Brands Today:
Popular Not the Same as Powerful

Which Brands Are *Really* Delivering – For Producers, Retailers and Owners

The 2007 AlixPartners Consumer Brands Survey℠,
Including the Inaugural AlixPartners *Brand Power Index℠*

For branded consumer goods (CG) today, it's not enough to be popular (though it helps), and it's not enough to be trusted (though that, too, helps). No, in order to crack the top echelons, brands need to be both popular and trusted, and critically, to avoid being *dis*trusted. Only then are brands truly able to achieve top-tier status with consumers and create value for manufacturers, retailers and company owners as well.

The 2007 AlixPartners Consumer Brands Survey was conducted in the fall of 2006 with 5,000 consumers in the United States, and asked consumers their expectations of brands in 11 key CG categories, from alcoholic beverages to automobiles, from over-the-counter medicines to ready-to-eat foods *(see About the Study on pg. 2)*. From this survey, which holds many insights and many surprises (and which builds upon AlixPartners' survey on retailers of a year ago), we've derived the inaugural AlixPartners Brand Power Index℠, which goes beyond traditional "brand-equity" measures to calculate the *momentum* of individual brands–not just where they stand today, but where they are likely to be standing tomorrow.

Among some of the key questions you'll find answered in this study:

- Product innovation is always "king" when it comes to building strong brands, right? (Be prepared to be surprised!)
- Guess who is America's most popular automotive brand? (Be prepared to be surprised again.)
- Why, exactly, is Dell having trouble these days?
- And, why *isn't* Hewlett-Packard, despite its recent front-page governance issues, having more trouble?
- Are store brands going to be as big in the U.S. as they are in Europe?
- Are legacy brands best left in the past?
- What, after all the money that's been spent by CG companies on their *corporate*-brand images, do consumers think of corporate entities like Procter & Gamble and General Electric?
- What chinks in Wal-Mart's armor (beyond those we've already seen in the past year) does this study expose?

Consumers on Brands: 'Context' as Important as Content

The landmark Apple iPod notwithstanding, the big, overriding message from consumers today is that the era of "product-as-self-definition" and "innovation-trumps-all" and "I-am-what-I-wear/eat/drive/etc." is long gone. This new survey shows, conclusively, that today's harried, time-starved consumers are largely more concerned about whether the brands they buy get the basic job done, whether they perform as claimed and, importantly, how the brands are priced and where they're sold. Put another way, today's consumer sees a brand's *context*–where it's available, how honestly it's priced, its "shopability," etc.–as being at least as important as the brand's physical content.

Just how strong that shift in consumer sentiment has become is borne out in the similarities in the two sides of the following chart, which shows the overall top ten things consumers said they want out of their brands in this new survey, left, versus the top ten things consumers said they wanted out of retailers a year ago in the 2006 AlixPartners Consumer Satisfaction Index[SM] study. Note how responses revolving around such "back-to-basics" issues as fair and honest pricing, in-store accessibility and good-quality (but not necessarily great-quality) merchandise are common to both surveys, over the span of two years.

What Matters Most to Consumers

	2007 AlixPartners Brands Survey		2006 AlixPartners Retail Survey
1	Honest, consistent pricing	1	Courteous employees
2	Easy to find what I want	2	Well-marked price
3	Good-quality merchandise	3	Good-quality merchandise
4	Products perform according to advertised claims	4	Merchandise rarely out of stock
5	I trust the manufacturer	5	Honest prices
6	Routine items available wherever I shop	6	Unconditional merchandise returns
7	Quick access to a real person for customer calls	7	Quick and easy returns
8	Service reps treat me with respect	8	Easy to find what I want
9	Unconditional merchandise returns	9	Clean store
10	Product information readily available	10	Convenient hours

And, just as important, note the *lack* of such desires, so prevalent in consumer surveys in years gone by, as "best product," "latest innovation" or "lowest price."

About the Study

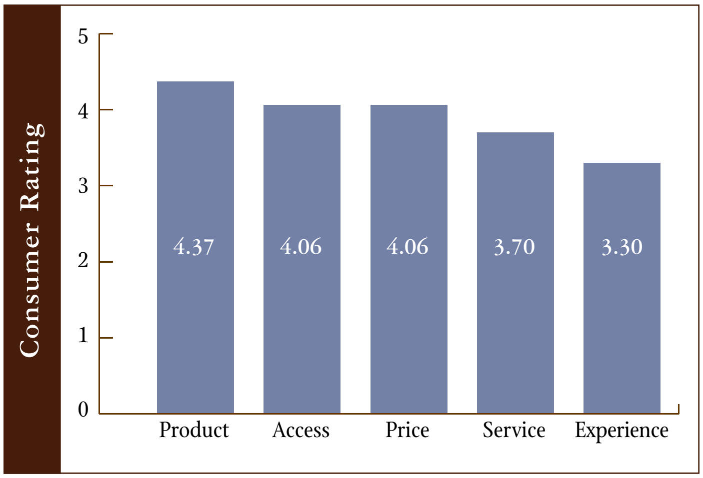
The 2007 AlixPartners Consumer Brands Survey[SM] was conducted in the fall of 2006 with 5,000 consumers in the U.S. across ten key demographics: gender, age, location (urban, suburban, rural), region (NE, MW, South, West), education, marital status, number of children, employment status, income level and ethnicity. Participants were asked more than 60 questions created to determine which brands consumers like and dislike in 11 branded consumer goods (CG) categories: Alcoholic Beverages, Athletic Shoes, Automotive, Casual Clothing, Durables, Home Products, Home Technology, Non-Alcoholic Beverages, Over-the-Counter (OTC) Medications, Personal Hygiene and Ready-to-Eat (RTE)/Non-Perishable Products.

The questions were organized into the five categories that consumers consider when deciding what and where to buy: price, product, service, access and experience. Consumers were asked to rank each question in importance from "extremely important" (5) to "not important at all" (1). They also were asked to rank individual brands on how those brands are performing against these same criteria, from "outstanding" (5) to "poor" (1). Finally, consumers were asked where they like to shop, and why.

The study was overseen by Frederick A. Crawford, a managing director with AlixPartners in New York and a leading expert on consumer behavior who also oversees AlixPartners' Consumer Sentiment Index[SM]. Crawford is co-author (with Ryan Mathews) of the best-selling book *The Myth of Excellence*, which describes changes in consumer motivations and suggests corporate strategic responses. In all, Crawford has been conducting similar research since 1999, and has, on three continents, overseen a total of more than 210,000 consumer intercepts.

What's going on here? Well, for starters, it's not that product no longer matters. In fact, among the five timeless attributes of branding–product, price, access (both in-store and store location), service and experience (the customer's overall emotional reaction)–product scored highest across the 11 categories surveyed, with a 4.37 score out of a total of 5.

What Matters Most: 11-Category Averages



But the *definition* of "product," like that of the other four attributes, has indeed changed. This next series of charts, which shows consumer responses from this new survey (top part of each chart) along with the top responses from our 2006 survey on retailers (bottom), shows just how much the definitions have changed.

Product

In terms of today's new definition of product, note the similarities among the top consumer responses in this survey with the top responses from our 2006 retailer survey–with "good-quality merchandise" topping the list in both surveys. Message: Most differences between products in many categories are almost imperceptible to the average consumer; consumers are saying "good" is good enough when it comes to product. Statements like "product is new and innovative" and "product is a reflection of me" are today way down on the list of what consumers expect from their brands.

Product

Brands Survey Responses
Good-quality merchandise
Products perform as advertised
Superior-quality merchandise
Best features and functions
Adequate-quality merchandise
Best product available
Product is new and innovative
Product is a reflection of me

Top Retail Survey Responses
Good-quality merchandise
Merchandise in stock
Wide assortment

Access

In terms of access, once again both surveys were topped by the same response among consumers: "easy to find what I want," with the similar-meaning "widely available" and "product in-stock" following close behind in this year's survey. The message here is clear: Product availability at retail is a bigger concern than ever for brands hoping to attract today's harried consumer.

Access

Brands Survey Responses
Easy to find what I want
Widely available
Product in-stock
Product allows me to "one-stop shop"
Product availability during sales
Buy direct from manufacturer
Sold at appropriate stores
Store treatment of product
In-store advertising/promotion

Top Retail Survey Responses
Easy to find what I want
Clean store
Convenient hours

Price

Regarding price, in the past the way to motivate consumers to buy your brand was to put it on sale, or to put a rebate on it. While still an effective way to move merchandise, this approach to driving volume increasingly comes at the expense of consumer trust. Note consumers' overwhelming demand both this year and last for "honest pricing"–and, by the same token, how low on the list this year is "lowest price available." Buyers today don't want to have to wait for sales, or to comparison-shop. What's more, even if they get a low price, it's upsetting to them if the price is "choppy"–if, for instance, they later learn they have to mail in a rebate or do something else to get the low quoted price, or if they learn they could have gotten the brand even cheaper if they'd waited a week. The bottom line on price today is that the lowest price no longer

Price

Brands Survey Responses
Honest and consistent prices
Prices reflect value received
Significant savings on sales
Rebates and discounts
Attractive sale prices
Compare/buy based on price
Retailer trusted to set the right price
Indifferent to price
Lowest price available

Top Retail Survey Responses
Well-marked price
Honest prices

matters to consumers like it once did. They want to receive good value on everything *all the time,* instead of being forced to search for "sales" to find real value.

