



ADVANIS

# 2022 Brand Authenticity Report

What US consumers expect from their favored brands

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May 2022





# Research Overview

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2020 kicked off a domino effect for brands worldwide, forcing them to rethink business models, consumer engagement, digital experiences, and their stance on social issues.

Many consumers also shifted focus, placing more emphasis on what brands stand for beyond the products and services they deliver.

The purpose of this research was to uncover how important brand authenticity is to consumers in the United States by understanding their expectations around empathy and understanding, communication, representation, experiences, and what drives their loyalty.



## Methodology:

Data collection for the study, led by Advanis, was conducted April 11–18, 2022.

1,174 consumers in the United States were recruited from an actively managed online panel.

Participants completed a 10-minute survey and were incentivized using rewards points offered by their online panel. Consumer data was weighted to reflect the general population. Details are available in the Appendix.

Advanis is a member of the Canadian Research Insights Council (CRIC) and confirms that this research fully complies with all CRIC Standards including the CRIC Public Opinion Research Standards and Disclosure Requirements. This research was sponsored by Sitecore and conducted by Advanis.

For information about data collection, please contact Lori Reiser, CAIP (lori\_reiser@advanis.net 519.340.0125)

# Executive Summary

Below are key takeaways from the research for brands that want to drive authentic connections with customers.

## Empathy and understanding

When it comes to authenticity, empathy and understanding are important places to start. Eight out of 10 consumers surveyed reported that it is powerful for brands to:

- Illustrate empathy for their in-the-moment needs
- Provide insightful recommendations
- Actively demonstrate brand values through action
- Remember actions already taken

Customer service and support, big-ticket purchases, and initial interactions are all areas brands should pay attention to when connecting and engaging with customers.

## Brand representation

Nearly all consumers (81%) say brands should try to ensure customers feel represented in their marketing and communications. Only slightly less (75%) say it's important to see products or services from minority-owned businesses being offered.

At the same time, 59% of consumers prefer a brand that is neutral or has no comment on social issues, while 2 out of 3 want brands to be transparent about political parties and social issues they financially support.

Consumers appear to be making distinctions between social and political issues that brands should be careful navigating.

## Transparency and communication

The research revealed that brands need to be authentic in their dealings with customers and employees – 84% believe that brands need to prove they are acting fairly, and 62% are willing to pay more for products and services if that meant staff are being well paid.

When it comes to price increases, consumers also want transparency and clear communication. In fact, 86% say they understand businesses must pass along additional costs, while 91% say they must be transparent about doing so. And 29% say they will remain loyal regardless of price increases, even if a brand does nothing. But about 25% say their loyalty does require something from the brand, such as a loyalty program or free shipping.

## Brand loyalty

When it comes to brand loyalty, the data reveals a challenge for brands: only 4 in 10 consumers (of all ages) describe themselves as “fans” of their favorite brands. The good news is the data also reveals clear paths to fostering brand loyalty – consistency, authenticity, and transparency. The majority of consumers consider quality more important than price, while many consider reliability, experience, and transparency important.

## Shopping experiences

US consumers are shopping online. About a third (30%) say they buy almost everything online, but a surprising 46% say they “live for the experience” of shopping in person, illustrating the continued opportunity for brands to connect online and offline experiences to create authentic connections and drive loyalty.

Also supported by this study: brands have room to improve their online shopping experiences – starting with ensuring consumers are recognized and remembered online and delivering an amazing mobile experience.



# Detailed Results

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1. Empathy and Understanding
2. Brand Representation
3. Transparency and Communication
4. Brand Loyalty
5. Shopping Experience



# 1. Empathy and Understanding

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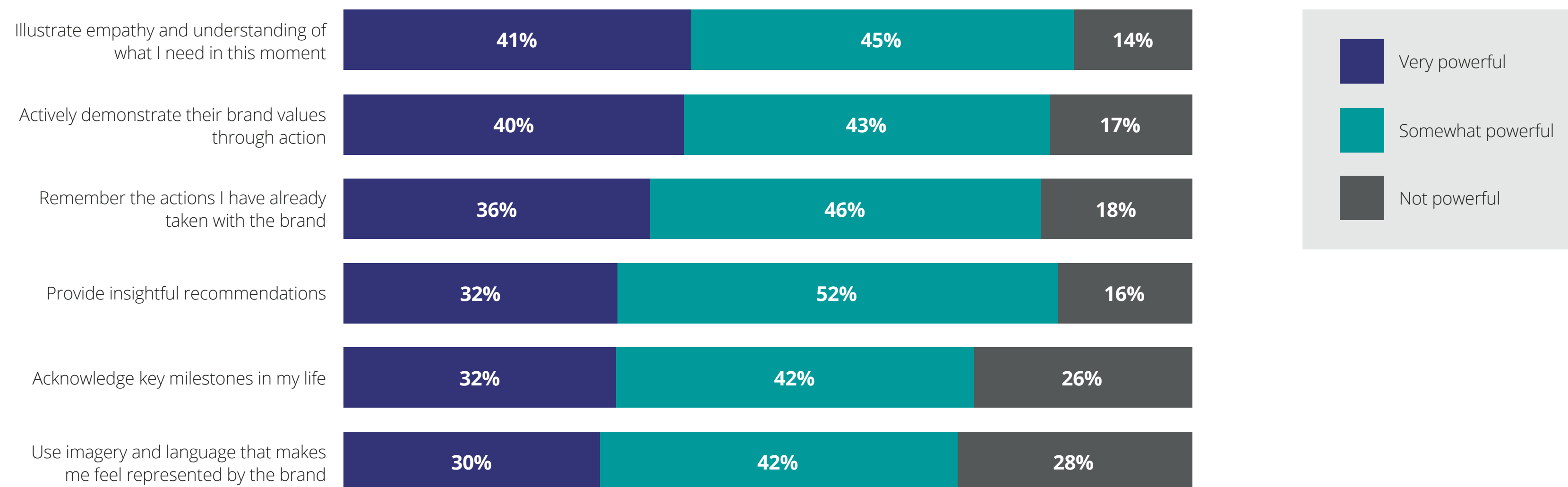
How brands can demonstrate empathy to consumers

# Brands can build stronger, authentic relationships through actions

For US consumers, actions that help build stronger relationships include:

- Demonstrating that the brand understands what is needed
- Providing insightful recommendations
- Actively demonstrating brand values through action

## Actions that build a stronger relationship with customers

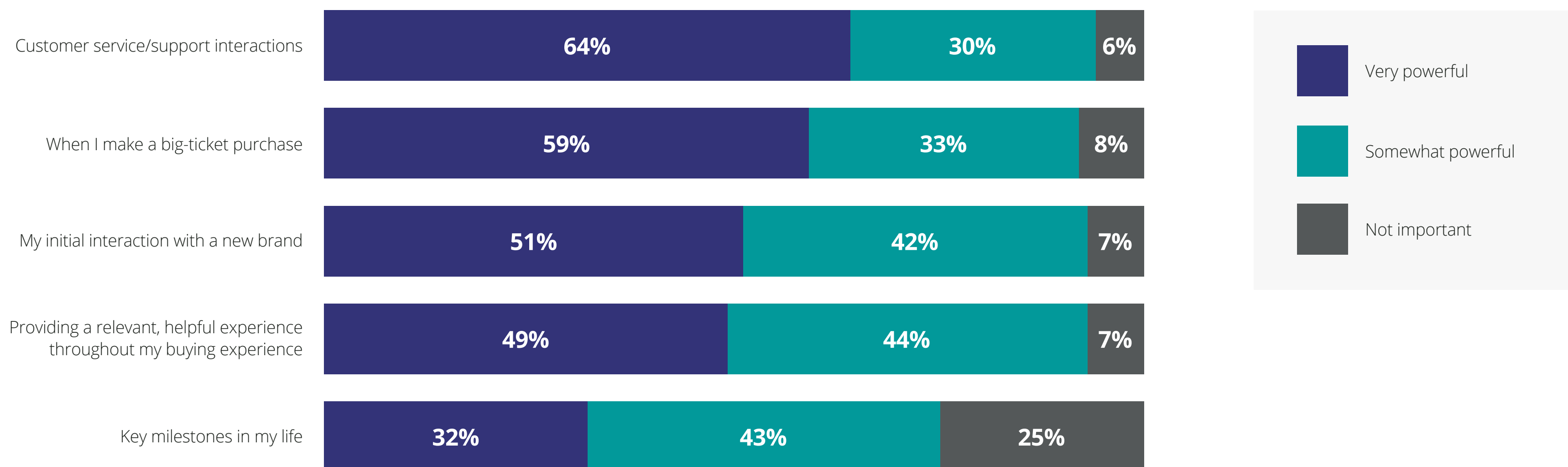


BP1 – If a brand did any of the following, how powerful would these actions be in building a stronger relationship with you? Base: US consumers (1,174)

# Big purchases and customer care are the most critical touchpoints, and an opportunity for brands to demonstrate they understand customer needs

Customer service interactions are rated as “very important” in getting the moment right – and supporting customer service teams with autonomy goes a long way to demonstrate this. But consumers expect to be treated “right” – from their first interaction through the entire buying experience.

## Getting this “right”...



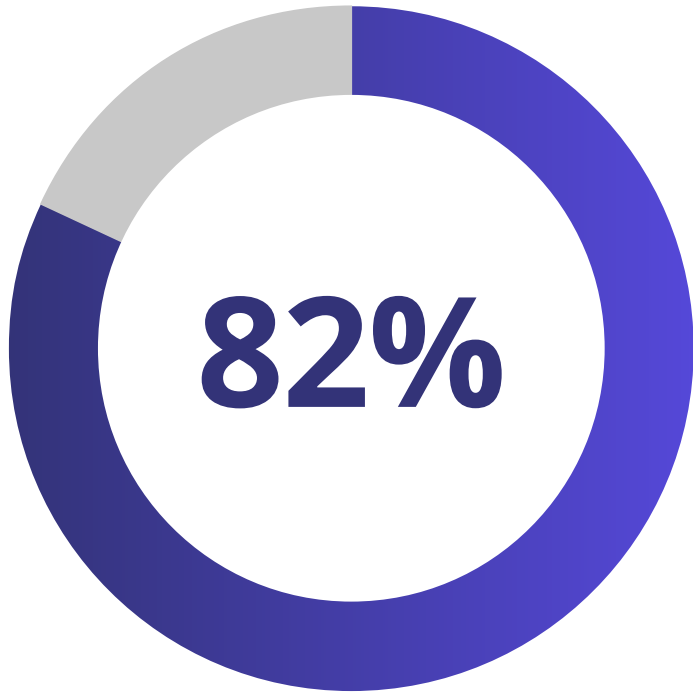
BP3 – How important is it to you that brands get these moments ‘right’? Base: US consumers (1,174)

# Relationships and personal connection are important to US consumers

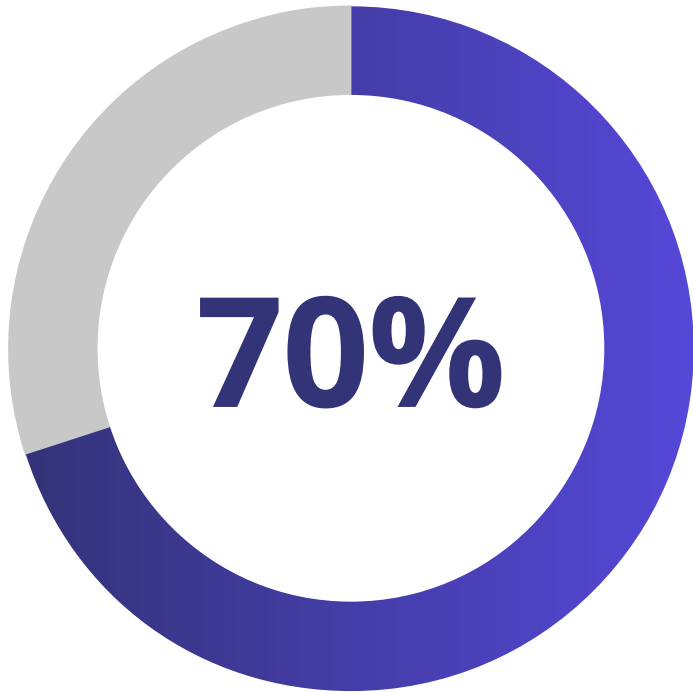
Connecting on a more personal level is desirable for consumers, with 70% stating they want brands to connect with them on a more personal level and even more (82%) expressing that they will be more loyal if they know a customer support representative has the power to help solve their problem versus following a set script.

## Relationship development

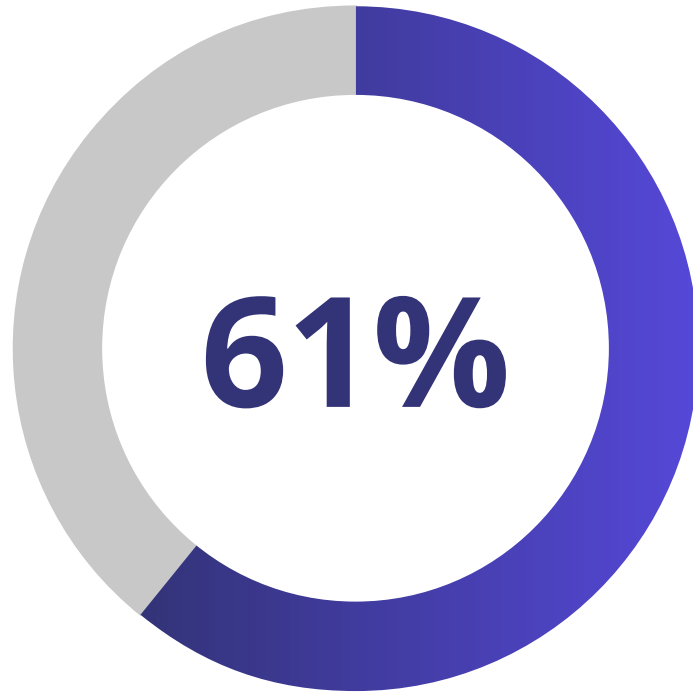
(Do you agree with the following?)



