

Feefo Brand Perception Report 2021



Real people. Real reviews. Real insight.

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Introduction

Many changing factors affect consumer motivation, but one truth is constant: in order for a brand to align with its customers' values it's imperative that they first understand what their customers care about. Now more than ever, societal trends and the shifting digital media landscape have a huge influence on how people feel, which drives how they think and behave.

While there is a greater diversity out there, brands have more tools at their disposal and are more adept at understanding consumer emotions and decision making processes.

But after a year of global upheaval, understanding these motivations has become increasingly challenging. Following the recent disruption caused by the pandemic, consumers are now more than ever basing their decisions on conscious and subconscious factors involving emotions, values and beliefs.

The added complexity of COVID-19 has prompted a significant shift online and a ballooning in e-commerce take-up. In the UK, **almost all (99%) adults aged 16 to 44 years say they are recent internet users.** Businesses have responded to this by making it easier than ever to make purchases online; however, more choice can make decision-making that much harder.

There are also generational shifts to consider, which create new personas. The proportion of

those aged 75 years and over who are recent internet users nearly doubled since 2013, from 29%, to 54% in 2020. This trend has only been exacerbated by the pandemic, as older generations who are generally more likely to shy away from technological interactions have been forced online to shop and stay in touch with friends and family. As this generation will often have a higher disposable income, the change in behaviour presents an opportunity for brands able to personalise their experiences in line with this growing digital audience.

To understand this new landscape, Feefo has carried out research asking 2,000 UK consumers their views on the brands they buy from, what they consider before they purchase, how they behave when they don't like something and what the pandemic has done to shape their shopping behaviour.

INDUSTRY INSIGHT

"It's been an incredibly volatile 12 months for businesses, which has seen a seismic shift in consumer behaviour, some aspects of which will have a long-lasting effect on how buyers think, act and spend. That said, our research shows that for those businesses that are agile and realign their marketing strategies, there are many opportunities to improve brand awareness, perception and loyalty. Those that respond and act with the medium to long term in mind will see greater returns over the next few years than those that see this period as nothing more than a dip, due to external circumstances."

Keith Povey, Marketing Director, Feefo

Brands can empower consumers to make the right choices

Given the success of the likes of Amazon, it's clear there is still a consumer say-do gap when it comes to sustainability and wider purchase decision factors, and it still takes a lot to trump price and convenience.

That said, a company that fails to think about how it can be more socially responsible will soon feel the negative effect of consumers increasingly focused on brand values. In fact, **57%** believe that companies should be socially and environmentally responsible, while **74%** always consider a brand's values before purchasing from them.

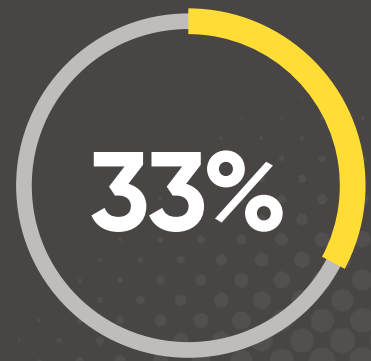
Other significant factors consumers take into account include:



Brands being passionate about the products or services they sell



Sustainability ethics



Transparency

Our research suggests that brands have the power to lead the narrative by offering customers more choice. People often want a brand to be able to offer them the chance to make an enlightened decision, for example between imported or locally grown produce, despite the fact that, in real terms, that choice has always been available – by simply shopping elsewhere. Yet that involves increased effort and disruption to the routine, something shoppers tend to avoid.

INDUSTRY INSIGHT

"This newer focus on brand accountability for sustainable initiatives can feel daunting for some, especially if you're not at the forefront of an environmental revolution. For brands like this, taking a step back to reflect on your brand purpose, code of ethics or CSR policy can be an enlightening experience and a way to further engage prospects and employees."

Vic Heyward, Brand Marketing and Communications Manager, Bright

Additional findings

Other findings reveal that if disappointed by a company's words or actions on a social or political issue, almost three-quarters (74%) of consumers say they would be less likely to purchase from them.

While the online sphere means scandals can spread like wildfire, with people regularly forced to filter fact from fiction, more than a quarter (26%) of consumers still say that if their favourite brand got into an ethical scandal they would stop buying from the company altogether. In addition, less than half (48%) would give brands another chance if the businesses made themselves accountable for their actions, though 17% also said they would be unaffected either way, agreeing that every business has its problems.

In an age of mass social media usage and review platforms, the power of word-of-mouth can have a significant impact on sales – good and bad. Governance around online communication in the public domain is becoming ever more challenging and complex, as the line blurs between employee behaviour and their employer's own brand values.

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INDUSTRY INSIGHT

"Amplify's Young Blood research that targeted 18-35 year olds highlighted a paradox where young peoples' passion and stance on sustainability meant they aspired to buy Finisterre or Patagonia, even if at this early life stage they could only afford Primark or Boohoo. We're yet to see whether it's a temporary or more permanent change, but facing the global challenge of the pandemic, consumers are more empathetic, aware of their impact on the world and open to change."

