

# One-night stands are not the love brands need

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Consider, for a moment, how many people you have ever had sexual intercourse with. Now compare that figure with the number of people you have been in love with.

Really in love. So in love that you could not live without them or consider being with anyone else. Chances are that the first number is a lot bigger than the second. Most people in their lifetime will make love to many different partners, but it is highly unlikely that they will fall in love more than once or twice.

It is the same way with brands. In our lives as consumers we will buy thousands of different brands. We may even re-buy many of these brands over and over again.

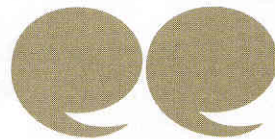
But this does not necessarily mean that we are brand-loyal. Consumers can repurchase a brand because it is the cheapest, because the product or service is deemed to be the best available, or they may remain loyal because of the switching costs associated with changing their preference from one brand to another. These are all reasons for loyalty, but not brand loyalty.

When consumers are brand loyal they love you for being you, and they will very rarely consider any other alternative brand as a replacement. Tony O'Reilly, the former chief executive at Heinz, is a remarkable man. Aside from transforming Heinz under his leadership, he also has a PhD in marketing, a knighthood from the Queen, and even 10 caps for the British Lions.

But his greatest achievement was defining the concept of brand loyalty. O'Reilly used the example of a consumer walking into a supermarket; one of the items on her shopping list is baked beans. There is every brand

of baked beans in the world available in the store except Heinz; she leaves the store without any beans in her shopping bag. That's brand loyalty.

O'Reilly's succinct definition would have proven useful to Nokia chief executive Jorma Ollila last week on announcing that Nokia's first-quarter growth was 19%. While most would



**Nokia is realising that many of its brand-loyal consumers were no such thing**

kill for this sort of growth, in the mobile market, where overall quarterly growth was 29%, Nokia's underperformance shaved 20% off its share price.

Worse still, analysts began to question the pre-eminence of Nokia in the mobile market. It faces competition from brands such as Sony Ericsson and Motorola that are producing superior clamshell phones. Nokia also has to battle rivals including

Samsung, which is teaming up with mobile networks to offer cheaper, equally good handsets.

The result has been a growing realisation in Finland that many of Nokia's brand-loyal consumers were no such thing.

They remained loyal to Nokia because they liked the design of the handsets or because familiarity with the menu system used by Nokia phones proved to be a switching cost.

There is a big difference between repurchase and brand loyalty. To truly understand brand loyalty we must leave the much vaunted, over-hyped brands such as Nokia and Google and study underperforming, unsung brands and their loyal consumers.

We must look to the shopper who drives 20 miles, past alternative stores, to do their weekly shop at Marks & Spencer; the hospital lab that only invests in an essential new lab instrument when Roche starts to manufacture it, rather than buy an existing non-Roche product; or the

Leeds United fans who pay exorbitant prices to watch underperforming player and incompetent management take their club gradually toward relegation and possibly extinction. And who, despite all this, continue to represent some of the biggest attendances in the Premiership. That's brand loyalty.



Mark Ritson is assistant professor of marketing at London Business School

## 30 seconds on... extreme brand loyalty

- Lovers of **The Macallan** have been known to name their children and pets after the single malt whisky and send the company postcards reporting foreign sightings of the brand.
- There are more than 100 **Mini** fan clubs around the world. These groups include Mini Erotica and the Gay Mini Owners Club.
- In 2001, 250 Americans 'married' their **Mazda** cars a ceremony in Pennsylvania
- Die-hard **Apple** customers in the US have been known to have the brand's logo tattooed onto their bodies.
- The **Spam** fan club website (<http://fanclub.spam.com>) displays poems written by customers about their favourite tinned meat.
- **Manolo Blahnik** on the loyalty his shoe brand inspires in women: 'I'm not able to understand all this madness and love.'