



e-Book

Customer lifetime value unlocked:

# The journey from loyalty to advocacy

Data-driven strategies for converting loyalty into brand evangelism





# Introduction

**In the fast-paced world of digital commerce, consumer loyalty isn't just nice to have—it's essential for maximizing Customer Lifetime Value (CLV). But here's the kicker: loyalty isn't something that just happens. It's tough to win and even tougher to keep.**

Grounded in insights from Theorem's comprehensive research report on customer retention throughout the purchase journey, this e-book delves into the complexities of cultivating and maintaining consumer loyalty across demographics and product categories we have identified as the fastest growing categories in commerce and the D2C market. We explore the loyalty journey from awareness to advocacy, leveraging data-driven insights to offer practical strategies for a robust framework for enduring brand loyalty.

**The customer loyalty journey:**  
From awareness to advocacy



Figure 1



Chapter 1

# Building lasting loyalty



Keeping customers hooked:

# Building lasting loyalty

Building brand loyalty requires a sophisticated understanding of each stage of the customer journey. Each touchpoint—awareness, consideration, purchase, and post-purchase—is an opportunity to deepen consumer relationships with your brand and instill deep, enduring 'brand love' in your customer base.

Our comprehensive research explored how different consumer segments navigate this journey, revealing valuable insights into the strategies that resonate most and the factors that impact loyalty. Before we dive into that journey, it's important to start with a fundamental understanding of the elements that impact consumer loyalty.

We'll be sharing a wealth of insights our research uncovered to help brands crack the code to the loyalty puzzle, starting with some of the key drivers that influence consumer buying behaviors and brand loyalty.

## Consumer Loyalty Drivers





# The loyalty equation

It's important to note that there is no one-size-fits-all strategy when it comes to cultivating loyalty. Consumer preferences fluctuate based not only on the demographic, but also on the category of goods. **“Over two-thirds of consumers who buy luxury fashion & accessories expect brands to have sustainable and ethical practices.”** Hence the need to recognize the myriad of factors affecting how consumers get from a simple purchase to loyalty – to the fierce brand love that inspires sustained advocacy.

In addition to the drivers highlighted in **Figure 1**, other factors such as personalization and the customer experience also play a pivotal role in the loyalty equation. For example, **Baby Boomers are 17% more likely to buy from brands who offer great customer service, but at the same time, nearly two-thirds don't want to receive personalized recommendations from brands.** The message is clear – brands must continually adapt and innovate to meet the evolving needs, expectations, and preferences of their customers. Brands must also recognize the distinction between consumer loyalty and brand loyalty, and the unique role each plays in the broader strategy of maximizing customer relationships and CLV.





# Consumer loyalty vs. brand loyalty

Consumer loyalty may bring people through the door with enticing offers. But brand loyalty keeps them coming back because they believe in your brand. That's why balancing consumer and brand loyalty is crucial. Short-term promotions and discounts will drive immediate sales, but the real gold lies in building deep, long lasting relationships. When customers trust your brand and feel connected to it, they're not just buyers—they become advocates.

The next piece of the puzzle in the quest for enduring brand loyalty, is to dive into the customer journey from initial awareness to sustained advocacy. But to lay the foundation for an effective loyalty strategy, it's important to gain a holistic view of each demographic's characteristics in the consumer landscape.

