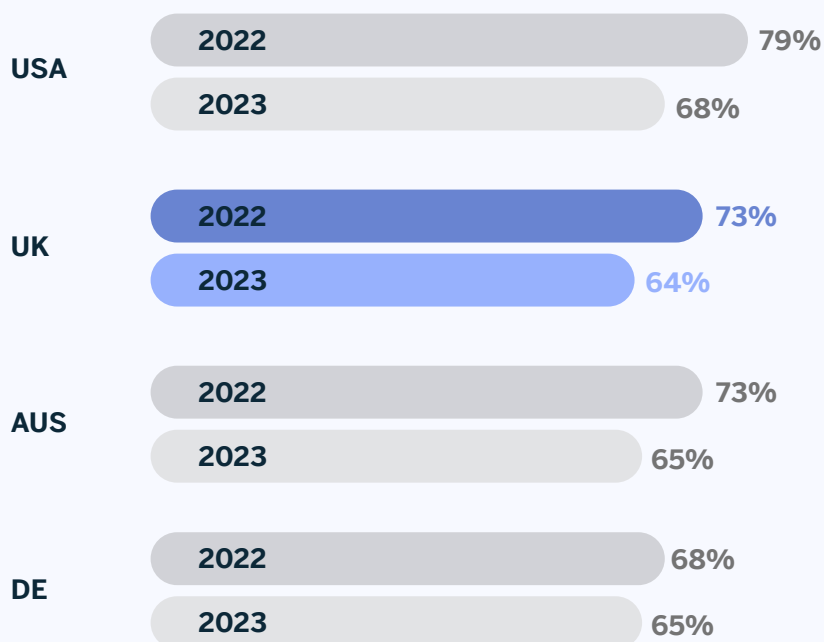
With fewer UK customers willing to remain loyal to a specific brand, retailers in this country will need to work harder to capture the loyalty of the customers available. They will also need to be cognizant of what factors drive loyalty so they can best appeal to those audiences.

So what drives loyalty for UK consumers?

Great Product Offerings, Service, and Discounts Still Drive UK Loyalty

This year's survey results yield great insights about why consumers give their loyalty to certain brands.

When polling consumers in the UK, we learned that "offering the widest range of products that I want" (47%) was the strongest reason why consumers are loyal to a brand. Behind that, "excellent customer service" (45%) was the second strongest motivator, and "regular discounts, loyalty points, and incentives" (44%) was third.

The UK is consistent with most of the countries polled in terms of having a wide range of products as the top reason for loyalty — with the exception being Australia where "regular discounts, loyalty points, and incentives" was the top reason consumers were loyal to a brand (53%).
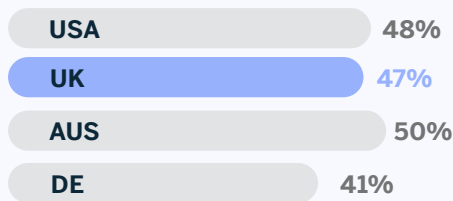
Here's how UK consumers' reasons for loyalty compared to other countries:

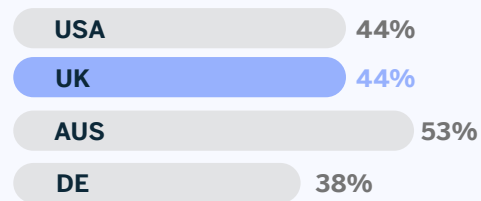*SAP Emarsys Customer Loyalty Index*

2023 Data at a Glance: Why Customers Are Loyal (By Country)
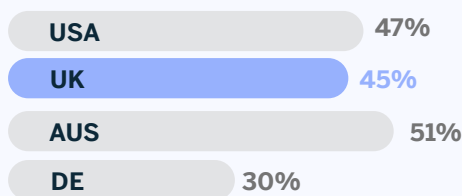
"Why are you loyal to particular retailers?"

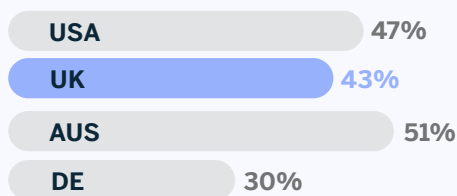**They offer the widest range of products that I want.**

USA	48%
UK	47%
AUS	50%
DE	41%

They offer regular discounts, loyalty points, and incentives.

