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15th ANNUAL BRAND KEYS 2011 CUSTOMER LOYALTY INDEX ANNOUNCES THE “DECADE OF DELIGHT”

Brand Experience Reaches New Heights as Consumers Search for Real Innovation in Products and Services

NEW YORK, NY (Feb. 7, 2011) - The “Decade of Delight” describes the key expectation of today's consumers, in the 15th annual Brand Keys Customer Loyalty Engagement Index® (CLEI) survey conducted by the New York-based brand and customer loyalty and engagement consultancy (www.brandkeys.com).

Across the 528 brands in 79 categories tracked in the Brand Keys Customer Loyalty Engagement Index, attributes relating to “experience” and “authentic innovation” in products and services are exerting the strongest impact on customer decision-making, category-expectations, and brand engagement. While expectation levels for delight vary by product category, brands that were among the top-10 at creating customer delight are:

1. Netflix,
2. Apple,
3. Walgreens,
4. Discover,
5. Hyundai,
6. Mary Kay,
7. McDonald's,
8. J. Crew,
9. Samsung, and
10. Nikon

“This evolution has been accelerating for some time. Brand value has increasingly been defined not through the narrow lens of price, but in terms of the total experience that consumers have when they interact with a given brand. This year's results demonstrate that concept has truly taken hold, with virtually every category (93%) showing its greatest increase in expectations in the purchase drivers centered on attributes that most strongly impact the customers' overall experience,” noted Robert Passikoff, Brand Keys founder and president.

Consumers Change, Categories Change – Brands Must Change Too

“The CLEI data is predictive of coming shifts in the consumer marketplace – 12 to 18 months before it shows up in traditional research. Given the levels of commoditization we've

witnessed in product/service delivery and pricing/promotion strategies it is no surprise consumers are looking for their favorite brands to make a real difference – to delight them – in their lives. Consumers know the brands, know what they do, and know what they’re willing to pay for them,” said Passikoff. “They’re looking for delight and the category purchase drivers are very clear in this regard.”

“Innovation is key, whether it's innovation in the products themselves, or innovation in how those products are put into the hands of consumers – from rapid delivery to product introductions – and the after-life of service and support that the consumer experiences. And, consumers want meaningful innovation that results in a higher level of experience. Satisfaction has never been more cost-of-entry; delight is the new differentiator,” added Passikoff.

Evolving consumer expectations transform categories, and this year category characteristics that contribute to the consumers’ skyrocketing desire for experience and authentic innovation are exerting the strongest impact on customer decision-making and profitable engagement with the brand. Brands able to meet – even exceed – these expectations become category leaders. “This only matters, of course, if you’re keeping score by counting sales and profits, and not merely tracking awareness levels,” noted Passikoff.

Brands That Delight the Consumer

Brands that received the highest loyalty and engagement assessments for 2011, “delighting” their customers better than the competition are:

- Airlines: Delta and Southwest
- Allergy Medicine (OTC): Claritin
- Athletic Footwear: Asics
- Automotive: Hyundai
- Banks: Wells Fargo
- Beer (Light): Coors Light
- Beer (Regular): Sam Adams and Coors
- Bottled Water (Regular) Aquafina
- Breakfast Cereal (Adult): Cheerios
- Breakfast Cereal (Children): Frosted Flakes
- Car Insurance: Progressive
- Casual Dining: Olive Garden
- Cell Phone: Samsung
- Coffee: Dunkin’ Donuts
- Computer (Laptop): Apple
- Computer (Netbook): Acer/Samsung
- Cosmetics: Mary Kay
- Cosmetics (Luxury): Lancome
- Credit Card: Discover
- Diapers: Pampers
- Digital SLR Camera: Nikon
- Digital Point-and-Shoot Camera: Canon
- Drug Stores: Walgreens
- DVD Player: Pioneer
- Energy Provider (Chicago): Exelon
- Energy Provider (Houston): HPL

Energy Provider (Los Angeles): Southern California Gas
Energy Provider (New York): PSEG
E-Readers: Kindle
Evening News Show: NBC
Facial Moisturizer: Mary Kay
Facial Moisturizer (Luxury): Elizabeth Arden
Gasoline: Chevron
Hair Color: Clairol and L'Oreal
Hair Conditioners: Aveda
Hair Shampoo: Suave
HDTV (LCD): Sony
HDTV (Plasma) Samsung
Hotel (Luxury): Inter-Continental
Hotel (Upscale): Marriott
Hotel (Mid-Scale): Best Western
Hotel (Economy): Days Inn
Insurance Company: New York Life
IT Solutions Provider: IBM
Laundry Detergent: Tide
Major Sports League: National Football League
MFP Office Copier: Konica Minolta
Morning News Show: Today (NBC)
Movie Rentals: Netflix
Mutual Fund: Janus
Online Brokerage: OptionsXpress and Scottrade.com
Online Retailer: Amazon.com
Online Travel: Expedia
Pain Reliever (OTC): Advil
Paper Towels: Brawny
Parcel Delivery: UPS
Pasta Sauce: Barilla
Pet Food - Canned (Cats): Purina
Pet Food - Canned (Dogs): Purina One
Pizza: Domino's
Printers: HP
Quick-Serve Restaurant: McDonald's
Rental Car: Avis
Retail Price Club: Sam's Club
Retail (Apparel): J. Crew
Retail (Discount): Wal-Mart
Retail (Department Store): Dillard's and Kohl's
Retail (Office Supply): Staples
Retail (Home Improvement): Ace
Search Engine: Google
Smartphone: Apple
Social Networking Sites: Facebook
Soft Drink (Diet): Diet Pepsi
Soft Drink (Regular): Pepsi

Tequila: Patron
Toothpaste: Crest and Tom's of Maine
Tooth Whiteners: Crest Whitestrips
Vodka: Ketel One
Wireless Phone Service: AT&T Wireless

Methodology

For the Brand Keys 2011 survey, 46,000 consumers, 18 to 65 years of age, drawn from the 9 US Census Regions, self-selected the categories in which they are consumers, and the brands for which they are customers. Seventy-five percent (75%) were interviewed by phone, 20% via face-to-face interviews (to account for today's of the population who are cell phone-only consumers,) and the remaining consumers assessed categories and brands online.

Ten (10) new categories were added to the 2011 CLEI and included Drug Stores, E-Readers, Hair Conditioners, Movie Rentals, Online Retailers, Shampoo, Social Networking Sites, Tequila, and Tooth Whiteners, bringing the total number of categories and brands to 79 and 528 respectively.

“At a time when brands are struggling to differentiate themselves from their competition and to find ways to profitably engage their customers, the changes this year serve as a real benchmark for marketers. Products and services that respond with a truly consumer-centric view of their category – delighting the customer – based on predictive loyalty metrics, stand to gain the most, and establish themselves as this decade's brand leaders,” concluded Passikoff.

The complete listing of the 79 category rankings can be found at www.brandkeys.com/awards

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