Service

In terms of service, it's pretty hard not to ask: Have marketers of all stripes "reengineered" themselves into a customer-service problem? *Press 1 if you think the answer is yes. Press 2 if you think you know one of the biggest reasons why. Press 3 if*–well, you get the idea.

Consumers today no longer expect Mr. Goodwrench or The Maytag Repairman when it comes to service; they're satisfied just to have a real, live human being on the other end of the line when they have a problem or a question–as evidenced by the top response in this year's survey. Forget about things like product customization and owner-affinity groups; today's consumers don't want much to do with the producers of their branded products to begin with, and when they do, they want the encounters to be short, sweet and efficient.

Service

Brands Survey Responses
When I call, I speak with a person
No-hassle returns
Product info available
Employees can answer questions
Manufacturer will customize product
Product-related services
I can connect with others who purchased the product

Top Retail Survey Responses
Unconditional merchandise returns
Can see and handle merchandise
Someone available to help
Employees can answer questions

Experience

And finally, the "emotional" attribute, experience. In years gone by, emotion was pretty much *all* that mattered in this category. Think, "Nothing gets between me and my Calvin's" or "Just do it" or, further back, "All of my men wear English Leather, or they wear nothing at all." Today, while emotion is still important, it's a *pragmatic* emotionalism, buttressed by a demand for trust and respect, that matters most to consumers. That's evident in the top two responses in this year's survey: "I trust the manufacturer" and "service reps are respectful," mirroring "courteous employees" and "quick merchandise returns" atop last year's retail survey.

Experience

Brands Survey Responses
Trust the manufacturer
Service reps are respectful
Manufacturer treats employees well
Company shares my values
Product makes me feel better about myself
How products are advertised
Donates money to causes I believe in

Top Retail Survey Responses
Courteous employees
Quick merchandise returns
Respond positively to concerns
Treated as a valued customer
Staff effectively packages items
Short waiting times

It should be pointed out that corporate *behavior* is increasingly visible and important to consumers, too. Note, for instance, how high up on the list of issues consumers put "manufacturer treats employees well." The message here is clear: Faster than you can say "sweat shop" or "stock backdating," the reputation and power of brands are increasingly affected by the perceived behavior of the corporate parent.

In summary, each of the five attributes has shifted in the consumer psyche in recent years–from consumers' definition of price moving from "low" to "honest," to product moving from "best" to "good enough." These shifts are important, and cannot be overstated as a foundation for understanding what is to come next: how individual brands are actually doing today in the minds of consumers.

Summary

Branding Attributes	Old Definition	New Definition
Price	Low	Honest; consistent value
Access	"Location, location, location"	Ubiquity, in-stock, easy to find
Product	Best available	Good quality, performs as advertised
Service	Customization	Access to a knowledgeable human, leverage of the Internet
Experience	How the *product* makes me feel	How the *company* makes me feel

Which Brands Have the Power ... and Which Don't?

Report-card time. Coming up is an overview of how the most popular brands in the 11 categories stack up against the five timeless attributes in the minds of today's consumers. As noted earlier, this survey is unique in that it calculates a brand's *momentum*. It does that by measuring three things: brand popularity, brand trust and brand distrust.

Brand popularity, shown on the category charts to follow as "Popularity Rate," indicates the percentage of consumers who (unaided) named a given brand when asked to name their three favorite (and least-favorite) brands in each category. This measure, when looked at in conjunction with the AlixPartners Brand Power Index℠ (BPI), results in a rich data set for evaluating the true direction in which virtually any brand is headed.

Here is how the BPI works:

Trust Score =
Brand Trust Rate ÷ Highest Brand Trust Rate

That is, the number of times a brand is mentioned as "most trusted," divided by the highest number of most-trusted mentions *any* brand received–which is Sony with 487 mentions.

Distrust Score =
Brand Distrust Rate ÷ Highest Brand Distrust Rate

That is, the number of times a brand is mentioned as "least trusted," divided by the highest number of least-trusted mentions any brand received–which is Ford with 390.

BPI =
(Trust Score - Distrust Score) x 100

Here are examples of how the AlixPartners Brand Power Index℠ works, and some actual brand scores using the BPI methodology:

- Sony: (487/487 - 97/390) x 100 = 75.1
- Apple: (91/487 - 36/390) x 100 = 9.5
- Coke: (218/487 - 88/390) x 100 = 22.2
- Pepsi: (193/487 - 68/390) x 100 = 22.2
- Ford: (211/487 - 390/390) x 100 = -56.7

And here, according to the AlixPartners Brand Power Index℠, are the 15 most powerful brands today.

The Most Powerful Brands Today

Brand	Trust Rate	Distrust Rate(1)	BPI
Sony	9.2%	1.8%	75.1
Johnson & Johnson	5.7%	0.5%	55.3
Kraft	5.2%	0.6%	48.7
Procter & Gamble	5.8%	1.1%	48.2
Campbell's	3.5%	0.4%	32.9
Toyota	4.1%	1.2%	28.0
Tylenol	3.2%	0.6%	27.2
Dell	5.1%	2.1%	27.0
General Mills	2.7%	0.2%	25.9
Hewlett-Packard	4.0%	1.5%	23.5
Coke	4.1%	1.7%	22.2
Pepsi	3.6%	1.3%	22.2
Levi Strauss	2.6%	0.5%	21.8
Nike	5.0%	2.5%	20.3
Panasonic	2.5%	0.7%	17.9

1) Based on mentions as "least trusted"

Surprised by some of the names here (and *not* here)? So were we. Remember that the BPI doesn't measure what are necessarily the most-*liked* brands, or the brands with the most current "buzz," but rather which brands are doing what a brand should do: achieving broad awareness while also building trust equity where brands live–with consumers.

For instance, to start with the clear winner in the survey–Sony –few experts would say that Sony's electronics today are anywhere near as innovative as, say, Apple's (not to mention more exotic names such as Bose or Bang & Olufsen). Yet Sony is seen by consumers as *the* power brand in the country today–and a brand to keep an eye on for the future–precisely because, we submit, today's consumers are much more interested in predictability than pizzazz, in "reliable" than in "innovative."

Another surprise: Note that several true mega-brands–such as Coke and Pepsi, tied for 11th, and Nike, at 14th–didn't crack the top 10 list. What's going on here? Well, Nike was actually the most frequently mentioned brand when consumers were asked to select a favorite; however, the ratio of consumers who trusted the brand to those who distrusted it lowered its BPI score significantly. In particular, a look at the detail generated by the survey shows that Nike has both a price problem and corporate-image problem, which are eroding trust with consumers.

On the other hand, other great brands garnered tremendous trust ratios in the BPI, but don't have enough penetration in the market-place to crack the top thirty. Some examples: Newman's Own (33rd), Ben & Jerry's (41st) and 3M (86th). These brands, and others like them, are greatly trusted but need to build upon their consumer awareness to drive higher levels of brand equity.

Finally, note the number of *corporate* brands that are specifically named to the most powerful top list, including Johnson & Johnson, General Mills and Procter & Gamble. Their presence would suggest that not only does the corporate brand matter, but that corporate halos–or, in some cases, devil horns–cast a longer shadow than in the past.

Here's a listing of brands as measured by just the trust/distrust component of the BPI. On the left are the top 15 most-trusted brands, and on the right are the 15 least-trusted. The color-coding highlights those brands that are in the top 15 on *both* lists. Clearly, it's not enough for a brand to be well known to be powerful. Brand recognition is important (and certainly can be expensive to build), but brands need to be both known *and* trusted to be truly powerful.