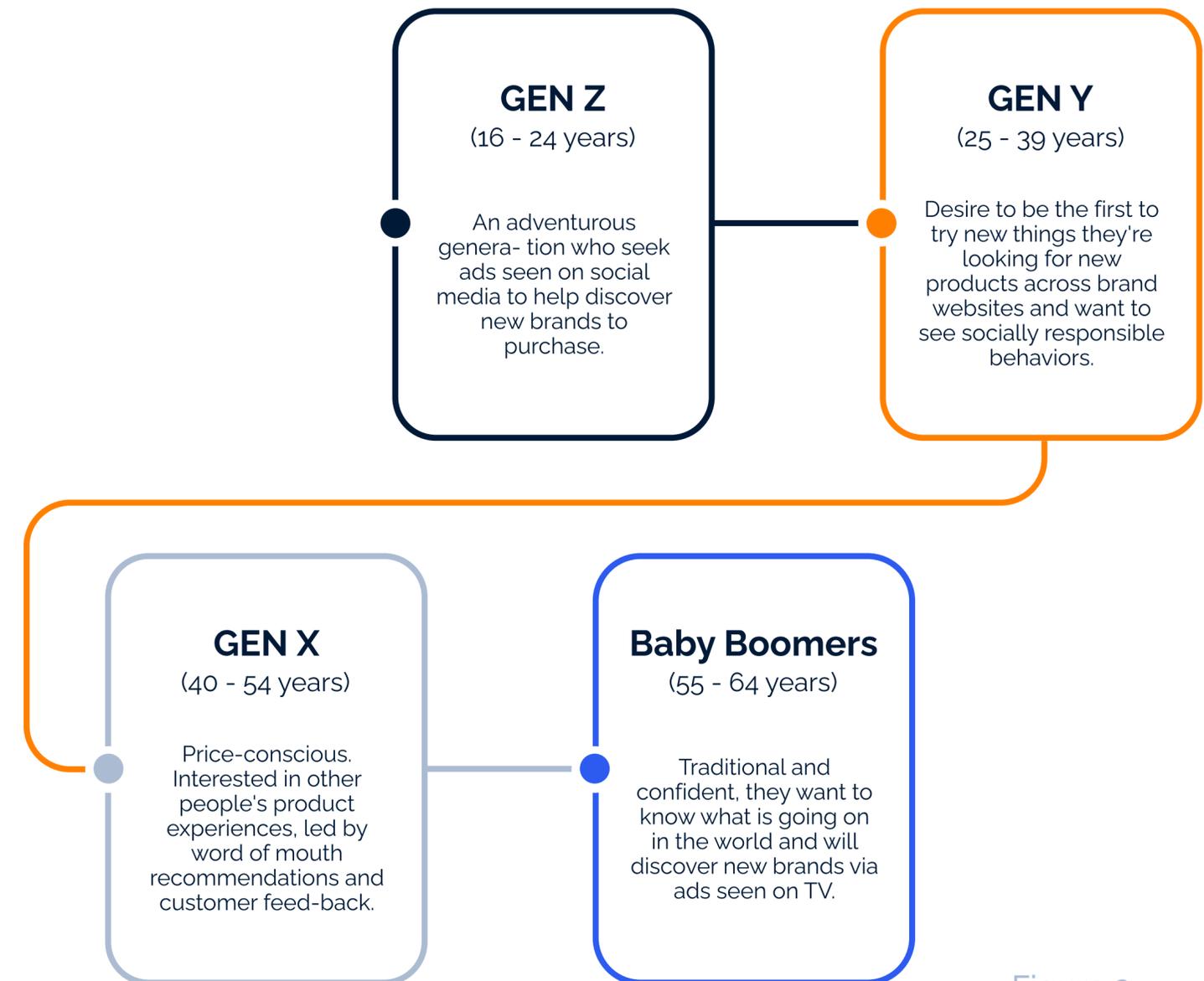


Figure 2



## Chapter 2

# The journey from awareness to advocacy

Which brings us to the first step in  
the customer journey – awareness.



Capturing attention:

# How consumers find your brand

Consumers utilize a variety of channels to discover new products, reflecting a blend of traditional and digital methods.

But our research also uncovered demographic specific behaviors surrounding awareness that brands should be aware of to effectively reaches each segment.

For instance, **Gen Z**, the most digitally savvy generation, are **75%** more likely to discover products via influencer marketing on social media, while Gen Y are most likely to research products online and read product reviews. But in-store displays surpass all channels across age groups, with **Baby Boomers 10%** more likely to become aware of new products via an in-store experience.

Notably, the channel which served as a primary medium for consumers to learn about new products in the pre-digital era – the retailer catalogue, is now used the least for product discovery, highlighting the shift to digital mediums across the spectrum.

Brand discovery channels for all age groups

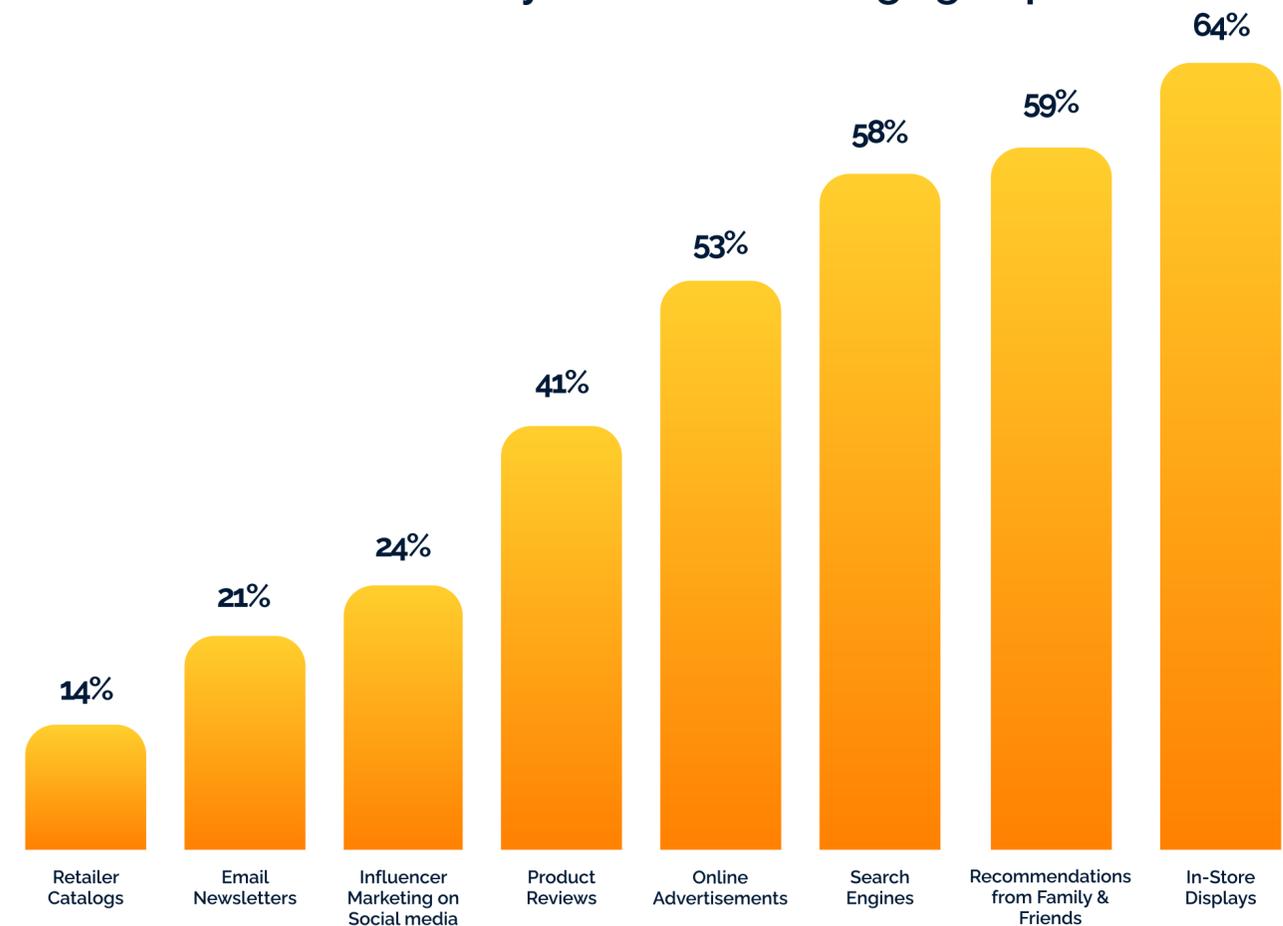


Figure 3



**Understanding the channels consumers use to become aware of new products is just the beginning. Once a brand captures their attention, the next critical phase in the customer journey is consideration, where potential customers evaluate their options, compare different brands, and decide which one aligns best with their needs and values.**





## Brand consideration:

# Meeting consumer expectations

More than just knowing how and why consumers choose your brand, it's critical to be crystal clear on what consumers expect from brands in order to tailor and optimize your marketing strategies. Our report highlighted that, while there are some expectations that apply to all demographics, such as high-quality materials in the manufacturing process, different age groups prioritize very different things in terms of what they want from brands.