*I will be more loyal to a brand with customer service agents who have autonomy to solve my problem (they don't just follow a script)*



*Brands should connect with me on a personal level*



*Some of my favorite brands have created a deeper connection with me this year through their online experience*

B14 - Do you agree or disagree with the following statements? Base: US consumers (1,174)



## 2. Brand Representation

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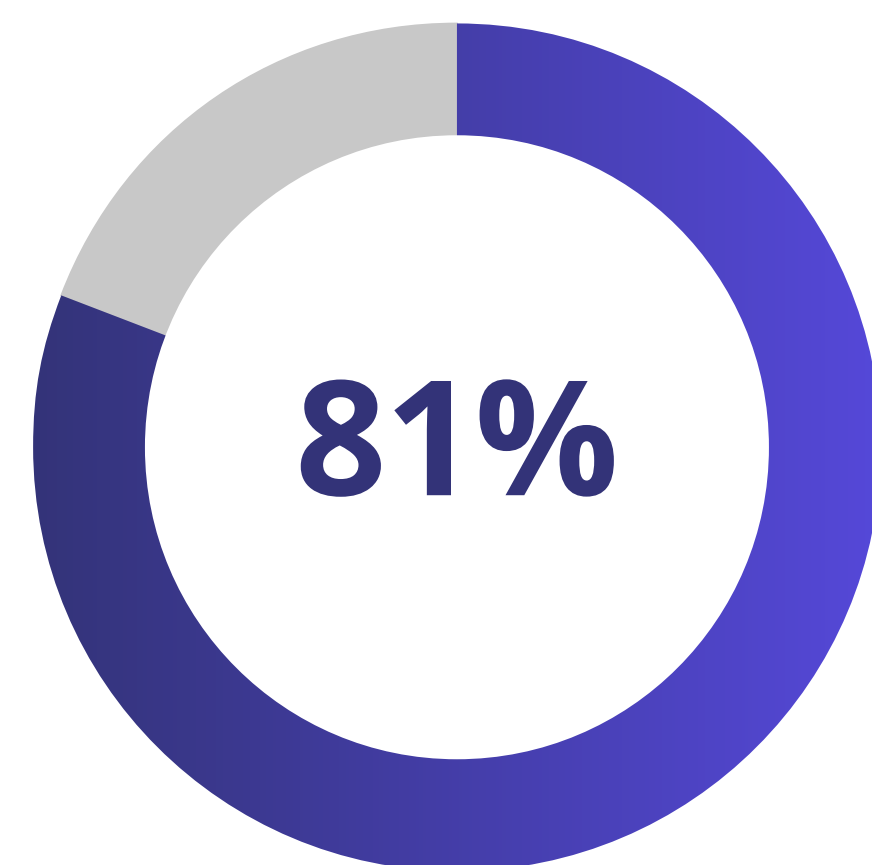
How can brands represent the communities they serve



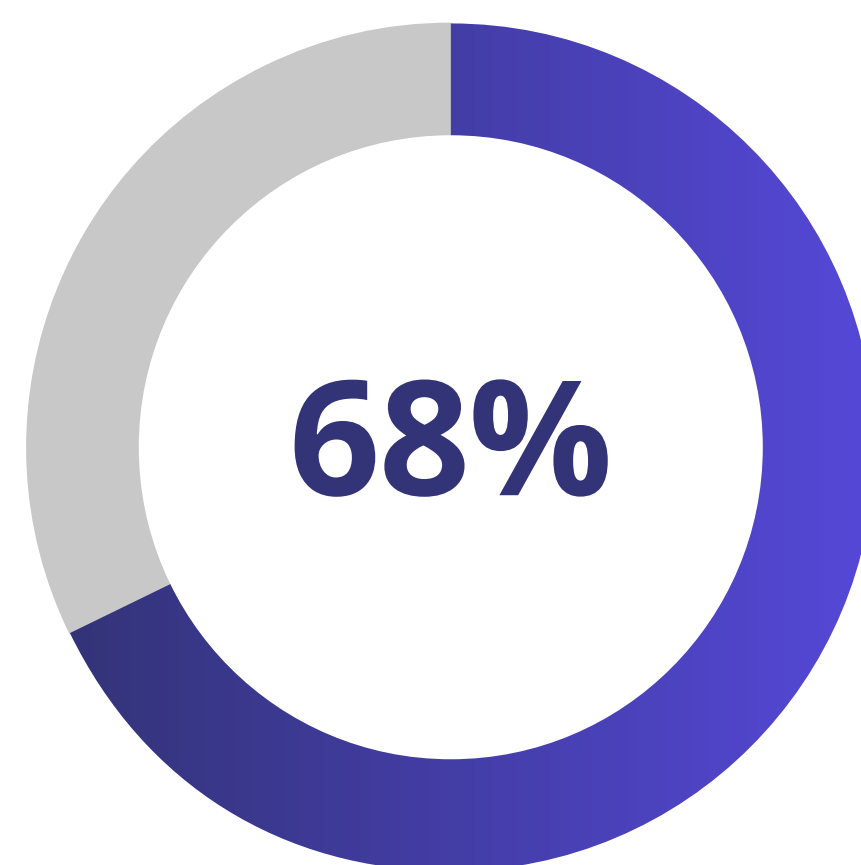
# Consumers want to know what a brand stands for

Consumers want to feel represented in the marketing materials of the brands they purchase from.

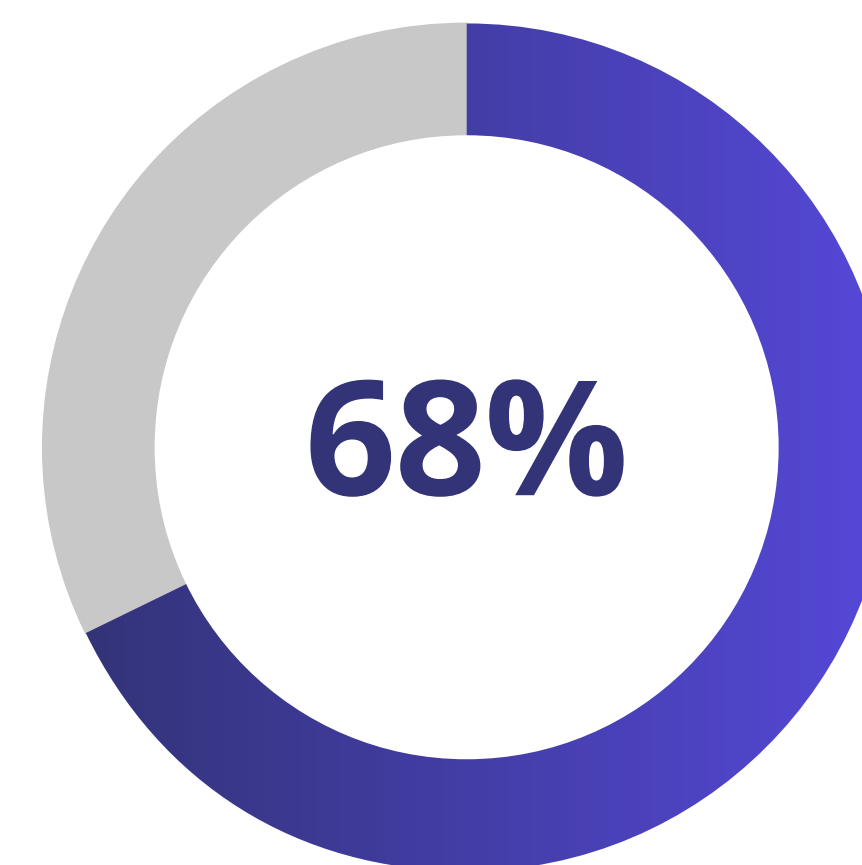
Most want transparency from brands on the social and political causes they support, and when they are supporting organizations, consumers want brands to show how they are providing support.



*of people agree that brands should make a conscious effort to ensure their customers feel represented in their marketing and communications*



*of people agree that it is important for brands they do business with to show how they are supporting causes they care about; not just say they are*



*of people agree that brands should be transparent about the political parties and social issues they financially support*

B4b - Do you agree or disagree with the following statements? Base: US consumers (1,174)



# Knowing where to take a stand

The majority of consumers do not want brands to take moral stances on social issues. For most, price will still take precedence over a strong moral stance.

Brands should be deliberate when choosing causes they support and ensure they align authentically with their values.

## Impact of taking a stance



Shop at a brand that is neutral/has no comment on social values

Shop at a brand that has a strong moral stance on issues



Shop at a brand that has a strong moral stance on issues

Shop at a brand that has the lowest price

F1g – Which of these would you choose? Base: US consumers (1,174)  
 F1g1 – Which of these would you choose? Base: US consumers (1,174)



# Brands should reflect their consumers

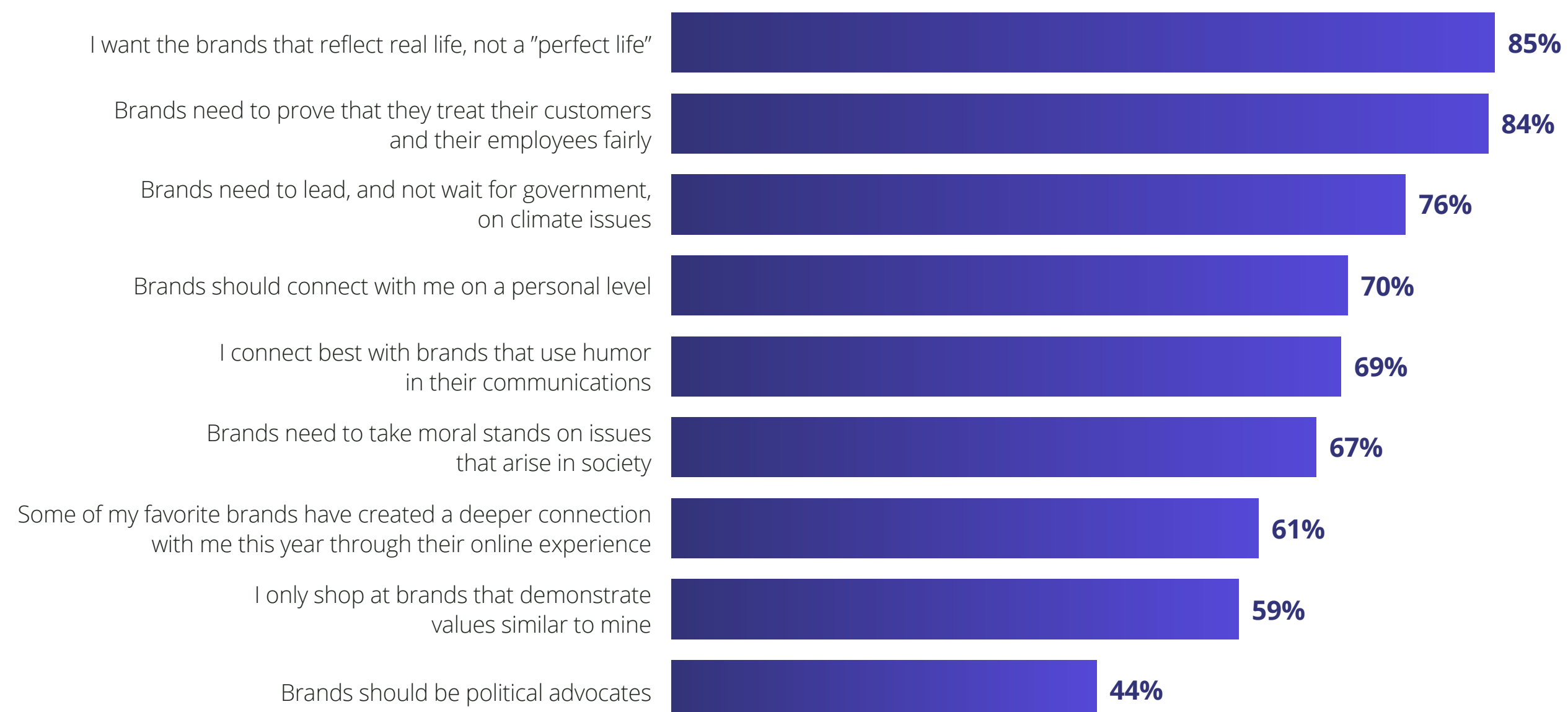
85% of consumers say they want brands to reflect “real life” vs. “perfect life” experiences.

59% say they choose to shop at brands with values that align with their own.

Only 4 in 10 believe that brands should be political advocates.

## Brand leadership

(Do you agree with the following?)



