

FOR IMMEDIATE RELEASE

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Loyalty Matters in America:

US Citizens, Consumers and Workers Have Their Say on What Wins or Loses Their Loyalty

New York, NY – Loyalty Day may have been inaugurated on May 1, 1921 as a special day set aside for the reaffirmation of loyalty to the United States and for the recognition of the heritage of American freedom, but the fight for the loyal hearts and minds of its citizens, customers and workers is fought over every hour of every day in the United States.

And to measure loyalty in America today, a new poll released by the Ipsos Loyalty Group appears to reaffirm the very values of the country and the essence of what Loyalty Day is all about. The poll was authored by Timothy Keiningham, PhD Global Chief Strategy Officer and

EVP, Ipsos Loyalty and co-Author of the book *Why Loyalty Matters*.

When asked to consider 29 separate categories of people, organizations, products and services they likely have a relationship with and determine if the actions of those entities over the past two years have made them more loyal or less loyal to them, of all of the things they could choose from, it's their country – the United States of America – that tops the list in terms of increasing their loyalty: 70% of Americans today say they are more loyal to their country than they were two years ago.

After that, it's their "spouse, partner or significant other" (64%), their "family doctor" (58%), the "brand of car" they currently drive (56%), a restaurant they go to frequently (56%), a music station on the radio they tune in to frequently (55%), their religious faith (54%) and where they get their news from on TV (54%) which garner the highest levels of increased loyalty.

When it comes to the consumer marketplace, a majority (54%) of Americans don't believe that most organizations

nowadays do a good job of properly recognizing and rewarding those customers who were loyal to them. Further, Americans split on whether most organizations nowadays do a good job of encouraging loyalty and strengthen their relationships with customers: 49% agree with this view while 51% disagree, but seven in 10 (67%) Americans also acknowledge that it's harder to be loyal nowadays compared to years ago because there are just so many other choices available to them.

And, when asked to rank the top three listed actions an organization might take to encourage them to remain loyal to their products or services—that would most appeal to them in terms of helping win or keep their loyalty -- it's the greenback that takes first spot—31% say giving them instant cash awards at the checkout counter is best, followed by have a live person answer the phone when they call their store or customer service center (24%) and, ironically doing nothing different... just keep making a good product and don't raise the price (22%).

But while consumers hearken “show me the money” at the check-out counter, its not the case for most nowadays in

their workplace as employer loyalty trumps the cash incentive to move to another place of work. Despite a difficult economy and job insecurity, loyalty appears to be having a potentially positive impact in the workplace for employers: a majority of employees (55%) indicate they would remain loyal to their workplace even if they got an offer to work at another company for 10% more in their paycheck.

These are some of the findings of a Thomson Reuters/Ipsos poll conducted March 2 – March 3, 2010. For this survey, a national sample of 1,014 adults aged 18 and older from Ipsos' U.S. online panel was interviewed online. Weighting was then employed to balance demographics and ensure that the sample's composition reflects that of the U.S. adult population according to Census data and to provide results intended to approximate the sample universe. A survey with an unweighted probability sample of this size and a 100% response rate would have an estimated margin of error of +/- 3.1 percentage points 19 times out of 20 of what the results would have been had the entire adult population of the United States had been polled. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error, and measurement error.

Loyalty Matters: My Country is to Thee...

Loyalty is defined as "accepting the bonds that our relationships with others entail and acting in a way that defends and reinforces the attachment inherent in those relationships" and when it comes to being loyal nowadays

Americans indicate it's their country — the United States of America — that tops a list of people, organizations, products and services they likely have a relationship with, that they're more loyal to now compared to two years ago.

In fact, 70% of Americans say they are now more loyal to their country and they were two years ago -- and this compares to the next categories on the list include being more loyal today to their "spouse, partner or significant other" (64%), their "family doctor" (58%), the "brand of car" they currently drive (56%), a restaurant they go to frequently (56%), a music station on the radio they tune in to frequently (55%), their religious faith (54%) and where they get their news from on TV (54%).

Rounding out the list with the percentage of Americans who say they're more loyal today than they were two years ago are:

- Their main financial institution (52%)
- A department or outlet store -- like Wal-Mart, Kmart etc. (49%)
- A gas station they frequent (48%)

- Their cell phone carrier (48%)
- A "frequent shopper" card of some kind that rewards them for purchasing (47%)
- A drama show on TV they commonly watch (47%)
- The Church they do or could belong to (44%)
- A soft drink (such as Coke, Pepsi, etc.) (41%)
- A comedy show on TV they commonly watch (41%)
- Their employer (39%)
- Their satellite/cable TV provider (37%)
- Their primary credit card (37%)
- A talk or news station on the radio (36%)
- A political party -- Republican, Democrat, etc. (35%)
- A political leader -- such as Obama, McCain, Dorgan or Clinton (32%)
- A line of clothing -- such as Levi's, Wrangler, J. Crew, Brooks Brothers, The Gap, Abercrombie & Fitch, etc. (29%)
- A reality show on TV they commonly watch (26%)

- A sports footwear manufacturer -- like Nike, Reebok, Adidas, New Balance, etc. (25%)
- A national breakfast television show (25%)
- A local breakfast television show (24%)
- A travel agency or travel outlet -- online or otherwise (15%)

*Loyalty and the American Consumer:
It's A Two-Way Street...*

Most Americans don't believe organizations are doing a good job at recognizing and rewarding loyal customers...

A majority (54%) of Americans don't believe that most organizations nowadays do a good job of properly recognizing and rewarding those customers who were loyal to them.