Brand discovery channels for all age groups

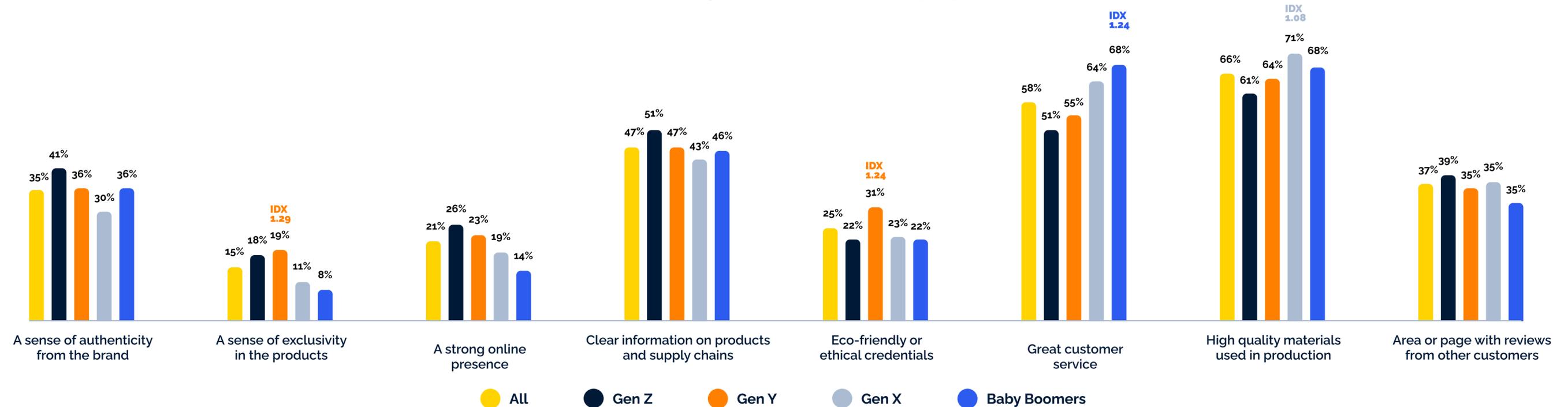


Figure 4



Brand consideration:

# Meeting consumer expectations

One example of these diverse expectations centers around personalized recommendations. In contrast to the two-thirds of Baby Boomers referenced previously who don't want to receive personalized product recommendations (*and by the way – are averse to brands using their browsing history to make such recommendations*), more than half of Gen Z and Gen X actually want brands to do exactly that.

Interestingly, all age groups have less of a problem with recommendations based on past purchases vs those based on their browsing history. **"In fact, 70% of Gen Z and 64% of Gen Y like it when brands remember their past purchases and suggest similar products"**. However, recommendations based on a customer's browsing history and / or location appear to be a step too far for all demographics, indicating an overall discomfort with brands being overly intrusive in tracking personal information.

Exploring how consumers discover new products and choose your brand are steps in the right direction for winning consumer hearts and minds. But the journey doesn't end there. The next phase, the purchase stage, is where brands need to tune into the shopping habits, preferences and factors that trigger actual purchases.





# Decoding consumer shopping preferences

Consumers have more options than ever before when it comes to how they shop. And like all stages of the customer purchase journey, preferences vary across age groups here as well. Still, our report highlighted some statements regarding online shopping that consumers across age groups are closely aligned on.

## Cross-Generational Insights

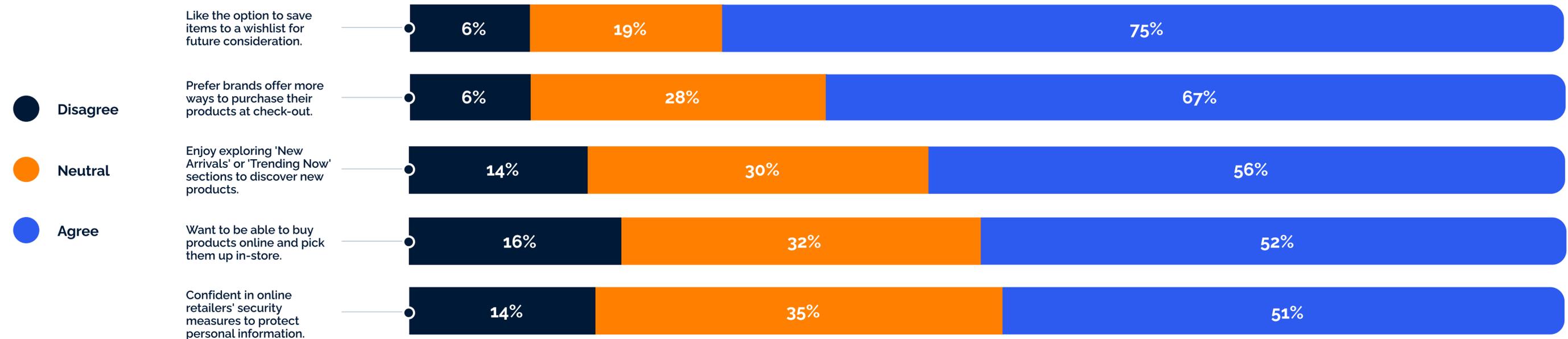


Figure 5



Behind the screen or on the scene:

# How consumers prefer to shop

The deviations in shopping preferences by demographic start to become more evident when our survey participants were asked specifically about their preferences regarding shopping in-store vs shopping online and via social media channels.

Overall, shoppers seem to have a slight preference for in-store shopping. Although, broken out by age groups, the numbers are much more revealing, with **70% of Baby Boomers** preferring the hands-on experience of shopping in-store. Among other generations, the preference for online vs in-store shopping is about 50/50. When asked about their preference for shopping in-store over online, **78% of Gen X and 85% of Baby Boomers** expressed a desire to see and touch the products before purchasing, and close to two-thirds of in-store shoppers across demographics pointed to the appeal of instant gratification from taking a purchase home immediately.

However, even though in-store shopping takes the lead when it comes to consumer shopping preferences, there's no denying the power of global e-commerce. According to leading e-commerce platform Shopify, online sales are forecasted to hit **\$6.3 trillion worldwide in 2024**. That definitely warrants a deep dive into the 'why' factor of shopping online or through social media.





