

Beyond revenue: The brand value of ancillary services

Article

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Ancillary services, such as item repairs, pet grooming, and tailoring, are becoming an increasingly important part of [retailers'](#) strategies to drive foot traffic, build brand loyalty, and

create additional revenue streams. But the benefit of these services often extends beyond direct financial returns.

A successful ancillary service adds value in a way that makes your brand stickier, our analyst Suzy Davidkhanian said on the ["Behind the Numbers: Reimagining Retail" podcast](#). "It creates brand loyalty inadvertently for us as consumers, but is probably very calculated for the brands offering these services."

Here are three key ways retailers are making the most of ancillary services:

1. Driving foot traffic and incremental sales. Many retailers are using free or low-cost services to get customers in the door, with the goal of generating additional purchases.

Examples include H&M's clothing recycling program or Shinola's free monogramming service.

Not every instance translates directly to sales. "Certain people like to go to Ikea because they love the meatballs, but they're not necessarily going to buy a couch," our analyst Blake Driesch said.

2. Creating non-transactional touchpoints. Ancillary services allow retailers to build relationships with customers beyond selling products.

For example, Levi's tailoring service allows store associates to engage with customers in a helpful, personalized but not-sales-focused way.

3. Building brand equity. Services like clothing repair or electronics recycling can boost a retailer's image as [sustainable](#) and [customer-centric](#).

"L.L.Bean is a place I can go when my shoes are worn through, that might repair the soles for me," said our analyst Sara Lebow. "And then I also associate them with being a more sustainable brand."

What it means for marketers

While ancillary services can provide significant brand value, retailers need to weigh several factors before implementation:

- **Cost and sustainability.** Expensive services that don't align with core offerings may not be viable long term.
- **Brand alignment.** Services should feel authentic and credible coming from the retailer.

- **Measurement challenges.** The impact on brand loyalty and lifetime value can be [difficult to quantify](#) compared to direct sales.
- **Space considerations:** [In-store](#) services require valuable retail space.

Despite [measurement](#) difficulties, ancillary services that align well with a retailer's brand can pay off through increased [loyalty](#) and brand equity. "There is a chance some services are zero dollars, but the brand love that comes with it is worth it," Davidkhanian said.

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