The Most- (and Least-) Trusted Brands Today

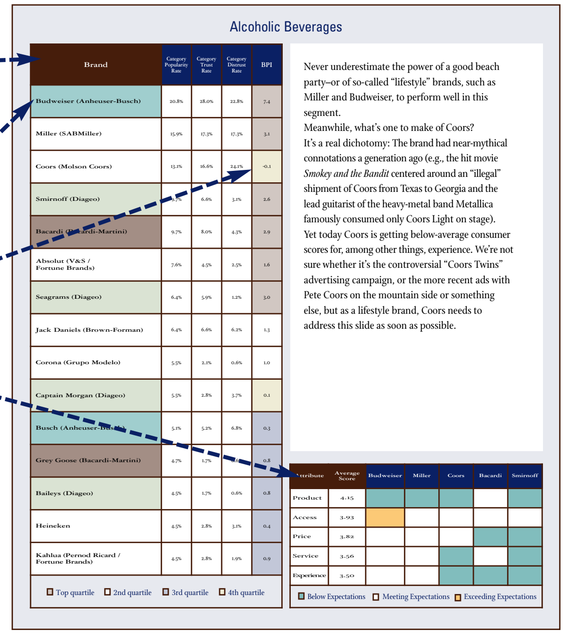
Most-Trusted	Rate
Sony	9.2%
Procter & Gamble	5.8%
Johnson & Johnson	5.7%
Kraft	5.3%
Dell	5.1%
Nike	5.0%
Toyota	4.2%
Coke	4.1%
Ford	4.0%
Hewlett-Packard	4.0%
Pepsi	3.7%
Campbell's	3.5%
Chevrolet	3.2%
General Electric	3.2%
Tylenol	3.2%

Least-Trusted	Rate
Ford	7.4%
Wal-Mart	6.1%
Store brands	2.8%
Nike	2.5%
General Motors	2.5%
Kmart	2.2%
Dell	2.1%
Chevrolet	1.9%
Sony	1.8%
Kia	1.8%
Coke	1.7%
Chrysler	1.6%
Hyundai	1.6%
Hewlett-Packard	1.5%
Gateway	1.3%

The Ratings – and the "Why"

Next, by category, is how America's most popular brands stack up according to the AlixPartners Brand Power Index℠ methodology. In each case, the first chart shows the BPI rankings for the top brands in that category, including data on consumers' unaided mentions (popularity) of that brand and the percentage of mentions of the brand as being most- or least-trusted, respectively. The color-coding in the brand column groups brands by parent company (for example, Budweiser and Busch are both owned by Anheuser-Busch), while the color-coding in the BPI column denotes which quartile each brand achieved in the index.

The second set of charts show how consumers rated the importance of the five key attributes of price, product, service, access and experience (on a 1 to 5 scale, with 5 being the highest) in each category. Again, color-coding points out which brands are, or are not, meeting consumers' expectations.


Alcoholic Beverages

Brand	Category Popularity Rate	Category Trust Rate	Category Distrust Rate	BPI
Budweiser (Anheuser-Busch)	20.8%	28.0%	22.8%	7.4
Miller (SABMiller)	15.9%	17.3%	17.3%	3.1
Coors (Molson Coors)	13.1%	16.6%	24.1%	-0.1
Smirnoff (Diageo)	9.7%	6.6%	3.1%	2.6
Bacardi (Bacardi-Martini)	9.7%	8.0%	4.3%	2.9
Absolut (V&S / Fortune Brands)	7.6%	4.5%	2.5%	1.6
Seagrams (Diageo)	6.4%	5.9%	1.2%	3.0
Jack Daniels (Brown-Forman)	6.4%	6.6%	6.2%	1.3
Corona (Grupo Modelo)	5.5%	2.1%	0.6%	1.0
Captain Morgan (Diageo)	5.5%	2.8%	3.7%	0.1
Busch (Anheuser-Busch)	5.1%	5.2%	6.8%	0.3
Grey Goose (Bacardi-Martini)	4.7%	1.7%	0.6%	0.8
Baileys (Diageo)	4.5%	1.7%	0.6%	0.8
Heineken	4.5%	2.8%	3.1%	0.4
Kahlua (Pernod Ricard / Fortune Brands)	4.5%	2.8%	1.9%	0.9

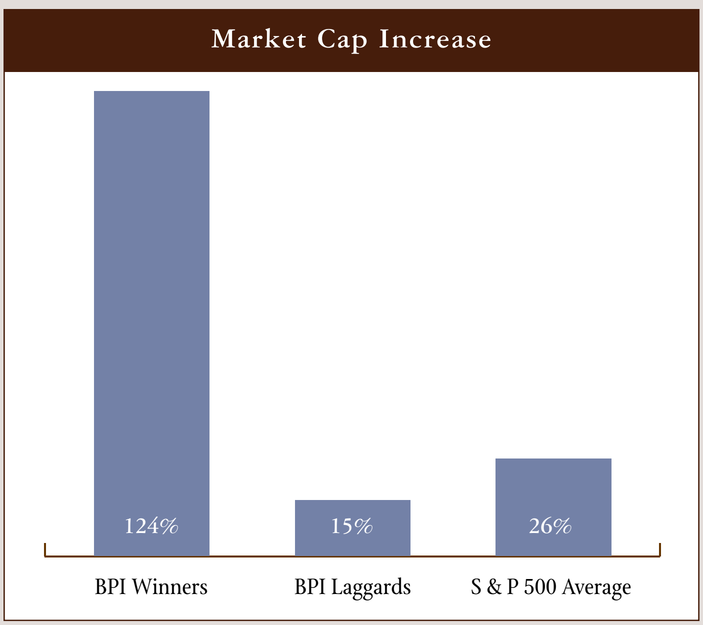
Top quartile · 2nd quartile · 3rd quartile · 4th quartile

Never underestimate the power of a good beach party–or of so-called "lifestyle" brands, such as Miller and Budweiser, to perform well in this segment.
Meanwhile, what's one to make of Coors?
It's a real dichotomy: The brand had near-mythical connotations a generation ago (e.g., the hit movie *Smokey and the Bandit* centered around an "illegal" shipment of Coors from Texas to Georgia and the lead guitarist of the heavy-metal band Metallica famously consumed only Coors Light on stage).
Yet today Coors is getting below-average consumer scores for, among other things, experience. We're not sure whether it's the controversial "Coors Twins" advertising campaign, or the more recent ads with Pete Coors on the mountain side or something else, but as a lifestyle brand, Coors needs to address this slide as soon as possible.

Attribute	Average Score	Budweiser	Miller	Coors	Bacardi	Smirnoff
Product	4.15					
Access	3.93					
Price	3.82					
Service	3.56					
Experience	3.50					

Below Expectations · Meeting Expectations · Exceeding Expectations

Companies That Did Well In This Study, Do Well Overall



There were eight publicly held companies in this analysis that clearly exceeded consumer expectations, and their collective average market capitalization increase from January 2004 through January 2007 was 124 percent.

By the same token, there were seven publicly held companies in this analysis that clearly did not meet consumer expectations, and their collective average market capitalization increase in that same period was 15 percent–well below the Standard & Poor's 500 average for that period.

Alcoholic Beverages

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Smirnoff (Diageo)	9.7%	6.6%	3.1%	2.6
Bacardi (Bacardi-Martini)	9.7%	8.0%	4.3%	2.9
Absolut (V&S / Fortune Brands)	7.6%	4.5%	2.5%	1.6
Seagram's (Diageo)	6.4%	5.9%	1.2%	3.0
Jack Daniel's (Brown-Forman)	6.4%	6.6%	6.2%	1.3
Corona (Grupo Modelo)	5.5%	2.1%	0.6%	1.0
Captain Morgan (Diageo)	5.5%	2.8%	3.7%	0.1
Busch (Anheuser-Busch)	5.1%	5.2%	6.8%	0.3
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Top quartile 2nd quartile 3rd quartile 4th quartile

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Price	3.82					
Service	3.56					
Experience	3.50					

Below Expectations Meeting Expectations Exceeding Expectations

Athletic Shoes

Brand	Category Popularity Rate	Category Trust Rate	Category Distrust Rate	BPI
Nike	74.6%	59.4%	43.9%	20.3
Reebok (Adidas)	41.3%	26.2%	17.8%	10.2
New Balance	32.3%	19.3%	6.3%	12.8
Adidas	31.2%	19.7%	13.5%	7.6
Skechers	12.1%	7.4%	3.0%	6.5
Converse (Nike)	8.7%	7.0%	8.3%	0.0
K-Swiss	6.2%	4.0%	3.3%	1.1
Puma	5.4%	3.4%	4.6%	-0.5
Asics	4.2%	2.2%	2.0%	0.5
Avia	3.8%	1.1%	1.3%	0.0
Vans (VF)	3.7%	2.9%	2.0%	1.1
Saucony (Stride Rite)	2.7%	1.1%	0.3%	0.8
DC (Quicksilver)	2.1%	1.6%	0.7%	0.9
Keds (Stride Rite)	2.1%	1.1%	3.0%	-1.3
Fila (Sports Brands)	1.7%	1.6%	2.0%	-0.1

Top quartile   2nd quartile   3rd quartile   4th quartile

The big news here is that while the "Just Do It" brand is the most popular in this category, it isn't quite "doing it" in terms of perceived price. While very well-known, the Nike brand today is seen by many consumers as simply being too expensive. Meantime, check out New Balance's 19.3%-to-6.3% trust over distrust ratio! That's a brand whose buyers are fanatics. And a big reason why is that consumers believe the brand has both its price and its product down pat. This is a brand to watch for continued growth.