B14 – Do you agree or disagree with the following statements? Base: US consumers (1,174)



# Representing minorities

Minority-owned businesses may be struggling to have their story told – only 1 in 3 consumers say they are seeing more minority-owned products and services – but this is increasing.

Consumers would like to see the inclusion of directories where they can find and support these businesses, as well as offering introductions to the owners on the web.

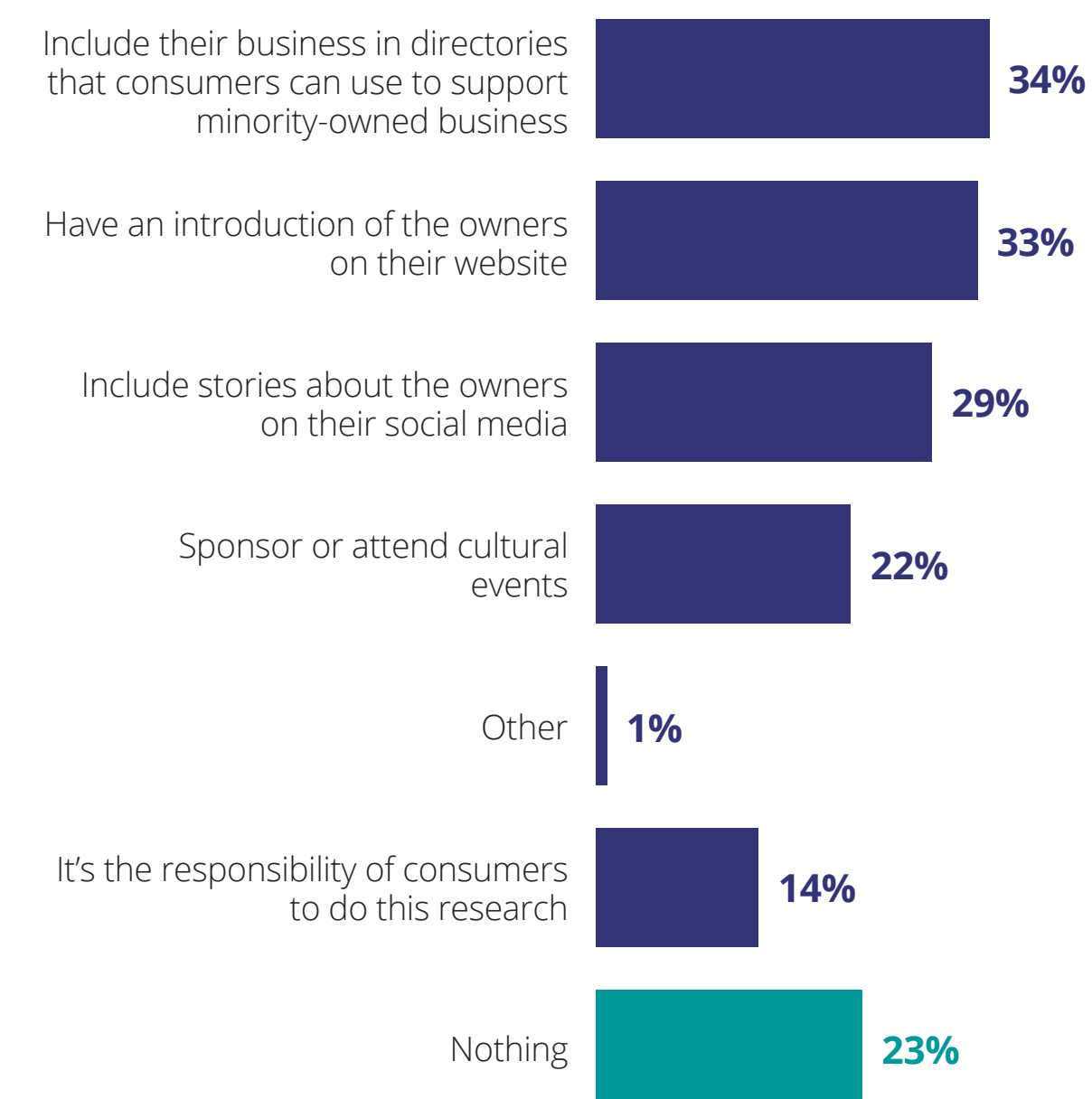
## Importance of minority-owned products/services



## Seeing more minority-owned products and services available



## Improving visibility of minority-owned businesses



E1a – How important is it that retailers offer more minority-owned products and services? Base: US consumers (1,174)

E1b – In 2022, are you seeing more minority-owned products and services available when you shop? Base: US consumers (1,174)

E1c – What, if anything, can a minority-owned business do to help consumers find them? Base: US consumers (1,174)



# 3. Transparency and Communication

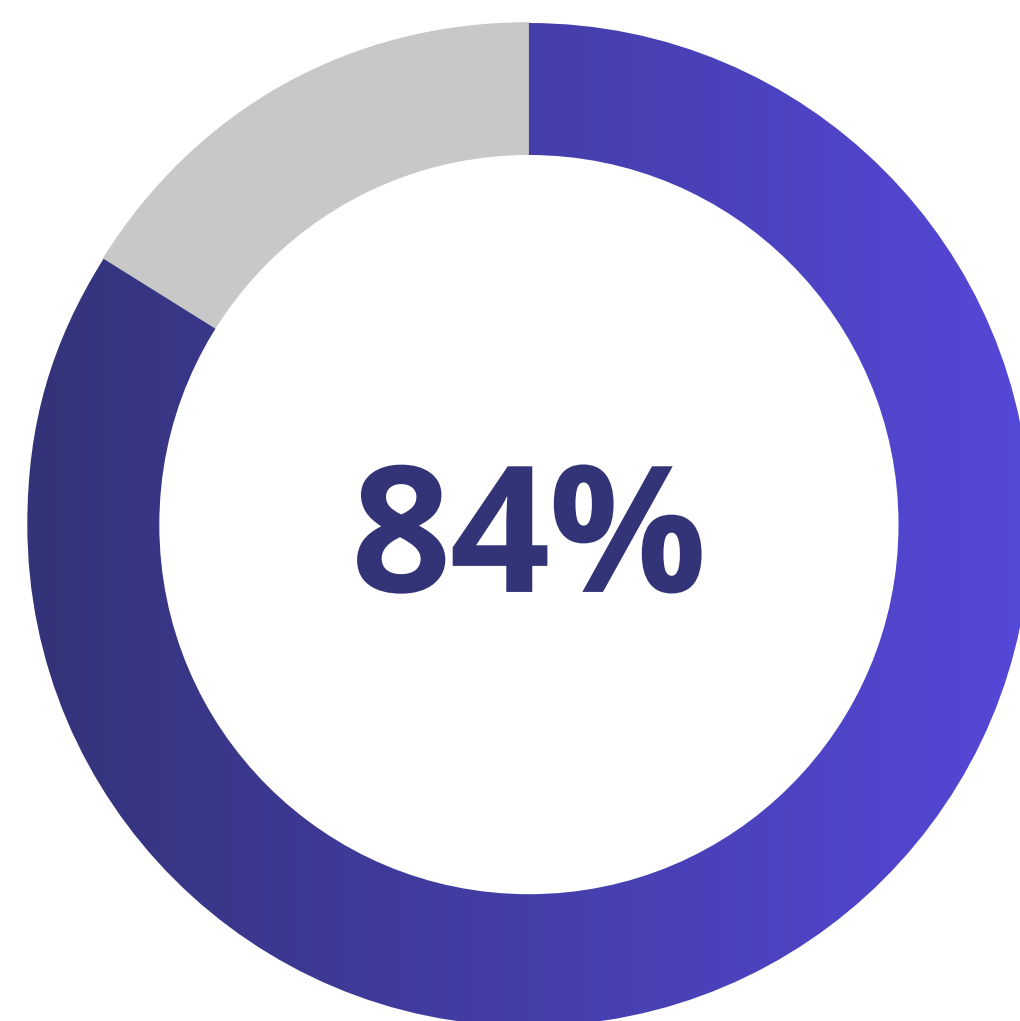
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How can brands communicate price increases, retaining consumer loyalty

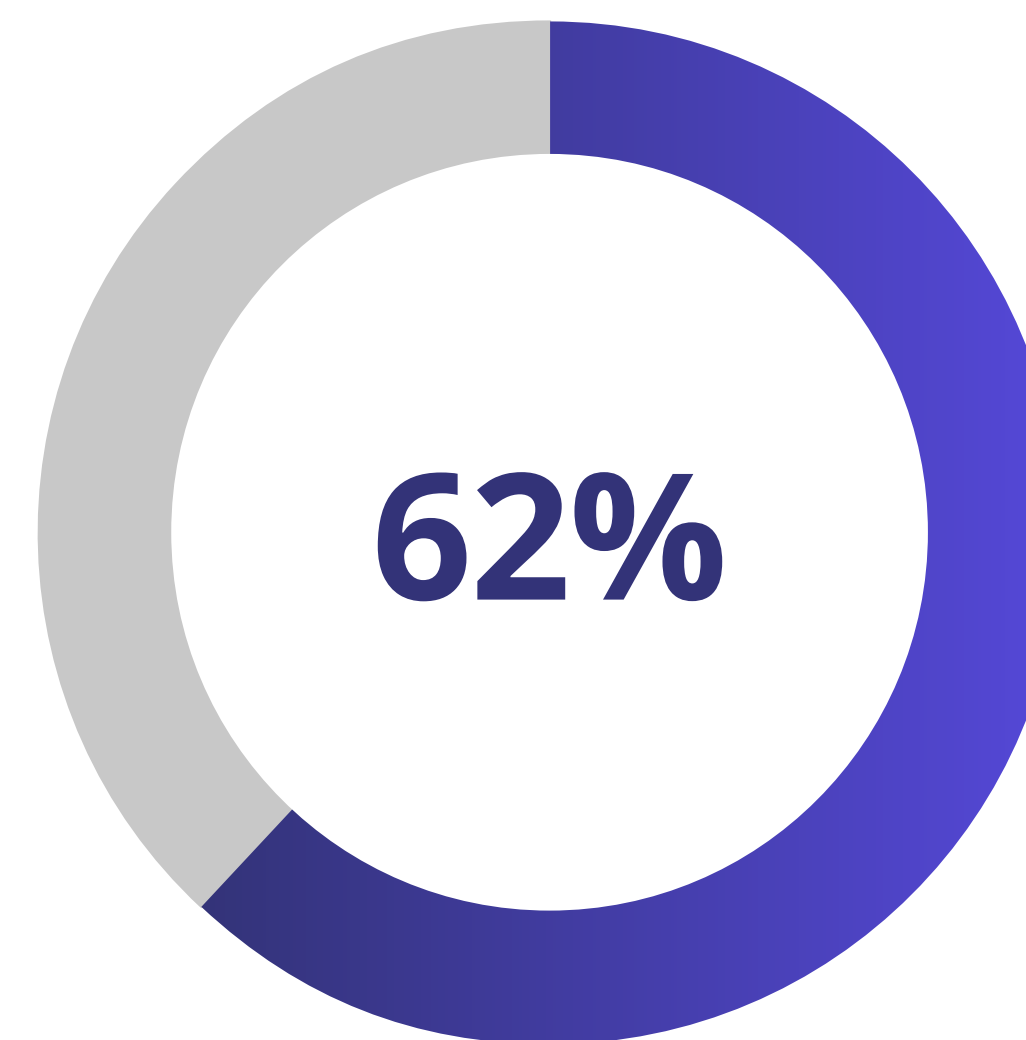


# Fair, transparent employment and business practices are important to consumers

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*believe that brands need to prove they treat their customers and employees fairly*



*would pay more for products and services if they knew the staff was being well paid*

B14 - Do you agree or disagree with the following statements? Base: US consumers (1,174)



