



B *k* R *e* A *y* N *s* D[®]

- Brand Keys is a global research-based, senior consultancy (brandkeys.com) that helps Fortune 500/Global 1000 clients and their brands develop highly successful and profitable brand health, engagement, and loyalty strategies.
- We specialize in emotional brand engagement and consumer loyalty metrics and focus on those specialties because they are *predictive* of future in-market consumer expectations and behavior.
- The trends and value shifts identified in our research are 12 to 18 months ahead of the traditional curve. For clients, that means possessing insights long before they show up in tracking studies or are articulated in focus groups (on or off-line)!
- There's no question that marketplace decision-making has become increasingly more emotional. Our examination of 100 B2B, B2C, and D2C categories and 1,000 brands for what really drives *consumer behavior*, has identified a ratio of emotional to rational values generally to be 80:20.
- The model and methodology are grounded in psychology, which allows brands to identify, measure, and understand both the emotional *and* rational factors that merge to form the path-to-purchase drivers that genuinely engage consumers. The combination lets us understand *what people think*, as opposed to *what they say they think*. That difference matters!
- The Brand Keys model can be used as a benchmark to accurately measure the impact that any media, marketing, or communications initiative will have on future in-market behavior – in advance of the spend!
- Our Media GPSsm metrics are used by clients to optimize media spends and leverage the most-engaging channels, platforms, and venues to their brand's competitive advantage.
- We have more than our share of in-market validity studies and our metrics have been independently-validated to correlate very highly (0.80+) with sales and profitability by The Advertising Research Foundation, ESOMAR, and the Association of National Advertisers.



The Brand Keys Advantage

- **Unique Data:** Brand Keys provides the most accurate loyalty and engagement data available in the marketplace, backed by decades of consistently proven success and independent validations. We invite you to listen to our annual recording series, “*What Happened?*” to see what the data said, and how the consumer and marketplace reacted: <https://brandkeys.com/what-happened/>
- **Predictive Analytics:** Brand Keys has empirical evidence, modeling thousands of brands over the years, that its unique loyalty data accurately predicts business outcomes. Correlations with Brand Keys metrics to sales, profitability, upsells, foot traffic, and brand KPIs are generally 0.80+.
- **Competitive Intelligence:** Brands do not only gain deep insights into what they can specifically activate to grow their businesses and strategically increase KPIs but can also gauge their performance in relation to their competitive set, as well as aspiration brands in other categories.
- **Leading-Edge Techniques = Leading-Indicator Insights:** Insights identified via the Brand Keys methodology appear 12 to 18 months *before* they show up in traditional brand trackers, focus groups, or the marketplace.



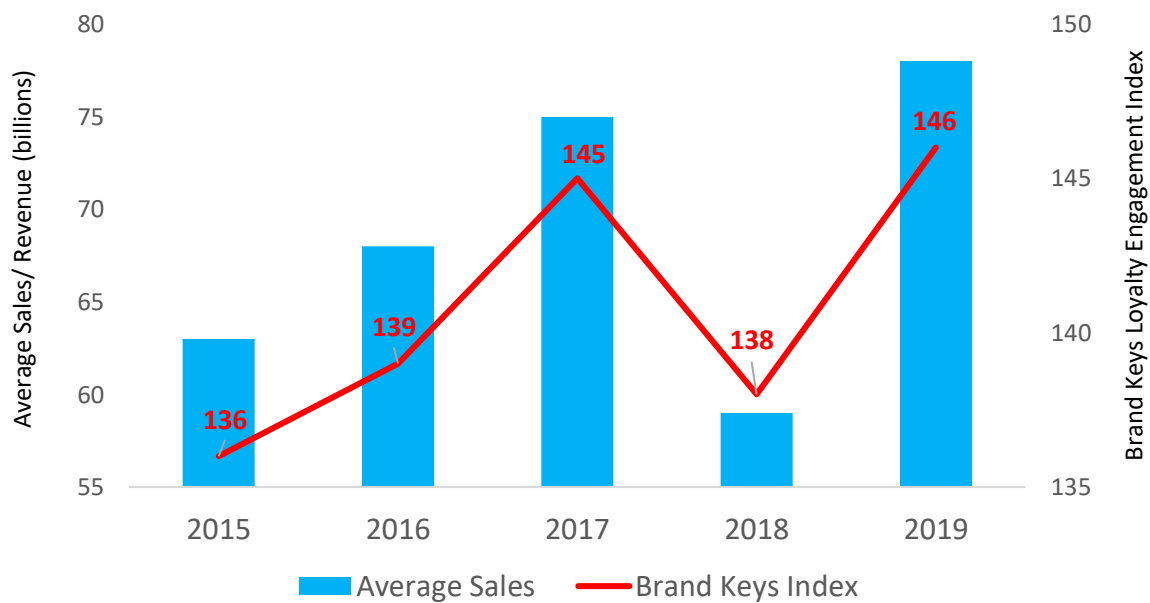
Loyalty and Engagement Technical Specifications

