

Phones Top List of Most-Trusted Brands

Oct 17, 2009

- Kenneth Hein

Love your iPhone? You're not alone. Wireless handset makers have the most fiercely loyal consumer base of any brand category, according to the Brand Keys 2009 Loyalty Leader rankings.

Apple's device, the iPhone, introduced in 2007, has the most loyal customers of any brand. Samsung's wireless handsets (including the Rogue, Smooth and Trance) ranked second, followed by BlackBerry, which placed fourth.

Six wireless handset brands in all fell within the top 30. The findings were culled from a poll of 26,000 people via the phone and in-person in September. The rankings were based on whether consumers felt the brands they used met or exceeded their expectations. For handsets, those criteria were connectivity and performance, product design, good value for the money, and applications and features.

So why have handsets surpassed many of consumers' favorite retailers, luxury hotels and the other brands that made up the 64 categories examined?



"They are an integral part of us by now. Like underwear, people always have their wireless devices with them," said Roger Entner, head of telecom research at The Nielsen Co. Plus, they are personalized and "are not a commodity by any

stretch of the imagination like a hotel room," said Entner.

That's not to say consumers didn't show strong affinity to some commodity offerings. One of the biggest leaps, among the 440 brands measured, came from McDonald's coffee.

The Premium Roast coffee launch, which began in 2006, has resonated with consumers. This year, it ranked No. 16, up from No. 155. The chain bolstered its brewed offerings with the May national launch of its McCafé espresso-based beverages.

The Brand Keys findings "are validation that our beverage are delivering on our customers' needs," said Darci Forrest, svp, U.S. marketing at McDonald's. "We've made high-quality coffee accessible to everyone."

Dunkin' Donuts ranked 54, up from 123 while Starbucks ranked near the bottom of the poll at 428. The year prior it sat at 192.

Many of the top brands have benefited from the consumers' desire for value for their dollar, said Robert Passikoff, president of Brand Keys. "The shift has gone from shopping based on price to shopping for value. In lots of cases that value is what the brand stands for, nothing more—a handset is a handset, a cola is a cola."

Cosmetics is another category that embodies the trend. "Women want the promise of youth and beauty, and ultimately the brand needs to be the guarantor of that. They're not going to buy a store brand," said Passikoff.

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Eight brands of cosmetics and skin moisturizers fell within the top 30. Mary Kay cosmetics ranked seventh, followed by Maybelline (No. 12) and Estée Lauder (No. 13).

While it was certainly a difficult year for car sales, Toyota and Hyundai had no problem expanding their fan base. Toyota, based in part on the popularity of its hybrids, shot up to No. 15 from No. 108. Hyundai, which was Brandweek's Grand Marketer of the Year, placed 24, up from 295 last year.

"Hyundai used to just mean cheap cars, but they've gotten their act together from a manufacturing perspective," said Passikoff. What's more, he added, its offer to take the vehicle back if consumers lost their job "made themselves emotionally part of the solution to people's problems. That's a big differentiator. There's the value because cheap metal is not hard to find."

On the opposite end of the spectrum was General Motors. GM ranked dead last among national brands. The only company liked less was New York energy provider Con Edison. Other brands at the bottom were the NHL (No. 438), Taco Bell (No. 437) and Diet Dr Pepper (No. 436).

General Motors, after being bailed out by the federal government, has shown little improvement, said Todd Turner, president of the consultancy CarConcepts. "They haven't changed anything. They are still in the same situation they've been in for years. It's like trying to sell the same real estate in a bad neighborhood with a new paint job."

Core to GM's problems is its pricing strategy. "They are a value story about pricing, financing and deals," said Turner. "The trade off is now you have a brand with absolutely no value because they got the customer because of a deal. When they come into the market again, they just want the next best deal."

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