USA	44%
UK	44%
AUS	53%
DE	38%

They provide excellent customer service.

USA	47%
UK	45%
AUS	51%
DE	30%

They provide consistently low prices.

USA	47%
UK	43%
AUS	51%
DE	30%

They offer good return policies.

USA	35%
UK	28%
AUS	29%
DE	21%
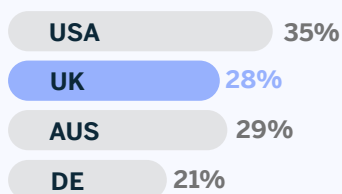
Statistics from Emarsys (an SAP Company) Customer Loyalty Index 2023, a study of 10,057 global consumers.
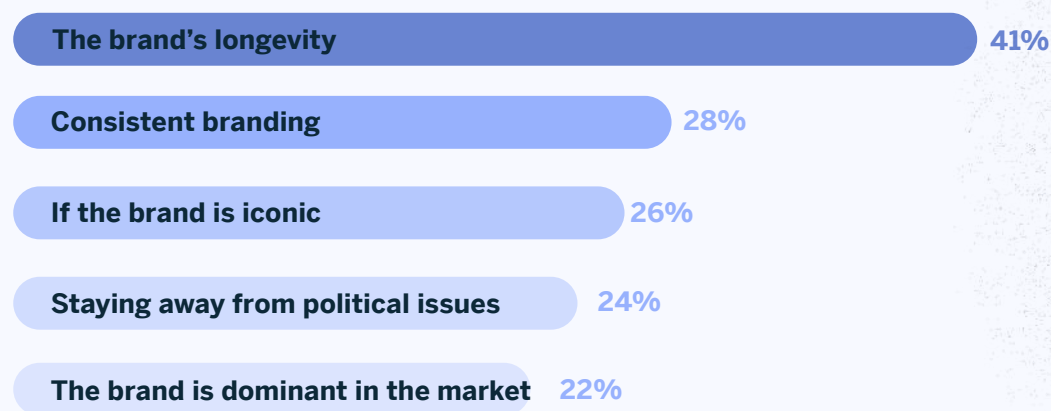
Brand Longevity and Consistency Are Key to UK Loyalty

In the UK, a "brand's longevity" — i.e., if the brand has stood the test of time — was the number one factor that would positively impact a consumer's loyalty, at 41% of respondents. In fact, this was the top factor for every country polled (USA at 46%, Australia at 47%, and Germany at 44%). Behind brand longevity, UK consumers cited "consistent branding" as the second highest at 28%.

SAP Emarsys Customer Loyalty Index

2023 Data at a Glance: Top 5 Things Positively Impacting UK Customer Loyalty

"What, if anything, would positively impact your loyalty to a brand?"

The brand's longevity — 41%

Consistent branding — 28%

If the brand is iconic — 26%

Staying away from political issues — 24%

The brand is dominant in the market — 22%

Statistics from Emarsys (an SAP Company) Customer Loyalty Index 2023, a study of 10,057 global consumers.

UK Loyalty Most Impacted by Economic Factors

When looking at the changing attitudes and behaviors of UK consumers, we can see how costs and other economic factors are having a major influence on customer loyalty in the country.

Undoubtedly, economic fluctuations have impacted people across the globe, but the fluctuations have seemingly had the most significant impact on UK loyalty. UK consumers are growing more cost- and budget-conscious, and as a result, are changing how they feel about remaining loyal to a brand.

- When asked why their attitudes about customer loyalty have changed in the last 12 months, 31% of UK respondents say that they "now prioritize cost over brand loyalty," making it the top reason.

- Second behind that, 23% of UK respondents say they "no longer feel [they] can afford to be loyal."

However, just because UK consumers are more wary of loyalty when financial considerations are a factor, they are certainly still willing to be loyal — but only when the brand offers value and makes an effort. 22% of UK respondents have signed up for loyalty programs to "ensure [they] get the best value from brands," and 21% say that "retailers need to do more to maintain my loyalty."