Jonathan Emmins, Founder, Amplify

Brand ownership misunderstood, while influencers not so influential

Successful brand marketing is a company's ability to create a positive perception and advocacy of their business, products and services, but who actually owns this intangible concept?

While this is often open to debate, our research reveals that when asked who truly owns a brand,

over half (**52%**) of consumers believe that the company themselves owns the brand. Only **13%** think the customer truly owns a brand, with **22%** believing both the company and customer hold the reins.

INDUSTRY INSIGHT

"Customer perception is based on the customers' own experiences of a brand, how it aligns with their own beliefs and values, their interaction with it at every touchpoint, from the awareness, through to purchase-decision to having it in their home. Brands don't hold the reins completely. Consumers hold power in their ability to vote with their feet. If they don't like what a brand does, represents or aligns with (influencers/ambassadors) they simply won't purchase, or more importantly repeat purchase – that's real power."

John Galpin, Co-Founder, Design by Structure

61%

spend more money with socially responsible brands

28%

don't have any specific brand they respect over another

61%

say that celebrities/influencers have no effect on their perception of that brand

While companies invest heavily in communicating their brand, it's clear that promoting brand purpose should be a key consideration for companies of all sizes. Our research reveals that **61%** spend more money with socially responsible brands that they respect above others, while only **28%** don't have any specific brand they respect over another.

Marketers have to continually adapt and update their knowledge as new channels and methodologies come to fruition. The last five years have seen a significant rise in influencer

marketing and the sector is currently estimated to be worth \$5.5bn, with forecasts of growth in the region of \$22.3bn by 2024, according to [Markets and Markets \(2019\)](#).

Despite this growing trend, our research may surprise many. **61%** of the consumers we surveyed say that celebrities/influencers being associated with a brand has no effect on their perception of that brand. Less than one in five (**17%**) say if they don't like the celebrity/influencer this will create a negative perception of the brand, while only **12%** say that if they like the celebrity/influencer, the brand will benefit from a positive association.

"The mask has dropped on 'influencers' as consumers are astute and can see whether the relationship between influencer and brand is authentic, deep and adds value to their lives. For this reason, many brands are stepping away from using celebrities and instead moving towards campaigns that work with real and more relatable talent; people who share the brand's values, passions or interests. This gives brands authenticity and permission to play in the focus area, audience or sector. Plus, there's an added benefit here: collaborations and co-creation campaigns with emerging talent don't carry the same hefty price tag as top-tier celebrity advertising. This helps brands create a larger volume of more interesting, engaging and entertaining content which can be targeted at pockets of the audience, rather than a one-size-fits-all strategy."

Jonathan Emmins, Founder, Amplify

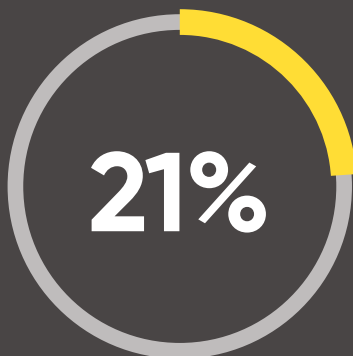
Consumers trust brands but are also sensitive to bad practices

Consumers have every right to be wary of marketing tactics, given the rise of fake news and the illegitimate behaviour by those with high degrees of influence and power.

Despite this, our research reveals that B2C brands are more trusted than other sectors, with a significant **78%** of people believing that brands are not lying when they say they are socially responsible. Surprisingly, only **4%** of people say they never believe a brand's claims that it has socially responsible credentials. This level of consumer trust makes it clear that brands need to place a large emphasis on investing in purpose-led business strategies.



of people claim to never believe brands that highlight socially responsible credentials



of consumers value brands more if they offer customer service on their social media channels

With the rise of digital experience, customer experience has evolved and consumers now expect real-time contact with those they buy from. Alongside the rise in popularity of live chat, social media is playing a growing role in customer service. In fact, over a fifth (**21%**) of consumers value brands more if they offer customer service on their social media channels. The accessibility of social media and the low costs involved mean this is especially important for small businesses to consider.

INDUSTRY INSIGHT

"Graphic real estate and call-to-action touchpoints are crucial to the customer journey and ultimately deliver on results. The product is good, and the price point is enticing – so what will get the consumer over the line? When selling online, everyone is time-sensitive and with cyber crime at an all-time high, visible trust recognition indicators such as Feefo are key validators to consumer perception and loyalty. Having chatbots visible 24/7 to answer any consumer queries without moving from page to page, as well as trigger points such as email/sales numbers, helps deliver buyer confidence as it suggests the online retailer is happy to take calls and values customer satisfaction."

