



# CUSTOMER LOYALTY IS BEING IMPACTED BY INFLATION AND THE COST OF LIVING CRISIS

DECEMBER 2023

In our recent survey, 77% of respondents in Channel Islands said inflation and the rising cost of living has made them less loyal and more likely to try alternative companies.

This is a finding from the latest IGR Brand Reputation Index©, which measures the reputation of selected organisations in Guernsey and Jersey and monitors which brands resonate most with island residents. The latest data was collected in October 2023.

More information about the index is available at: [www.islandglobalresearch.com/Brand-Reputation-Index](http://www.islandglobalresearch.com/Brand-Reputation-Index)

In the latest round of data collection for the IGR Brand Reputation Index© we asked respondents whether increases in the cost of living and inflation have impacted their brand loyalty and if so, what companies can do to retain them.

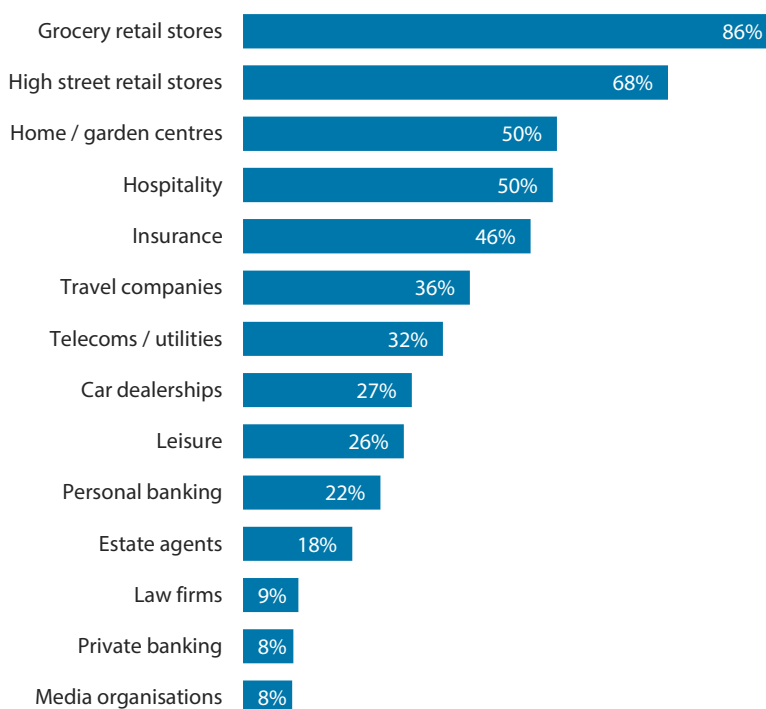
77% of respondents said rising prices had impacted their loyalty to companies and organisations. This includes 30% of respondents who indicated they were now much more likely to try alternative companies or organisations.

The impact of rising prices was greater among respondents with less disposable income: 91% of respondents who said they cannot afford their costs or don't have money for luxuries said they were more likely to "shop around" and try alternative companies or organisations.

Customer loyalty has been impacted in some sectors more than others. Respondents selected retail and hospitality as the sectors where they were most likely to try using different companies and organisations.

*77% of respondents said rising prices had impacted their loyalty to companies and organisations.*

## In which categories are you most likely to try different companies and organisations?\*



\* Asked of those who said cost of living and/or inflation has affected their loyalty.

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Respondents indicated that competitive prices are an important factor that keeps them loyal to a company. Even 77% of those who describe themselves as very financially comfortable selected this as one of the top 3 things companies could do to retain them as a loyal customer.

Good customer service and product quality were also important considerations for many respondents, and were especially important for respondents who are financially comfortable. While promotions and incentives and loyalty schemes were more likely to be a motivating factor for respondents who have less disposable income than among those who are financial comfortable.

As inflation and the cost of living crisis continues, these findings highlight that if companies want islanders to remain loyal to their brand, then keeping prices competitive without compromising on customer service or quality should be their main priority.

**What are the top three factors which keep you loyal to a particular company or organisation? Please rank your top 3.**

	All respondents	Self-reported Financial Situation	
		Very or relatively financially comfortable (62% of respondents)	Have less disposable income * (38% of respondents)
Competitive prices	79%	77%	81%
Good customer service	74%	78%	66%
Quality of product or services	73%	78%	66%
Promotions and incentives	26%	23%	31%
Loyalty schemes	22%	29%	26%
Organisation that cares about its employees	20%	18%	23%
Organisation that cares about the environment	18%	18%	18%
Organisation that makes a positive contribution to the community	10%	10%	10%
Advertising / marketing communications	8%	7%	9%

*\* Includes those who selected "I cannot afford my costs, and often have to go without essentials like food and heating" and "I do not often have money for luxuries but can normally cover the essentials".*

**Thank you to everyone who took part in this survey and congratulations to our four prize draw winners who each won £100 worth of vouchers.**

If you are an organisation operating in Jersey and/or Guernsey which would like to understand more about how you are perceived and how this can inform your business strategy please visit [www.islandglobalresearch.com/Brand-Reputation-Index](http://www.islandglobalresearch.com/Brand-Reputation-Index) and contact us on [info@islandglobalresearch.com](mailto:info@islandglobalresearch.com). Personalised IGR Brand Reputation Index© results are available for all brands included in the Index, and bespoke research options are also available to suit different budgets.