SAP Emarsys Customer Loyalty Index

2023 Data at a Glance: How Attitudes and Behaviors Influence UK Customer Loyalty

"Why, if at all, have your attitudes and behaviors about customer loyalty changed in the last 12 months?"

I now prioritize cost over brand loyalty.	31%
I no longer feel I can afford to be loyal.	23%
My loyalties have not changed in the last 12 months.	22%
I have signed up for or started using more loyalty programs to ensure I get the best value from brands.	22%
I think retailers and brands need to do more to maintain my loyalty.	21%

Statistics from Emarsys (an SAP Company) Customer Loyalty Index 2023, a study of 10,057 global consumers.

Clearly, UK consumers are the most cost-conscious right now. Brands can still earn the loyalty of UK customers, but to do so, they must be sensitive to the economic factors impacting this audience. The data shows that discounts, incentives, and rewards can be a strong motivator for UK customer loyalty, but they can't be long-term solutions for building loyalty, nor can they come at the expense of excellent product quality and customer service. Additionally, brands can't cut corners when it comes to giving loyal customers value and working hard to maintain their loyalty.

Loyalty by Country in 2023:
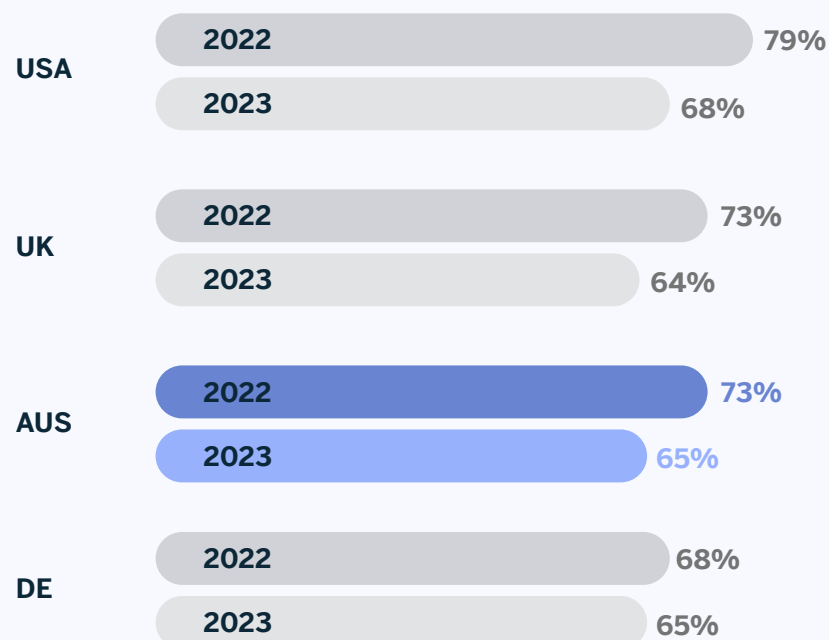
Australia
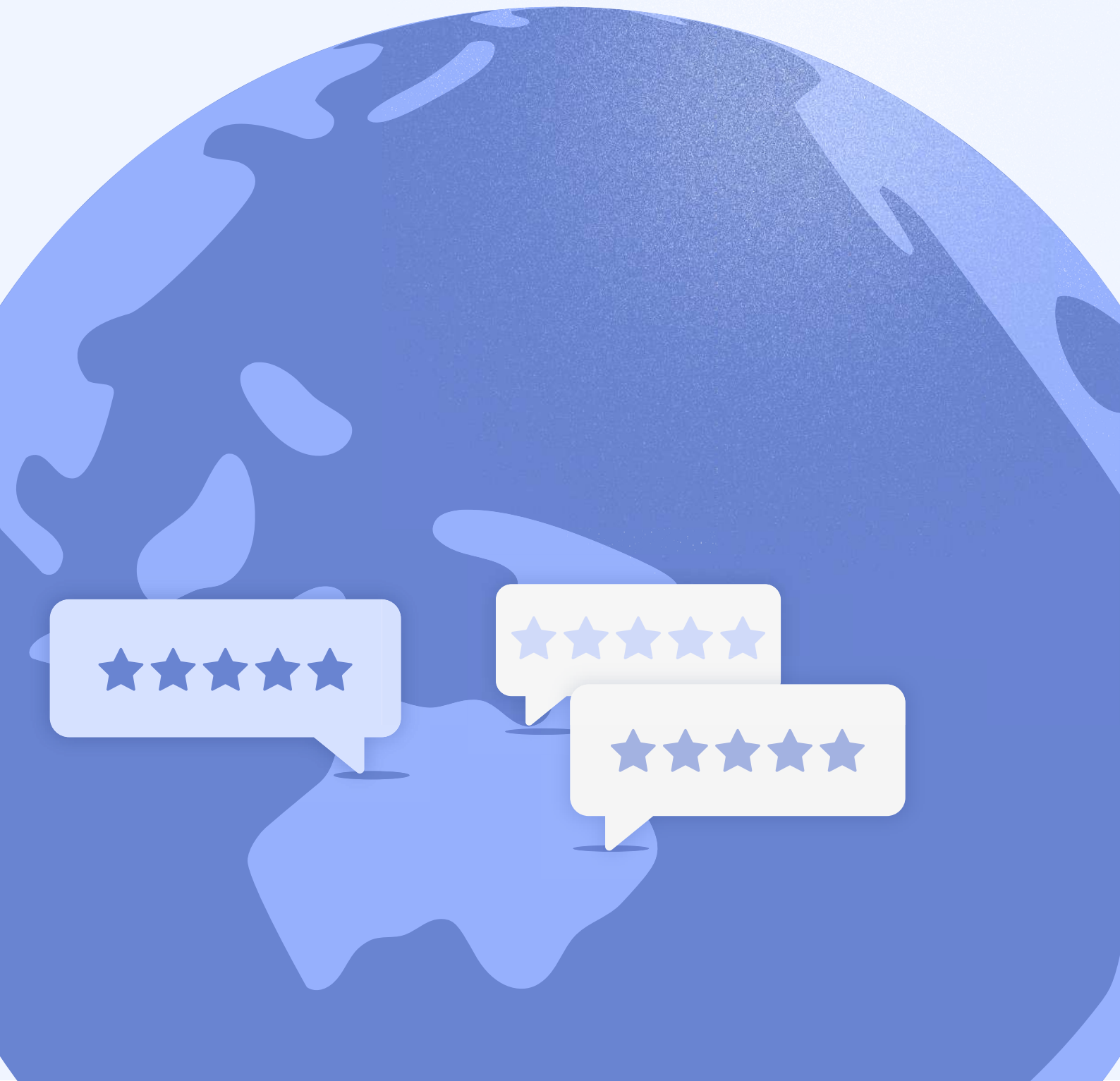
Loyalty Is Down in Australia