Damien Fisher, Managing Director, Fishtank Agency

While there are many positives with regard to trust and experience, UK consumers are still sensitive to bad practices and experience of such will put them off buying. The biggest brand turn-offs include:

29%

Slow response to inquiries

29%

Spam email marketing

33%

Annoying advertising

Engaging with your customers is key to understanding how to better meet their needs. Utilising customer experience platforms is vital for continually improving your service and communications. It's clear that consumers have strong views on how companies behave, with **57%** of Brits agreeing that companies should be socially and environmentally responsible and **47%** believing that businesses should always respond to negative reviews.

Unsurprisingly, 'online reviews' are the top influencers in purchasing decisions when researching/shopping for a product/service online (**55%**). Interestingly, **38%** of consumers are influenced by website and digital experience, while **41%** say that their online

shopping experiences are inconsistent – data that should concern many businesses offering an online service.

Furthermore, in [another recent study](#) nearly half of all UK consumers who bought goods from EU-based retailers since the end of the Brexit transition period on 31 December experienced some additional issues, such as extra paperwork, delays or surprise costs. As the new trading landscape takes time to stabilise, businesses are now left to deal with additional fulfilment challenges as a result. The long-term danger is that failure to maintain adequate levels of supply may end up negatively affecting customer brand perception.

Shopping behaviour will change long-term

The effects of COVID-19 will be long-lasting and will change the way we think and consume forever. In fact, over two-fifths (43%) of consumers agree that after the lockdown ends, they will do the majority of brand purchases online, with only a quarter (25%) disagreeing with this proposition. This is a huge shift in purchasing behaviour.

What are the main factors driving this shift?

Less movement of people

Not only have lockdowns restricted movement, there's also an increasing trend in people moving out of big cities to more rural areas that are less accessible to high street shops. Recent research by [PWC](#) predicts the population of London could fall in 2021 for the first time in more than 30 years. Added to this, many are now looking to benefit from working from home, which is likely to continue as companies offer more flexible working conditions. In fact, [50 of the UK's biggest employers questioned by the BBC](#) have said they do not plan to bring staff back to the office full-time.

INDUSTRY INSIGHT

"It was already a challenging time for retail pre-pandemic. Whether through choice or necessity, the past 12+ months have pushed brands to be creatively brave, innovate and create rich yet seamless omnichannel retail experiences. To be successful, brands need to take into account the entire customer journey: before, during and after purchase. This way, they can both lean into the richness and tangibility of the physical, as well as the efficiency of the digital. The trick is for retailers to identify how best to use what's in their armoury to deliver that customer experience, and ultimately, sales."

Jonathan Emmins, Founder, Amplify



46%

increase in money spent online
between 2019 and 2020

More online consumption

As odd as it sounds saying this in 2021, online has really taken off! Data from the Office for National Statistics (ONS) shows that 2020 saw the amount spent in online retail sales rise **46.1%** compared with 2019. When the figures come in for 2021 they are expected to run a similar trajectory. Of course, this started back in the early noughties with the development on the internet, and while the recent run of lockdowns may have accelerated the trend by forcing older generations online, the inexorable march of technological progress makes a growth in online consumption inevitable.

Less brand loyalty

With the increased shift online, consumers now have a much wider choice of products and services they can access at a click of a button. With only a handful of shops available on the high street, more and more people now shop around online, discovering new brands they are attracted to by browsing on the internet rather than in the aisles.

John Galpin, Co-Founder, Design by Structure, explains that online has seen exponential growth driven by the pandemic and lockdown, which has accelerated online purchasing behaviours. He says that those retailers who didn't adapt quickly have suffered, even the big brands such as Arcadia.

"However, with the imminent ease of lockdown, we should expect to see a return to the high street," he adds.

"Initially this will be for novelty, but then we will see the return of activity that combines

online and offline behaviours, such as the return of 'webrooming', 'showrooming' and 'boomeroming', which are about the physicality of brands and price comparison."

Webrooming is when a consumer researches online first and before buying in-store, while showrooming involves a shopper viewing in-store and then buying online.

Boomeroming describes when a person researches online, travels to the store to touch and feel the product, and then buys online.

Purpose-led brands are the future

Purpose-led brands have the potential to create stronger customer relationships for the long-term, ultimately leading to more sales and a greater customer life-time value. What's more, it's clear that consumers do forgive, so the stronger ties you have the more resilient your business will be if you ever let your customers down, for whatever reason.



Keith Povey, Marketing Director at Feefo, concludes...

"The Feefo Brand Perception Report 2021 clearly highlights the need, and opportunity, for brands to invest more in defining who they are, what they believe in and how they operate. Effectively communicating this demonstrates how, by giving business to the brand, the customers will be supporting a transparent, trustworthy and socially responsible business. In other words, it is imperative to invest in creating a brand with a purpose."

Feefo offer a wide range of tools to help you improve every part of your customer experience. To find out more, get in touch with a member of our team.

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