- Complex, emotionally-derived metrics deliver uncomplicated output.
- Includes 3 higher-order statistical analyses.
- 100% respondent-driven.
- Identifies a category-specific ideal, which explains how customers really *view* a category, how they will *evaluate* brands within a category, and ultimately how they will *buy* in the category.
- Test/re-test reliability of 0.93 off National Samples in the US and the UK.
- Recalibrated every 5 years.
- B2B, B2C, and D2C applications.

- Used in 35 countries around the world.
- Loyalty is the engine that fuels the incontrovertible “Rule of Six,” a proven market imperative, which goes: “Loyal customers are six times more likely to . . .”
 - Buy your products,
 - Buy more of your products more often,
 - Recommend your products to friends and family,
 - Invest in publicly traded companies,
 - Rebuff competitive offers, especially price-based offers, and
 - Give your company or brand the benefit of the doubt in tough circumstances.
- Augmented with Media GPS, adds media consumption of *your* brand’s marketing and advertising efforts to the model – and the insights.



Brand Keys’ loyalty and emotional engagement assessments have been independently validated by organizations such as *The Advertising Research Foundation*, the *Association of National Advertisers* and *ESOMAR*, to predict business outcomes with exceptionally high correlations to traffic, sales, and associated KPIs, $r = 0.86$ in the 5-year CPG category example below.

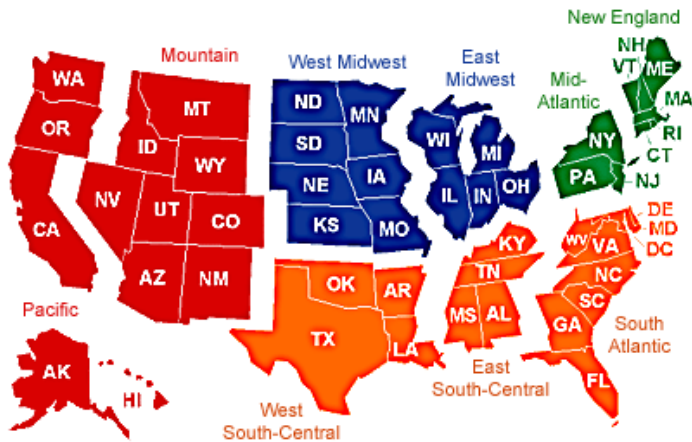


Source: Brand Keys Customer Loyalty Engagement Index

Access to Best Practices and Insights via Brand Keys Customer Loyalty Engagement Index® (CLEI)

The Customer Loyalty Engagement Index is an annual syndicated survey conducted every January.

- Annual survey (2020 is 25th year)
- 110 categories – 921 brands
- 52,000+ consumer interviews
- Drawn from the 9 US Census regions



- Male/ Female



- 16-65 YOA
- 45% phone interviews, 45% in-person, cell phone-only HH, 10% online
- Respondents self-classify for category and brand usage
- Incorporates brand communication effects to loyalty via Media GPS

Results from the CLEI, including your brand-specific performance metrics, and those of your competitors, are available in reports *customized* from the perspective of your brand.