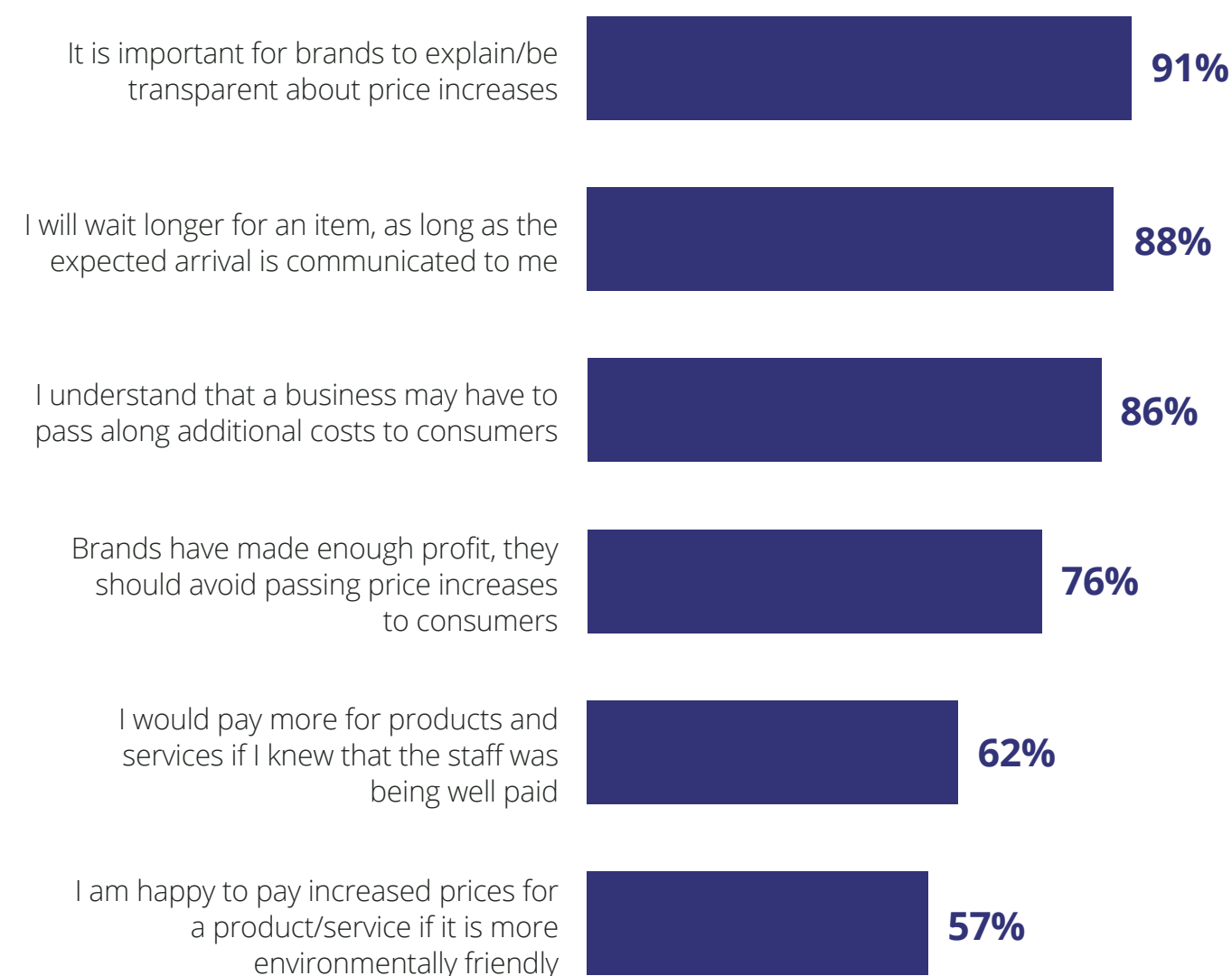
# Transparent communication is highly valued when brands must change prices

Discounts, advance notification, and rewards for loyalty or repeat purchases are a way to stave off the impact of price increases for loyal customers. In fact, 91% shared it is important to explain and be transparent about price increases.

## Making up for price changes



## Price change agreement



B13 – Let's assume that a product you purchase is going to raise its prices based on factors in the general economy. Which, if any, of the following could a company do to make up for the price change? Base: US consumers (1,174)

B14 – Do you agree or disagree with the following statements? Base: US consumers (1,174)

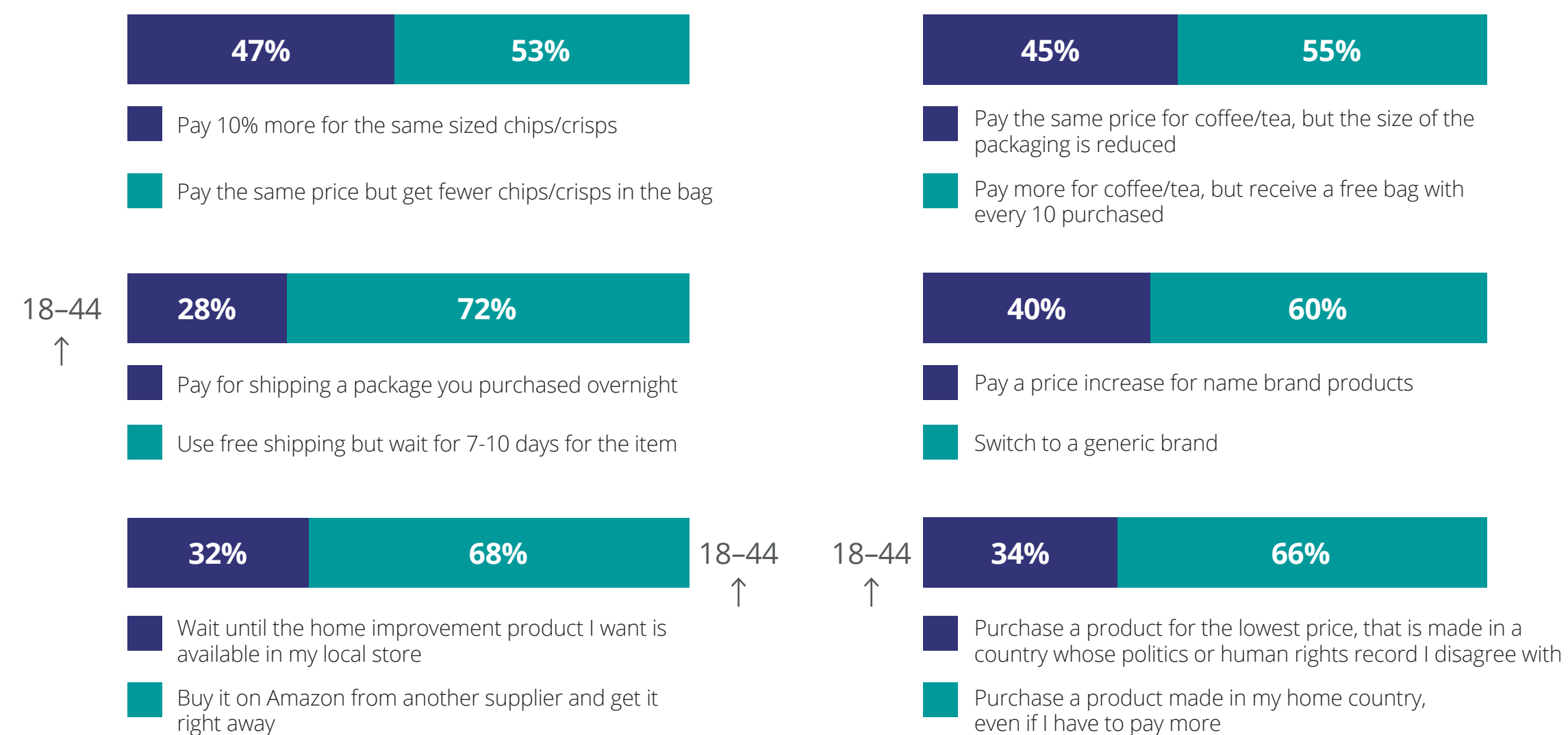


# Consumers are experiencing shrinkflation, might wait for free shipping, unless an alternative is viable

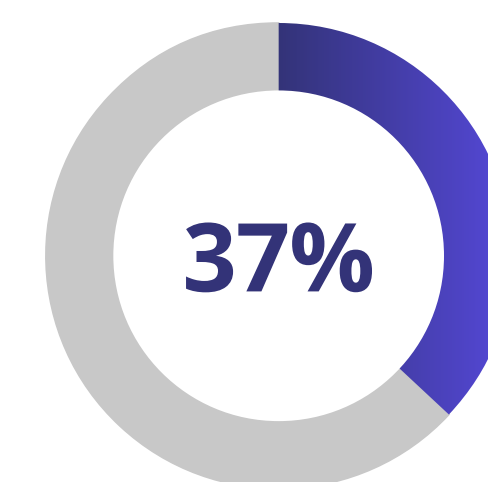
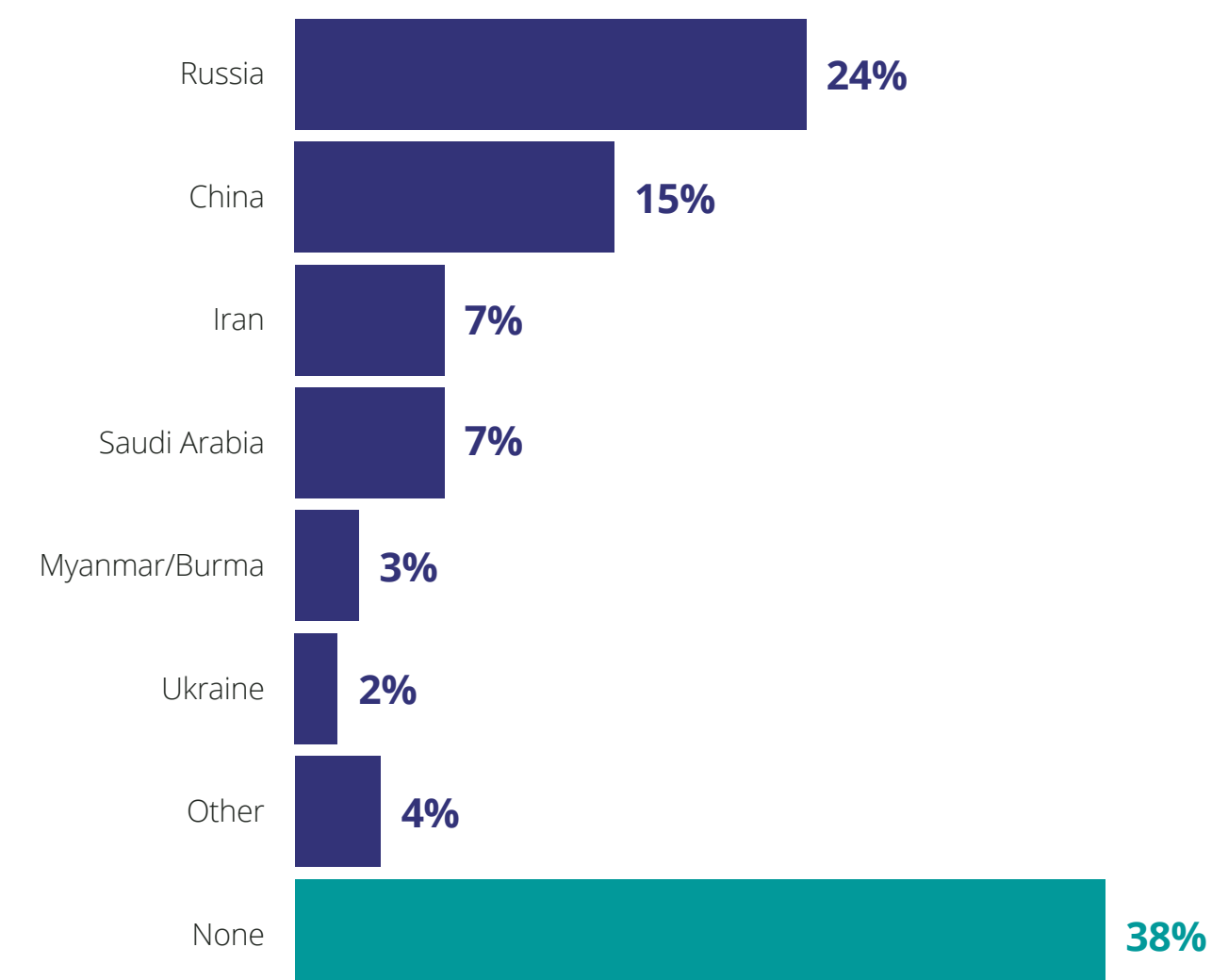
Consumers appear to accept shrinkflation – a reduction in a product’s size while maintaining its retail price. But the majority will seek out less expensive alternatives to higher-priced items (generic items or switching to Amazon).

2 in 3 are avoiding purchases from countries with poor political and human rights practices, commonly Russia and China.

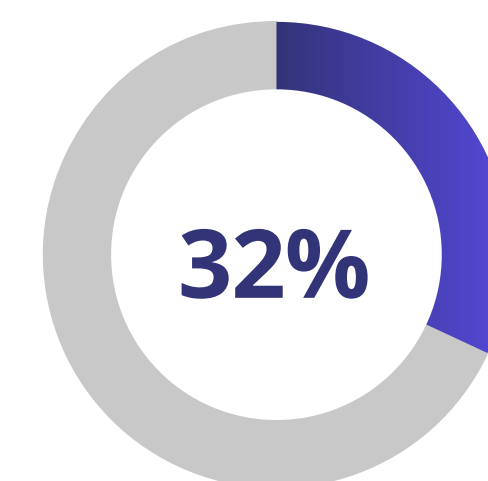
## Would you rather...