At the other extreme there's Adidas, a brand that also once stood for a lot (World Cup supplier, dresser of the Beastie Boys) but that stands out not at all in this survey and is seen by consumers as having sub-standard products. Perhaps designer Stella McCartney's recent work with the brand will help turn things around. Converse, meanwhile, now has Nike Inc.'s giant distribution machine behind it–and Nike obviously made the acquisition thinking there's a lot of value in the legacy brand that brought the world Chuck Taylor "All-Stars" back in the '60s. To make the most of the opportunity, however, Converse is going to have to improve its product (read: quality) scores.

Attribute	Average Score	Nike	Reebok	New Balance	Adidas	Skechers
Product	4.16					
Access	3.94					
Price	3.81					
Service	3.78					
Experience	3.58					

Below Expectations   Meeting Expectations   Exceeding Expectations

Automobiles

Brand	Category Popularity Rate	Category Trust Rate	Category Distrust Rate	BPI
Chevrolet (General Motors)	38.7%	21.6%	12.3%	8.1
Ford	36.6%	27.3%	46.9%	-56.7
Toyota	30.7%	28.3%	7.9%	28.0
Honda	25.4%	20.4%	7.5%	16.5
Dodge (DaimlerChrysler)	16.6%	9.0%	7.7%	-2.0
Nissan	14.4%	8.0%	4.8%	2.5
BMW	11.4%	5.0%	1.3%	5.2
Chrysler (DaimlerChrysler)	10.3%	5.7%	10.3%	-13.0
GMC (General Motors)	7.9%	4.4%	3.0%	0.6
Pontiac (General Motors)	7.3%	2.8%	2.3%	-0.4
Mercedes-Benz (DaimlerChrysler)	6.7%	2.5%	0.7%	2.4
Lexus (Toyota Motor)	6.5%	3.1%	0.7%	3.4
General Motors	5.8%	9.2%	15.9%	-19.3
Acura (Honda Motor)	4.9%	1.8%	0.5%	1.8

Top quartile   2nd quartile   3rd quartile   4th quartile

Can it be true: *Chevrolet* is the most-popular automotive brand in America? 'Tis true. Chevy was mentioned more times as a most-favorite brand than any other in this category. Which just might be a foundation for Chevy, and General Motors, to build on going forward. But, of course, Chevy and Detroit's other brands still have a long way to go to shake off the funk that's descended on the Motor City in recent times. Ford, for instance, the single-lowest-scoring brand in this entire survey, has good awareness but an abysmal trust score. One small light at the end of the assembly line: The details of our survey showed that lower-income shoppers gave Ford the highest marks, meaning perhaps the brand might look for ways to become an aspirational purchase for that segment of the population.

Meantime, what can one say about Toyota? The juggernaut continues to roll along, not by being, to play off the old Japanese saying, the "nail that stands up," but rather the steady-as-she-goes hammer that pounds everybody *else's* nail down.

Attribute	Average Score	Chevrolet	Ford	Toyota	Honda	Dodge
Product	4.30		Below Expectations		Exceeding Expectations	
Service	4.05				Exceeding Expectations	
Access	4.03					
Price	3.98				Exceeding Expectations	
Experience	3.92			Below Expectations		

Below Expectations   Meeting Expectations   Exceeding Expectations

Casual Clothing

Brand	Category Popularity Rate	Category Trust Rate	Category Distrust Rate	BPI
Levi Strauss	26.9%	21.7%	6.9%	21.8
Old Navy (Gap)	13.0%	7.4%	2.6%	7.3
Hanes	11.3%	7.6%	3.3%	6.7
Gap (Gap)	10.5%	5.7%	2.8%	4.8
Lee (VF)	9.8%	5.7%	1.5%	6.1
Wrangler Jeans (VF)	8.8%	5.4%	2.8%	4.4
Dockers (Levi Strauss)	6.2%	2.5%	1.8%	1.5
Faded Glory (Wal-Mart)	6.0%	2.6%	4.3%	-0.9
Lane Bryant (Charming Shoppes)	3.9%	2.6%	0.5%	3.0
JC Penney	3.9%	4.2%	3.1%	2.3
Tommy Hilfiger	3.6%	1.7%	4.6%	-2.4
American Eagle	3.4%	1.4%	0.8%	1.1
Aeropostale	3.4%	1.4%	0.3%	1.6
Land's End (Sears Holdings)	3.2%	2.9%	0.3%	3.6
Ralph Lauren	3.0%	1.9%	1.3%	1.2

Top quartile · 2nd quartile · 3rd quartile · 4th quartile

Break out your stovepipes and bellbottoms: Levi's looks like it's coming back (from the near-dead of just a few years ago)! The brand's strong showing in the survey seems to be, in fact, part of an overall trend of legacy brands being on the rise. Faster than you can say A&W or Converse, many "yesterbrands" are getting a second lease on life–and earning their keep in the process. Another brand that seems to give a lot of people warm and fuzzy feelings is Hanes; it received good grades across the board in terms of the price-quality tradeoff.

Then there are the two Gap Inc. brands, Gap and Old Navy. Both are having trouble on the product front. However, one ray of hope for Old Navy is the high scores its (largely middle-aged–but that's another story) consumer base gave it on price. And what can you say about *the* clothing brand of the '80s, Tommy Hilfiger? With poor product quality and weak distribution, its glory days seem to be long gone in the U.S. Which is at least more than Wal-Mart's ill-named Faded Glory brand can say: With very low scores from consumers on trust, it probably had little glory to begin with.

Attribute	Average Score	Levi's	Old Navy	Hanes	Gap	Lee
Product	4.27	Exceeding	Below	Exceeding	Below	Meeting
Access	4.01	Meeting	Meeting	Exceeding	Below	Below
Price	3.92	Meeting	Exceeding	Exceeding	Below	Meeting
Service	3.88	Meeting	Meeting	Meeting	Meeting	Below
Experience	3.72	Meeting	Meeting	Meeting	Meeting	Below

Below Expectations · Meeting Expectations · Exceeding Expectations

Durables

Brand	Category Popularity Rate	Category Trust Rate	Category Distrust Rate	BPI
General Electric	10.5%	33.4%	22.3%	17.5
Black & Decker	9.6%	5.7%	6.7%	2.1
Whirlpool	7.7%	10.1%	7.6%	6.1
Kenmore (Sears Holdings)	6.6%	12.8%	11.6%	6.7
Maytag (Whirlpool)	6.1%	13.6%	5.4%	11.1
Kitchen Aid (Whirlpool)	4.9%	4.2%	2.2%	3.0
Craftsman (Sears Holdings)	1.9%	2.0%	0.0%	7.8
Frigidaire (Electrolux)	1.9%	1.8%	5.4%	-1.0
Hoover (Techtronic Industries)	1.6%	2.2%	6.7%	-2.0
Rubbermaid	1.6%	1.6%	1.3%	1.5
Cuisinart (Conair)	1.2%	2.0%	0.0%	2.1
Amana (Whirlpool)	1.2%	1.6%	2.7%	0.1

Top quartile · 2nd quartile · 3rd quartile · 4th quartile

In the hard-goods aisle, Whirlpool has a big price *and* product problem–a difficult combination. Meantime, Maytag, now a part of Whirlpool, is the star performer in the family. But one wonders: Will Maytag pull Whirlpool up, or will Whirlpool drag Maytag down?

Also of note, there's some great news for Sears here. With both Kenmore and Craftsman scoring well with consumers, the struggling retailer clearly has some powerful legacy brands of its own to build on.

Attribute	Average Score	General Electric	Black & Decker	Whirlpool	Kenmore	Maytag
Product	4.49					
Access	4.32					
Service	4.28					
Price	4.13					
Experience	3.87					

Below Expectations · Meeting Expectations · Exceeding Expectations

Home Products

Brand	Category Popularity Rate	Category Trust Rate	Category Distrust Rate	BPI
Scott (Kimberly-Clark)	13.3%	7.9%	1.6%	6.9
Procter & Gamble	11.9%	13.2%	6.9%	48.2
Charmin (Procter & Gamble)	11.5%	6.0%	2.0%	4.2
Bounty (Procter & Gamble)	9.4%	3.0%	0.7%	2.5
Tide (Procter & Gamble)	8.9%	7.6%	2.0%	6.0
Lysol (Reckitt Benckiser)	6.8%	3.4%	0.7%	2.9
Sears	5.6%	4.4%	1.3%	7.0
Clorox	5.2%	4.4%	0.4%	4.6
Kleenex (Kimberly-Clark)	4.9%	2.8%	0.5%	2.5
Quilted Northern (Koch Industries)	4.7%	1.2%	0.4%	0.9
Colgate-Palmolive	4.0%	0.5%	0.0%	2.9
Dawn (Procter & Gamble)	3.3%	1.9%	0.7%	1.2
Cottonelle (Kimberly-Clark)	3.3%	1.4%	0.2%	1.4
Windex (SC Johnson)	2.8%	1.1%	0.2%	1.0
Mr. Clean (Procter & Gamble)	2.6%	1.1%	0.2%	1.0
SC Johnson	2.3%	4.1%	0.0%	7.6

Top quartile | 2nd quartile | 3rd quartile | 4th quartile

Lest we needed any more proof, this study makes it crystal clear that Procter & Gamble is to brands what Wal-Mart is to retail today. That starts with the fact that P&G, not a consumer-facing brand itself, shows up as one of the top five brands both in this overall survey and in this category. That's as if consumers said one of their favorite cars is "a General Motors." It is noteworthy that "Brand P&G" earns such a strong BPI, and that its trust-to-distrust ratio is so strong. That speaks well of the corporation in an environment where many consumers find it difficult to trust large organizations.