Overall customer loyalty has decreased in Australia. However, this year's Customer Loyalty Index report has revealed particular findings that offer a more complete picture into what is impacting loyalty in the nation.

In this year's report, 65% of Aussie respondents said they were "loyal to certain retailers," which is an 11% decrease from 2022 (73%). It's worth noting that this decline in customer loyalty was not as steep as what the UK and US experienced (14% and 12% decline respectively).

SAP Emarsys Customer Loyalty Index

2023 Data at a Glance: Overall Customer Loyalty by Country

"I consider myself loyal to certain retailers, brands, and stores."

USA
2022 — 79%
2023 — 68%

UK
2022 — 73%
2023 — 64%

AUS
2022 — 73%
2023 — 65%

DE
2022 — 68%
2023 — 65%

Statistics from Emarsys (an SAP Company) Customer Loyalty Index 2023, a study of 10,057 global consumers.

Aussie Loyalty Is Won with Discounts and Low Prices

For UK, US, and German consumers, the top reason they are loyal to a brand is due to a wide range of products — for Aussies, however, it's a different story.

In this year's survey, 53% of Australian respondents cited "regular discounts, loyalty points, and incentives" as the reason they are loyal to particular retailers — making it the number one reason. Behind that, 51% of respondents said "consistently low prices" earned their loyalty, and another 51% said the same about "excellent customer service."