## Countries/regions being avoided by consumers



*of respondents have had issues finding the items they want in stock (in store or online)*



*of respondents have noticed the products they buy regularly appearing smaller or having fewer items*

F1 – Which of these would you choose? Base: US consumers (1,174)

F1hb – Which regions or countries are you avoiding purchasing from? Base: US consumers who would purchase a product for the lowest price, that is made in a country whose politics or human rights record [they] disagree with (403)

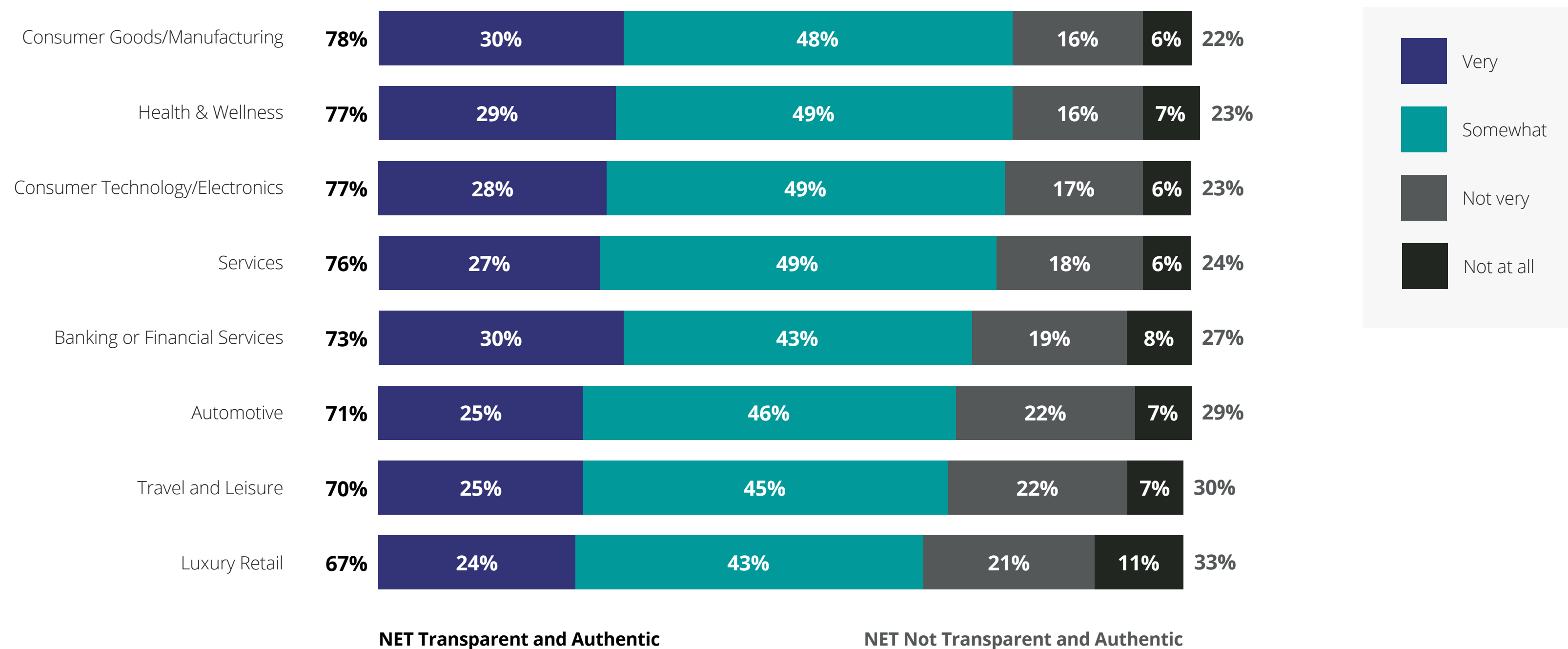


# Most industries receive moderate marks for transparency and authenticity

While Health & Wellness, Consumer Technology, and Consumer Goods receive the highest marks, fewer than 1 in 5 say that these industries are “very transparent and authentic.”

Only 2 in 3 say that luxury retail is transparent and authentic.

## Rating industries as transparent and authentic



B17 - How transparent and authentic are the following industries in their dealing with consumers? Base: US consumers (1,174)

# 4. Brand Loyalty

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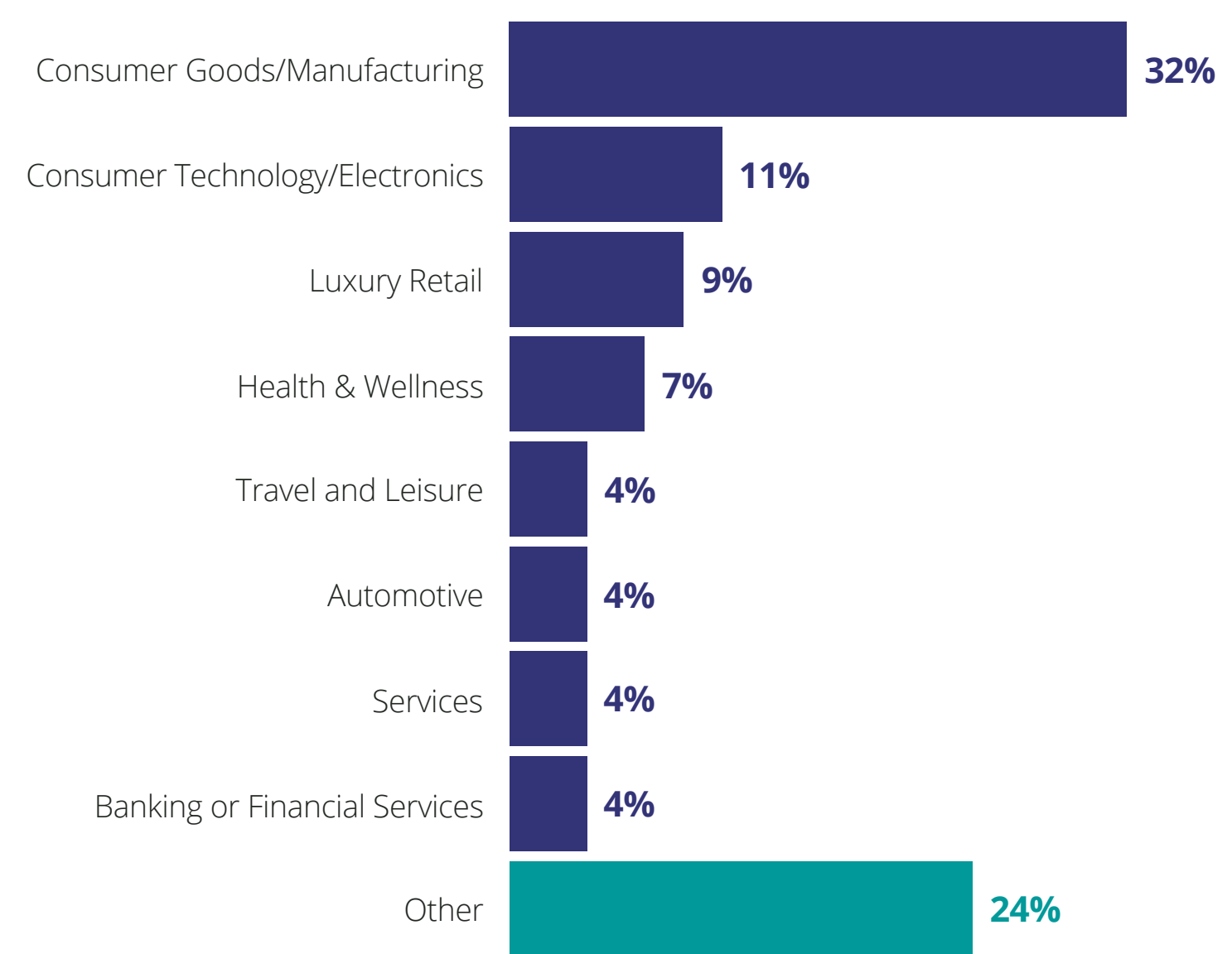
What brands' consumers are loyal to, and the impact that loyalty has on shopping habits



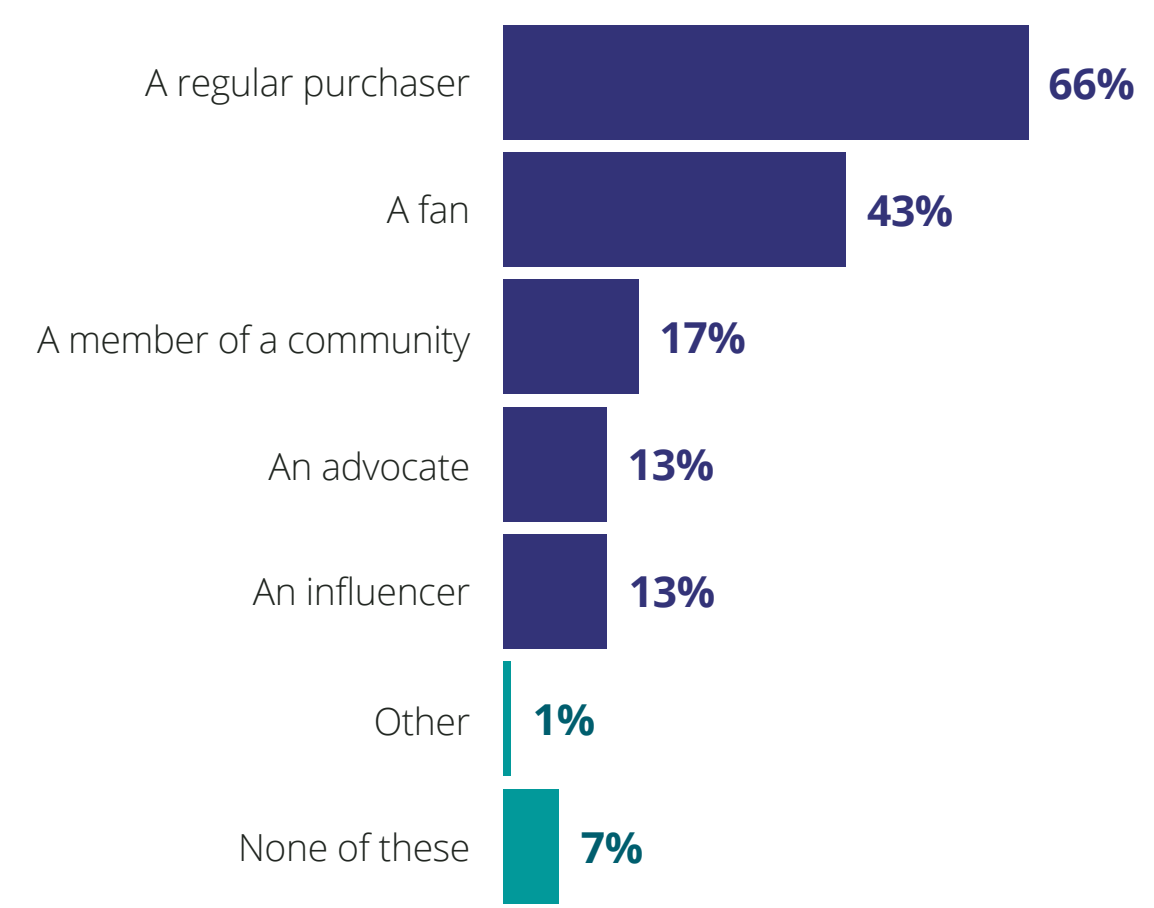
# Consumers are likely to select consumer goods brands as their favorite brand

While consumers have favorite brands, only 4 in 10 describe themselves as a “fan” and only 1 in 10 are advocates or influencers. For all brands there are opportunities to differentiate and capture greater brand mindshare.

## Category of favorite brand



## Relationship with favorite brand



## Favorite brands of US respondents



B9a – What is your favorite brand? Base: US consumers (967 valid responses)  
 B9b – Which category best describes this brand? Base: US consumers (1,174)  
 B11 – Thinking again about [Brand from B9a], which, if any, of these statements describes your relationship with them? Base: US consumers (1,025)

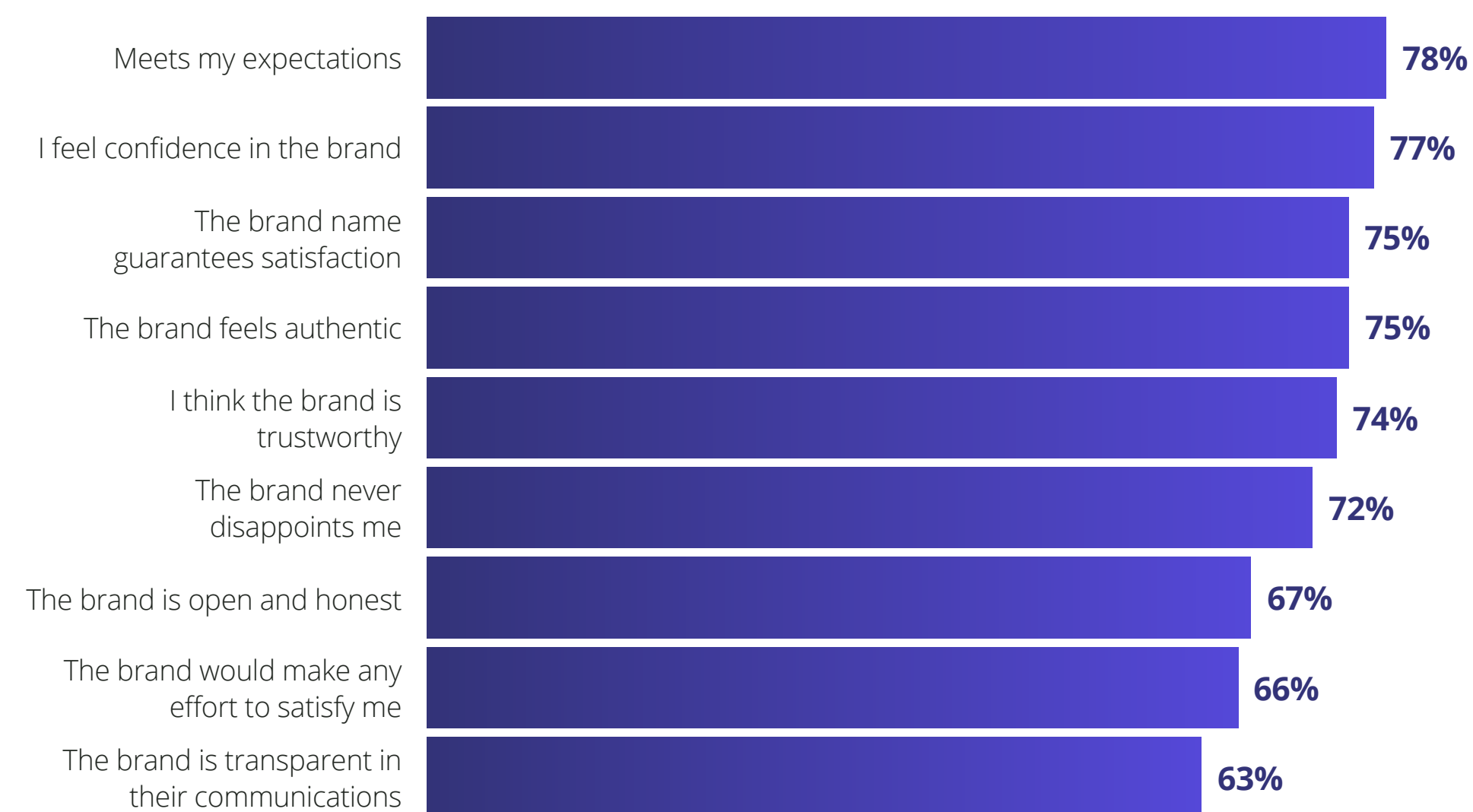
# “Favorite brands” instill consumer confidence, but loyalty is not guaranteed

Consumer Goods, Consumer Technology, and Financial Services engender the most brand loyalty.

