

## Brand Keys CLEI 2016: Consumers Raise Engagement And Loyalty Bar Once Again

by Karlene Lukovitz, Monday, February 15, 2016 8 AM

*Editor's note: This week, Marketing Daily brings you exclusive coverage of the Brand Keys 2016 Customer Loyalty Engagement Index (CLEI). Each day, expect a report on key product/services categories from among the 72 surveyed for this year's study, including automotive, electronics, retail, technology and alcoholic beverages. This first installment provides a results overview, followed by highlights from "consumables" categories including restaurants (by format), soft drinks, bottled water, packaged coffee, breakfast bars and ice cream.*

This year's Brand Keys CLEI results again show a widening gap between what consumers expect from brands and how well they perceive brands to be delivering on those expectations.

The particular values or factors that drive consumer engagement with brands within product and services categories change from year to year. In fact, this year, the drivers changed in 64 of the 72 product and service categories included in the research.

But there are two constants: Overwhelmingly, the engagement and loyalty drivers are now emotional values, rather than rational ones, like product performance; and the levels of expectations continue to rise.

In most categories, brands' performance in relation to rational factors is already established, making rational factors "table stakes" and raising the importance of emotional factors as differentiators for engagement and loyalty purposes, sums up Robert Passikoff, founder and president of Brand Keys, a New York-based brand engagement and customer loyalty research consultancy.

This year, emotional expectations rose by an average of 18% across the 635 brands in the research, which include 83 brands new to the survey, he reports. Meanwhile, consumer perceptions of how well brands met their expectations rose by just 7% to 8%, on average, during the year.

Reflecting consumer input, new products and services categories in this year's CLEI survey include deodorants, packaged ice cream, file hosting, lip balm, ticketing services and whiskey. Also, two categories returned to the study this year: bottled water and tequila.

Here's how CLEI works: Respondents self-select the product/services categories in which they are consumers, and the brands for which they are customers. Respondents determine which and how many brands make the rankings within a given category each year. Assessments are based on an independently validated technique that identifies the core rational and emotional factors that drive consumers' "ideal" for each specific category. The rankings in each category reflect how well, on an indexed basis, each brand met or exceeded the "ideal" for its category.

For the 2016 CLEI, conducted in January, Brand Keys surveyed 42,792 U.S. consumers between the ages of 18 and 65, drawn from the nine U.S. Census regions. Most (70%) were surveyed by phone; 25% face-to-face (to include cellphone-only households); and 5% online. The proprietary research technique/statistical analyses have a test/re-test reliability of 0.93, which provides assessments generalizable at a 95% confidence level.

A free copy of the complete 2016 rankings can be obtained through the Brand Keys site. Audio summaries of key trends in the 2016 rankings are also offered.

### Consumables: Well-Being and Trust Now the Drivers

As context for the consumables categories summarized below, Passikoff stresses that when it comes to food and beverages, in particular, loyalty now hinges to a growing degree on trust and expectations that brands should enhance well-being. "That's a step beyond expecting a brand to be healthy," he says, adding that feeling entitled to customization in QSRs and other restaurants is one manifestation of this attitude.

Another example: Within the bottled water category — which returned to this year's study because of consumers' increasing shift toward water and away from carbonated beverages — the core driver is "purity," along with the perception that "hydration is healthy," he notes.

### Restaurants: Panera, Subway, Domino's Lead Their Formats

**\* Casual/fast-casual restaurants:** In last year's study, Chipotle Mexican Grill supplanted Panera Bread in the #1 position. In a hardly surprising development, given its high-profile series of food-borne illness outbreaks during the past year, Chipotle Mexican Grill lost that top spot — Panera is now back on top.

What might surprise some is that Chipotle dropped by just four places, to #5 — where it's tied with Texas Roadhouse. "Chipotle has an exceptionally engaged and loyal customer base, so despite this crisis, I expect them to rebound within a year or so," says Passikoff.

Panera, meanwhile, has enhanced customer loyalty not only by removing artificial ingredients from its food, but also through advertising that strongly reinforces its brand values, Passikoff observes. "Their 'Food As It Should Be' campaign is an excellent and fairly uncommon example of relevant, effective emotional advertising," he says. "Many brands confuse using imagery or humor for their own sakes with brand relevance."