This shows how Australian consumers are prioritizing lower prices and cost-saving discounts when it comes to choosing which retailers they will consistently shop with. But it's important to note that it's not only pure discounts that keep Aussies loyal — "regular loyalty points" and incentives are part of that equation. Brands that are willing to consistently offer points or value-adding incentives to their devoted customers can still spark Aussie loyalty initially. However, with incentivized loyalty on the whole being a less reliable means of fostering long-term loyalty, these customers will eventually need more than discounts to be retained. Otherwise, they'll be the first to switch brands for a better deal.
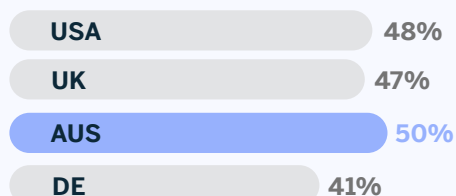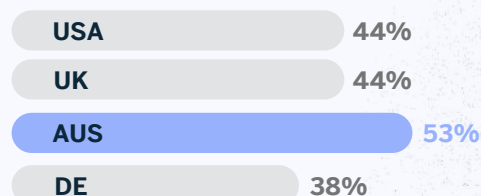
SAP Emarsys Customer Loyalty Index

2023 Data at a Glance: Why Customers Are Loyal (By Country)
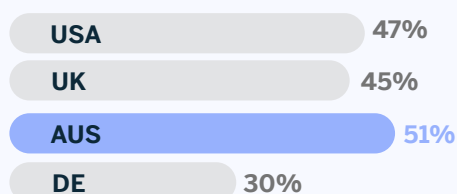
"Why are you loyal to particular retailers?"

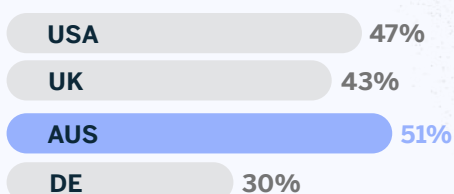### They offer the widest range of products that I want.

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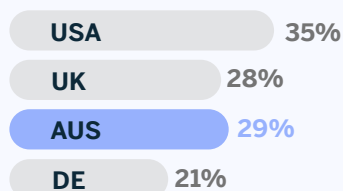
Statistics from Emarsys (an SAP Company) Customer Loyalty Index 2023, a study of 10,057 global consumers.

Aussies Will Switch Brands to Get the Best Deal

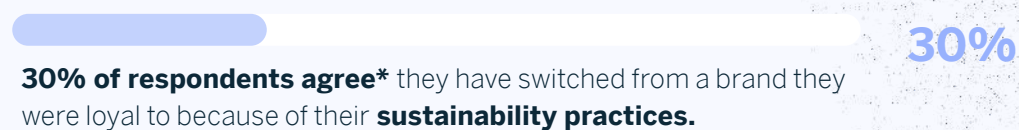We know that regular discounts, loyalty points, incentives, and low prices can secure the loyalty of Australian consumers. So it's
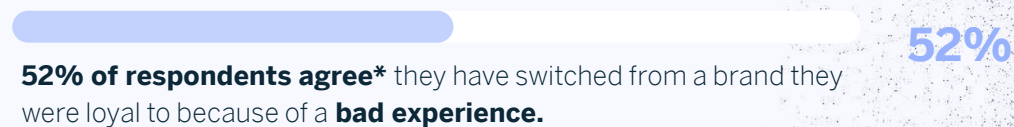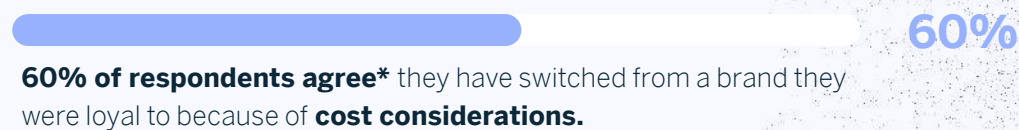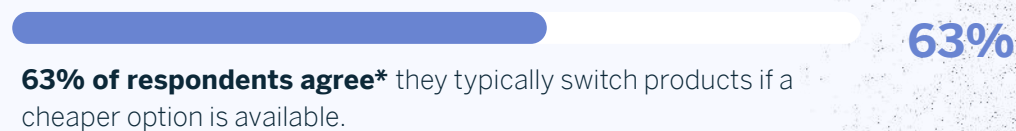
no surprise that pricing could cause them to switch their loyalty to another brand or product.

