



 Allume Group A/R

Allume Insider Report
Commerce Trends

Q2 2024 | Allume Group



“Because the Allume Group sessions deliver different and outside perspectives, our practitioners and experts at all levels of our organization find a lot of value in attending.”



Margaux Logan, SVP,
Head of Omnichannel,
Publicis Commerce

“The Allume Insider Report is distinguished from other reports because it provides actionable insights that can be incorporated into overall strategies and used to test and learn.”



Lauren Livak Gilbert
Director & Podcast Co-
host, Digital Shelf
Institute

Digital Immersion Workshops

AIR is Allume Group's energizing commerce-analysis format, reporting on the most pressing trends affecting consumer behavior and the vast commerce landscape.

AIR equips you with both cutting edge commerce trends and case studies that bring them to life, empowering you with new ideas for your business.

Key insights are updated each quarter from interviews with Allume Group's Expert Community, published reports, and industry conferences, empowering you with new ideas to grow your business.

Contact us for a private, customized workshop with facilitated discussion and activities to bring ideas to action.

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Outline

The Trend: **Loyalty**

- Make it easy for me.
- Connect with me.
- Reward me.

Resource List

Digital Immersion Workshops With
Allume Group




The Trends



loyalty noun

loy·al·ty

'lɔɪ(-ə)l-tē 

: the quality or state or an instance of being [loyal](#)
| the *loyalty* of the team's fans

Digital **customer acquisition costs are up 222%** in the last 10 years. Impulse buying is waning as shoppers increase caution. And **brand loyalty is at an all-time low**, with 77% of shoppers say they'll buy from competitors if they are cheaper and more convenient.

Loyalty is everyone's job, and digital channels are primed to be an engine for retention and loyalty.

But how? What drives brand loyalty?



The Stanley Cup craze of 2024 shows how loyalty can drive fandom and evangelism for your brand.



Starbucks delivers strong all three components of shopper loyalty: ease, connection, and rewards.

Image source: Shutterstock

Shopper loyalty comes down to three things:

Make it **easy** for me.

Connect with me.

Reward me.

When shoppers feel loyal, **70% will spend up to two times or more** on brands they are loyal to, compared to 49% of consumers with low loyalty engagement.

Think you've lost your loyal shoppers? Think again! **69% are willing to be won back**, citing more attractive discounts (56%), improved product or service quality (44%), a broadened range of products (36%), and better customer service (36%).

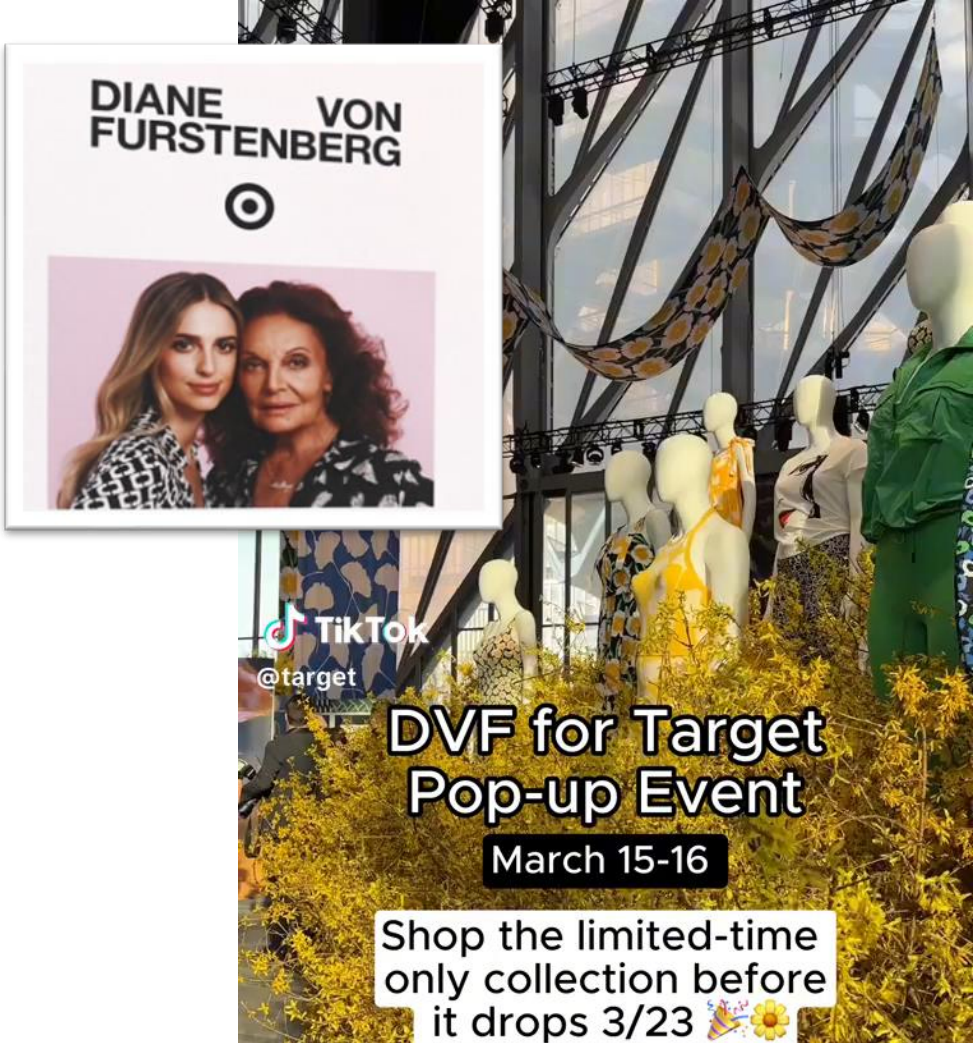
Make it easy for me.