Clicking with consumers:

# The online shopping appeal.

Convenience, flexibility, customer experience. Not surprising and not difficult to understand. And according to our research, consumers who prefer to shop online are looking for all of the above and then some.

**Convenience is King:** Approximately three in four online shoppers choose to shop online for the convenience that allows them to shop where they want, when they want. Two-thirds of shoppers love how easy it is to find the best prices for products they're shopping for online and almost half say convenience is a key driver for social media shopping.

**The Flexibility Factor:** Our report also revealed that two in three shoppers believe brands should offer multiple ways to make a purchase online. Methods like – 'buy now pay later,' add a layer of convenience and freedom for consumers to buy and pay their way. Plus – **more than 50% of shoppers want to buy online but pick up their purchase in the store.** Flexible options like this enable consumers to flexibly mix and match their methods of buying to suit their individual lifestyle.



Figure 6



Clicking with consumers:

# The online shopping appeal.

**An Elevated Experience:** To the majority of shoppers, an online wish list is more than just wishful thinking. It's a part of their overall customer experience and a reminder of a product they intended to buy. **75% of all shoppers surveyed in our research use online wish lists to track items they aren't prepared to buy immediately, increasing their chances** of purchasing it later.



Use online wish lists, increasing their chances of buying it later.

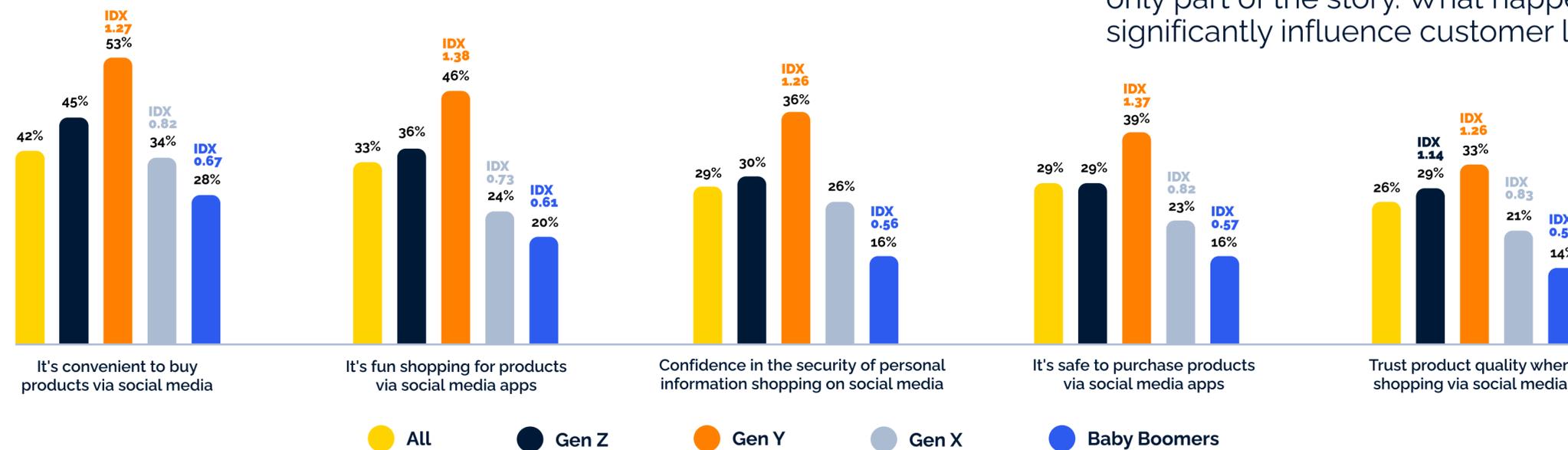


Figure 7

The customer experience also factors into social media shopping. One in three shoppers in our survey enjoy social media shopping because it's a 'fun way to shop.'

It's important to note, however, that perceptions about shopping via social media do fluctuate by age group with Gen Z and Gen Y having much more enthusiasm for it than older generations. The chart below offers demographic specific insights from our research about how consumers feel about shopping via social media.

Analyzing consumer shopping preferences online or in-store, is a key component to developing marketing strategies that resonate across different demographics and inspire brand love. Yet, capturing a sale is only part of the story. What happens after the purchase can also significantly influence customer loyalty.

Sealing the deal:

# The power of post-purchase

Perhaps it's the nebulous nature of clicking, ordering, and paying for something online that heightens the demand for an exceptional experience post-purchase. But nurturing customers after the sale is not only critical for transforming loyal patrons into brand advocates, it has the potential to boost your brand's exposure and credibility in a myriad of ways. It's also the direct precursor to the 'satisfaction' phase of the customer lifecycle. Which is why exceeding consumer expectations here is practically non-negotiable.

So, what do consumers expect after the sale? Not surprisingly, our research found that transparency and regular communication around shipping, order confirmation, delivery delays, etc., are not just 'nice to haves', they're 'must-haves' when it comes to customer satisfaction. And although there are some variations across different product categories, these post-purchase expectations apply to all age groups.

Which brings us to another defining factor that impacts consumer loyalty – different product categories. Consumer preferences and loyalty behaviors are not just dictated by age group. Individual product categories also play a part in the loyalty equation.





Categories matter:

# Loyalty insights across categories

Fully grasping how different product categories impact loyalty starts with an understanding what consumers are actually buying and what factors move the needle from the consideration stage to purchase. After exploring consumer buying trends in seven different product categories: Apparel, accessories and jewelry, personal care, beauty & skincare, health & wellness, fragrances, and luxury fashion & accessories, our research revealed that consumers are more likely to purchase products that are part of their everyday life.





