

**Shifting Customer Loyalty Values Make Corporate Profitability Even More Difficult to Attain in 2002**

**Budweiser, Discover, and Airborne Express are 5-Time Winners In Annual Customer Loyalty Awards**

NEW YORK, NY June 30, 2002 - "Customer loyalty values have shifted dramatically in 33% of the categories tracked in the Brand Keys Customer Loyalty Index<sup>®</sup>," said Dr. Robert Passikoff, president, Brand Keys, Inc. ([www.brandkeys.com](http://www.brandkeys.com)), in announcing the winners of the fifth annual Brand Keys Customer Loyalty Awards. Only three brands, Budweiser, Discover and Airborne Express have won their categories five consecutive times since the awards were established in 1997.

The profitability challenge companies face deals directly with their ability to address customer expectations regarding critical category values. "Consumer values are shifting faster than brands can identify them using traditional research methods," said Passikoff. "If your company's research methods can't isolate shifting customer values, and then clearly indicate how your brand can exceed them, you will disappoint your customer base, and disappointed customers take their business elsewhere."

Of the 28 industry categories examined in the 2002 Brand Keys Customer Loyalty Index, nine categories indicated shifts in their category drivers versus 2001. Some of the most notable changes were: in Airlines, where "Booking and Boarding" moved up in importance; in Credit Cards, "Purchase Protection" shifted down; in Long Distance Providers, "Technology" rules; and "Size" matters most in Mobile Phones.

**2002 Brand Keys Customer Loyalty Category Award Winners**

Delta	Airline
New Balance	Athletic Footwear
Citibank	Bank (NY retail)
Coors Light	Beer (Light)
Budweiser	Beer (Regular)
Avis	Car Rental Company
Discover	Credit Card
KeySpan/PSE&G (tie)	Energy Provider
Wendy's/KFC (tie)	Fast Food
Mobil	Gasoline
Ritz-Carlton	Hotel
Travelers	Insurance Company
Sprint	Long-Distance Phone Service
MLB	Major Sports League
Samsung	Mobile Phone
Today (NBC)	Morning TV News Show
T. Rowe Price	Mutual Fund
Canon	Office Copier
Amazon.com	Online Books/Music
Charles Schwab	Online Brokerage
Expedia Online	Travel



Airborne Express	Parcel Delivery
Papa John's	*Pizza
Wal-Mart	Retail Store
Google	Search Engine
Diet Pepsi	Soft Drink (Diet)
Pepsi	Soft Drink (Regular)
Verizon	*Wireless Service Provider

The 2002 Brand Keys Customer Loyalty Index also identified categories in which customer expectations have increased upwards of 50% over the past five years. "Retaining loyal customers and demonstrating profitability has become exponentially more difficult in recent years," Passikoff notes.

Fielded twice a year, the Brand Keys Customer Loyalty Index is based on survey assessments that probe customers' relationships with 158 brands in 28 categories. Each year Brand Keys Customer Loyalty Awards are presented to honor brands whose overall Customer Loyalty Index scores are the highest in their category.

The Brand Keys Customer Loyalty Index scores result from data generated by proprietary brand equity metrics, which reveals a detailed picture of the "drivers" that bond customers with the "ideal" brand in each category. While traditional consumer research tools report what people say about previous purchases, Brand Keys metrics report the leading indicators of future consumer behavior.

The Brand Keys Customer Loyalty Index determines (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 category ideal is the one whose customers will demonstrate the greatest loyalty over the coming months," said Passikoff. "Some companies realize that customer loyalty is now the leading indicator of profitability, and some obviously haven't received the memo yet."

Passikoff concludes that, "Some companies have recognized that 'customer values' have become the new marketing compass, but they lack the predictive, leading indicator analyses necessary to identify and capitalize upon these shifts. To maintain differentiation and customer loyalty, companies must find ways to track, predict, and to preemptively respond to changing customer loyalty values and expectations."

For the 2002 awards, researchers conducted 16,600 brand assessments among adult Americans who use the brands in question.