B k R e A y N s D

## Brand Keys "What Happened? 2014" Predictive Metrics Challenge

### Emotional Engagement and Loyalty Prove
### Best Predictors of Consumer Behavior

### Apple, Starbucks, Louis Vuitton, Google are Engagement Winners
### McDonald's, SONY, Sears, Disconnect with Consumers

**NEW YORK, NY (JANUARY 5, 2015)** – The sixth annual Brand Keys 'What Happened 2014?' audio recording series, which addresses predictive brand, marketing and advertising metrics, was posted today by Brand Keys (brandkeys.com), the New York-based emotional engagement and brand loyalty research consultancy.

"Once again the annual review demonstrated emotional engagement and brand loyalty measures were a marketer's best predictors of consumer behavior," said Robert Passikoff, founder and president, Brand Keys.

The 2015 audio review focuses on over a dozen categories including: technology, pizza, ride-sharing apps, fast food, fast-casual food, retail, phablets, and coffee and examines consumer market effects related to emotional engagement values of patriotism, luxury, and innovation.

The 2015 program examines predictions made about brands like Apple, Google, Louis Vuitton, Uber McDonald's, Google, Harley Davidson, Sears, Starbucks, Disney, Domino's Jeep, Coca-Cola, Pizza Hut, Samsung, Hermés, and Chipotle, and reviews the accuracy of those predictions by examining what actually happened in the marketplace. The free recordings may be listened to or downloaded at brandkeys.com/what-happened/.

"Many companies talk a great deal about 'prediction' and 'predictive metrics' and how everything from neuroscience measures to tallying tweets, to counting social media shares are predictive and can accurately forecast consumer behavior," noted Passikoff. "Ultimately making predictions tends to be a far more popular pastime than actually checking on their accuracy. Few researchers put their predictions to the test, so we decided to do something about it."

**Independently Validated Predictive Measures**

Based upon independent validations, the Brand Keys engagement and loyalty methodology has been proven to provide metrics and insights generalizable at the 95% confidence level, with

correlations to actual consumer behavior and market results of 0.70 and higher. "And, axiomatically," said Passikoff, "better consumer behavior toward a brand delivers increased sales and profitability."

The predictive metrics were extracted from Brand Keys' 2014 Customer Loyalty Engagement Index, a 32,000 consumer-based assessment of 64 B2B and B2C categories and 600 brands, and reviews predictions made as early as the first week of January 2014 and as late as the first week of last November.

**Real Emotional Measures**

"The engagement and loyalty process allows marketers to measure what is *going to* happen because the approach measures the real emotions and expectations attached to brands and associated marketing and advertising efforts on a scalable basis," added Passikoff.

"A cursory review of claims about traditional survey-based research and copy-testing leads one to believe that they work well at predicting the impact on sales of different strategies and campaigns, but we'd have to disagree," observed Passikoff." If their predictions are so good, why are marketers unable to accurately predict brand trajectories when they suffer losses of sales and customers? Why don't research results match actual market results? Storytelling and entertainment are all well and good, but they aren't adequate substitutes for engaged consumers or sales."

**MRIs No Substitute for Measuring Real Emotions**

The Brand Keys review is an annual test to see what happened in the marketplace. "We aren't big fans of nostalgia —especially when it comes to helping brands predict how to engage an ever-evolving consumer," said Passikoff. The 6ᵗʰ annual review showed again that prediction is remarkably less risky – and 100 percent consumer-driven – when one employs emotionally-based loyalty and engagement metrics. They point to what people will actually *do*, instead of what they *say* they are going to do. "These measures provide marketers with the answer to that ultimate question, "'What's going to happen to my brand?' They have been proven to identify category and brand shifts 12 to 18 months ahead of traditional research, and even MRI-driven neuroresearch, which, for some reason marketers seem to believe delivers super-charged emotional research insights," noted Passikoff. "It must be all the lights and colors."

"The new generation of market researchers may have forgotten, but back in the late '60s we tried the same thing with galvanic skin response measures, which were also liable to individual interpretations and were about as predictive, " quipped Passikoff. "Lab tests are well and good and we applaud those who push the boundaries of marketing science, but it's important not to allow enthusiasm for chasing the newest shiny thing to get in the way of accurate prediction and the ability to identify what's really going to happens to a brand in the real marketplace."

**A Dozen Categories Examined**

The true stories of this year's examination of a dozen categories can be found in a set of free, downloadable audio recordings ([brandkeys.com/what-happened/](brandkeys.com/what-happened/)), which represent a look back on predictions, insights, and actualities about different categories and consumer segments.

In these stories you can hear the published predictions and then a market-check against *what happened* —and, importantly, how emotional engagement and loyalty measures saw it coming.

"Winston Churchill noted that 'no matter how beautiful the strategy, you should occasionally look at the results.'" said Passikoff. "Today he'd probably add no matter how beautifully told the story, how cinematographically filmed the commercial, how many tweets and views received, and what part of the brain lit up. If nothing else, we hope our challenge will inspire marketers to demand more from their research, and maybe do a little digging on their own about what was promised and what actually transpired."

"There's a big difference between truly predictive metrics and interestingly collected data, and it's worth marketers' time to note the distinction," said Passikoff. "They're betting their brand futures on it."

Contact:
Robert Passikoff
T: 212-532-6028 / C: 917-847-6110
robertp@brandkeys.com