Category interest:

# Consumer likelihood to purchase across categories

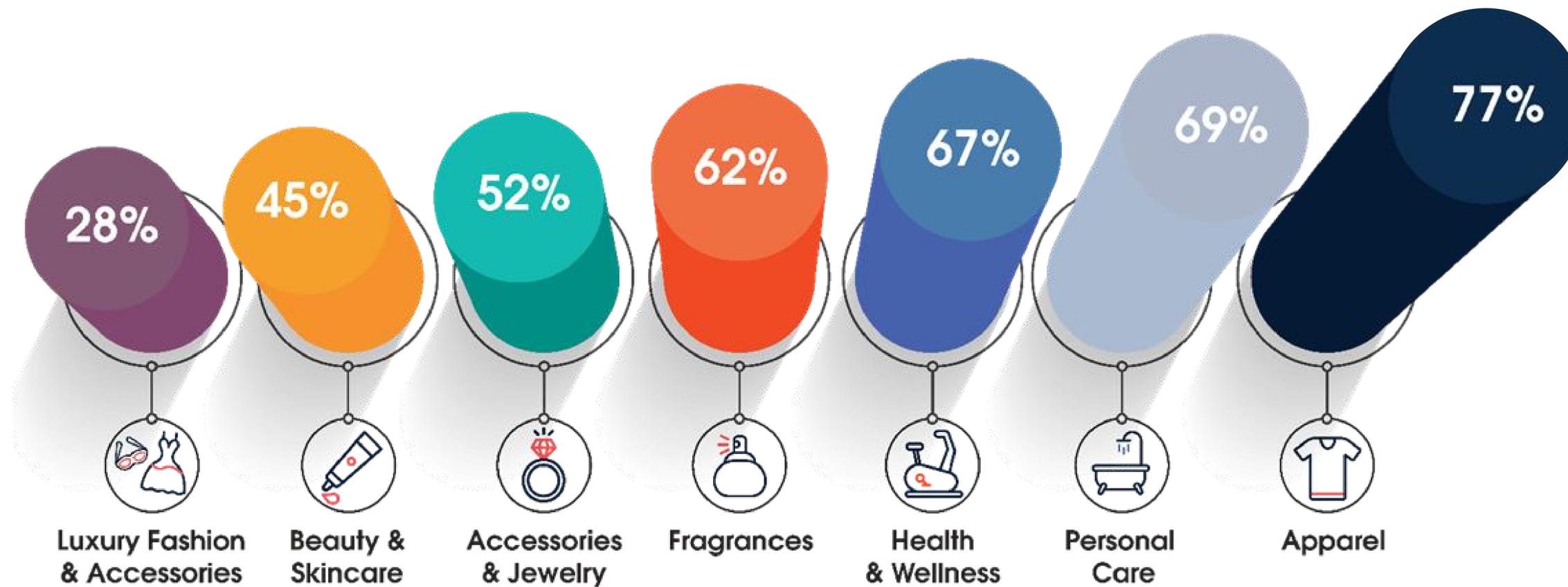


Figure 8



Category interest:

# Consumer likelihood to purchase across categories

The report also explored three primary factors consumers of all age groups consider important when deciding to purchase from a specific category – brand reputation, personalized offerings, and sustainable and ethical practices. However, as the graph below illustrates, the degree of importance each factor holds varies by category.

For example, while brand reputation is seen as important across all categories, it's particularly important to consumers buying in the luxury fashion category. Consumers purchasing in luxury fashion also place more emphasis on personalized offerings and sustainable / ethical practices than any other category, highlighting the connection between spending more and higher consumer expectations.

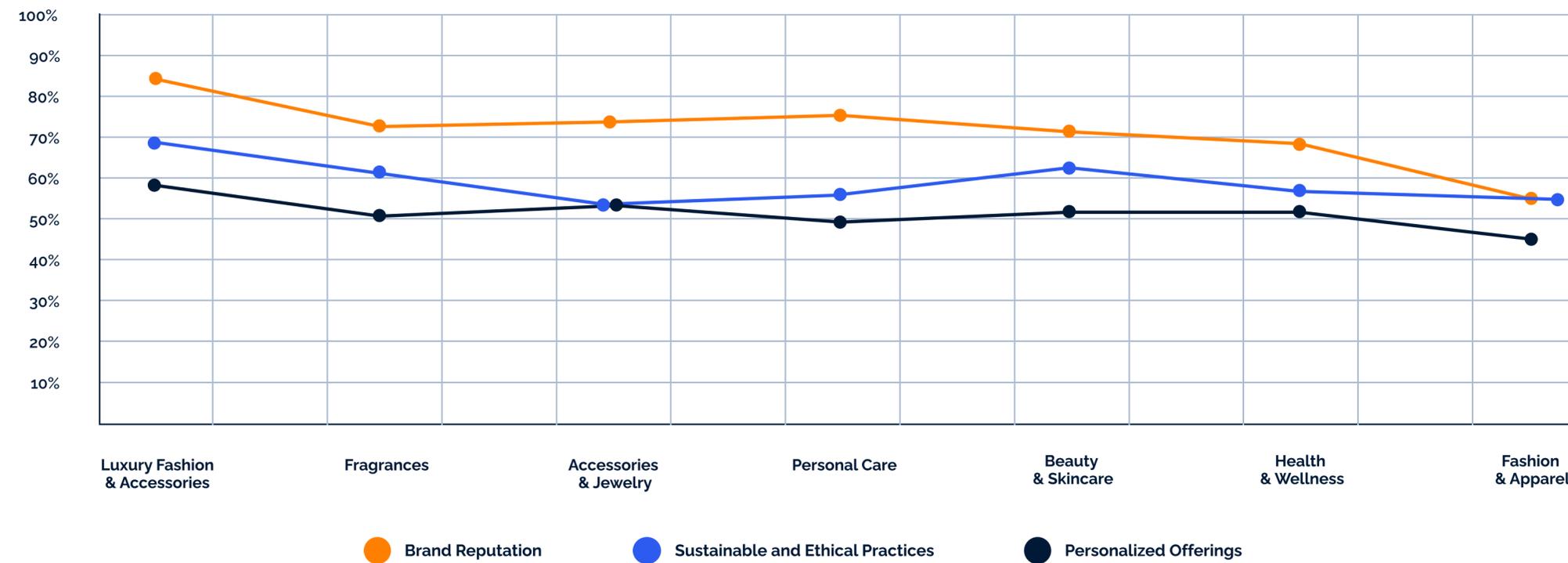


Figure 9



The switch factor:

# What makes consumers change brands?

Our research explored what inspires brand switching from both a category perspective and across different age groups. Across all seven categories, more than half of shoppers pointed to better product quality and more attractive discounts / deals as powerful incentives to switch brands. Surprisingly, the third most powerful incentive was 'cheaper prices on similar products,' with 'positive reviews from other customers' and 'customer service' only garnering around 25% on average as an incentive to switch brands.