This year, two brands that didn't even make last year's rankings are in the #2 and #3 positions: Schlotzsky's, followed by 5 Guys

Burgers and Fries.

Au Bon Pain is #6 (down one from last year), followed by Denny's; Arby's and Longhorn Steakhouse (tied); Chili's; Ruby Tuesday; IHOP Red Lobster; Golden Corral; Boston Market; Applebee's; Outback Steakhouse; TGI Friday's, and Cosi.

\* **Quick-service restaurants:** Speaking of loyal customers ... Subway is once again #1 in this category, indicating that its fans seem not to be letting the child pornography scandal surrounding former spokesperson Jared Fogle affect their feelings about the brand.

Chick-fil-A is again #2, while KFC jumped from #5 to #3. Burger King remained #4, while Popeye's jumped up two rankings, to #5. Wendy's and Taco Bell tied at #6 — a dip for Wendy's, which was #3 last year.

Other brands that made this year's rankings, in order, are: Jack in the Box, In-N-Out, McDonald's (in the same #9 position as last year) and — in a three-way tie, Hardee's, Whataburger and Church's.

\* **Pizza restaurants:** Domino's again held onto its top ranking. Papa John's rose to #2, from #3 last year; and Papa Murphy's jumped to #3, from #5. Pizza Hut dropped to #4, from #2. Little Caesars and Chuck E. Cheese are in the fifth and sixth slots.

#### **Coffee: Allegro Makes a Leap in Packaged**

\* **Coffee, Out-of-Home:** For the second year in a row, Dunkin' Donuts and Starbucks have tied for #1 in customer loyalty among coffee enthusiasts, with Tim Horton's and McDonald's following, in that order.

\* **Coffee, Packaged:** Dunkin' is also again #1 in the packaged category. But Allegro, which was #4 last year, has supplanted Folger's in the #2 spot. In fact, Folger's dropped four places this year.

Starbucks kept its #3 position, followed by #4 Peet's (tied for #7 with Lavazza last year); Eight O'Clock (again at #5); #6 Folger's; #7 Maxwell House (up from #8); #8 Green Mountain (down from #6); #9 Chock Full O' Nuts (down from #7); and #10 Lavazza.

#### **Soft Drinks: Regular Pepsi Bumps Coke for Top Spot**

\* **Regular soft drinks:** In a marked upset, Pepsi has unseated Coca-Cola, which dropped to #2 after holding the #1 ranking for four consecutive years. That's particularly notable because Pepsi was still in the #3 spot last year, having worked its way back up from #5 in 2014.

Pepsi's rise bumped Mountain Dew down to #3; it had been #2 for the past two years. Like last year, the other three brands making the rankings this year are Sprite, Dr. Pepper and 7-Up, in that order.

\* **Diet soft drinks:** Diet Coke is #1 for the fifth consecutive year. Diet Pepsi kept its #2 slot (which it won last year by moving up from #4 in 2014).

Diet Mountain Dew, Diet Dr Pepper and Diet 7-Up retained their respective #3, #4 and #5 positions.

\* **Bottled Water:** Back by popular demand, this category is led by Dasani, followed by Aquafina, Nestle Pure Life, Glaceau Smartwater, Poland Spring and, in a tie, Fuji and Deer Park.

\* **Packaged Ice Cream:** This new category is led by Haagen-Dazs, followed by Breyers, Blue Bell, Ben & Jerry's, Edy's and Turkey Hill.

If Blue Bell surprises you, given its own crises of the past year—food-borne illness outbreaks, followed by a government investigation — Passikoff notes that when Brand Keys checked this category's rankings in the middle of last year, prior to the investigation news, Blue Bell had been in first place. By January, it had dropped two places.

\* **Breakfast Bars:** This category, which joined the study last year, has this year grown to nine brands, from six.

The category is again led by Kellogg's Nutri-Grain. But Cliff — which wasn't in last year's rankings — is now #2. That bumped Atkins down to #3, and Kellogg's Rice Krispies Treats down to #4.

Another Kellogg entry—Special K Bars—joined the category at #5. It's followed by three brands also in last year's rankings, in the same order (though a few places down now): Nature's Valley, Quaker and Kashi. Fiber One is a new addition to the category, at #9.