Another important finding here is the trust-to-distrust ratio for SC Johnson. It just doesn't get much better than this. Conclusion: These scores point to the golden opportunity the outfit known as "A Family Company" has to build even deeper brand equity for its stable of products.

Attribute	Average Score	Scott	P & G	Charmin	Bounty	Tide
Product	4.51	Below	Meeting	Meeting	Meeting	Exceeding
Access	4.32	Meeting	Below	Exceeding	Exceeding	Exceeding
Price	4.06	Exceeding	Meeting	Meeting	Meeting	Below
Service	3.94	Meeting	Meeting	Meeting	Meeting	Exceeding
Experience	3.73	Below	Below	Meeting	Meeting	Exceeding

Below Expectations | Meeting Expectations | Exceeding Expectations

Home Technology

Brand	Category Popularity Rate	Category Trust Rate	Category Distrust Rate	BPI
Sony	55.2%	45.5%	10.5%	75.1
Dell	31.1%	25.2%	12.0%	27.0
Hewlett-Packard	29.4%	19.9%	8.5%	23.5
Panasonic (Matsushita)	18.5%	12.3%	3.9%	17.9
Toshiba	10.3%	5.7%	2.7%	6.1
RCA (Thomson)	10.0%	7.1%	5.9%	1.5
Apple	9.2%	8.5%	3.9%	9.5
Gateway	5.5%	3.0%	7.6%	-11.4
Magnavox (Philips)	4.8%	2.3%	2.4%	-0.5
Samsung	4.8%	2.4%	4.4%	-5.2
Pioneer	4.5%	2.1%	0.4%	3.5
Microsoft	4.5%	7.1%	6.9%	-0.8
Compaq (Hewlett-Packard)	4.3%	2.1%	6.0%	-9.8
General Electric	4.2%	0.2%	1.4%	17.5
Sharp	4.0%	2.1%	2.5%	-1.4

Top quartile 2nd quartile 3rd quartile 4th quartile

Attribute	Average Score	Sony	Dell	HP	Panasonic	Toshiba	Apple
Product	4.43						
Access	4.25						
Service	4.10						
Price	4.09						
Experience	3.89						

Below Expectations Meeting Expectations Exceeding Expectations

Sony may not have the iPod (or even anything *like* the iPod), but the single highest-rated brand in this study is doing a lot of things consistently *well*. One possible short-circuit in its system: price, an issue that came up for Sony across every demographic we surveyed. Apple, meanwhile, showed itself to be as hip and dynamic in this study as is the unflappable GenY-er in the firm's series of "Mac vs. PC" TV ads; its product scores were nothing short of fantastic. So much so, that the brand, at least right now, is overcoming the perception among consumers that its products are overpriced. In other words, here's the exception to what seems to be the new rule of branding otherwise so evident in this study: While product innovation is indeed not widely valued overall by consumers today, in some categories, such as home tech, innovation is still an important way to win.

Also fantastic is the comeback in the marketplace recently of Hewlett-Packard. HP has done an admirable job to date in streamlining the company, to the delight of shareholders and consumers alike (as evidenced here), as well as regaining a market-leadership position in personal computers. What remains to be seen, though, is what long-term impact recent corporate scandals at all sorts of companies will have on consumers' views of those companies' products and brands down the road.

What does the study show us regarding the recent struggles at Dell? The company that revolutionized the personal computer industry (with its assemble-to-order and customer-direct model) received poor grades from consumers on both product and service, a lethal combination in a category where the products are expensive and consumers rely heavily on product support and service.

Non-Alcoholic Beverages

Brand	Category Popularity Rate	Category Trust Rate	Category Distrust Rate	BPI
Coke (Coca-Cola)	51.3%	41.5%	26.2%	22.2
Pepsi (PepsiCo)	44.9%	36.8%	20.2%	22.2
Dr Pepper (Cadbury Schweppes)	13.2%	3.6%	2.1%	2.1
Lipton (PepsiCo)	9.3%	7.4%	1.5%	6.9
7 Up (Cadbury Schweppes)	8.6%	2.9%	2.1%	1.3
Sprite (Coca-Cola)	7.3%	2.5%	2.1%	0.9
Mountain Dew (PepsiCo)	6.6%	1.9%	3.0%	-0.5
Gatorade (PepsiCo)	6.1%	3.2%	1.2%	2.5
Tropicana (PepsiCo)	5.4%	2.9%	0.6%	2.6
A&W (Cadbury Schweppes)	5.4%	1.7%	1.2%	0.8
Ocean Spray	5.2%	1.1%	1.2%	0.2
Minute Maid (Coca-Cola)	3.9%	2.7%	0.6%	2.4
Aquafina (PepsiCo)	3.6%	1.1%	0.9%	0.5
Snapple (Cadbury Schweppes)	3.0%	1.3%	0.9%	0.7
Arizona Iced Tea (Ferolito/Vultaggio)	2.9%	1.1%	1.2%	0.2

Top quartile | 2nd quartile | 3rd quartile | 4th quartile

In the soda-pop aisle, perhaps the biggest surprise is the relatively good showing of Cadbury Schweppes' brands, Dr Pepper, 7 Up, A&W and Snapple. If the company can find a way to get broader distribution for its products, who knows what these stubbornly resilient, well-loved niche brands might accomplish?

Meantime: Coke, Pepsi–what's the difference? True, both wound up with exactly the same BPI score, 22.2. But how each got to that number varies greatly. Coke has broader popularity and penetration, but Pepsi has a better trust-to-distrust ratio. Coke would seem to be better leveraging marketing and distribution, while Pepsi seems to have a smaller, but more loyal following.

Attribute	Average Score	Coke	Pepsi	Dr Pepper	Lipton	7 Up
Product	4.18	Below Expectations	Meeting Expectations	Meeting Expectations	Meeting Expectations	Below Expectations
Access	4.04	Meeting Expectations	Meeting Expectations	Meeting Expectations	Meeting Expectations	Below Expectations
Price	3.84	Meeting Expectations	Meeting Expectations	Meeting Expectations	Exceeding Expectations	Meeting Expectations
Service	3.60	Meeting Expectations	Meeting Expectations	Meeting Expectations	Meeting Expectations	Meeting Expectations
Experience	3.50	Meeting Expectations	Meeting Expectations	Below Expectations	Meeting Expectations	Below Expectations

Below Expectations | Meeting Expectations | Exceeding Expectations

Over-the-Counter Medications

Brand	Category Popularity Rate	Category Trust Rate	Category Distrust Rate	BPI
Tylenol (Johnson & Johnson)	47.1%	35.7%	12.4%	27.2
Advil (Wyeth)	29.0%	15.2%	5.6%	11.4
Vicks (Procter & Gamble)	18.5%	8.4%	2.8%	6.4
Bayer (Bayer)	17.4%	17.3%	6.8%	12.7
Equate (Wal-Mart)	11.6%	7.5%	5.2%	4.1
Aleve (Bayer)	9.9%	5.8%	3.2%	3.7
Sudafed (Pfizer)	9.0%	3.5%	2.4%	2.0
Benadryl (Pfizer)	8.8%	5.0%	0.8%	4.4
Motrin (Johnson & Johnson)	8.8%	5.2%	1.6%	4.1
Robitussin (Wyeth)	8.1%	4.4%	2.8%	2.5
Excedrin (Novartis)	5.9%	2.3%	4.0%	-0.3
Claritin (Novartis)	4.1%	0.8%	1.6%	-0.2
Store brands	3.4%	1.5%	6.8%	-28.6
Walgreens	2.9%	4.4%	5.6%	0.7
CVS	2.7%	3.1%	4.8%	0.0

Top quartile 2nd quartile 3rd quartile 4th quartile

It's enough to give their competitors headaches: Tylenol and Advil are far and away America's most "top-of-mind" pain-relievers–even though at the same time consumers believe they're being gouged on price!