When it comes to brand switching by age group, better discounts were the top reason cited, except for Gen Y, who prioritize greater product quality. This chart highlights the importance of understanding each consumer demographic on a deeper level. While common drivers exist, recognizing the different, and sometimes subtle triggers in each age group is essential for tailoring your marketing efforts and capitalizing on the data.

**For example, while all other groups prioritize 'positive reviews from other customers' as a brand switching motivator, it didn't even make the list for Gen X. Brand marketers can use this information to create targeted campaigns that align with what matters most to individual audiences.**

But to truly foster lasting loyalty, it's not enough to get customer's through the door, or to make the switch. You've got to keep them coming back.

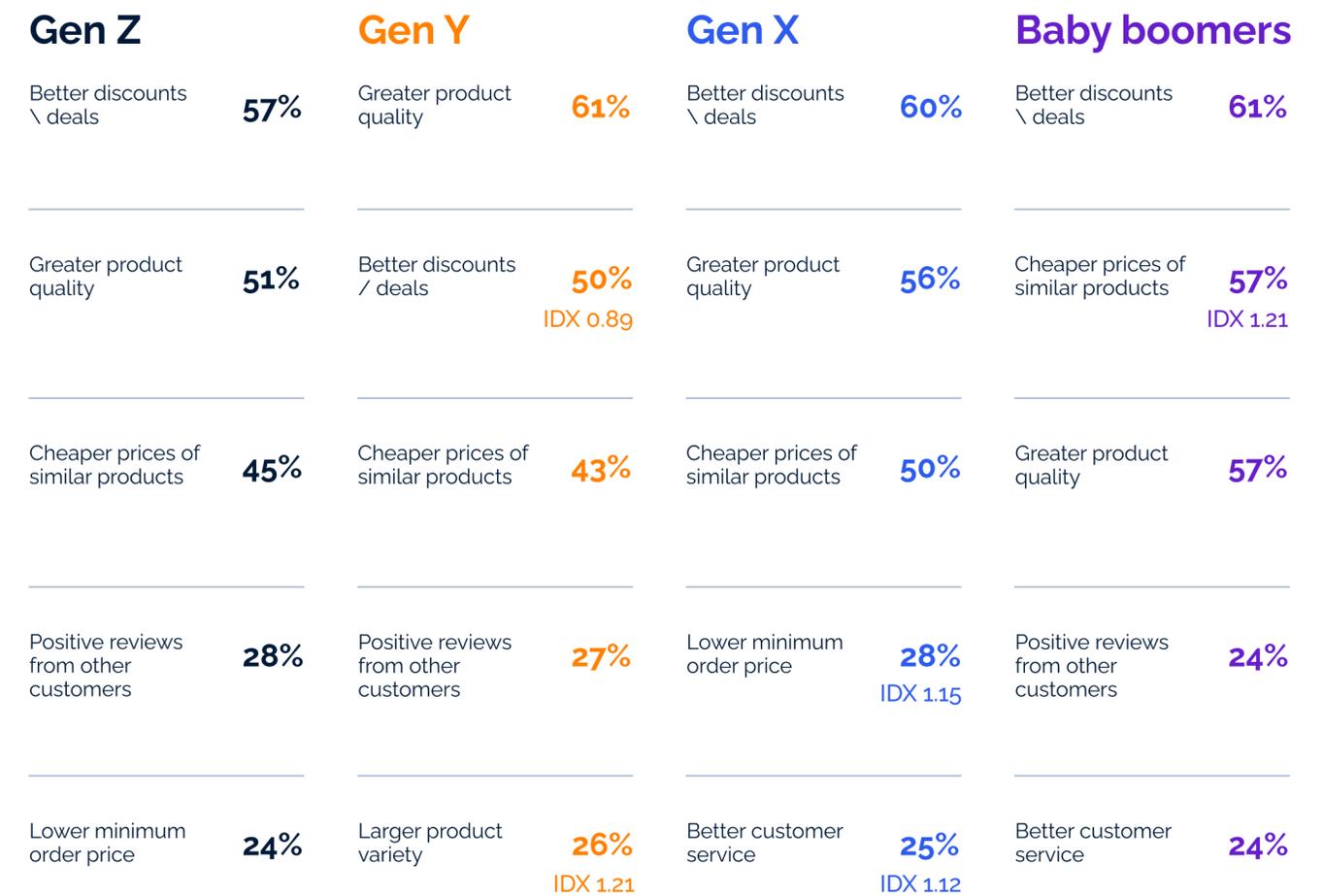


Figure 8

Show me the love:

