



February 16, 2015

Brand Keys: Gap Grows Between What Customers Want and What Brands Deliver

By [Lisa Lockwood](#)

J. Crew, Nike, Marshall's and TJ Maxx, Wal-Mart, Home Depot, Whole Foods, [Amazon.com](#), Costco and Dick's all ranked in the No. 1 spot of their respective retail categories based on their ability to meet customers' expectations better than the competition, according to a survey by Brand Keys, the New York-based brand engagement and customer loyalty research consultancy.

The 2015 Customer Loyalty Engagement Index found that the gap between what consumers expect and what brands deliver is bigger and driven almost entirely by emotional values, such as "is this brand for me?" or "does this brand understand me?" Brand Keys has been tracking consumers' expectations for 20 years. According to the index, consumer expectations have jumped nearly 23 percent over 2014 but brands have only managed to improve their ability to satisfy those expectations by 5 percent.

Robert Passikoff, president of Brand Keys, said, "In a marketplace where retail brands struggle to create meaningful differentiation and engagement, those better able to identify customers' expectations and address them via authentic emotional values will see tangible bottom-line results."

Here's how the brands ranked in their respective retail categories:

- In apparel, J. Crew came in at number one, followed by Old Navy, Victoria's Secret, Banana Republic and Foot Locker (tie), H&M, PacSun, Anthropologie, Forever 21 and L.L. Bean (tie), Gap, Express, American Eagle Outfitters, Aéropostale, American Apparel and Abercrombie & Fitch.

- In athletic footwear, Nike took the top spot, followed by New Balance, Skechers, Adidas, Reebok, Mizuno and Fila (tie), Asics and Under Armour (tie) and Brooks.

- In department stores, Marshall's and TJ Maxx tied for first place, followed by Macy's, Kohl's, Dillard's, J.C. Penney and Sears.
- In discount, Wal-Mart landed in the number-one spot, followed by Target and Kmart.
- In online retail, Amazon.com came in at number one, followed by Zappos.com, eBay.com, Overstock.com and Buy.com.
- In price clubs, Costco came in at number one, followed by Sam's and B.J.'s.
- In sporting goods, Dick's scored the top spot, followed by Cabela's, REI, Big 5 Sporting Goods, and Sports Authority and Modell's tied.
- In natural foods, Whole Foods came in at number one, followed by The Fresh Market, Trader Joe's and Sprouts Farmers Market.
- In home improvement, Home Depot came in first place, followed by Lowe's, Ace and True Value.

Passikoff said he's found that retailers' reliance on technology is a new form of outreach, but not a new form of communication. He said customers feel that "you're talking at me, not talking to me." He said he was surprised to find that customers' expectations are even higher than last year, "and brands are not keeping up." A lot of relatively new brands made the list. In fact, 8 percent of the entire list (which includes other retail categories as well) are new brands, which Passikoff said are doing a better job than traditional ones in delivering what their customer wants. "I don't think retailers do a very good job of understanding their consumer. They've done the demographic stuff and they understand inventory and location-based buying, but if you talk about emotionality, you don't see them doing anything about it," said Passikoff.

For the 2015 survey, done in January, 36,605 consumers, ages 18 to 65, self-selected the categories in which they are consumers and the brands for which they are customers.

Lisa Lockwood
News Director
WWD