

Consumer values, brand expectations change in 2020

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Today's consumers are more attuned to brands' values and willing to pay a premium to support companies that share their values, according to new research from the Bauer Leadership Center at Washington

University in St. Louis and Vrity, a brand measurement company specializing in values.

Additionally, the majority of consumers—54%—now say companies should take a stand on issues, even if they disagree with that stance.

The findings come from a survey conducted in January 2021 by Vrity. Researchers wanted to study generational differences in consumer values and how the COVID-19 pandemic has impacted [brand](#)-related purchasing behaviors. They surveyed 1,072 people living across America about recent employment changes, [personal values](#) and the brand values that matter most to them.

"I think the most interesting findings are about generational similarities and differences in values, causes, and the effect of values and causes on purchasing behavior," said Stuart Bunderson, director of the Bauer Leadership Center and the George & Carol Bauer Professor of Organizational Ethics & Governance at Olin Business School.

"2020 was an inflection point for many Americans," added Jesse Wolfersberger, CEO and co-founder of Vrity. "Some percentage always cared about brand values, but now we've crossed a threshold where most people care and are willing to make purchase decisions based on values. It's the new differentiator for brands and the genie is never going back into the bottle."

Times of crisis often cause people to reflect on their values, and 2020 was no exception. In a year marked by a global health crisis, historic job losses, high-stake political elections and social unrest, some 35% of the people surveyed reported a change in their personal values over the past year. Conversely, 36% reported no changes in personal values, and 22% reported that their values were affirmed last year.

Younger people and people of color were most likely to report a shift in values in 2020. Older generations—the Silent Generation (1928-1945) and the [baby boomers](#)—and whites were less likely to experience personal value change and reported the highest levels of value reaffirmation.

Interestingly, those who experienced any kind of employment change in 2020 were more likely to experience a change in personal values.

"We have robust evidence that people who underwent an employment change—primary job loss or furlough, significant cut in pay or hours or shift to permanently or mostly working from home—were more likely to report that 2020 changed their personal values. This holds after controlling for income, education, age and ethnicity," Bunderson said.

One of the most significant findings was that 55% of respondents reported paying more attention to brand values today than they did one year ago. Generations X and Y were generally more values-conscious than other generations. The Silent Generation and Gen Z reported the lowest levels of value consciousness (38% and 39%, respectively), however the small sample size may have influenced the results for Gen Z.

"People who shifted to working at home were especially likely to report that they pay more attention to brand values now (73%). Other types of employment change did not appear to have the same effect," Bunderson said.

Americans are not just paying attention to brand values, they are incorporating values into their buying decisions.

"To me, the most unexpected finding was the degree to which people will vote with their wallets," Wolfersberger said. "I expected a small

effect here, but the findings show that 82% would pay more for a value-aligned brand, 43% of people would pay twice as much and 31% would buy the value-aligned brand at any price.

When shopping in stores, 46% of participants reported doing research on brand values. A slightly higher percent of respondents—49%—look into brand values before making online purchases. In both scenarios, Gen X and Y were most likely to study brand values.

Altogether, 60% of respondents reported that they "have made a purchase from a brand because they have values I believe in." Likewise, 53% of the respondents said there are brands they would never purchase because of their stance on an issue.

"Across generations, Gens X, Y and Z show affinity to brand values in their purchasing," the authors write.

Given the potentially high cost of negative public relations, some brands may be inclined to stay silent on issues. However, the majority of respondents—including 63% of Gen X and 59% of Gen Y—believe that companies should take a stand on issues, even if the respondents disagree with that stand. Gen Z was the most likely to punish a company for silence on an issue.

According to the authors, there was reasonable agreement between generations other than Gen Z about their top 5 brand values, which included "affordable and a good value," "good customer service" and "honest and authentic."

Gen Z had more unique values in their top 5, preferring "friendship and family," "treats their employees well" and "fun and comfortable."

There were more differences across generations when it came to ranking

causes. "Fighting poverty, hunger and homelessness" and "curing or treatment of a disease" were more important for [older generations](#).

Generations X, Y, and Z showed stronger preferences for "ending racism," "gender equality" and "LGBTQ equality" than the two older generations, particularly baby boomers—who showed the weakest preferences for these categories but did show the highest preference for helping "people with disabilities" (35%).

Seemingly paradoxically, Gen Z showed higher preferences for "military and veterans" (25%) than either Gen X or Y, which is interesting because they ranked "patriotic" particularly low (8%) on the brand values ranking.

"Our research shows that consumers care about brand values more than ever. It's not enough to simply make a good product, today's brands need to do right by the customer, their employees and the community," Bunderson said.

"Those that do will have the most loyal customers," Wolfersberger added.

More information: Whitepaper: drive.google.com/file/d/1g5iEO...V0oqohK4htk7V5D/view

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