

THE DAWNING OF THE AGE OF CUSTOMER LOYALTY

Budweiser, Discover, Airborne Express are 3-Time Winners In Annual Customer Loyalty Awards

NEW YORK, NY January 10, 2001 – “A new era in marketing and customer relations is at hand in which leveraging customer loyalty is the primary means by which the most competitive companies will break away from the pack,” said Robert Passikoff, president of Brand Keys (www.brandkeys.com) in announcing the winners of the third annual Brand Keys Customer Loyalty Awards. Three companies, Budweiser, Discover and Airborne Express, have won their categories three consecutive times since the awards were established in 1997.

The Brand Keys Customer Loyalty Awards (based on surveys fielded in the spring and fall of 2000 probing customers’ relationships with 129 brands in 24 categories) honor organizations that are most devoted to and successful in creating loyal customers.

2000 Brand Keys Customer Loyalty Awards Winners

Continental Airline	NFL Major Sports League
New Balance* Athletic Shoes	Motorola § Mobile Phones
Citibank Bank (NY retail)	Today (NBC) § Morning TV Show
Coors Light* Beer (Light)	Fidelity* Mutual Funds
Budweiser** Beer (Regular)	Canon* Office Copiers
Avis* Car Rental Company	Amazon.com § Online Books/Music
Discover ** Credit Card	Charles Schwab § Online Brokerage
KeySpan, PSE&G (tie) Energy Provider	Expedia § Online Travel
Wendy’s* Fast Food	Airborne Express** Parcel Delivery
Mobil* Gasoline	HotBot § Search Engine
Travelers Insurance Company	Diet Pepsi Soft Drink (Diet)
Sprint Long-Distance Phone Service	Pepsi* Soft Drink (Regular)

* = also won in 1999 ** = also won in 1998 and 1999 § = new category for 2000

Brand Keys, the only research consultancy to specialize in customer loyalty, uses data generated by its surveys to paint a detailed picture of the “drivers” that bond customers with the “ideal” brand in each category. While 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 is the one whose customers will demonstrate the greatest customer loyalty over the coming months,” said Dr. Passikoff.

The average scores in 2000 for the ideal brands, as well as the scores of the actual brands examined, are higher than in 1999. “The clear trend is that, in regard to the products and services

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they use, people's expectations are rising," said Dr. Passikoff. "The good news is that most of the brands surveyed are performing better than in years past. The potential bad news is that when the leading companies in a category all do a great job, they're in danger of losing their differentiation. To maintain differentiation and brand loyalty, companies must find ways to track, predict, and preemptively respond to changing consumer values."

"After the reengineering, right-sizing and best-practicing of recent years," Passikoff added, "many companies find that they are doing a great job...and are in danger of seeing their products and services become excellent – undifferentiated – commodities."

For the 2000 awards, researchers conducted nearly 16,000 brand assessments among adult Americans who use the brands in question.

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