# What consumers want to keep them coming back

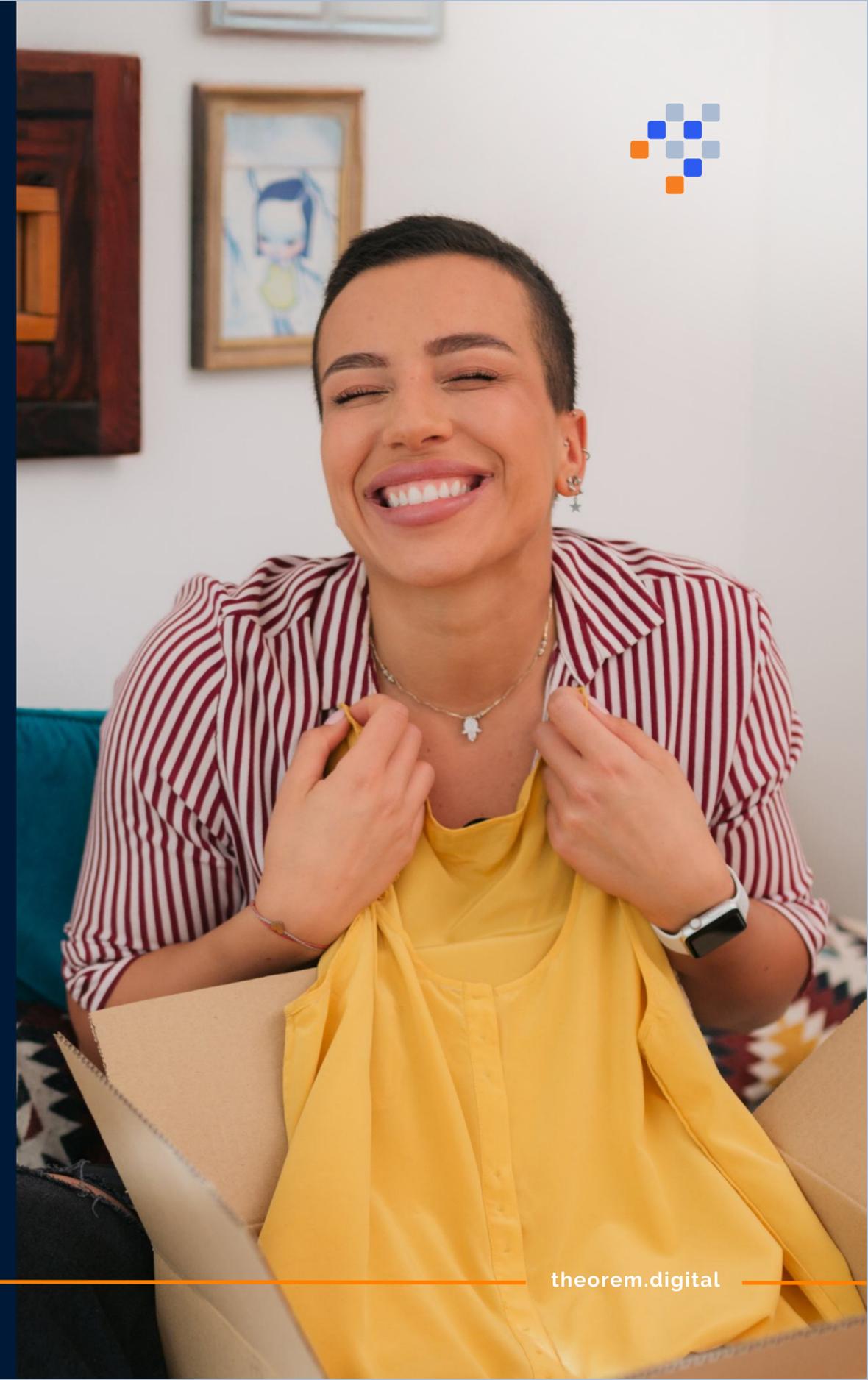
Keeping your customers coming back is something brands are more focused on than ever before. Considering that 88% of consumers say it takes three or more purchases to build loyalty – it's not hard to understand why. But we're not even talking about loyalty – yet. We're talking about what drives repeat purchases.

**So, what do the people want?**

Not shocking but most shoppers want to feel the love. From your brand that is. Meaning, they want to be recognized and rewarded for their loyalty. Even in those early days when they haven't hit that three-purchase threshold yet. And as you might guess, our research found some variations in what drives repeat purchases amongst different age groups.

Loyalty rewards or discounts for repeat purchases top the list for Gen Y and Gen X. But in a strange alignment of the youngest generation and the oldest – Baby Boomers and Gen Z point to efficient and reliable delivery or shipping as the top driver of buying again. Also interesting, the second-place key driver for repeat purchases for both Gen X and Baby Boomers is a positive post-purchase experience, highlighting the desire for better customer service in older demographics.

Piecing together the myriad of insights into consumer preferences and purchasing behaviors is pivotal to fostering initial loyalty, but the ultimate goal is to leverage these insights to convert loyalty into sustained brand advocacy.