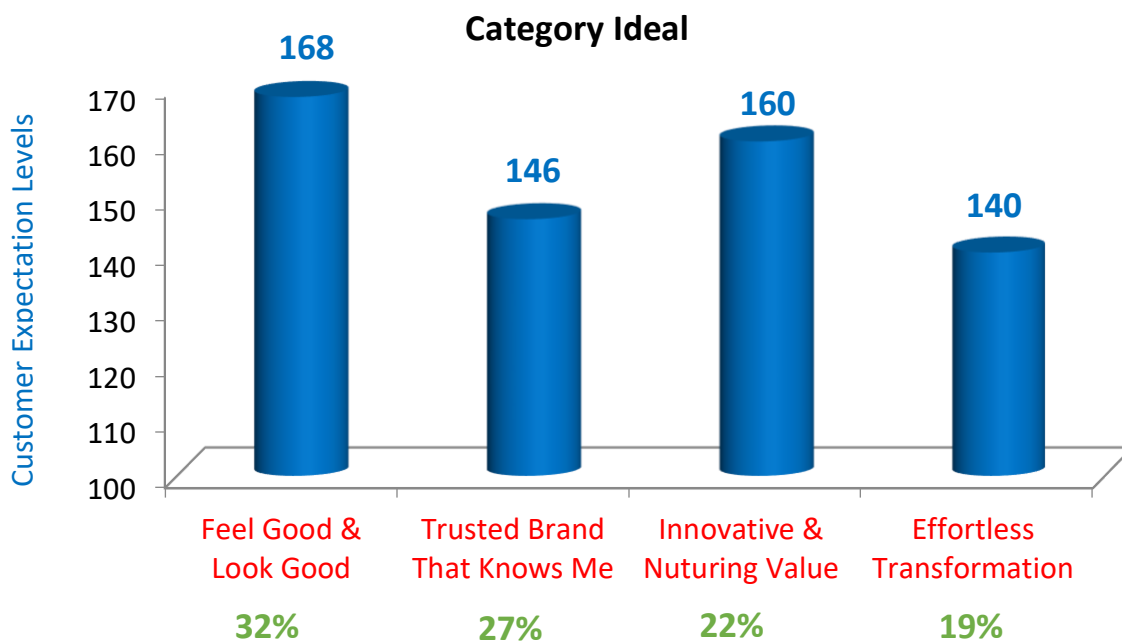
These emotionally-based findings detail a precise path-to-purchase, describing how the consumer *views* your category, how they will *compare* brands, and ultimately how they will *engage* with your brand, *buy*, *recommend*, and *remain loyal*.

The CLEI fuses behavioral psychological brand evaluations with higher-order statistical analyses of rational category attributes, benefits and values to identify the four key drivers of brand engagement and loyalty.

The 4-driver model delivers easily understandable and communicable brand analytics in an easy-to-read bar chart format.



Standard Components & Diagnostics of a CLEI Report



As shown in the chart above:

- The four “drivers” of path-to-purchase, emotional engagement, and long-term brand loyalty in the category. The Ideal is a description of precisely how the consumer views a category, which changes as the consumer *and* category matures, expands, and/or morphs.
- For strategic planning purposes and strategic allocation of marketing resources, the analysis identifies the percent-contribution *each* of the drivers makes to loyalty and engagement.
- The degree of expectations that customers exhibit for the delivery of *each* of the category drivers provides a quantified view of “how-high-is-up”. It provides brands with an unconstrained-by-reality view of what consumers truly expect from brands competing in your category. Expectation levels escalate, on average, 30% a year.