In fact, when it comes to medications, Americans in general seem to be remarkably price inelastic: Witness the rock-bottom trust levels and BPI for store brands. True, there's a bright spot here for Wal-Mart's Equate brand, which earned a respectable BPI score, as well as high grades from consumers on product, access and price. But overall, while generics and store brands now account for about 60% of OTC sales in Europe and more than a third in Canada, don't look for similar percentages in the U.S. anytime soon. Oh well, if we're feeling bad, we can always rub a little more Vicks on our chest–another legacy brand that just refuses to fade away.

Attribute	Average Score	Tylenol	Advil	Vicks	Bayer	Equate
Product	4.36	Meeting	Meeting	Exceeding	Meeting	Exceeding
Access	4.13	Meeting	Meeting	Exceeding	Exceeding	Exceeding
Price	3.86	Below	Below	Meeting	Meeting	Exceeding
Service	3.60	Meeting	Below	Exceeding	Exceeding	Meeting
Experience	3.44	Meeting	Meeting	Exceeding	Meeting	Meeting

Below Expectations Meeting Expectations Exceeding Expectations

Personal Hygiene

Brand	Category Popularity Rate	Category Trust Rate	Category Distrust Rate	BPI
Dove (Unilever)	20.9%	11.8%	4.9%	16.9
Crest (Procter & Gamble)	14.6%	7.0%	3.9%	9.2
Colgate	13.6%	9.3%	7.2%	10.8
Suave (Unilever)	13.1%	6.4%	10.5%	3.1
Gillette (Procter & Gamble)	7.8%	3.8%	3.3%	4.2
Dial (Henkel)	7.0%	3.6%	3.0%	4.1
Johnson & Johnson	6.8%	23.3%	4.6%	55.3
Olay (Procter & Gamble)	6.7%	3.6%	3.0%	4.1
Secret (Procter & Gamble)	6.7%	2.6%	2.6%	2.5
Procter & Gamble	6.3%	25.5%	3.0%	48.2
Pantene (Procter & Gamble)	6.2%	3.1%	2.3%	3.7
Kotex (Kimberly-Clark)	5.5%	1.9%	1.0%	2.5
Old Spice (Procter & Gamble)	5.2%	1.3%	1.0%	1.5
Always (Procter & Gamble)	4.4%	1.0%	0.7%	1.3
Listerine (Pfizer)	3.2%	1.2%	1.6%	0.8

Top quartile | 2nd quartile | 3rd quartile | 4th quartile

Dove soap is famously formulated to be pH neutral, but the overall brand's scores in the BPI, backed up by its consumer ratings for experience and service, are anything but "neutral"–they're absolutely outstanding. From its simple yet elegant logo to the new Dove Self-Esteem Fund, whose stated goal is to be "an agent of change to educate and inspire girls on a wider definition of beauty and to make them feel more confident about themselves," this Unilever brand seems to be hitting all the right hot buttons with consumers, especially female ones. At the other end of the spectrum there's dependably low-priced Suave, also owned by Unilever. While Suave should address its lower-than-average trust-to-distrust ratio, Unilever has parlayed Suave's widespread availability and consistently low price point into a hammerlock hold on the value end of this category.

Also of note: how dominant P&G is in this segment as well, with eight of the 15 most-powerful brands (including its own name).

Attribute	Average Score	Dove	Crest	Colgate	Suave	Gillette
Product	4.49			Below Expectations		
Access	4.27					
Price	4.08				Exceeding Expectations	Below Expectations
Service	3.80	Exceeding Expectations		Below Expectations		
Experience	3.72	Exceeding Expectations		Below Expectations		Below Expectations

Below Expectations | Meeting Expectations | Exceeding Expectations

Ready-to-Eat/Non-Perishables

Brand	Category Popularity Rate	Category Trust Rate	Category Distrust Rate	BPI
Campbell's	29.6%	16.7%	4.8%	32.9
Kraft (Kraft Foods)	18.5%	25.0%	7.7%	48.7
Del Monte	12.2%	4.3%	2.2%	7.5
Green Giant (General Mills)	8.7%	2.6%	1.0%	4.9
General Mills	7.8%	12.7%	1.7%	25.9
Kellogg's	6.5%	9.0%	2.9%	17.5
Procter & Gamble	6.5%	0.1%	0.2%	48.2
Betty Crocker (General Mills)	6.1%	5.7%	0.2%	12.7
Dole	4.8%	0.5%	0.0%	2.1
Store brands	4.4%	0.9%	6.5%	-28.6
Progresso (General Mills)	4.1%	1.3%	1.2%	1.6
Nabisco (Kraft Foods)	3.9%	6.3%	3.1%	11.0
Frito-Lay (PepsiCo)	3.3%	2.4%	1.7%	3.7
Kroger	2.8%	0.3%	2.2%	-0.5
Barilla	2.8%	0.7%	0.5%	1.1

Top quartile · 2nd quartile · 3rd quartile · 4th quartile

Finally, in the foods aisle, it would seem that the principle of Americans not trusting "off" brands applies in full to what's put *in* their bodies as well. Store brands in this category posted strongly negative trust ratios. Obviously, the "sizzle" really must be more important than the "steak," as the old saw goes, given that in many if not most RTE categories the products are made in the same plants and on the same lines as the name brands. Or is it that consumers remember the old black-and-white boxes, and dubious quality, of the earliest "no name" products? (Unlike in Europe, America's early forays into private label were with products that definitely didn't match up to the quality of national brands.)

At the other extreme, the Campbell's brand was "Mmm ... mmm ... good" in the trust department, while Kraft was the winner in the overall BPI for the category.

Attribute	Average Score	Campbell's	Kraft	Del Monte	Green Giant	General Mills
Product	4.36					
Access	4.19					
Price	4.06					
Service	3.79					
Experience	3.62					

Below Expectations · Meeting Expectations · Exceeding Expectations

Which Sources of Information are Working … and Which Aren't

So, that's what consumers told us are the most powerful brands in America today. But how are consumers coming to these opinions? Where are they getting their information about brands? And how believable is that information to them? Here's what the survey told us about that:

Consumers' Sources of Information

Just how powerful has the Internet become as a source of information on products? This important: 22% of consumers found the Internet to be a source of credible information–and all of them use the Net to get information, making it the second-most used method among consumers. Message: To be relevant today, brands *must* be on the Web. The most credible source, by far (and probably not surprisingly), is word of mouth–which can be both an opportunity for brands (e.g., the buzz around Dove's Self-Esteem Fund) and sometimes a problem (e.g., the corporate-brand issues at companies such as Hewlett-Packard and Nike).

Of note, though: Consumers don't, in general, find information from the *manufacturer* worth listening to. In fact, only six percent of consumers said they utilize manufacturers to get information about products. Clearly, many CG companies have a credibility gap to look into.

Meantime, if you're looking for a stinging indictment of so-called "old media," look no further than the abysmal scores here for TV, print and radio.

The Most Credible Sources

That indictment of old media shows up in detail in the by-category look (following page) at the most credible sources of information. About the only exception to the rule is in automotive, where automakers' Web sites, and magazine advertising, scored fairly strongly. Beyond that, however, it doesn't seem that hard to make a case that many brands, in all sorts of categories, are wasting millions and millions of dollars today on old-media marketing and advertising to chase what have become *new*-media customers.

Consumers' Sources of Information: Overall

Source	Credible(1)	Most Often Used(2)
Word-of-mouth	50%	29%
Retail store	26%	17%
Internet	22%	22%
Manufacturer	21%	6%
TV	19%	9%
Magazines	16%	5%
Newspapers	12%	6%
Other	7%	5%
Radio	3%	0%

1) Respondents could select multiple answers.
2) Respondents could select only one answer.

Slowly, though perhaps, we are beginning to see tangible evidence of a shift. For example, TNS Media Intelligence recently estimated that traditional ad spending at Johnson & Johnson (one of the most powerful and trusted brands in this survey) declined by 22 percent–a figure close to the amount experts say that J&J was looking to shift to non-traditional media.

The Most Used Sources

Finally, what people find to be credible is what they *use*–which is why the Internet is so prevalent in the chart at the bottom of this page, especially (as might be expected) in home electronics.

Most Credible Sources of Information

	Word-of-Mouth	Retailer	Internet	Manuf.	TV	Magazine	Newspaper	Other	Radio
Overall	50%	26%	22%	21%	19%	16%	12%	7%	3%
Alcoholic Beverages									
Athletic Shoes									
Automobiles									
Clothing									
Home Products									
Home Technology									
Non-Alcoholic Bev.									
OTC									
Personal Hygiene									
RTE									

Most-Often Used Sources of Information

	Word-of-Mouth	Internet	Retailer	TV	Manuf.	Newspaper	Magazine	Other	Radio
Overall	29%	22%	17%	9%	6%	6%	5%	5%	0%
Alcoholic Beverages									
Athletic Shoes									
Automobiles									
Clothing									
Home Products									
Home Technology									
Non-Alcoholic Bev.									
OTC									
Personal Hygiene									
RTE									

> 20% over avg.   > 20% under avg.

