

BrandLoyalties.com Special Commentary

01/07/2013: Consumer Brand Loyalty Spotlight Including: BBY, ANN, CVC, F and RIM

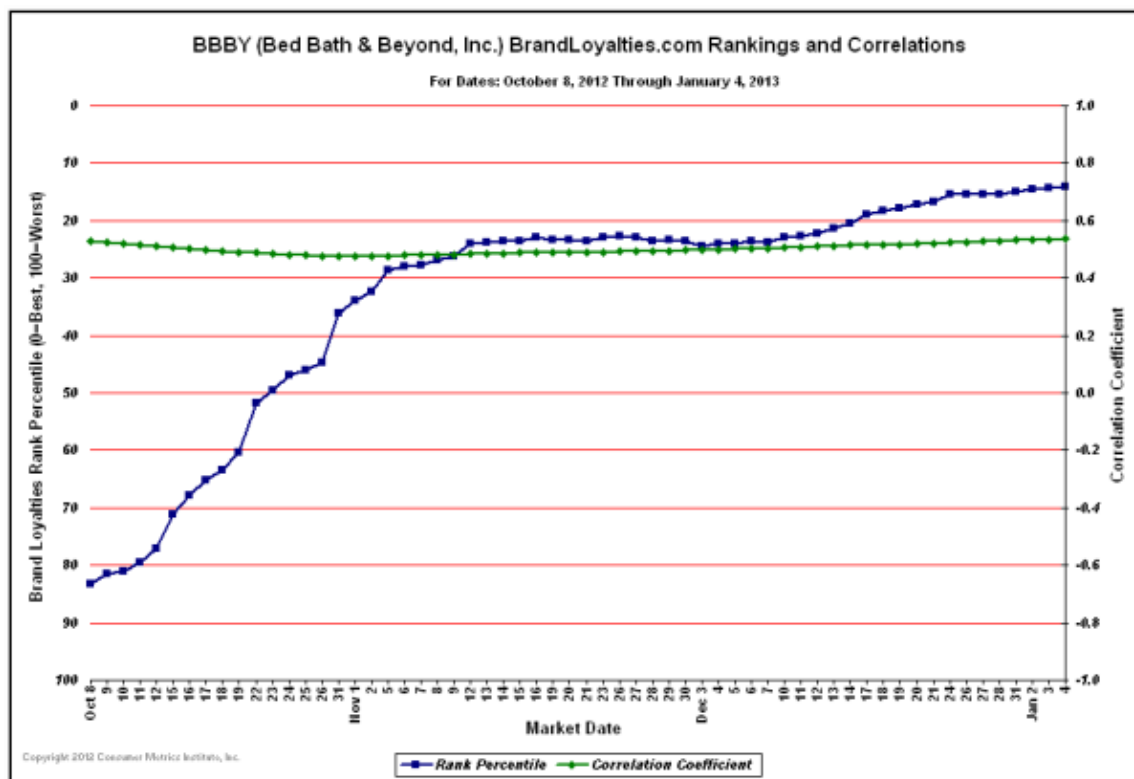
(Web page version is [here](#))

Because we measure nearly "real-time" consumer interest in the brand names of over 500 equities, there is generally a lag (and often a substantial lag) before the consumer preferences that we record show up in earnings reports, market guidance or equity price movements. These lags vary by equity, and are the result of equity specific details such as the length and complexity of their distribution channels and the timing of their quarterly reports.

A case in point is BBY (Bed Bath & Beyond, Inc.). Back on August 24, 2012 BBY moved into the worst 10% of our rankings -- triggering one of our client "alerts." However the best historical correlation between our data and BBY equity price movements have involved a price lag of about 53 market days. Fortunately, 53 market days should be sufficient time to anticipate softer earnings reports or management guidance -- and position portfolios accordingly.

Indeed, when BBY's fiscal quarter ended November 24th our average [BrandLoyalties.com](#) percentile ranking for their brand names over that entire quarter was in the bottom third of the equities we track -- and during the corporate reporting period BBY spent no time at all in either our top 10% or top 20%, but did manage to spend over 52% of their quarter in the lowest 20% (and nearly 43% of their fiscal quarter among our lowest 10%). The subsequent price movement after our expected lag time was not a surprise to our clients.

So what do consumers think of BBY now? In fact, consumers have flocked back to the brands of BBY since the close of their last fiscal quarter, and they have moved back into the top 15% of our ranked equities:



(Click [here](#) for best resolution)

The line of blue squares in the above chart show the swing in consumer loyalty to the brand names of BBBY -- moving from the lowest 20% of our universe into the highest 20% over roughly two months. The green line of diamonds in the above chart also indicates that the historical correlation between our [BrandLoyalties.com](#) rankings and price movements for the equity have remained relatively strong (at about a +0.5 correlation coefficient) -- and the lag time for the best correlation remains in the region of 50 market days.

(For more information on our technology-based methodologies you may access a [sample data page](#), view an [introductory video](#), download a [PDF brochure](#) or visit the [Frequently Asked Questions \(FAQ\)](#) page on our web site)

The tables below illustrate the diversity of equity lag times for a few notable excursions of equities into either the top 20% or bottom 20% (respectively) within our universe of tracked corporations, along with the beginning and ending dates of those sojourns. The respective best fit BrandLoyalties/equity price movements correlation lag times are also shown. You may also click on any ticker symbol in the table to view our sample page for that equity (with data through 10/31/2012):

Winners

Symbol	Equity Name	Excursion Type	Start Date	End Date	Excursion Duration	Lag Days
<u>BX</u>	The Blackstone Group	Best 20%	11/16/2012	12/31/2012	45 Days	178 Market Days
<u>F</u>	Ford Motor Co.	Best 20%	09/12/2012	11/30/2012	79 Days	152 Market Days
<u>RHI</u>	Robert Half International	Best 20%	10/02/2012	12/10/2012	69 Days	9 Market Days
<u>RIMM</u>	Research In Motion Limited	Best 20%	09/10/2012	11/12/2012	63 Days	138 Market Days
<u>RLH</u>	Red Lion Hotels Corporation	Best 20%	10/04/2012	12/03/2012	60 Days	250 Market Days

Losers

Symbol	Equity Name	Excursion Type	Start Date	End Date	Excursion Duration	Lag Days
<u>ANN</u>	AnnTaylor Stores Corp.	Worst 20%	09/05/2012	01/03/2013	120 Days	37 Market Days
<u>CVC</u>	Cablevision Systems Corporation	Worst 20%	09/25/2012	11/23/2012	59 Days	250 Market Days

As a reminder, BrandLoyalties.com has developed a technology-based, quantitative metric, available daily by subscription to select institutional investors, which signals whether consumer loyalty is gaining or waning for the brand names of over 500 widely traded NYSE, AMEX and NASDAQ listed equities. At BrandLoyalties.com you can tell on a daily basis whether the equities currently held in your portfolios have customers flocking to them or avoiding them like the plague. Furthermore, you will know this well before earnings season or the issuance of market moving "guidance" proclamations -- and quite possibly even before the corporate insiders themselves realize what is happening at the far end of their distribution channels.

Obviously customer loyalty is only one of the many requisites for favorable earnings reports (or equity investments). The BrandLoyalties.com rankings should only be used as one component in

a full suite of equity screens.

The brand loyalty rankings are just one of the ongoing consumer research projects of the Consumer Metrics Institute, Inc. For more information about the BrandLoyalties.com equity rankings, please visit our website or reply to this e-mail to Tony Seker at **tony@brandloyalties.com**.

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