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### **CUSTOMER LOYALTY STUDY LISTS TOP BRANDS**

NEW YORK, NY September 22 -- The 1998 Customer Loyalty Index, the first tracking of customer loyalty across a broad spectrum of key products and service categories, includes a number of expected winners (e.g., American Airlines, Budweiser, and Coca Cola), as well as a number of surprises (e.g., Adidas, Budget Rent-A-Car, and the Discover Card). The Customer Loyalty Index is published by Brand Keys Inc., a New York City research and consulting company.

<u>Category</u>	<u>Brand</u>
Airlines	American
Athletic Footwear	Adidas
Car Rentals	Budget
Beer (regular)	Budweiser
Beer (light)	Amstel Light
Retail Banks	First Union
Credit Cards	Discover Card
Express Parcel Services	Airborne Express
Fast Food	Burger King
Office Copiers	Xerox
Soft Drinks (regular)	Coca-Cola
Soft Drinks (diet)	Diet Pepsi
Telecommunications	US West

“While customer satisfaction gets far more attention, and can be important in its own way, loyalty is actually the most powerful force driving sales, profits, and growth,” says

Brand Keys President, Dr. Robert Passikoff. “Satisfaction is a lagging indicator,” he adds, “while loyalty is a leading indicator. The only reason no one talks much about loyalty is that no one knows how to measure it accurately.”

No one, that is, except Brand Keys, whose proprietary polling and measuring systems accurately determine the extent to which a brand meets or exceeds its customers’ expectations. A high score on these measures is very closely correlated with repeat-purchase behavior, the primary benefit of customer loyalty.

The above list, from the 1998 Brand Keys Customer Loyalty Index<sup>SM</sup>, shows which brands ranked number one in their respective categories in customer loyalty. Note that the number-one company in loyalty is not necessarily the top player in the category. In athletic footwear, for example, Adidas outranks Nike in customer loyalty by a significant margin. Adidas is thriving, largely because it has forged strong loyalty bonds with its core customers.

Dr. Passikoff says Adidas has done an excellent job of capitalizing on the recent shift of top loyalty drivers in the category away from Fashion to Comfort and Durability, enabling it to surpass Nike and the rest of the category in terms of growth.

Brand Keys is a brand equity and customer loyalty consultancy in New York City and London. For the past decade, it has been developing measurement tools and analysis algorithms that enable companies to act quickly and decisively on customer data. “Because customer loyalty is a leading indicator of profitability,” says Dr. Passikoff, “companies who ignore it do so at their own peril.”

In January, Brand Keys will present its first annual Customer Loyalty Awards to companies in various categories who in the past year have earned the highest marks in customer loyalty.

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