- Those more likely to disagree (54%) that organizations are doing a good job nowadays are equally male (54%) than female (53%) older Americans -- 56% aged 35-54 and 59% of those 55+ --



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with a household income of over \$50,000 (56%) and living in the West (60%) and Northeast (58%) parts of the United States. They also tend to be retired (61%) with no children in the household (57%), married (56%) with college degree or better (55%) and Republican (55%).

- Those more likely to agree (46%) that organizations are doing a good job nowadays are equally female (47%) and male (46%), young (aged 18-34 55%), with a household income under \$50,000 (50%) and living in the South (51%) or the Midwest (48%). They also tend to have children in the household (55%), be working full-time (52%) have no college degree (50%) and the Democrat (52%).

Divided Loyalties: Americans Split On Whether Organizations Do A Good Job Of Encouraging Loyalty, Strengthening Their Relationships With Customers...

Americans split on whether most organizations nowadays do a good job of encouraging loyalty and strengthen their

relationships with customers: 49% agree with this view while 51% disagree.

- Those more likely to agree (49%) that most organizations nowadays do a good job of encouraging loyalty and strengthen their relationships with customers are women (51%), younger (18-34 57%) and more likely to have a household income of under \$50,000 (53%). They are also more likely to have children in the household (55%) and be working full-time (52%). There's no geographic difference here.
- Those more likely to disagree (51%) that most organizations nowadays do a good job of encouraging loyalty and strengthen their relationships with customers are men (53%), middle aged (35-54 56%) and older (55+ 52%) Americans, and have a household income of over \$50,000. Geography doesn't play a role in where opinions differ but being married (53%), without kids (53%) and being a part-time worker (57%) or retired (58%) makes it more likely for someone to hold this perspective.

Distracted Loyalties: So Much To Choose From...

Seven in 10 (67%) Americans believe it's harder to be loyal nowadays compared to years ago because they're just so many other choices available to them—33% disagree with this view...

- Women (67%) and men (66%) tend to think similarly on this point but age can make a difference: 70% of those 55+ and 69% of those 18-34 think this way compared with just 62% of those aged 35-54 who do so; differences in household income don't appear to produce different viewpoints -- those annually earning \$50,000 (67%) and those earning \$50,000 + (66%) are virtually identical; and geography doesn't much matter either: in the Midwest (68%), the South (67%) and the West (66%) are slightly more to agree to this than those living in the North East (66%)...if anything, it's those who are retired (74%) are the most likely to agree with the proposition.

So, What Are Some Things An Organization Might Do To Win Or Keep Customer Loyalty? Show Them The Money!

When American consumers are asked to rank the top three listed actions an organization might take to encourage them

to remain loyal to their products or services—that would most appeal to them in terms of helping win or keep their loyalty—it's the greenback that takes first spot: **31% say giving them instant cash awards at the checkout counter is best.**

Next in line are:

- o Have a live person answer the phone when they call their store or customer service center: 24%
- o Nothing different... just keep making a good product and don't raise the price: 22%
- o Give them automatic discounts on products or services based on how much money they spend at the retailer: 20%
- o Give them mail coupons and provide them with individual discounts on products that are right for them: 19%
- o Give them automatic discounts on products or services based on how many times they buy something at that retailer: 19%
- o Provide friendlier service: 15%



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- o Provide cheaper prices, even if it means a reduction in service: 15%
- o Have a store associate available to help answer their questions or help them find what they need: 14%
- o Give them points that can be accumulated on a frequent shopper card: 10%
- o Give them preferential treatment beyond discounts (e.g. preferred parking, prefer checkout line, exclusive sales for top customers): 5%
- o Have a staff member from the retailer call them and ask them for their opinion on how they are doing (but not trying to sell them anything): 3%
- o Have a staff member from the retailer call them just to say "thanks" for their business: 3%

Loyalty and the American Worker:

A Majority Opt Not To Hit the Road If Enticed...

Loyalty To The Employer Trumps Offer Of 10% More Pay...

Despite a difficult economy and job insecurity, loyalty appears to be having a potentially positive impact in the workplace for employers: a majority of employees (55%) indicate they would remain loyal to their workplace even if they got an offer to work at another company for 10% more in their paycheck. This isn't the case for 45% of employees who would "jump ship" for the extra cash in hand.

- Those employees more likely to stick at their current employer rather than walk for cash are equally men (56%) and women (54%), middle aged (35-54 62%) with over \$50,000 household income (56%) and living in the Northeast (58%), the South (58%) and in the Midwest (55%) regions of the United States. It's those who are with no college degree (59%), full-time (57%), who are married (57%) and with no children in the household (56%) who are more likely to be loyal to their employer than the offer to go somewhere else.
- Those employees more likely to take the 10% raise and walk (45%) are equally women (46%) and men (44%), work part-time (57%), be younger (18-34 53%)



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and living in the West (54%) or the Midwest (45%) of the United States. They are also most likely to have a college degree or better (49%), children (47%) and household income of under \$50,000 (47%).

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For more information on this news release, please contact:

Timothy Keiningham, PhD

Global Chief Strategy Officer and EVP, *Ipsos Loyalty*
Morris Corp. Ctr 2, 1 Upper Pond Road, Bld. D, Parsippany,
NJ 07054 USA

Tel: 973.658.1719 Fax: 973.658.1701

tim.keiningham@ipsos.com | <http://www.ipsosloyalty.com>

Tim is co-Author of the book *Why Loyalty Matters*

For sample chapters and free resources, visit
www.whyloyaltymatters.com For further information or to
arrange interviews on *Why Loyalty Matters*, please
contact Cathy Lewis at 561-364-5509 or at
CLewis1333@aol.com

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