

NEW BRANDS SHOW UP ON CUSTOMERS' SHOPPING LISTS

CNN's American Morning, Gateway computers, JetBlue, Marriott, Starbucks, and Verizon among first-time winners of Brand Keys Customer Loyalty Awards

NEW YORK, NY (May 19, 2003) The 6th annual Brand Keys Customer Loyalty Awards[®] recorded a record number of first-time winners. The survey also identified more young and emerging companies showing up for the first time in 2003 than in all previous five years the survey has been conducted.

First time winners for 2003 included Bud Light, CNN's American Morning, FedEx, Gateway computers, JetBlue, L.L. Bean, Marriott, Miller Genuine Draft, New York Life, Pizza Hut, Southwest Airlines, Starbucks, Subway, Texaco, Vanguard Mutual Funds, and Verizon.

Companies showing up for the first time on the customer loyalty radar screen in 2003 included: JetBlue, Subway, Arby's, Hardee's, Jack In the Box, White Castle, Siemens, Nextel, and Mountain Dew.

"The list of 'acceptable' brands that customers are including on their shopping lists – has expanded dramatically. Additional brands customers are willing to seriously consider are showing up on customers' loyalty radar screens," said Dr. Robert Passikoff, president of Brand Keys, Inc. (www.brandkeys.com), in announcing the sixth annual Brand Keys Customer Loyalty Award winners.

The Brand Keys Customer Loyalty Awards are based on survey assessments conducted in the 1st Quarter of the year. The current evaluations probe customers' relationships with 182 brands in 31 categories.

2003 Brand Keys Customer Loyalty Awards Winners

JetBlue/Southwest (tie)Airline
Adidas/New Balance (tie)Athletic Footwear
First UnionConsumer Bank
Bud Light.....Beer (Light)
Miller Genuine DraftBeer (Regular)
Avis.....Car Rental Company
L. L. BeanClothing Catalogue*
Starbucks.....Coffee & Doughnuts*
GatewayComputer*
DiscoverCredit Card
KeySpan.....Energy Provider
Texaco.....Gasoline
MarriottHotel
New York Life.....Insurance Company
Sprint/Verizon (tie)Long Distance Carrier
MLB.....Major Sports League
Samsung.....Mobile Phone

American Morning(CNN)/Today (NBC) (tie)
.....Morning TV News Show
T. Rowe Price/Vanguard (tie)Mutual Fund
CanonOffice Copier
Amazon.com.....Online Books/Music
CharlesSchwab.comOnline Brokerage
Expedia.comOnline Travel
Airborne Express/FedEx (tie)...Parcel Delivery
Pizza Hut.....Pizza
Subway.....Quick-Serve Food
Wal-Mart.....Retail Store
Google.comSearch Engine
PepsiSoft Drink (Regular)
Diet PepsiSoft Drink (Diet)
Verizon.....Wireless Service Provider

* new category for 2003

The critical re-configuration of the playing field for the 6th annual awards confirm that the competitive landscape in virtually every product and service category is expanding at an unprecedented rate. "When the shopping list – the consideration set – gets longer competition

increases and marketing life gets tougher. Many companies have marketing mindsets stuck back in the mid-20th century. They are unable to measure real customer values and real expectations used to define the category,” noted Passikoff. “They have market presence, but no real meaningful differentiation. If you can’t even identify meaningful customer values, you can’t be expected to address those values in the marketplace.”

The real-world proof of these findings is reflected by the fact that over the past two decades many brands and companies, including some of the world’s largest, have experienced increasing difficulty in differentiating their products and services. “Or exhibiting real profitability,” added Passikoff.

Brand Keys, the only research consultancy to specialize in customer loyalty metrics, uses data generated by its bi-annual surveys to paint a detailed picture of the “drivers” that bond customers with their “ideal” brand in each category. Traditional consumer research reports what people say about previous purchases, Brand Keys predicts *future* behavior, determining (at the 95% confidence level) which products and services people will buy over the next 18 to 24 months.

“The brands whose set of drivers comes closest to meeting (or exceeding) the ideal are the ones whose customers will demonstrate higher levels of customer loyalty to over the coming months,” said Dr. Passikoff, “and it’s proven to result in increased profits.”

Brands that ranked #1 in their categories are those whose customers felt were best able to meet or exceed their expectations. “The fact that so many new brands are showing up is just another indication how difficult the marketplace is for older, established brands,” noted Passikoff.

But the Brand Keys survey also indicates that customer expectations are increasing faster than most brands are able to keep up with. Brand Keys surveys have found categories where expectations have increased as much as 60%, while brand perceptions have only grown an average of 8%. “That kind of gap presents an awfully large opportunity for your competitor,” said Passikoff.

Three new categories were added for 2003: Computers, Clothing Catalogues, and Coffee & Doughnuts.

For the 2003 awards, researchers conducted nearly 16,000 brand assessments among adult Americans who use the brands in question. Brand rankings for all 31 categories and 181 brands assessed can be found at www.brandkeys.com.

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