92% of shoppers say their favorite brand **provides consistent experience** regardless of where they interact with it.

It's not about fancy loyalty programs, either. **Brilliant basics win.** Shoppers cite foundational commerce elements such as assortment (79%), availability (78%), and quality (72%) as top - and critical - loyalty-drivers.

Sound easy? It's not! 88% of US shoppers said that online retailers **failed to meet their expectations in** these key areas at least 1-3 times last year alone.

Takeaway: Take a hard look at your foundational elements - price, selection, availability, and consistency across channels. Are you meeting the shopper where they're at?



The limited time DVF fashion collaboration at Target shows consistency across commerce channels to meet the dynamic shopper.

Image source: TikTok

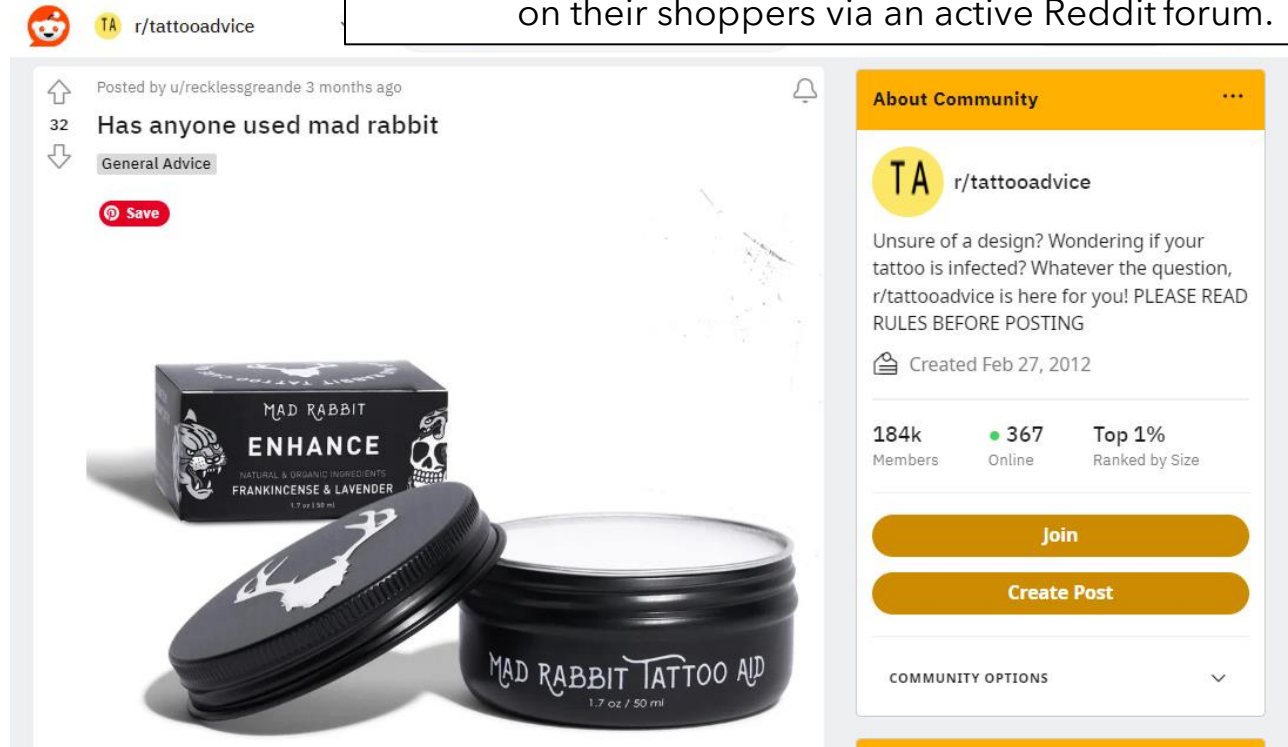
Connect with me.

85% of shoppers say their favorite **brand treats them like an individual**, and 88% say their favorite brand uses their data in ways that make them comfortable.

Yet, **personalization can be a trust-buster** if done incorrectly or irresponsibly. Over half of global shoppers have received irrelevant content or offers and dislike ads based on indirect tracking tools.

