**Brand Loyalty**

## Definition: Brand Loyalty

Brand loyalty is the loyalty or faithfulness which a customer develops for a brand. Brand loyalty is developed in the mind of a consumer after find the product or service useful. Brand loyalty is an important aspect of marketing as it helps companies build a strong brand and get the customers again. Brand loyalty is not simply rebuying the products but creating a positive brand image in the consumer’s mind, who becomes a positive brand advocate.

## Importance of Brand Loyalty

Brand loyalty is a [**consumer behavior**](https://www.mbaskool.com/business-concepts/marketing-and-strategy-terms/17636-consumer-behaviour.html) which a customer develops over a period of time by repeated use of a particular [**brand**](https://www.mbaskool.com/business-concepts/marketing-and-strategy-terms/1858-brand.html), product or service. Customers who find their needs fulfilled and find the product having good quality, and high value proposition tend to become loyal towards a particular brand. This positive behavior towards a product or service is useful for companies as they become positive brand advocates and help spread a positive [**word of mouth**](https://www.mbaskool.com/business-concepts/marketing-and-strategy-terms/2082-word-of-mouth.html) about the brand. Consumers who develop a strong brand [**loyalty**](https://www.mbaskool.com/business-concepts/marketing-and-strategy-terms/12787-loyalty.html) tend to become regular customers and also help their friends & family identify the benefits of the products & services that the have been benefitted by. Such is the importance for companies that they have [**brand loyalty management**](https://www.mbaskool.com/business-concepts/marketing-and-strategy-terms/10683-brand-loyalty-management.html) to ensure that customers get the correct value proposition offered. Good product quality, [**brand awareness**](https://www.mbaskool.com/business-concepts/marketing-and-strategy-terms/13057-brand-awareness.html) and positive brand image contributes to building brand loyalty.

## Brand Loyalty Factors

Brand loyalty is the positive probability that a satisfied customer would buy the same products or services repeatedly. Certain factors which influence brand loyalty amongst customers is as follows.

1.Product Quality: High quality products ensure high customer satisfaction which helps induce brand loyalty amongst customers.

2.Brand Image: A customer-friendly [**brand image**](https://www.mbaskool.com/business-concepts/marketing-and-strategy-terms/7351-brand-image.html) which offers a consistent [**brand equity**](https://www.mbaskool.com/business-concepts/marketing-and-strategy-terms/1860-brand-equity.html) is a positive driver for making customers loyal towards a brand.

3.Percieved Value: The value offered by the brand versus the price paid is of importance. If the customer feels it has value, it creates brand loyalty in the consumers mind. Value can be increased by a [**loyalty discount**](https://www.mbaskool.com/business-concepts/marketing-and-strategy-terms/11667-loyalty-discount.html) or a [**loyalty program**](https://www.mbaskool.com/business-concepts/marketing-and-strategy-terms/11283-loyalty-program.html) by companies.

4.Switching Cost: If a cheaper option is available with a similar product quality, customers can switch their brand, and hence it is an important factor.

5.Availability & Service: Good products must be available when a customer requires it for creating [**customer loyalty**](https://www.mbaskool.com/business-concepts/marketing-and-strategy-terms/8575-customer-loyalty.html). Also, good after sales service also adds value to a positive mindset.

6.Customer Psychology: Sometime brand loyalty is totally depended on customer psychology, where good products can have no loyalists and poor products can have a following.

Hence, all these above-mentioned factors help in driving brand loyalty amongst the customers.

## Types of Brand Loyalty

Customers use products and tend to create an image in their minds. There are different types of brand loyalty amongst consumers about a particular product of service.

1. Hard-Core Loyals are those customers who buy the same brand over and over again & are strong brand advocates.

2. Spilt loyals is the type of brand loyalty where customers have a strong product preference and are loyal to 2 or 3 companies or brands only.

3. Shifting Loyals are those customers who keep moving from one brand to anothers

4. Swtchers is the type of brand loyalty where customers are not loyal towards any brand. They simply look for the cheapest or best or most effective product irrespective of the brand or company.

## Advantages of Brand Loyalty

There are several benefits of brand loyalty, which works in the favor of both the companies and customers. Some of them are:

1.Brand loyalty gives an edge over competitors by a higher [**brand recall**](https://www.mbaskool.com/business-concepts/marketing-and-strategy-terms/10794-brand-recall.html).

2.Creates positive [**brand value**](https://www.mbaskool.com/business-concepts/marketing-and-strategy-terms/7569-brand-value.html) and word of mouth helps in positive marketing.

3.Customers are willing to pay a premium also for their brand.

4.Saves costs on customer retention and helps get new customers onboard.

5.More products under the same brand get popular with loyal customers.

Thus, brand loyalty is an important and integral part of [**brand management**](https://www.mbaskool.com/business-concepts/marketing-and-strategy-terms/10533-brand-management.html) & marketing for any business.

## Disadvantages of Brand Loyalty

Despite being a positive factor for a business, there are certain drawbacks of brand loyalty.

1.Sometimes companies become overconfident and start developing flaws in products or services, which impacts them later.

2.Too much brand loyalty amongst customers makes them blind towards better products at a cheaper price which are present in the market.

3.Companies with strong brand loyalty amongst customers often escape legal action for scandals.

Hence, this concludes the definition of Brand Loyalty along with its overview.