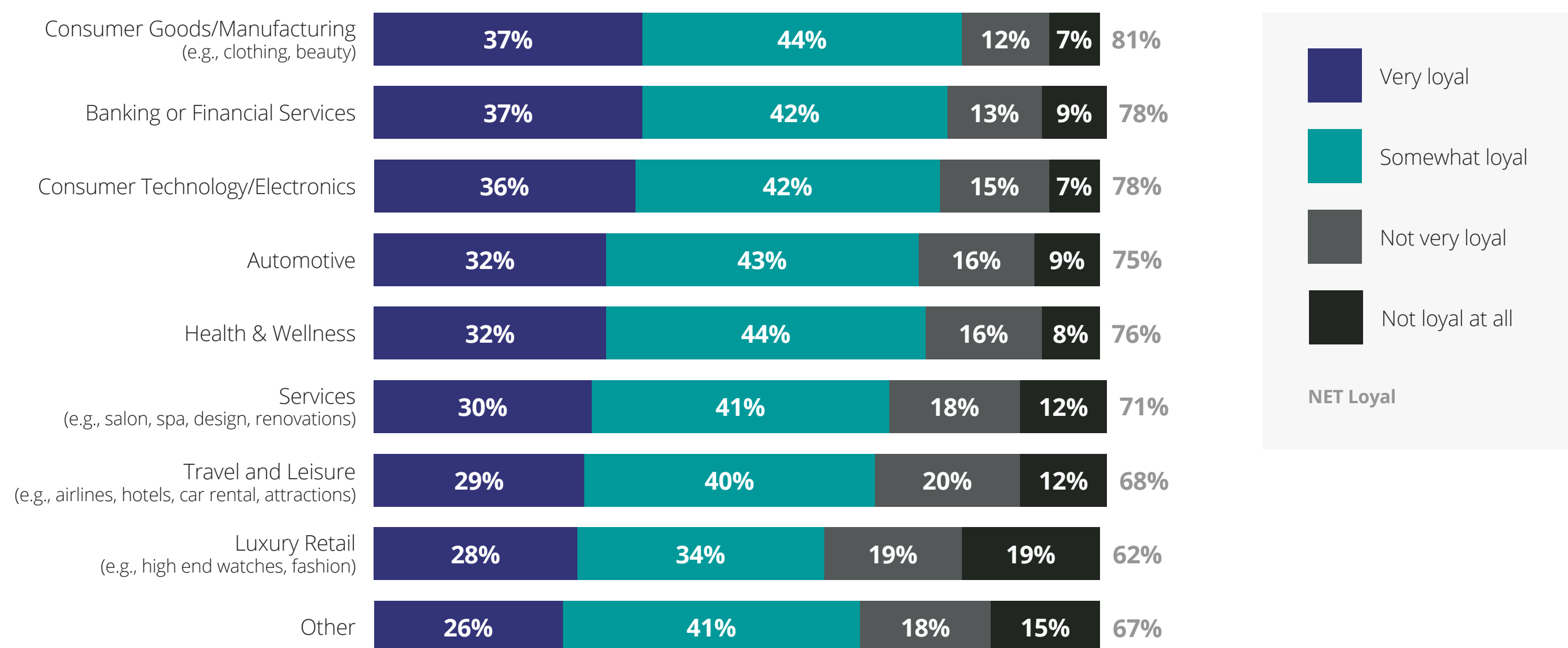
Consumers say they have confidence in their favorite brand – it meets their expectations, guarantees satisfaction, and feels authentic. Six in 10 say their favorite brand is better than other brands at being open and honest, as well as transparent.

## Favorite brand compared to others

(Better than other brands)



## Loyalty to favorite brands



B10 – How would you rate [Brand from B9a] compared to other brands? Base: US consumers (1,025)

B12 – Think of your favorite brand in each of the following categories. How loyal are you to that brand (e.g., will stick with it even if prices rise or supply is sometimes out of stock)? Base: US consumers (1,174)

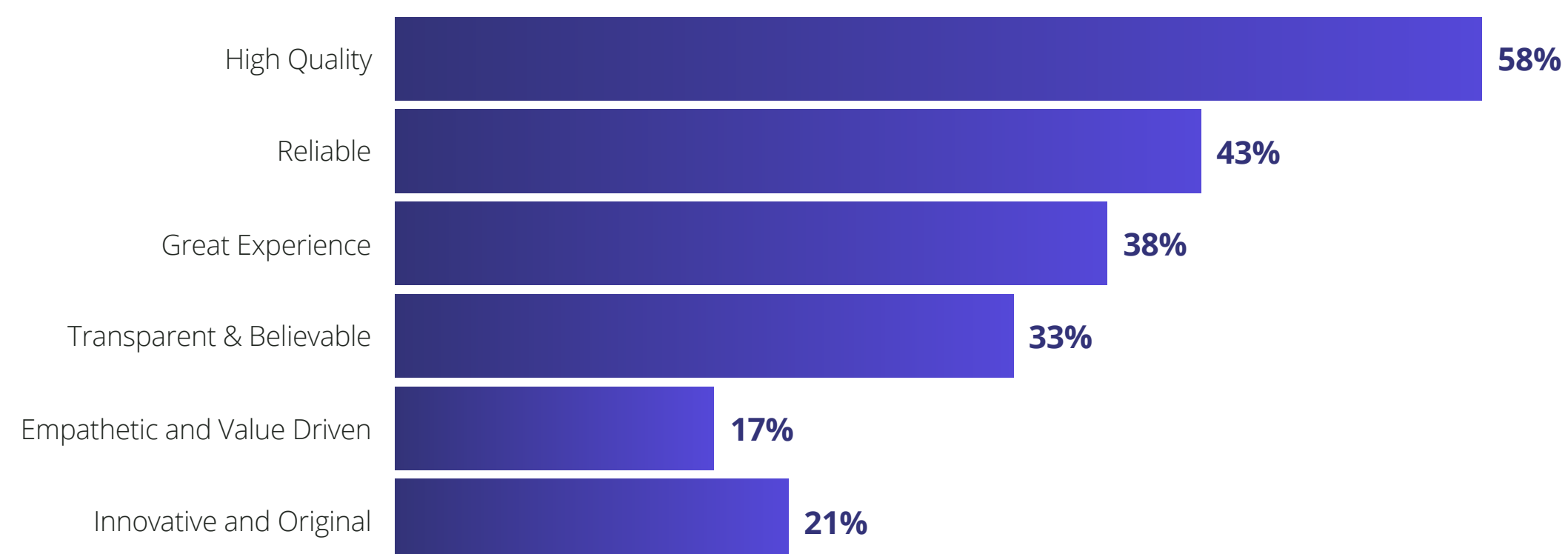


# Quality and reliability are the most important purchase consideration factors, after price

While having a great experience, being transparent and believable rate below quality and reliability...

1 in 3 consumers say that these attributes are more important than price.

## More important than price



B6 – When you think about which brands to purchase from, all else being equal, which of these is most important? Base: US consumers (1,174)

B7 – Which, if any, of these attributes as more important than price? Base: US consumers (1,119)

# 5. Shopping Experience

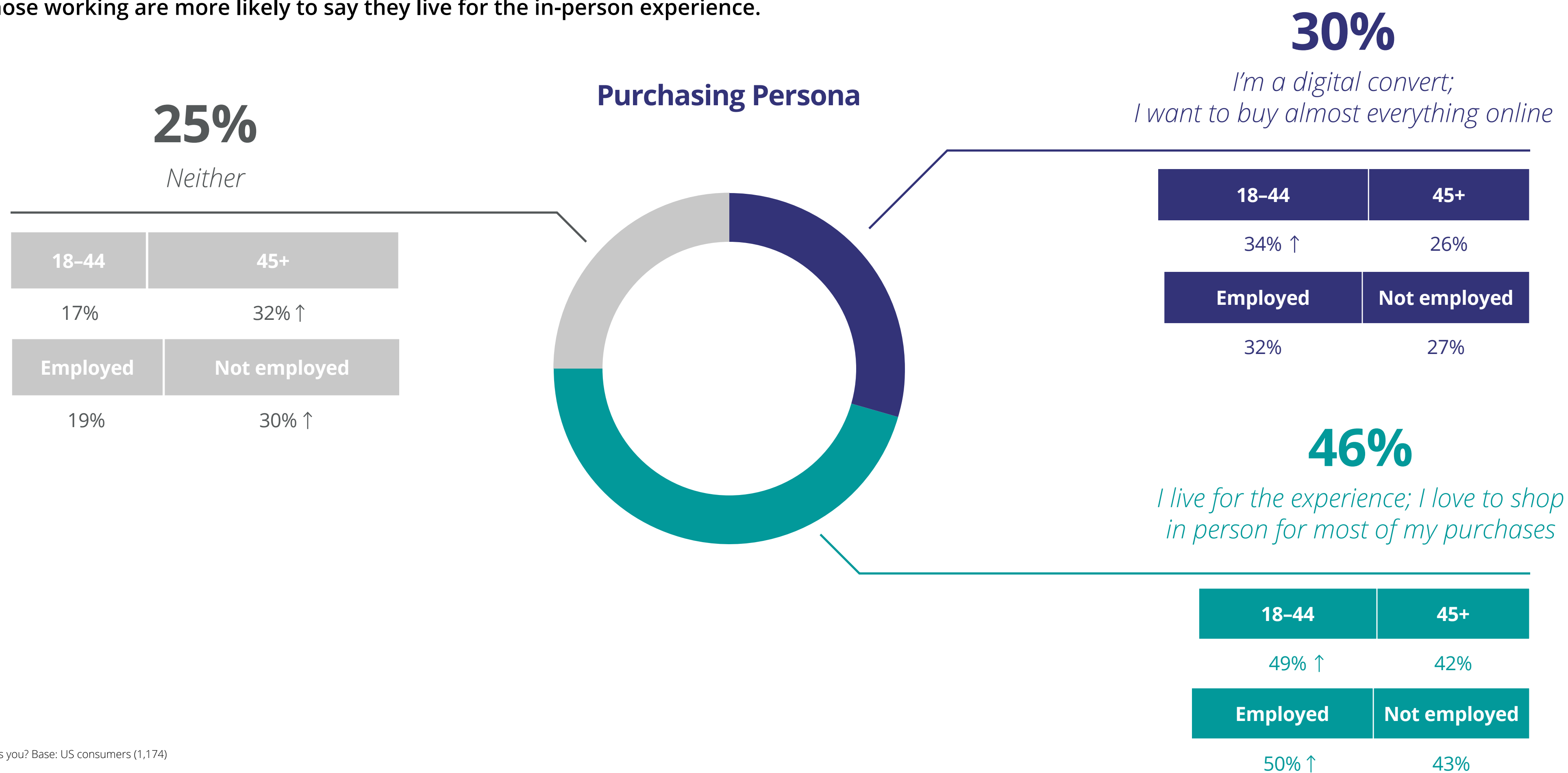
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Changing shopping experiences to meet customer expectations



# In-person experiences are still critical for brands

Younger people and those working are more likely to say they live for the in-person experience.