Which Retailers Are Delivering … and Which Aren't

As noted earlier, one of the things that makes this study unique is that it doesn't stop at just the content of brands but also looks at brand context–how consumers feel about where the brands are sold, who's doing the best job of selling them, who's pricing and servicing them the best, etc. This final section of the study shows what shoppers had to say regarding the all-important "firing line" of the entire brand experience: retail.

Overall

Where do most Americans prefer to shop? Of course, it's Wal-Mart–a mega-brand in and of itself. The Arkansas giant dominated other retailers, with more than twice the mentions as its nearest competitor, Target. However, all is not well in Bentonville these days, of course, and that's reinforced by Wal-Mart's poor scores in this survey for service and access.

Retailer Ratings: Overall

Retailer (mentions)	Product	Access	Price	Service	Experience
Wal-Mart (1,925)	Meeting	Below	Exceeding	Below	Meeting
Target (842)	Meeting	Meeting	Meeting	Meeting	Meeting
Kmart (388)	Below	Below	Meeting	Below	Below
Walgreens (379)	Meeting	Meeting	Below	Exceeding	Meeting
Best Buy (376)	Exceeding	Exceeding	Meeting	Exceeding	Exceeding
Internet (348)	Meeting	Below	Exceeding	Below	Meeting
CVS (340)	Meeting	Meeting	Below	Meeting	Meeting
Sears (280)	Meeting	Meeting	Meeting	Exceeding	Meeting
Costco (252)	Meeting	Meeting	Exceeding	Below	Meeting
Circuit City (247)	Meeting	Meeting	Meeting	Meeting	Meeting
JC Penney (222)	Exceeding	Exceeding	Meeting	Exceeding	Exceeding
Average - All Retailers	4.10	3.76	4.00	3.79	3.98

Below Expectations Meeting Expectations Exceeding Expectations

America's Top 5 Places to Shop, by Category

Category	#1	#2	#3	#4	#5
Alcoholic Beverages	Liquor store 44%	Wal-Mart 16%	Grocery store 14%	Costco 10%	Albertsons 7%
Athletic Shoes	Foot Locker 30%	Wal-Mart 21%	Kohl's 14%	Payless 13%	JC Penney 13%
Casual Clothing	Wal-Mart 34%	JC Penney 27%	Target 23%	Kohl's 15%	Sears 13%
Home Products	Wal-Mart 54%	Target 30%	Sears 16%	Home Depot 15%	Kmart 13%
Home Technology	Best Buy 61%	Circuit City 44%	Wal-Mart 30%	Internet 13%	Target 12%
Non-Alcoholic Beverages	Wal-Mart 38%	Target 16%	Albertsons 12%	Grocery store 12%	Costco 10%
OTC Medications	Wal-Mart 65%	Walgreens 33%	CVS 32%	Target 21%	Rite Aid 12%
Personal Hygiene	Wal-Mart 62%	Target 24%	Walgreens 24%	CVS 21%	Kmart 14%
RTE/Non-Perishables	Wal-Mart 52%	Target 25%	Kroger 12%	Kmart 9%	Sam's Club/Meijer 7%

Meantime, there's some good news in these findings for the two brands within Sears Holdings Corp. Kmart, while still in the "cellar" in all scores but price, nonetheless remains the third most-popular place to shop in America–plus its consumer scores have inched up from last year. And Sears, which last year was mired in the basement, too, has improved its scores dramatically this year. Sticking to that trend, JC Penney continues to build momentum, as well.

Top 5 Places to Shop

Here, by category, are Americans top five places to shop. And, here again, we see the dichotomy that is Wal-Mart today. The retailer showed up as the most popular place to shop in no fewer than six of the total product categories (shortened to nine, as we combined durables and home products, and eliminated automotive, for this section), and the second choice in two more of them. But, the flip side of that: Wal-Mart got absolutely hammered by consumers on product and service in the clothing and home technology segments, and also received low grades on access. In fact, based on these scores, it seems clear that a large part of Wal-Mart's recent struggles overall can be traced to poor execution in these two key categories, along with growing consumer frustration about how difficult Wal-Mart stores are to get into and then to navigate.

But Wal-Mart is far from the *only* interesting retail story to emerge from this study. Here's a closer look at each of the categories. In each chart, the top five retailers (in terms of consumer awareness) in each category are ranked against the five attributes that matter most to consumers (price, product, service, access and experience), with the attributes themselves listed in descending order of importance to consumers in that particular category overall (from left to right). Also, the averages of actual retailer scores by attribute are called out at the bottom of each chart.

Alcoholic Beverages

None other than Plato is reputed to have said, "He was a wise man who invented beer." Perhaps the same thing can be said about whomever invented the (mom-and-pop-branded) liquor store. That's where Americans turn for their beer, wine and liquor when they want a good selection and service.

On the other hand, when they want low price, it's off to Wal-Mart or Costco they go. Finally, consumers give grocery stores such as Albertsons and Kroger high marks in nothing when it comes to alcohol–other than the fact that it's "there" in the store as they're shopping for other items.

Retailer Ratings

Retailer	Product	Access	Price	Service	Experience
Liquor stores	Meets Expectations	Meets Expectations	Below Expectations	Exceeding Expectations	Below Expectations
Wal-Mart	Meets Expectations	Below Expectations	Exceeding Expectations	Below Expectations	Meets Expectations
Costco	Meets Expectations	Below Expectations	Exceeding Expectations	Below Expectations	Meets Expectations
Albertsons	Below Expectations	Below Expectations	Meets Expectations	Meets Expectations	Meets Expectations
Kroger	Below Expectations	Below Expectations	Below Expectations	Below Expectations	Below Expectations
Category Average	4.01	3.63	3.89	3.75	3.86

Below Expectations Meets Expectations Exceeding Expectations

Athletic Shoes

Athletic shoes are a category where the products are expensive and sophisticated enough that consumers expect to be taken care of, as witnessed by Wal-Mart's poor scores for service, access *and* product in this category. Compare that with JC Penney, which just might be *the* "sleeper" of sneaker retailers today. It's one of the few mass marketers that seems to be getting the formula right in this category. On the other hand, Foot Locker, a specialized retailer you'd expect to have the formula down pat, is rated below average not only on price but, disturbingly, on experience.

Retailer Ratings

Retailer	Price	Product	Service	Access	Experience
Foot Locker/ Lady FL	Below Expectations	Exceeding Expectations	Exceeding Expectations	Meets Expectations	Below Expectations
Wal-Mart	Exceeding Expectations	Below Expectations	Below Expectations	Below Expectations	Meets Expectations
Kohl's	Exceeding Expectations	Meets Expectations	Below Expectations	Meets Expectations	Meets Expectations
Payless Shoe Source	Meets Expectations	Below Expectations	Meets Expectations	Meets Expectations	Meets Expectations
JC Penney	Meets Expectations	Meets Expectations	Meets Expectations	Meets Expectations	Meets Expectations
Category Average	3.98	4.07	3.76	3.74	3.91

Below Expectations Meets Expectations Exceeding Expectations

Casual Clothing

There are as many big stories in casual clothing as there are items in Mr. Blackwell's annual Ten Best (and Worst) Dressed List. For starters, Wal-Mart does indeed have a big-time "wardrobe malfunction" when it comes to this category. Its recent forays into more upscale clothing have not been well received and these scores here, especially on product, would imply it has an ever-deepening hole to climb out of. Surprisingly, Target, as well, seems to be exposing itself when it comes to casual clothing. Is it that consumers just don't like trying on semi-fashionable clothing in a big-box format? Does this foretell bad things for Target in the future?

A major story is the progress Sears has made in this category. Though the retailer's scores seem lackluster, our *multi*-year data tell us that these results actually denote big-time progress for Eddie Lampert & Co. Sure, Sears will probably never be where Paris and Britney shop, but the retailer's progress in this category is quite impressive nonetheless.

Also impressive–very much so–is JC Penney's excellent scores all across the board. That's not what you'd necessarily expect from a retailer with the highest percentage of private-label brands of any department store, 40 percent. Yet, that's exactly the balancing act that Penney is pulling off. Seven of its proprietary brands, such as Arizona, Worthington and St. John's Bay, are billion-dollar businesses in their own right. Meantime, Penney's new a.n.a. line fills a need for casual weekend wear for women with modern tastes, rounding out two other new, slightly dressier modern lines, W and Nicole, an exclusive line by designer Nicole Miller. Clearly, Penney, once derided as "your mother's store," is a retailer to watch in the future.