63% of Australian respondents agree that they "typically switch products if a cheaper option is available." Additionally, 60% of Australian respondents agree that they "have switched from a brand they were loyal to because of cost considerations." These data points suggest that, as long as Aussies are feeling the pressures of increasing cost of living and economic uncertainty, their loyalty will sway to where they can find the better value.

SAP Emarsys Customer Loyalty Index

2023 Data at a Glance: What Drives AUS Loyalty Customers to Switch Brands?

63%

63% of respondents agree* they typically switch products if a cheaper option is available.

60%

60% of respondents agree* they have switched from a brand they were loyal to because of **cost considerations.**

52%

52% of respondents agree* they have switched from a brand they were loyal to because of a **bad experience.**

30%

30% of respondents agree* they have switched from a brand they were loyal to because of their **sustainability practices.**

* "Strongly agree" and "somewhat agree" responses combined

Statistics from Emarsys (an SAP Company) Customer Loyalty Index 2023, a study of 10,057 global consumers.

Loyalty by Country in 2023:

Germany

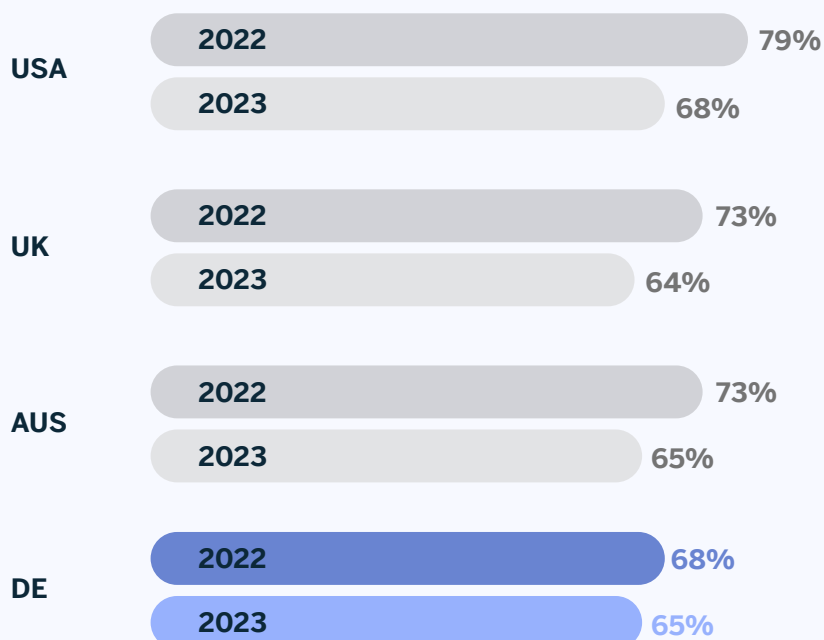# Germany Boasts Smallest Drop in Customer Loyalty

Of all the countries included in the 2023 Customer Loyalty Index, Germany experienced the smallest drop in overall customer loyalty year over year.

65% of respondents consider themselves "loyal to certain retailers, brands, and stores" in this year's report, compared to 68% the previous year. This slight 4% decrease signals that — despite a decline in overall loyalty globally — many DE consumers remain unchanged in their willingness to be loyal to a brand they love.

SAP Emarsys Customer Loyalty Index

2023 Data at a Glance: Overall Customer Loyalty by Country

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Statistics from Emarsys (an SAP Company) Customer Loyalty Index 2023, a study of 10,057 global consumers.

Personalization and "Choice in Channels" Drives Loyalty in Germany

The results of our 2023 research shows that personalization plays a part in driving loyalty across all countries surveyed. However, nowhere else does personalization have as profound an impact on loyalty as it does in Germany.

When asked "Why are you loyal to particular retailers?" 27% of DE respondents responded with "They offer personalized shopping experiences tailored to me." If this doesn't seem like a high number, consider how this response compares to consumers in the other countries polled: 21% of US respondents said the same, as well as 18% of Australians, and only 12% of UK respondents. When comparing DE's 27% to UK's 12%, that's a significant difference.