Chapter 3

# From loyalty to advocacy

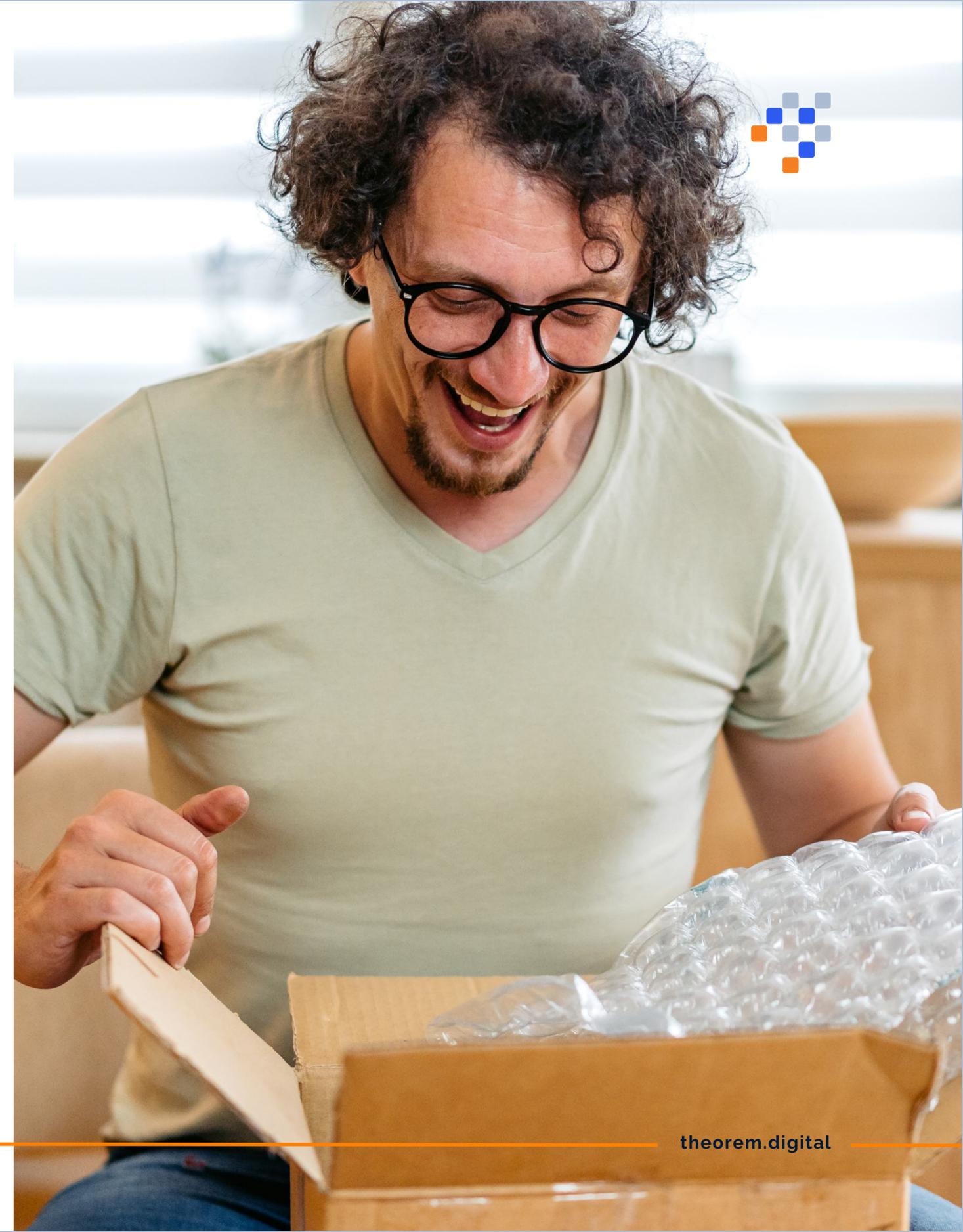
# Understanding the power of brand love

Loyal customers are invaluable but transforming them into passionate advocates who feel deeply connected to your brand can significantly boost CLV. Because, while loyalty secures repeat business, fostering emotional ties to your brand drives customers to actively promote and defend it, expanding your reach and credibility beyond traditional marketing.

Supporting that theory, a Nielsen study found that 92% of consumers trust recommendations from friends above all other forms of advertising, illustrating that with a dedicated base of brand advocates, your customers can quite literally do the selling for you.



**Trust recommendations from friends above all other forms of advertising.**





# Understanding the power of brand love

In fact, our research found that three quarters of shoppers across age groups are likely or extremely likely to recommend a brand after a positive shopping experience, with 79% of those shoppers sharing their experiences via word of mouth. But just like every other aspect of the customer journey, how different age groups advocate for brands varies.

And although word of mouth channels are the number one way consumers advocate for brands across age groups, more than one-third of Gen Z and Gen Y would share their experiences on social media channels. This is significant because even if it is a smaller group sharing via social media, the virtually unlimited reach social media provides to a wider audience could have a greater impact than the larger group sharing via word of mouth.

With the groundwork laid and a broad understanding of the consumer purchase journey, brands can leverage these insights to develop actionable strategies for long-term loyalty and sustained advocacy.

## Let's recap:

### Brand recommendation channels

% of those likely to recommend a brand who are sharing brand recommendations via the following channels

	Word of mouth	Social media	Review websites	Brand websites	Online forums	Vlogs/Blogs	
Total	79%	33%	33%	26%	11%	3%	81%+
Gen Z	75%	35%	29%	21%	13%	4%	61-80%
Gen Y	74%	40%	34%	31%	19%	5%	41-60%
Gen X	83%	31%	37%	27%	6%	2%	21-40%
Baby boomers	86%	20%	29%	24%	3%	1%	0-20%

Key takeaways:

# Strategies for building long-term loyalty and sustained advocacy

## Cultivate Emotional Engagement:

Consumers deeply connected to a brand are more likely to stay loyal and become advocates. Targeted advertising through channels like Google Ads and social media allows for precise delivery of relevant content that resonates with individual demographics. Additionally, affiliate marketing can amplify your reach, by leveraging trusted voices to enhance brand credibility and loyalty.

## Personalization and Customer Experience:

Personalization is crucial throughout the customer journey but should align with individual consumer preferences. While Baby Boomers prefer great customer service, Gen Z and Gen X appreciate personalized recommendations based on past purchases. Deploying MarTech tools like CRM systems and automated marketing platforms can help brands significantly streamline and personalize customer experiences, increase engagement and convert loyal customers into vocal advocates.



## Key takeaways: Strategies for building long-term loyalty and sustained advocacy

### Channel-Specific Strategies:

Different demographics discover brands through varied channels. Gen Z prefers influencer marketing on social media, while Baby Boomers are more likely to discover new products via in-store experiences. Incorporating influencer marketing into your strategy can enhance brand visibility and trust with Gen Z, while a strong technical infrastructure development that ensures a smooth and reliable online experience can do the same with Baby Boomers.

### Focus on Post-Purchase Experience:

Transparency and regular communication about order status are essential for customer satisfaction. Exceeding expectations in the post-purchase phase can turn loyal customers into advocates. This is another key area where automation plays a pivotal role in delivering a positive post-purchase experience. Automated updates on shipping, order status, delivery can decrease tedious, manual workflows ensuring customers get the best experience possible...



## Key takeaways: Strategies for building long-term loyalty and sustained advocacy

### Category-Specific Insights:

Loyalty behaviors vary by product category. For example, luxury fashion consumers value brand reputation and sustainable practices more than other categories. Leveraging MarTech solutions to tailor marketing campaigns to speak to the specific needs and preferences of each category ensures your brand is connecting with consumers their way.

### Leveraging Advocacy Channels:

A significant portion of customers across age groups are likely to recommend a brand after a positive experience, primarily through word-of-mouth. However, social media also plays a crucial role, especially for younger demographics. Brands should consider incorporating influencer marketing into their strategy to enhance visibility and trust.

**By integrating these insights and a customer-centric philosophy, brands can effectively build long-term loyalty and convert customers into passionate brand evangelists, significantly boosting their brand's impact and credibility.**





Securing the future:

# The lasting impact of customer loyalty

As we close this exploration into the intricate world of consumer loyalty and brand advocacy, it's clear that taking consumers on the ride through the purchase journey from loyalty – to heartfelt brand advocacy is about more than marketing bells and whistles. It's about knowing your customers, what they want – and giving it to them, every step of the way.

Looking forward, the path to sustained loyalty will increasingly rely on integrating advanced digital solutions. From leveraging cutting-edge MarTech solutions to embracing the transformative power of digital consulting and influencer marketing, the strategies discussed here are designed to not only meet but exceed the shifting expectations of consumers.

In this rapidly changing landscape, remember that loyalty is both a journey and a destination. It requires a dedication to understanding and evolving with your customers at every touchpoint. By staying committed to this path, brands can ensure that they not only survive but thrive, building a future where every customer interaction adds to a lasting relationship that drives mutual growth and success.





**Ready to unlock the full potential of your customer base by turning loyalty into enduring brand advocacy?**

**Get in touch with Theorem and explore the possibilities**

# Let us empower your business

[theorem.digital/lets-talk](https://theorem.digital/lets-talk)

