

CUSTOMER LOYALTY VALUES HELP COMPANIES POSITION FOR PROFITABILITY

Budweiser, Discover, and Airborne Express are 4-Time Winners In Annual Customer Loyalty Awards

NEW YORK, NY (October 5, 2001) – “With more demanding investors and profits more difficult to achieve in a weakening economy, more executives at more companies are recognizing that leveraging customer loyalty is the primary means companies will use to position themselves for profitability,” said Robert Passikoff, president of Brand Keys, Inc. (www.brandkeys.com) in announcing the winners of the fourth annual Brand Keys Customer Loyalty Awards. Three companies, Budweiser, Discover and Airborne Express, have won their categories four consecutive times since the awards were established in 1997.

Fielded twice a year, the Brand Keys Customer Loyalty® Awards (based on survey assessments collected in the spring wave that probe customers’ relationships with 147 brands in 26 categories) honor organizations that are most devoted to and successful in creating loyal customers.

2001 Brand Keys Customer Loyalty Awards Winners

Delta	Airline	MLB	Major Sports League
New Balance	Athletic Footwear	Nokia	Mobile Phone
Citibank	Bank (NY retail)	Today (NBC)	Morning TV News 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	Wal-Mart, Sears (tie) *	Retail Store
Ritz-Carlton *	Hotel	Google	Search Engine
Travelers	Insurance Company	Diet Pepsi	Soft Drink (Diet)
Sprint	Long-Distance Phone Service	Pepsi	Soft Drink (Regular)

* = new category for 2001

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

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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 profitability challenge most companies face deals directly with their ability to address customer expectations. “Consumer expectations are moving faster than brands are addressing them,” said Dr. Passikoff. “If your company can’t exceed or, at the very least, meet consumer expectations you create dissatisfaction among your customer base. Then they take their business elsewhere.” Brand Keys surveys have found categories where expectations have increased upwards of 40% since we began monitoring them, while brands have only grown an average of 8%. “That leaves an awful big gap for your competitor to fill,” said Passikoff.

“Companies are finding that after decades of positioning for promise, now they’re being asked to deliver real profitability,” Dr. Passikoff added. “Many are finding that they’ve been relegated to a new product or service category: ‘The Well Known Generic.’ To maintain differentiation and customer loyalty, companies must position themselves for profitability. To do that they must find ways to track, predict, and preemptively respond to changing customer loyalty values and expectations.”

For the 2001 awards, researchers conducted nearly 16,000 brand assessments among adult Americans who use the brands in question.

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