That's not the only place in the research where personalization pops up for German consumers. 30% of respondents agree they are "more loyal to brands that market to [them] in a more personalized/specific-to-my-needs way." This is the highest response to that statement in the survey when compared to the US (26%), Australia (20%), and the UK (17%).
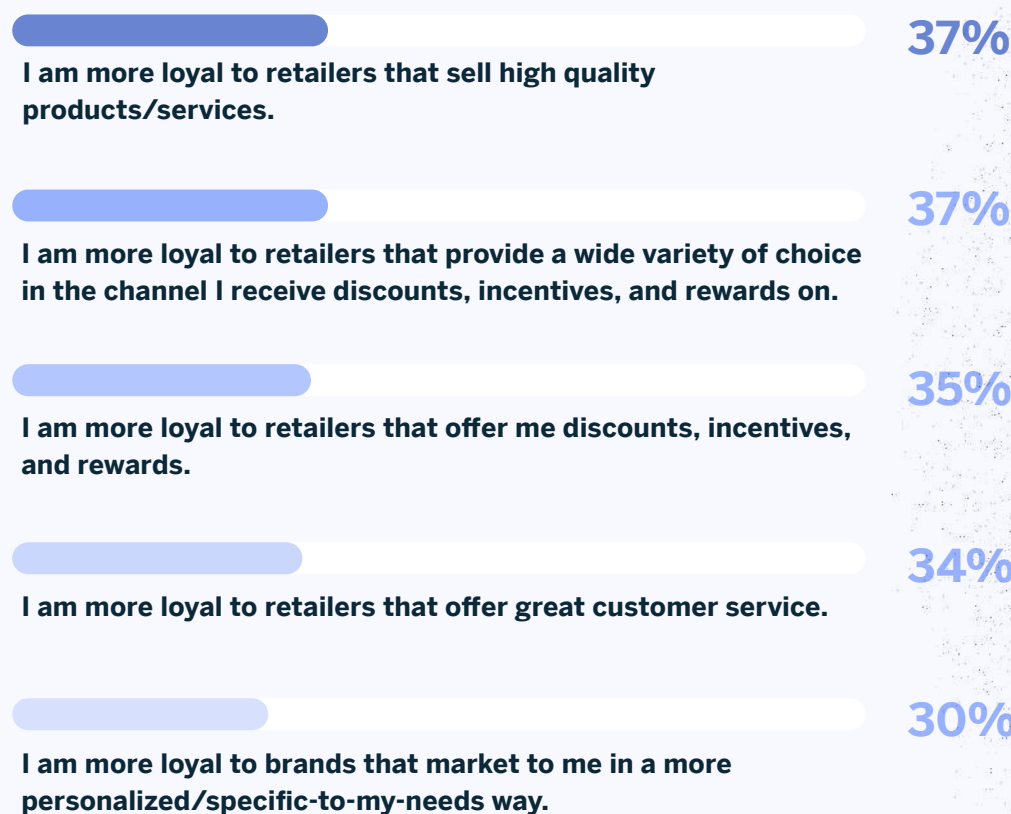
Also interesting to note: 37% of German consumers agreed that they are "more loyal to retailers that provide a wide variety of choice in the channel [they] receive discounts, incentives, and rewards on." This suggests brands that can provide Germans with greater flexibility in how they receive their incentives can foster greater loyalty.

SAP Emarsys Customer Loyalty Index

2023 Data at a Glance: How German Consumers Think about Loyalty

"When thinking about your loyalty to certain brands, which of the following statements do you agree with, if any?"

I am more loyal to retailers that sell high quality products/services. — 37%

I am more loyal to retailers that provide a wide variety of choice in the channel I receive discounts, incentives, and rewards on. — 37%

I am more loyal to retailers that offer me discounts, incentives, and rewards. — 35%

I am more loyal to retailers that offer great customer service. — 34%

I am more loyal to brands that market to me in a more personalized/specific-to-my-needs way. — 30%

Statistics from Emarsys (an SAP Company) Customer Loyalty Index 2023, a study of 10,057 global consumers.

From the German consumers' perspective, personalization is not just a "nice-to-have" feature — many hold personalization as a prerequisite for securing their loyalty. 39% of German respondents agree that they expect "personalized offers/ discounts" in exchange for their loyalty.