Takeaway: It's easier than it sounds - make sure your audience receives up-to-date, personalized information about your products consistently - and treat their data with care.

Mad Rabbit tattoo aftercare brand keeps close tabs on their shoppers via an active Reddit forum.



*"Put your followers in the **best position to promote your brand**. You're never too big to have those conversations. Keep as close of a pulse on your customers as possible."*

- Oliver Zak, Founder, Mad Rabbit Tattoo care @ Shoptalk 2024

Reward me.



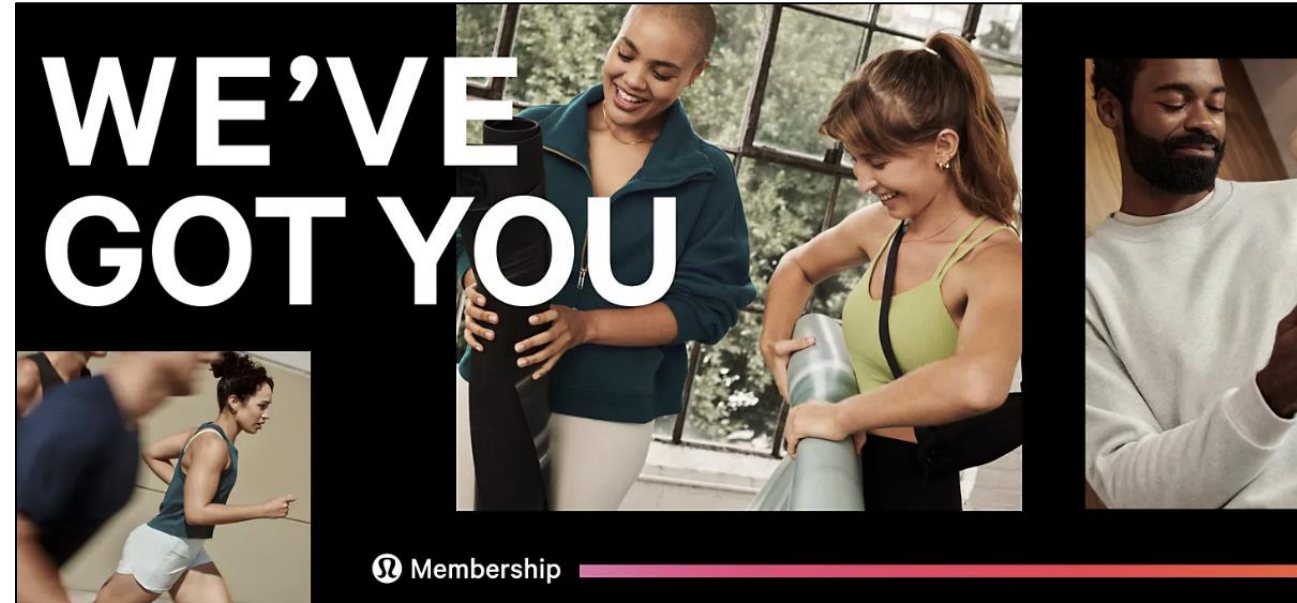
Rewarding shoppers for their business is important: 88% of shoppers say their **favorite brand rewards them for their loyalty**, and 43% say they're relying more on loyalty program benefits vs. last year.

However, it's **not all about points and discounts**. One third of shoppers find value in receiving exclusive access to products or services, while a quarter find value in personalized product or service suggestions.

"If all you focus on is the transaction, then all you'll get is a transactional relationship in return."

- Trent Lanning, Sr. Researcher at Marigold

Takeaway: As far as loyalty driving initiatives, brands get what they put into them. Identifying goals early and tracking against them is key, from engagement to activation metrics.



- Lululemon Member Benefits:
- Early Access to Product Drops
 - Exchange or Credit on Sale Items
 - Select Peloton Classes, yoga classes
 - Membership Events
 - Receipt-Free Returns
 - Free Hemming

Takeaways

Make it easy for me.

Loyalty starts with meeting the shopper where they're at. Delivering on brilliant basics such as shopper experience, consistency across online/in-store channels, assortment, and pricing are key to driving long term loyalty.

Connect with me.

Developing consistency, timeliness, and personalization to messaging goes a long way. Erroneous or far-reaching data use/personalization can be a trust buster, so keep it simple.

Reward me.

Everyone wants to feel appreciated, and with inflation still strong, shoppers are spending more cautiously. Finding easy yet creative ways to reward your best customers will build more loyalty than complicated loyalty or membership programs.



Key Resources

[2024 Consumer Trends Index Report - Marigold](#)

[Customer Loyalty Crucial for Brand Success in 2024, new research suggests \(summary of above-referenced Marigold Report\) - The Drum](#)

[Unlock Loyalty Throughout the Customer Lifecycle - Forrester](#)

[2024 Online Retail Trends Report - Celigo](#)

['Coupons are not going to do it anymore': The latest loyalty program benefit is members-only access to new or exclusive products - Modern Retail](#)



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Commerce Trends

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Thank You

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