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# Study: Value Trumps Price Among Shoppers

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(The full survey is available at [Brandweek.com/brandkeys](http://Brandweek.com/brandkeys). Use the drop down menu at the top right hand corner to search by category.)

**By Kenneth Hein**

Consumers are not buying based on price alone. Instead, they are relying more on their perception of value when deciding which brands to stay loyal to during the recession.

In fact, consumer expectations regarding brand value went up 20 percent, according to the 2009 Brand Keys Customer Loyalty Engagement Index. Those brands that aren't perceived as being worth it will fall to the wayside, said Brand Keys president Robert Passikoff.

Brand Keys polled 26,000 consumers of 441 brands in 63 categories earlier this year. Among the brands that received the highest marks for meeting or exceeding consumer expectations, "there is a price-value formula consumers use to calculate brand differences and to decide which brands to buy," said Passikoff. "Shopper consciousness has shifted from just trying to ferret out deals to looking for brands that provide value."

This means a brand like Nike, though it commands \$150 for a pair of shoes, still maintains consumer loyalty because the shoes provide quality for the money spent. Nike was No. 1 in the athletic footwear segment based on the four sales drivers in the category: durability, comfort, carbon footprint and value. Air Jordan and New Balance placed second and third, respectively.

"This harkens back to why you build a brand. If you're a commodity item or a category placeholder like the Gap, the only way you get attention is by cutting price which ends up being an evil death spiral," said Passikoff. While, J. Crew also isn't the cheapest apparel brand, it was ranked No. 1 in both the catalog and retail categories thanks to its style, value, shopping experience and buzz. The latter was generated during the elections. "Thank you Mrs. President," said Passikoff. "After [Sarah] Palin spent a billion dollars on her appearance, Mrs. Obama tells the world her entire outfit cost \$140 at J. Crew . . . They've scored on quality, value for the price and customer service."

Brands with the Most Loyal Consumers	
Automotive	Toyota
Banks	Bank of America
Beer	Sam Adams
Car Insurance	Allstate
Coffee	Dunkin' Donuts
Computer	Apple
Credit card	Discover
Dog food	Pedigree
Gasoline	BP
HDTV	Samsung
Laundry detergent	Tide
Pizza	Domino's
Quick-serve restaurants	McDonald's
Retail (Apparel)	J. Crew
Retail (Discount)	Wal-Mart
Search engine	Google
Soft drink	Pepsi
Toothpaste	Tom's of Maine
Vodka	Grey Goose
Wireless carrier	Verizon

For the full list of winners and complete rankings overall, please visit [Brandweek.com/brandkeys](http://Brandweek.com/brandkeys).

Source: Brand Keys

This even holds true for an item like paper towels. Category leader Viva scored with consumers polled in terms of value, size, design, plies, “cleans up faster” and eco-friendliness. “Viva’s millions of loyal users have a bond with the brand,” said Julio Del Cippo, Viva brand director. Manufactured by Kimberly-Clark, Viva has grown from the No. 4 brand in terms of dollar share to No. 2 in the past three years. “Our users know Viva offers great quality and value for the money, and with assorted sizes ranging from big rolls, to bundle packs, to regular rolls, they can choose the size that matches their needs and their budgets.”

Such factors help insulate this brand and others against the growing popularity of private label. In fact, categories like moisturizers and allergy relief are fairly well defended against no-name, store brands. Tylenol and Zyrtec, for example, were tied for the top brands with the most loyal consumers in the allergy category. “This one is interesting because price is really not a factor,” said Passikoff. “People are more concerned with feeling better and controlling the allergy versus saving 59 cents on the buy. This is a category where we don’t get a howl when the topic of private label comes up.”



Estée Lauder and Shiseido were tops in the luxury moisturizing skincare category while Aveeno and Mary Kay tied among the mass merchandiser category. Value also was a driver in the coffee category along with service and surroundings, quality and taste, and selection. Dunkin’ Donuts secured the top spot followed by McDonald’s and then Starbucks. “Our customers have a real connection with our brand,” said Frances Allen, brand marketing officer at Dunkin’ Donuts. “We’re hard working, straightforward and no-nonsense.” Allen pointed to the “You kin’ do it” ads and taste-test strategy as helping drive the brand forward.

Perhaps proving the value over price argument convincingly is the fact that Geico was dethroned by Allstate, which had previously been No. 3. Consumers rallied around Allstate’s added value combined with its rates. “It’s not just about lower prices,” said Passikoff, who added Allstate’s Accident Forgiveness program, promising no rate increases despite multiple accidents, “resonated with policyholders.”

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