- Brand Keys Customer Loyalty Engagement Index provides benchmark metrics for your brand, the Ideal for the category, and for targeted competitors as well as a category-specific SWOT analysis. This provides a predictive roadmap for identifying successful brand strategies, imagery, and tactics that allow your brand to challenge and outmaneuver the competition.
- **To augment the brand’s SWOT analysis, the individual attributes, benefits, and values (ABVs) – both emotional and rational – that form the components of each of the four category drivers are identified. For each ABV, their percent-contribution to brand engagement and loyalty is calculated to allow for ROI-based decision-making and budget and marketing optimization.**
- The driver component-breakdown provides a deeper understanding of what truly governs propensities for consideration, choice, recommendation, and long-term loyalty. They correlate highly with sales and are extraordinarily leverageable for the development of brand strategies, tactics, and marketing communications.



- In addition, *all* analyses provide an **Overall Brand Equity Index** representing the brand’s overall, weighted-performance on the four category drivers.

- The Overall Brand Equity Index for your brand, the Ideal, and targeted competitors can be used to track brand strength and engagement and serves as a benchmark for testing or tracking pre and post-brand initiatives. Or it can be used as input for brand scorecards, strategic dashboards, or market models.
- Identification of a brand's **Expectation Gap** – the difference between what consumers *really desire* from their Ideal brand and *how they see your brand delivering against those expectations* – identifies opportunities for creating category innovation, brand differentiation, and increased sales.



AMPLIFYING THE MOST ACCURATE LOYALTY ASSESSMENTS IN THE WORLD

For the 2020 Customer Loyalty Engagement Index, Brand Keys merged its independently validated emotional engagement metrics with a new best-in-class platform – Media GPS analytics combining *brand communication consumption* and emotional engagement assessments. Doing that makes these loyalty assessments the most accurate in the marketing world.

This augmented approach recognizes that consumers engage with media differently, dependent on how they engage in a category and enable brands to get very specific about messaging and very strategic in their media placement. It allows us to factor brand advertising and marketing into the loyalty mix.

In the same way that traditional GPS provides accurate determination of geographical locations, the new platform pinpoints the strategic intersection of brand engagement and media consumption.

Adding Media GPS allows brands to identify precisely *where* and *how* they can amplify engagement and loyalty along the path-to-purchase via their marketing communication efforts. The process developed by Brand Keys was employed by *The Advertising Research Foundation's* seminal "How Advertising Works Today" initiative to identify cross-platform media consumption.

How Consumers Use Media Platforms Shapes Loyalty

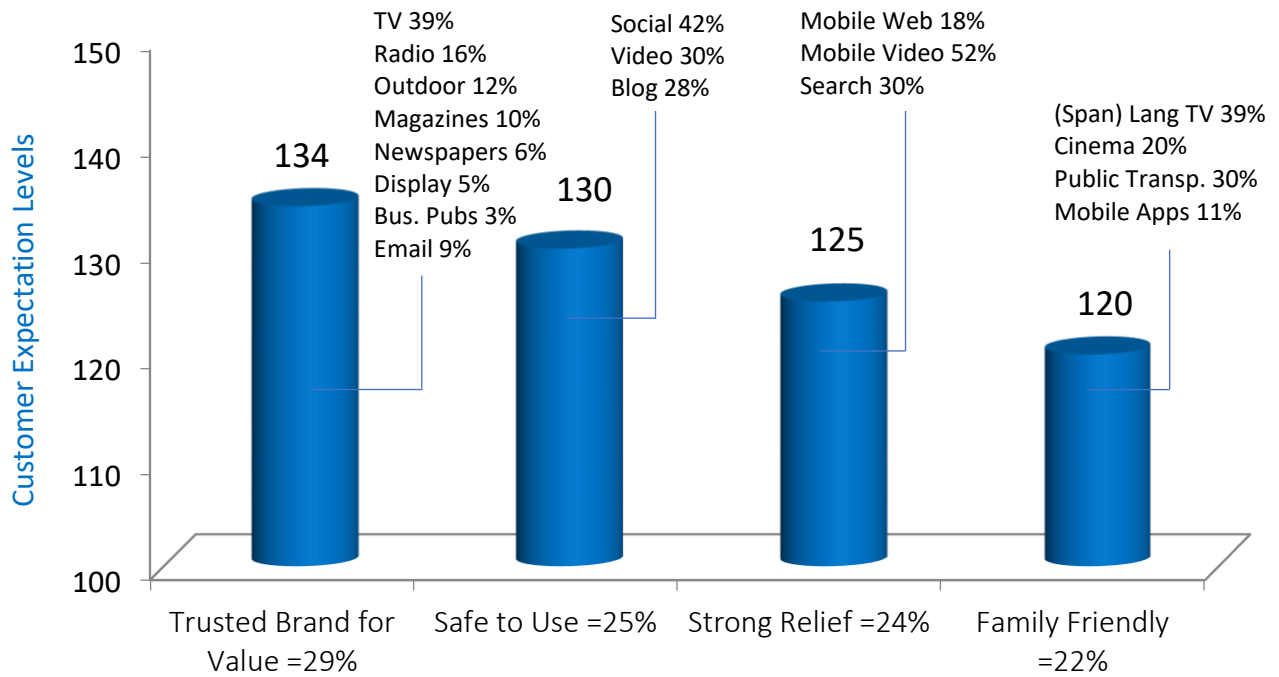
The Media GPS analysis identifies *which* loyalty drivers will be most influenced by one medium versus another. Additionally, the metrics provide the percent-contribution that *each* media platform makes to generating awareness, enhancing recall, creating brand engagement and, ultimately driving sales.