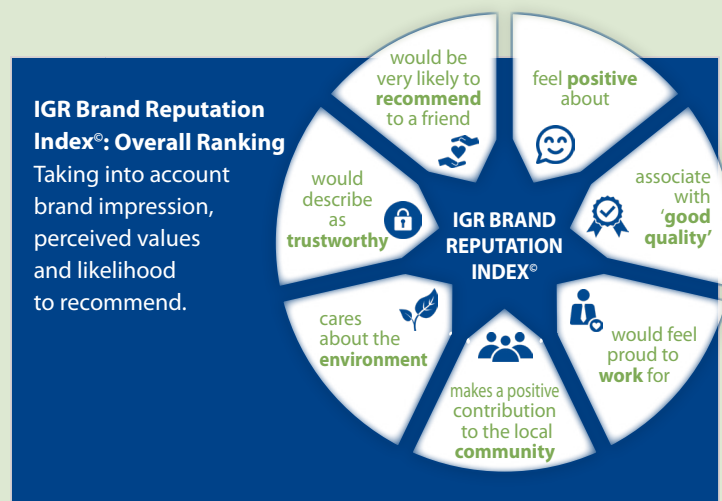
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## ADDITIONAL BACKGROUND INFORMATION

### Overall Ranking Results

An overall index score and ranking is calculated for 75 organisations in each island, based on 7 dimensions that impact brand reputation. For example, respondents are asked which brands they feel positive about.

Waitrose and Marks & Spencer were the top two ranking brands in each island.



RANK	GUERNSEY	JERSEY
1	Waitrose	Waitrose
2	Marks & Spencer	Marks & Spencer
3	Guernsey Post	Jersey Dairy
4	Specsavers	Jersey Electricity
5	R H Gaudion	Jersey Water

Remaining organisations ranked within the top quintile, listed in alphabetical order:

6-15	Aladdin's Cave, Aurigny, BBC Radio Guernsey, Co-op, Creaseys, Earlswood Garden Centre, Guernsey Dairy, Le Friquet, Skipton International, Stan Brouard	British Airways, Channel 103, Co-op, ITV Channel Islands, Jersey Post, Liberty bus, Ransoms Garden Centre & Café, St Brelade's Bay Hotel, St Peters Garden Centre, The Powerhouse
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### Sample Size

The latest round of data collection took place between 5 October and 3 November 2023. The final sample included 779 respondents from Jersey and 807 respondents from Guernsey. The survey first took place in October 2019 and it was last conducted in Spring 2023.

### How does the IGR Brand Reputation Index® work?

The IGR Brand Reputation Index® allows us to build a picture of how different brands are perceived by island residents. A Brand Reputation Index Score is calculated for each organisation, based on responses to survey questions about a range of dimensions that impact brand reputation.

The relative performance of each organisation is measured against others in the Index.

### What organisations are included in the IGR Brand Reputation Index®

There is room for 75 organisations to be included in the Index, and each respondent is asked about a random selection from the full list.

They are all either a local brand or have a strong local presence. They provide a mixture of goods, services and/or employment to residents.

The selected organisations cover a range of different industry sectors, while ensuring there are sufficient brands in each sector to enable competitor benchmarking. The full list is available at: [www.islandglobalresearch.com/Brand-Reputation-Index](http://www.islandglobalresearch.com/Brand-Reputation-Index)

### How is the data collected?

Twice a year Island Global Research conduct an online survey amongst island residents in Jersey and Guernsey.

Respondents are recruited in various ways, including from the 5,000+ members of our research panel and via social media. A diverse range of people aged 16+ respond. The results are then weighted to be representative of the total adult population by age and gender. This means we can report results that reflect the views of the island(s) as a whole.

Randomisation is programmed into the survey to reduce response bias and framing bias and to increase the number of organisations we can include in the index.

We also ask about awareness via advertising/word and levels of customer satisfaction. These do not contribute to the IGR Brand Reputation Index® score, but provide further insight into the success of an organisation's customer service and engagement strategies. Improvements to these areas can benefit consumers as well as help build a brand's reputation.