B16a - Which of these statements best describes you? Base: US consumers (1,174)

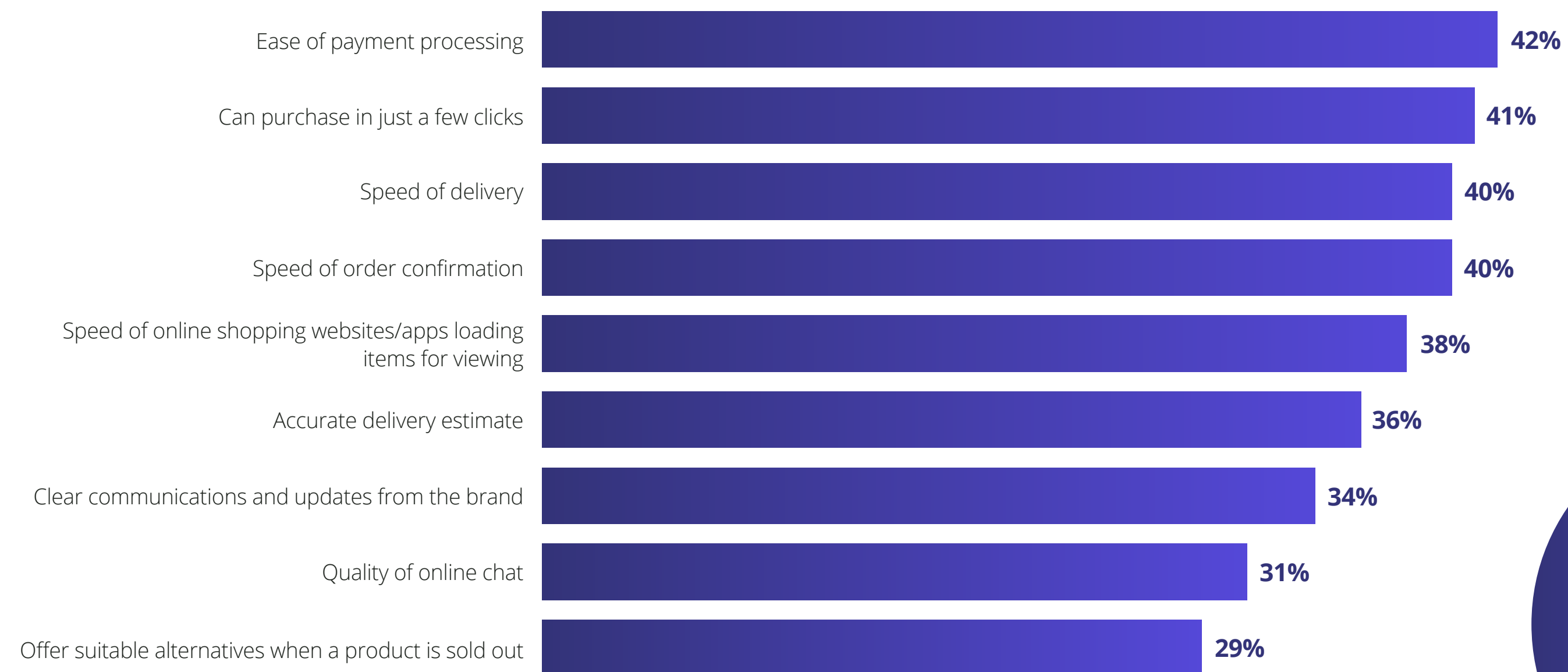
# Online shopping over the previous two years

Payment processing, quick click purchase, and speed of order and delivery are the areas showing the most improvement over the past two years.

In contrast, fewer people see improvement in dealing with out of stocks, or with the quality of online chat, or with clear communication from the brand.

## Has your online shopping experience improved?

(% rated better than two years ago)



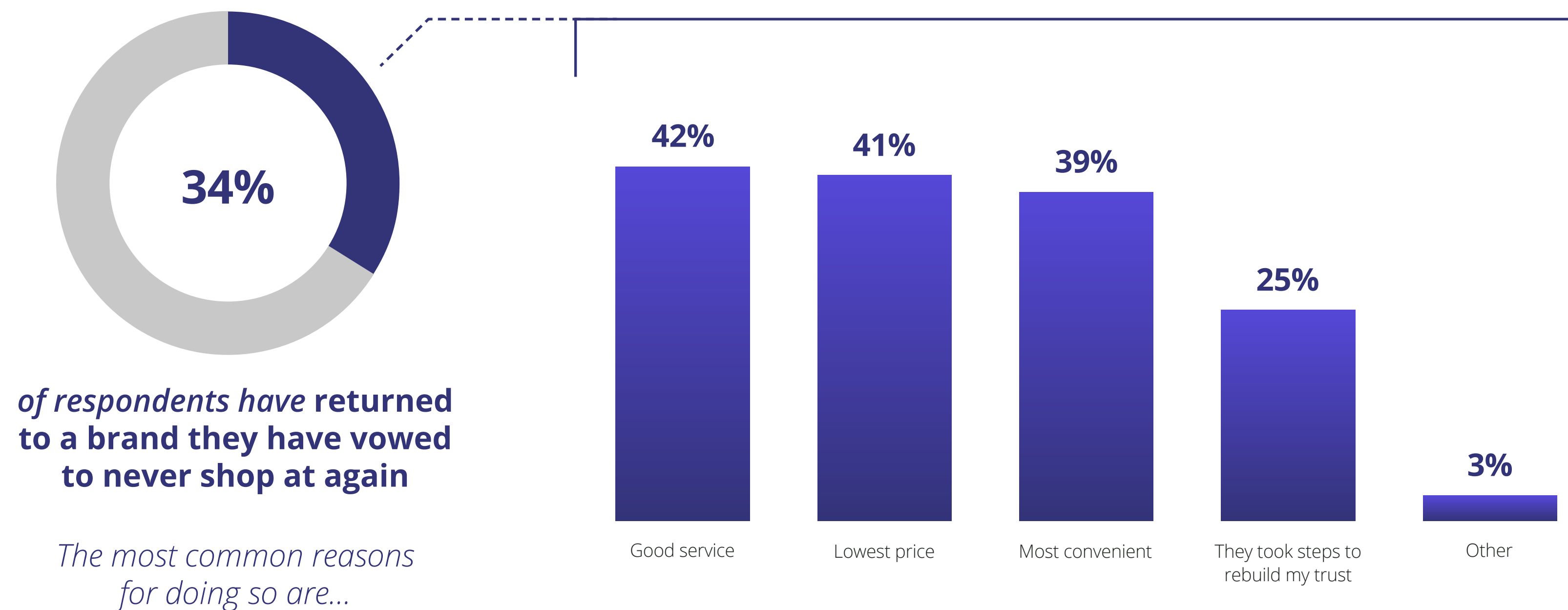
9% of respondents would argue that the quality of online chat has decreased over the past two years

B5 - Thinking about the past two years, how would you rate the following, when you think about your online shopping experiences today? Base: US consumers (1,164-1,173)



# More than 1/3 of consumers have returned after a poor service experience when brands made an effort to connect

For brands willing to invest in service and convenience, while taking steps to rebuild trust, there is an opportunity to win back consumers and strengthen relationships with existing, happy customers.

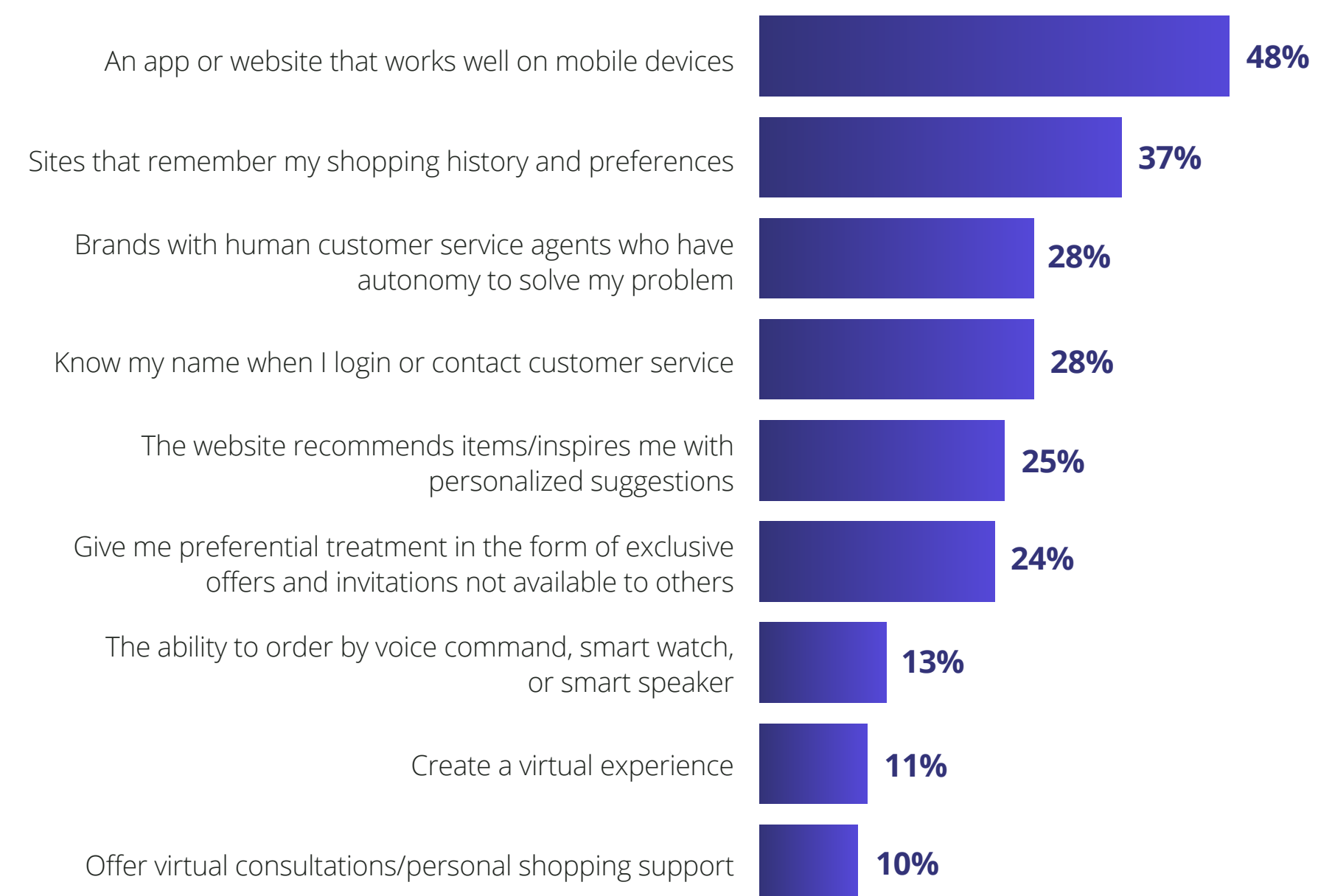


B20 – Have you ever gone back to a brand after you vowed never to shop with them again following a poor experience? Base: US consumers (1,174)  
B21 – What drew you back to that brand? Base: US consumers who have returned to a brand after vowing to never shop there again (405)

# Mobile is becoming a critical online shopping channel

Investing in a seamless shopping experience – from mobile-friendly shopping options to technology that enables personalized experiences – helps build long-term relationships with customers.

## Important actions to improve online shopping experience



B16 – Online brands can take a variety of actions to improve the shopping experience. Which of these are important to you? Base: US consumers (1,174)



# Next steps for brands

So now that you've seen the research and the consumer sentiment around brand trust and authenticity, here are some suggestions for how you can apply this insight to better meet current consumer expectations.

## Do I have an empathetic approach?

It's clear from this research that being perceived as "authentic" is now a key driver for consumers when they shop from your brand – directly impacting how loyal they will be to you in the future. Good experiences are everything, so now is the time to evaluate if you're breaking through the digital noise by showing that you truly understand your customers' wants and needs.

## Is my marketing truly representative of my customers?

While personalization can help with getting the right content to the right people, doing it at scale, with 1:1 messaging for every demographic, isn't always an attainable short-term goal for every brand. So consider employing a slightly higher-level strategy. Maintain a diversified balance that takes into account broader segments of your customer base using your first-party data to inform the choices around imagery and messaging to ensure your brand is authentically inclusive.

## How transparent does my brand need to be?

Based on the report, this is something consumers are actively looking for from their favored brands, especially considering the current times we're in and how prevalent the topic of inflation has become. By effectively communicating why prices are increasing (higher cost of materials, paying employees higher wages, etc.), you ensure consumers are far more likely to stay loyal to your brand.

## Does my brand have to be perfect all the time?

The simple answer is this – mistakes happen. And while many consumers say a bad experience means they're gone forever, many still find their way back to give you another chance. Empowering your customer service people to find solutions, maintaining high product quality, and providing personalized offers can restore a customer's loyalty to your brand.



## About Sitecore

Sitecore is the leading provider of end-to-end digital experience software. Unifying data, content, commerce, and experiences, our SaaS-enabled, composable platform empowers brands like L'Oreal, Microsoft, United Airlines, and PUMA to deliver unforgettable interactions across every touchpoint. Our solution provides the cutting-edge tools brands need to build stronger connections with customers, while creating content efficiencies to stand out as transformation and innovation leaders.

Experience more at [sitecore.com](https://www.sitecore.com).