The 2020 Brand Keys Customer Loyalty Engagement Index survey will examine 22 media platforms to identify the best *strategic allocation* of marketing resources and accommodates drill-down into specific venues.

The media platforms include:

- | | |
|---|-----------------------------------|
| Cable TV | Local Magazines |
| Network TV | National Magazines |
| Spot TV | Local Newspapers |
| Spanish Language Network TV | National Newspapers |
| Addressable | Business-to-Business Publications |
| Spanish Language Newspapers & Magazines | Radio |
| Cinema | Outdoor |
| Public Transportation | Display |
| Video | Mobile Web |
| Mobile Video | Mobile App |
| Social | Paid Search |

Assessments identify where *and* to what extent one media platform will be more efficient than others in creating engagement and building loyalty, all based on consumers' actual exposure to and consumption of brand advertising and marketing.



These insights supercharge the already high-correlation-to-sales loyalty metrics (0.80+) *and* provide more robust media-to-loyalty insights.

The addition of brand messaging consumption measures enables brands to develop activation strategies that correlate with sales, enable better deployment of resources, and optimize outreach and engagement.



Additional Brand Keys Loyalty & Engagement Applications

- Serve as leading-indicator brand benchmark for all research and marketing activities
- Provide an overview comparison of concept or ad performance
- Turning tracking into prediction
- Predictively identify shifting category dynamics
- Measure real brand health
- Pinpoint new shopper insights
- Differentiate your brand via optimized CX
- Conduct predictive communications and advertising testing
- Amplify ideation and innovation development
- Identify ROI-based partnerships and sponsorships
- Develop and renew your Brand Architecture



The good news is that brand loyalty is logical and easily understood. The better news is loyalty and engagement can be quantified, predicted, and easily integrated into a brand's research efforts. The best news is real loyalty metrics correlate highly with customer activity in the marketplace, sales, and brand profitability.

Building loyalty is guaranteed to increase consumer engagement and, therefore, propensities to purchase, re-purchase, and recommend, all of which build sales. Brand Keys can help, through our 100% consumer-driven behavioral insights, to develop highly engaging brand communication tactics and strategies that will build loyalty and increase sales.

For a more in-depth understanding of the Brand Keys model, you can watch a brief YouTube video at: <https://www.youtube.com/watch?v=W5Gr-GgAffI>.

Our Senior Consultants are always available to discuss the *2020 Customer Loyalty Engagement Index*, your brand health requirements, or information about integrating predictive loyalty, emotional engagement, and Media GPS into your marketing, media, and research efforts.

Feel free to contact Leigh Benatar, our EVP of Brand Loyalty, Engagement, and Consumer & Competitive Insights, at 212-532-6028 or at leighb@brandkeys.com to schedule a call to discuss your brand's particular needs.