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Consumer Expectations Increase for 10th Straight Year While Brands Fall Farther Behind

(The complete list of 2006 Customer Loyalty Index results, will be available at: <http://www.brandkeys.com/awards> beginning May 22nd)

NEW YORK NY (May 22, 2006) – Customer loyalty expectations have increased dramatically since 2005 in each of the 35 categories tracked in the tenth annual 2006 Brand Keys Customer Loyalty Index[®], from Brand Keys, Inc. (www.brandkeys.com), the New York-based brand and customer loyalty research consultancy which conducts the survey. “Consumer expectations are growing 2.5 times faster than brands are able to keep up,” said Robert Passikoff, President of Brand Keys, Inc., which produces the Index.

The range of expectations runs from the smallest increase for AM News Shows (+6 percent) to the highest increase of +22 percent for Airlines. The average increase in consumer brand expectations for the 238 brands surveyed was nearly +13 percent.

“These are incredibly revealing statistics. At a time when most brands are struggling to differentiate themselves from the competition and engage consumers, it is essential that they know what consumers really expect of them,” noted Passikoff, “otherwise they’ll disengage. From you.”

The highest expectations were found for Airlines, Long Distance Providers, Mobile Telephones, Wireless Providers, Car Rental Companies, and Gasoline. Leading brands in those categories included: JetBlue, Verizon, Samsung, Avis, and BP.

Lowest expectations were in the categories of AM News Shows, Coffee and Doughnut Stores, Overnight Parcel Delivery, Satellite Radio, and Major League Sports, where the most successful brands were Starbucks, XM, Domino’s, UPS, and *Good Morning America*.

The top 5 largest gaps, the difference between what consumers want and what brands actually deliver, appeared in the following categories:

1. Airlines (22 percent)
2. Long Distance Providers (21 percent)
3. Car Rental Companies (20 percent)
4. Mobile Phones (19 percent)
5. Wireless Providers (18 percent)

“The bottom-line is that consumer expectations are growing faster than brands are able to keep up,” noted Passikoff. “It’s a dangerous situation for brands to find themselves.”

For this year’s survey, 16,200 consumers 18 to 60 years of age and drawn from the nine US Census Regions, self-selected the categories in which they are customers. Twenty-four new brands revealed themselves for this year’s survey: American Funds, Applebees, Chili’s, Connective, Dannon (Bottled Water), Epson (Office Copier), Exelon, HP (Office Copier), Michelob, Michelob Light, N-Star, Northeast Utilities, Northern Light, Olive Garden, Orbitz, Panasonic (Office Copier), Panasonic (HDTV), Peco, Pioneer (HDTV), Quiznos, Scottrade, TGI Friday’s, Wells Fargo, and Yahoo!Travel.

“Profitability is governed by a brand’s ability to meet or exceed customer expectations. An inability to do so can result in them turning into something less than actual brands. Think of many of these products as ‘Category Place Holders’, moving one step closer to becoming a commodity. If you want to engage customers, that’s not where you want to wind up,” noted Passikoff.

Brand Keys Customer Loyalty Index, the basis of the 2006 Brandweek Customer Loyalty Awards powered by Brand Keys, determines (95 percent confidence level) which products and services people will buy in the coming 18 to 24 months. Brandweek magazine published the complete winners list in its May 22 edition (www.brandweek.com). Go to <http://www.brandkeys.com/awards> for a complete list of the 2006 winners.

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