Retailer Ratings

Retailer	Price	Product	Service	Access	Experience
Wal-Mart	Exceeding	Below	Below	Below	Exceeding
JC Penney	Meets	Exceeding	Exceeding	Exceeding	Meets
Target	Meets	Below	Below	Below	Meets
Kohl's	Exceeding	Exceeding	Meets	Meets	Meets
Sears	Meets	Meets	Meets	Meets	Meets
Category Average	4.05	4.13	3.84	3.86	4.00

Below Expectations Meets Expectations Exceeding Expectations

Home Products

Perhaps the biggest surprise in the home products category is the lackluster performance of Lowes. We have always seen Lowes post very high scores in experience and product, and while the scores this year are certainly respectable, they represent a slip for this powerful retailer. By contrast Home Depot has raised its service score from a year ago, while maintaining its position on the other attributes.

Wal-Mart, as well, has its work cut out for it in home products. Consumers love the prices they pay–but they hate how hard it is to find the items to begin with, including the lack of service from store employees. And Kmart–well, its progress in casual clothing notwithstanding, Kmart is hardly "home free" overall, as these scores prove.

Retailer Ratings

Retailer	Product	Price	Access	Service	Experience
Wal-Mart	Meets	Exceeding	Below	Below	Meets
Target	Meets	Below	Meets	Meets	Meets
Sears	Meets	Meets	Meets	Meets	Meets
Home Depot	Meets	Meets	Meets	Exceeding	Meets
Kmart	Below	Below	Below	Below	Below
Lowes	Meets	Meets	Meets	Meets	Meets
Category Average	4.16	4.09	3.82	3.80	4.03

Below Expectations Meets Expectations Exceeding Expectations

Home Technology

Who's in *your* five? Well, when it comes to where they actually want to buy their mobile phones, MP3 players, PDAs, big-screen TVs, etc., consumers still have affection for Best Buy, the reigning king of service. However, Best Buy has to remain sensitive to its perceived weakness on price. While the company will never (and shouldn't attempt to) match mass merchants like Wal-Mart or Target, it has to be diligent to avoid letting the price gap become too large–a message consumers are clearly sending them here.

Not surprisingly, Wal-Mart and the Internet both get hammered on service, which plays to Best Buy's strength. And, Circuit City continues to improve its perceptions with consumers year over year.

Retailer Ratings

Retailer	Price	Product	Service	Access	Experience
Best Buy	Below	Meets	Exceeding	Meets	Meets
Circuit City	Below	Meets	Meets	Meets	Below
Wal-Mart	Exceeding	Below	Below	Below	Meets
Internet	Meets	Meets	Below	Below	Meets
Target	Meets	Meets	Meets	Meets	Meets
Category Average	4.10	4.16	3.82	3.87	4.04

Below Expectations Meets Expectations Exceeding Expectations

Non-Alcoholic Beverages

The story here is very similar to that in alcoholic beverages. When consumers want to "load up" on non-alcoholic beverages, Wal-Mart or Costco is where they go. And if they are merely "filling in" along the way, the grocery store will do–though they aren't exactly thrilled about it.

Retailer Ratings

Retailer	Product	Access	Price	Service	Experience
Wal-Mart	Exceeding	Meets	Exceeding	Below	Meets
Target	Meets	Meets	Meets	Meets	Meets
Albertsons	Meets	Meets	Below	Meets	Meets
Costco	Meets	Meets	Exceeding	Meets	Meets
Kroger	Meets	Meets	Below	Meets	Meets
Category Average	4.04	3.75	3.92	3.81	3.98

Below Expectations Meets Expectations Exceeding Expectations

OTC Medications

The battleground couldn't be more clearly defined here. Consumers like the prices at Wal-Mart, but prefer the service at Walgreens. Who (if anyone) emerges victorious will depend on who closes the gap first, Wal-Mart getting better on service or Walgreens (or CVS) getting better on price?

Retailer Ratings

Retailer	Price	Product	Service	Access	Experience
Wal-Mart	Exceeding	Exceeding	Below	Below	Meets
Walgreens	Below	Meets	Exceeding	Meets	Meets
CVS	Below	Meets	Meets	Meets	Meets
Target	Meets	Meets	Meets	Exceeding	Meets
Rite Aid	Below	Meets	Below	Meets	Meets
Category Average	3.93	4.10	3.70	3.64	3.99

Below Expectations Meets Expectations Exceeding Expectations

Personal Hygiene

The situation in personal hygiene closely parallels that in OTC medications. Wal-Mart's excellent scores on the two things that matter most to consumers in this category–price and product–give it a commanding presence here, despite its substandard scores in service and access.

Meantime, both Walgreens and CVS have a price problem in this category. Consumers, of course, probably expect to pay a little more for such items when they go to the "drug store," but absent a service advantage that's a line that can be pushed only so far.

Retailer Ratings

Retailer	Price	Product	Service	Access	Experience
Wal-Mart					
Target					
Walgreens					
CVS					
Kmart					
Category Average	4.06	4.18	3.79	3.75	4.11

Below Expectations Meets Expectations Exceeding Expectations

RTE/Non-Perishables

Finally, which retailers do consumers turn to when they're *hungry?* Not surprisingly, both Wal-Mart and its club-store sibling Sam's Club score strongly in price for ready-to-eat and non-perishable items. And, interestingly, only one grocer, Kroger, made it into the top five in RTE. Clearly, grocers have found it difficult to create differentiation in this category (even though, of course, it's all about *food*), and have ceded a lot of volume to non-traditional formats.

Retailer Ratings

Retailer	Price	Product	Service	Access	Experience
Wal-Mart					
Target					
Kroger					
Kmart					
Sam's Club					
Category Average	4.04	4.11	3.83	3.81	4.02

Below Expectations Meets Expectations Exceeding Expectations

Strategic Implications

So, what's it all mean? To producers? To retailers? To those with a financial interest in brands and the companies that make and sell them? Here, in summary, are some key strategic implications:

- **Brands Still Matter.**
  American consumers prefer branded products–and they're willing to pay more for them. Recent notable store-brand and private-label branding ventures notwithstanding (e.g., JC Penny's), U.S. consumers, at least, for the foreseeable future, will continue to prefer manufacturer-branded products more than their counterparts in Europe and elsewhere.

- **Distribution Matters.**
  In a world of harried and time-starved consumers, product innovation is often of secondary importance to the better distribution and merchandising of the brands and products a company already has. Put another way, that famous "last 50 feet" in the distribution chain truly is the most important territory to conquer–despite the miles (and millions of dollars) that have come before it. In-store execution, product placement and product presentation are vital. To forget that is to endanger even the greatest of brands.

- **Service and Experience Matter.**
  If this study uncovered anything, it's the opportunity hidden in almost all categories to reap more value by simply treating customers with a little more *respect*, as is evidenced by responses to the service and experience questions. Consumers want quick access to a real, live person when they call for help; they want in-store service representatives who will at least give them the time of day; and, perhaps most of all, they want a reduction in the "hassle factor" in their lives. Companies that give these things to consumers will, in almost all cases, profit from it financially.

- **There's Power in the Past.**
  What was once old is new again. Legacy brands–from Converse to Dr Pepper, from Vicks and Levi's to 7 Up–are, in many cases, *power* brands, and may be even more so in the future. Think of this trend as "newstalgia"–a combination of nostalgia and today. Why, exactly, are consumers harkening back to the past? Psychologists might say it's a primordial longing to return to our youth, or to return to indelible psychological "archetypes." Whatever it is, this Peter Pan-ism isn't about to stop anytime soon, and those involved in the business of brands would be wise to pay attention to it.

- **Old Media Is Going the Way of the Vacuum Tube.**
  The great Marshall McLuhan said it all: "The medium is the message." He was, of course, talking in the 1960s about how that young upstart called television had supplanted not only all other media but content itself. Well, maybe McLuhan was more prescient than we even thought. Today, the Internet is making television–and radio and newspapers–largely irrelevant for consumers. Yet too many businesses still continue to spend vast sums advertising their brands and stores on old-media outlets–often to the detriment of those very brands and of retailers, too. Why this stubborn adherence to old ways of doing business? Perhaps it's that, to quote McLuhan himself, "A point of view can be a dangerous luxury when substituted for insight and understanding."

- **Doing Well Today is No Guarantee of Doing Well Tomorrow.**
  Congratulations are due to all of the many brands and retailers that did well in this study. Their performance, in an ever-competitive world, speaks volumes. And, no doubt, every brand or retailer that didn't perform as well would love to change places with them. That's the good news for the good performers. The bad news is, there is always a lag time between poor performance in this kind of study and when that performance shows up on the bottom line. To put it another way, good scores today are merely a snapshot in time: They may be catching the brand (or retailer) on the *ascent*, in a *stasis* position (rare) or on the *decline*. So, the important question to ask is: In *which* direction, exactly, is the brand (or retailer) I'm interested in heading?

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