# Appendix:

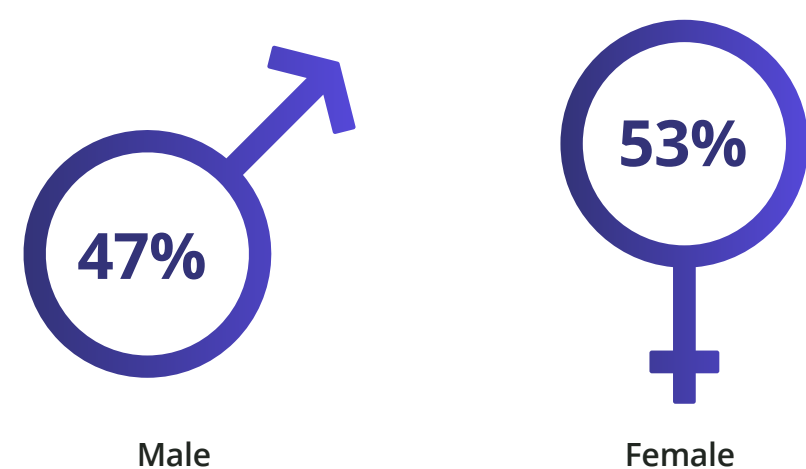
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Consumer profile

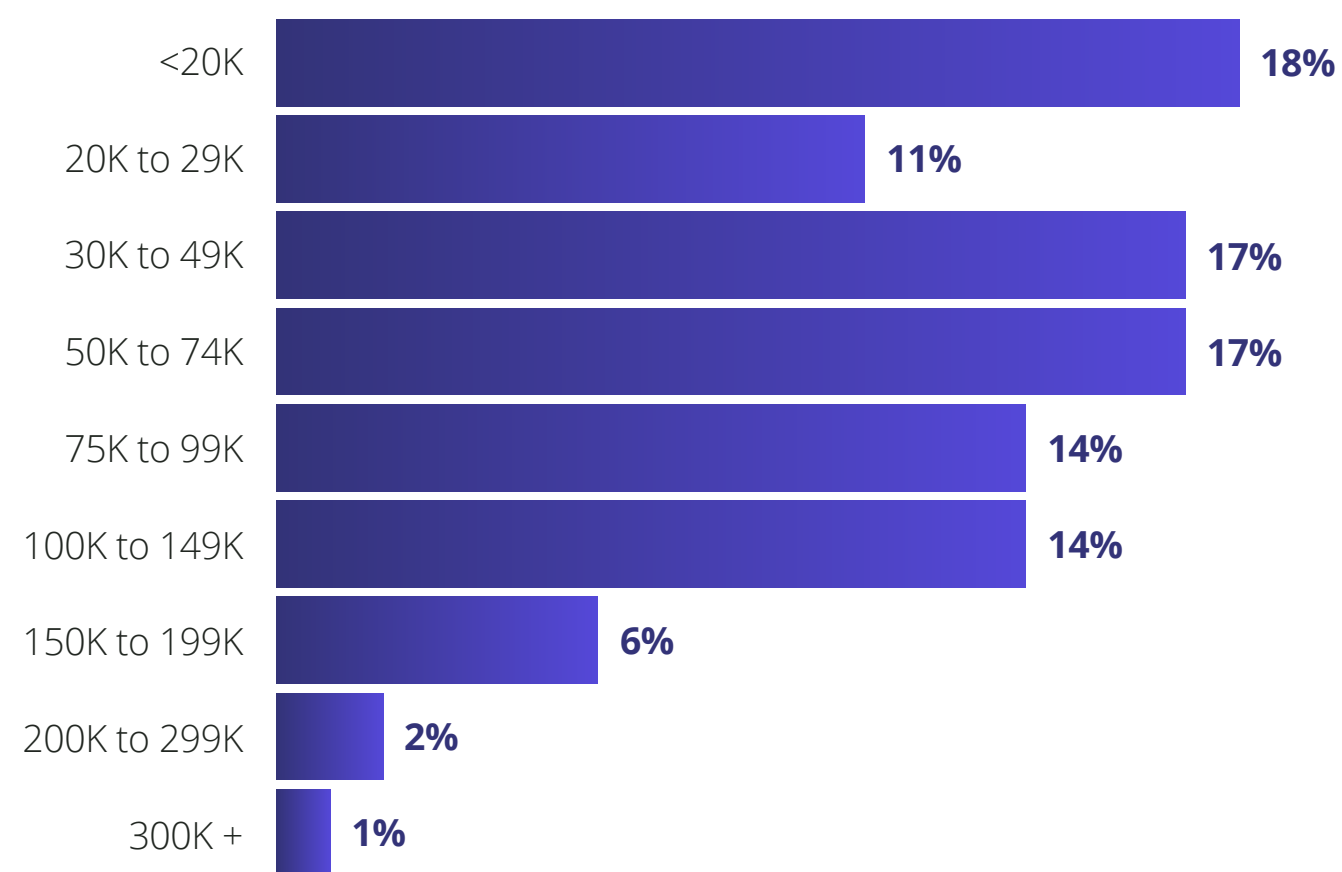


# Demographics

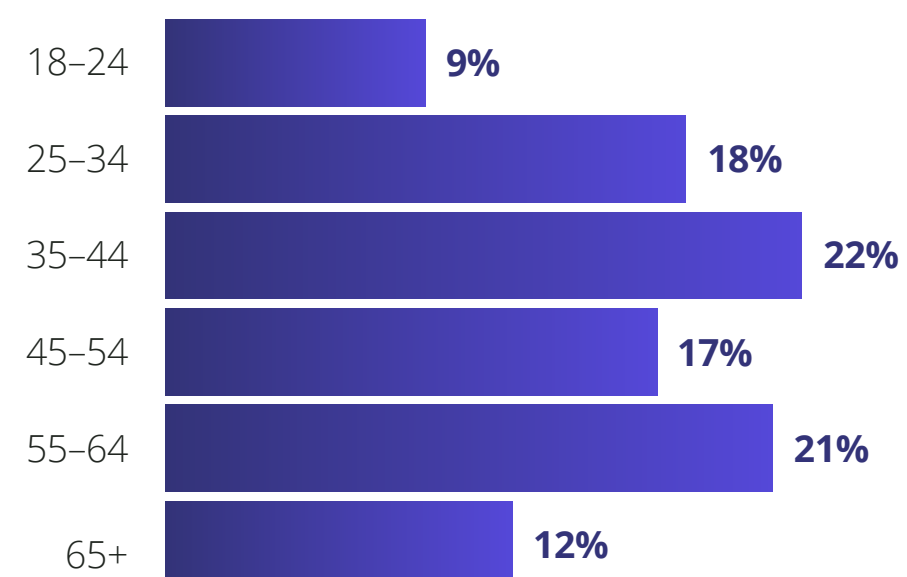
## Gender



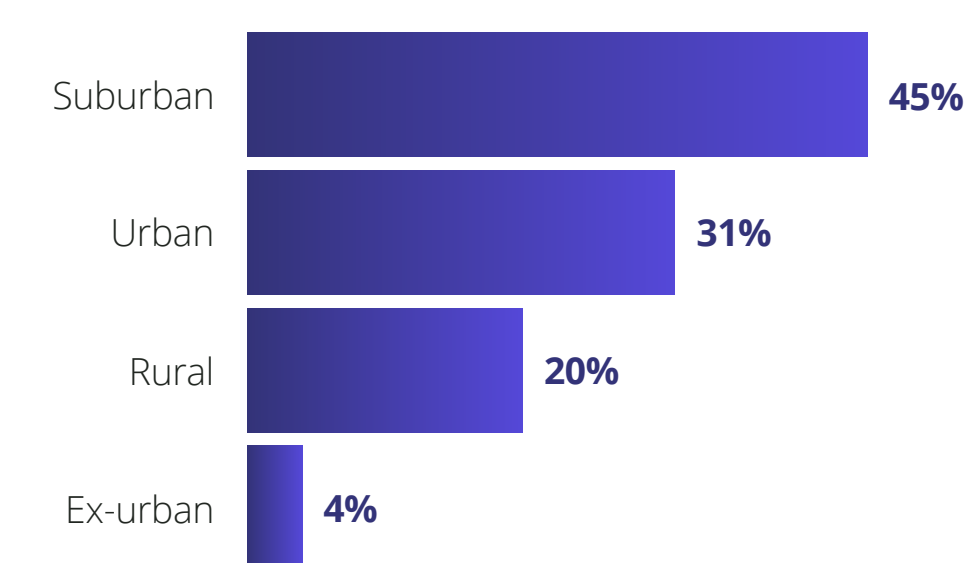
## Annual income



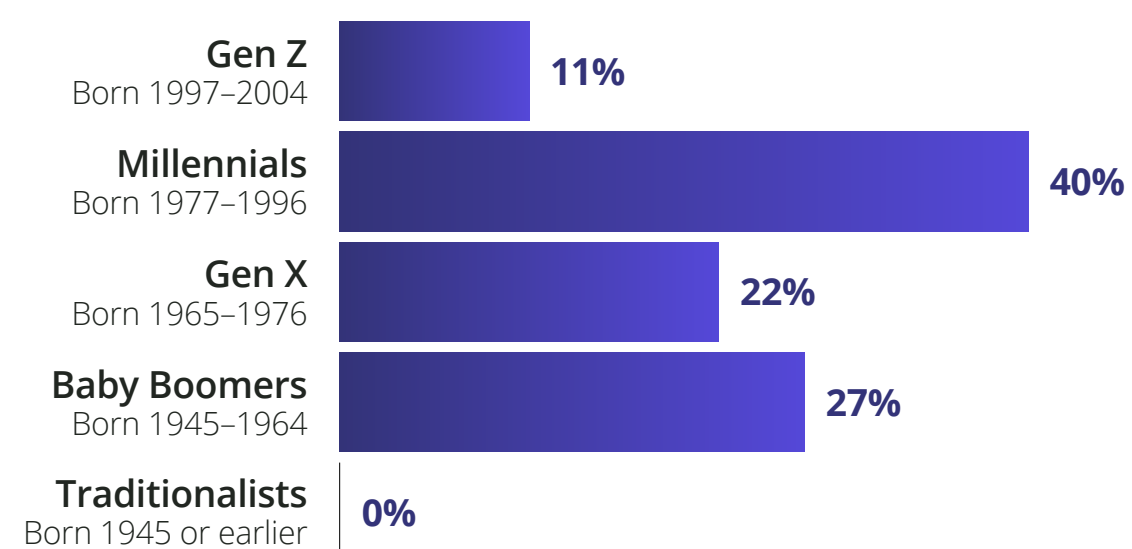
## Age



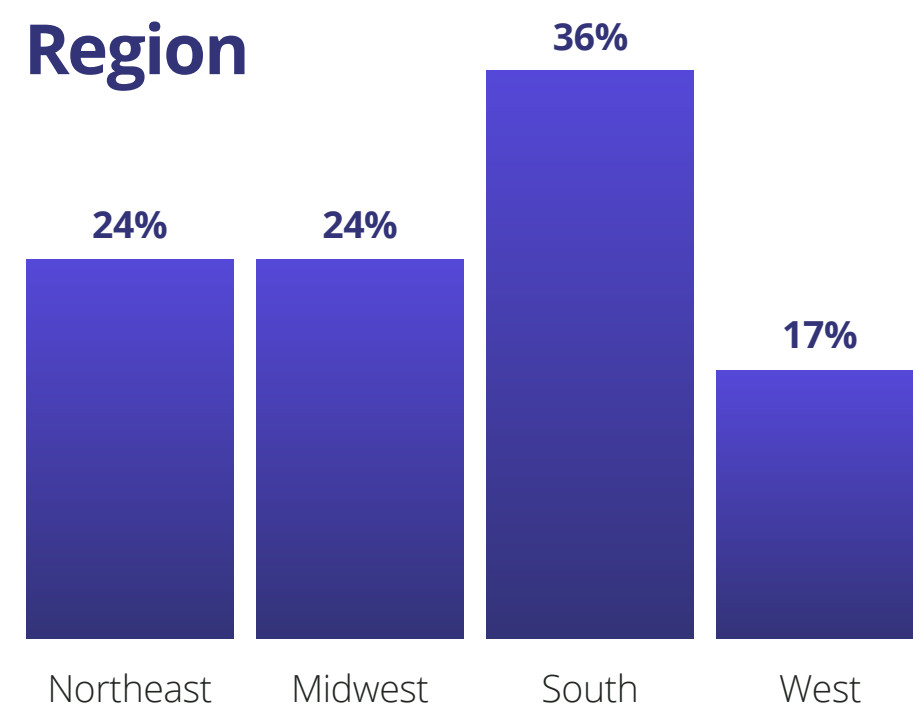
## Neighborhood



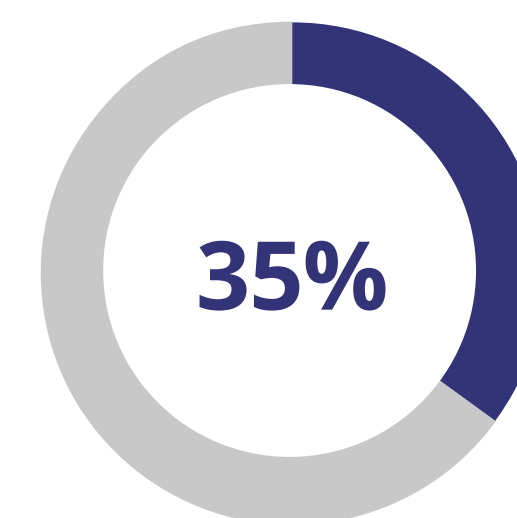
## Generations



## Region



## Children at home



with at least one child at home

S0 (generations\_r, age\_r) – In what year were you born?  
Base: US consumers (1,174)

D3 – What was your total household income in 2022 before taxes?  
Base: US consumers, excludes 'prefer not to say' (1,132)

D5 – How would you describe your neighborhood?  
Base: US consumers, excludes 'prefer not to say' (1,159)

S2 – How do you identify yourself?  
Base: US consumers, excludes 'prefer to self-describe' (1,168)

D4a – Do you have children under the age of 18 living in your home?  
Base: US consumers, excludes 'prefer not to say' (1,156)

D1US (region) – Where specifically do you live?  
Base: US consumers, excludes 'prefer not to say' (1,159)

# Thank you

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