



Groundbreaking Loyalty Study Examining 'Net Promoter' Named "Outstanding Paper"

Two Ipsos Loyalty Experts Part Of Team Acknowledged For Research Refuting Net Promoter Claims

February 15, 2008, New York, NY – A scientific paper co-authored by a team that included two loyalty experts from Ipsos has been named "Outstanding Paper" by the prestigious *Managing Service Quality* (MSQ) journal. "The Value of Different Customer Satisfaction and Loyalty Metrics in Predicting Customer Retention, Recommendation, and Share-of-Wallet" challenges the fundamentals of the loyalty metric Net Promoter.

Co-authored by Timothy Keiningham (Ipsos Loyalty), Jay Weiner (Ipsos Insight), Lerzan Aksoy (Koç University), Bruce Cooil (Vanderbilt University), and Tor Wallin Andreassen (Norwegian School of Management), this is the second scientific paper re-examining Net Promoter to receive national reorganization. In December 2007, Ipsos announced that another Net Promoter inspection appearing in the American Marketing Association's *Journal of Marketing* as the recipient of the 2007 Marketing Science Institute/H. Paul Root Award.

"This is truly a testament to the importance and quality of the team's research in examining the claims attributed to Net Promoter," says Tim Keiningham, Chief Strategy Officer for Ipsos Loyalty. "I find it both remarkable and humbling that both papers have been honored in such a way."

Managing Service Quality (MSQ) journal is published by Emerald Publishing, a leading English language publisher of academic and professional literature in the fields of management, library services and engineering. The paper is available on Emerald's website and can be accessed through the following site:

<http://www.ipsosloyalty.com/knowledgecenter/event-070501.cfm>.

The paper offers data from a two-year longitudinal Internet panel of over 8,000 U.S. customers of firms in one of three industries (retail banking, mass-merchant retail, and Internet service providers (ISPs)). Correlation analysis, CHAID, and three types of regression analyses (best-subsets, ordinal logistic, and latent class ordinal logistic regression) were used to test the hypotheses. The findings, contrary to Net Promoter's assertions, indicate that recommend intention alone will not suffice as a single predictor of customers' future loyalty behavior. Use of a multiple indicator instead of a single predictor model performs better in predicting customer recommendations and retention.

Tom Markert, CEO of Ipsos Loyalty added. "This is the second year in row in which one of Timothy Keiningham's papers has been awarded national recognition by MSQ. In 2007, Tim together with Ken Peterson (Ipsos Loyalty), Lerzan Aksoy (Koç University), Bruce Cooil (Vanderbilt University), and Terry Vavra (Terry Vavra Associates) received "Outstanding Paper" honors for "A Longitudinal Examination of the Asymmetric Impact of Employee and Customer Satisfaction on Retail Sales. We're very proud of Tim's achievements."

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About Ipsos Loyalty

Ipsos Loyalty is a global, specialized practice dedicated to helping companies improve business performance through customer satisfaction management, customer relationship management, and employee climate management. Ipsos Loyalty provides a state-of-the-art approach to customer-driven business performance through a modular suite of innovative research tools that provides an integrated framework to identify complex global business solutions. Ipsos Loyalty is an Ipsos company, a leading global survey-based market research group.

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Ipsos

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