SAP Emarsys Customer Loyalty Index

2023 Data at a Glance: What DE Consumers Expect in Exchange for Loyalty

"What, if anything, do you expect to see in exchange for your loyalty to a particular brand?"

More loyalty points to be spent as you choose	39%
Personalized offers/discounts	39%
Best pricing compared to less loyal customers	39%
Exclusive offers	35%

Statistics from Emarsys (an SAP Company) Customer Loyalty Index 2023, a study of 10,057 global consumers.

Brand Longevity Matters to DE Consumers

Every country polled in this year's report cited "brand longevity" as the top factor that would positively impact their loyalty to a brand. But unlike the other countries, "brand longevity" was far and away the overwhelmingly strongest answer for German respondents. When we look at the top 5 things that would positively impact German respondents' loyalty to a brand (see below), we find a huge drop (25%) between the number one and number two answers.
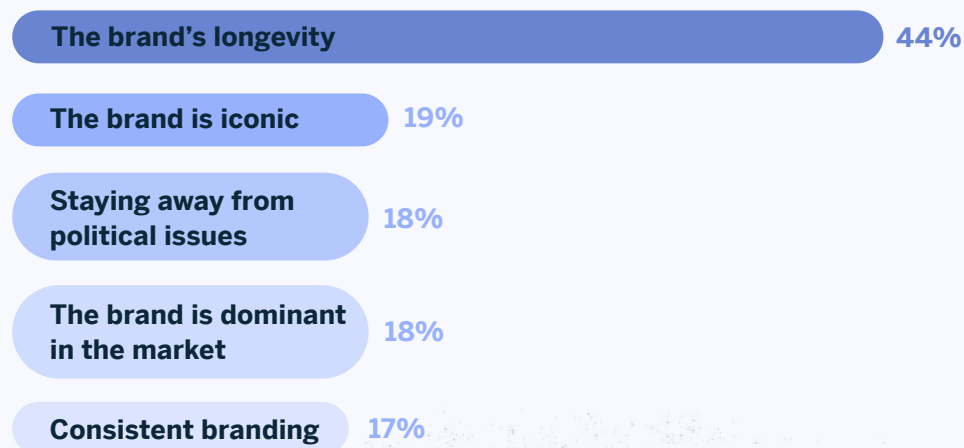
This shows just how important brand longevity is to German consumers.

SAP Emarsys Customer Loyalty Index

2023 Data at a Glance: Top 5 Things Positively Impacting DE Customer Loyalty

"What, if anything, would positively impact your loyalty to a brand?"

The brand's longevity	44%
The brand is iconic	19%
Staying away from political issues	18%
The brand is dominant in the market	18%
Consistent branding	17%

Statistics from Emarsys (an SAP Company) Customer Loyalty Index 2023, a study of 10,057 global consumers.

Driving Customer Loyalty in 2023 and Beyond

Overall customer loyalty may be down across the globe, but it's clear that consumers still have an appetite and dedicated affinity for the retailers that can meet their needs and truly earn their loyalty.

Regular discounts, loyalty points, and incentives can drive short-term loyalty, especially among more cost-conscious consumers who are focused on finding the best prices and value in exchange for their loyalty. But when it comes to sustained long-term loyalty, personalized offers, excellent service, consistent branding, flexibility in channels, and tailored "specific-to-my-needs" kind of experiences appear throughout the report as critical factors — all of which have to do with a brand's marketing and customer engagement strategy.

SAP Emarsys Customer Engagement helps thousands of top brands across the globe deliver the personalized omnichannel customer experiences that help build long-lasting relationships, increase customer loyalty, and drive growth and revenue.

Discover how Emarsys can help your brand increase customer loyalty and retention at any scale through personalized omnichannel customer engagement.

Visit emarsys.com/3-minute-demo ▸

About the Research

The research for SAP Emarsys was carried out online by Opinion Matters throughout 17.08.2023 - 23.08.2023 amongst a panel resulting in 10,057 people over 18 from the UK, USA, Germany and Australia.

All research conducted adheres to the MRS Codes of Conduct (2010) in the UK and ICC/ESOMAR World Research Guidelines. Opinion Matters is registered with the Information Commissioner's Office and is fully compliant with the Data Protection Act (1998).

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