

MBLM 7 WEST 22ND STREET, 10^{1H} FLOOR NEW YORK, NY 10010 WWW.MBLM.COM

RUBENSTEIN PUBLIC RELATIONS CONTACT: KATI BERGOU, 212-843-9314 KBERGOU@RUBENSTEINPR.COM

Draft for Review

Amazon Ranks Most Intimate Brand in the Retail Industry, According to MBLM's Brand Intimacy 2015 Report

Whole Foods and Sephora Round Out Top Three

NEW YORK — November 19, 2015 — Amazon is the most intimate <u>retail brand</u>, according to MBLM's *Brand Intimacy 2015 Report*, which examines ultimate brand relationships. Brand intimacy describes an essential relationship between a person and brand that transcends, usage, purchase and loyalty.

"Amazon is one of the most powerful brands in our rankings, yet quite unique. Most people don't think of emotions and warm and fuzzy feelings with Amazon; however, it delivers confidence and exceeds customer expectations. People connect with the brand," stated Mario Natarelli, <u>MBLM</u>'s managing partner. "It has created a powerful relationship with its customers, and we expect Amazon to continue to be dominant this holiday season."

The retail industry particularly is significant because of its prevalence in the U.S., contributing \$2.6 trillion to the GDP and 42 million jobs. The top 10 is rounded out by: Whole Foods, Sephora, Target, Starbucks, Costco, Pizza Hut, Nordstrom, Chipotle and eBay.

Amazon dominates in more ways than one. It also ranks as the top brand for millennials and those across income brackets between \$35,000 to \$75,000. Additionally, Amazon is more trusted than any other online retailer,¹ it has invested nearly \$10 billion last year in research and development², and its cloud services divisions will soon eclipse the operating profit of its retail business.³

Among retailers, Amazon achieved the highest rate of fulfillment, a key category archetype, defined as exceeding expectations, delivering superior service, quality and efficacy. As online retail pioneers, Amazon delivers fulfillment from simultaneously tinkering narrowly around every pixel of the customer journey to broadly expanding the ecosystem of influence and boundaries of what one can buy and ship to their door effortlessly.

According to the report, intimate brands create enhanced business performance. The top ranked intimate brands outperform major financial indices in profit growth and revenue growth over the past 10 years and brands that achieve the highest levels of intimacy also enjoy greater price resilience.

This year's report contains one of the most comprehensive rankings of brands based on emotion, analyzing the responses of 6,000 consumers and 52,000 brand evaluations across nine industries in the U.S., Mexico and UAE. MBLM's reports and interactive Brand Ranking Tool showcase the performance of almost 400 brands, revealing the characteristics and intensity of the consumer bonds.

¹ "Reinventing Retail: What Businesses Need to Know for 2015." Walker Sands Communications. Web. 18 Nov 2015 <http://www.walkersands.com/pdf/2015-future-of-retail.pdf

² "Financial Statements for Amazon.com, Inc." Bloomberg Business. Web. 18 Sept. 2015.

http://www.bloomberg.com/research/stocks/financials/financials.asp?ticker=AMZN

³ Kelleher, Kevin. "Amazon's Secret Weapon is Making Money Like Crazy." Time. 23 Oct 2015. http://time.com/4084897/amazon-amzn-aws/

To download the full *Brand Intimacy 2015 Report* or explore the Ranking Tool please visit: <u>http://mblm.com/brandintimacy/</u>.

Methodology:

During the spring of 2015, Praxis Research Partners conducted an online quantitative survey among 6,000 consumers in the U.S., Mexico and the UAE. Participants were screened respondents on age (18-64) and annual household income (\$35K or more) in the U.S. and socio-economic levels in Mexico and the UAE (A, B and C socio-economic levels). Quotas were established to ensure that the sample mirrored census data for age, gender, income/SEL and region. MBLM and Praxis Research crafted the survey instrument using insight from extensive qualitative research conducted on the topic of Brand Intimacy. The survey was designed primarily to understand the extent to which consumers have relationships with brands and the strength of those relationships, from fairly detached to highly intimate. It is important to note that this study provides more than a mere ranking of brand performance, and was specifically designed to provide prescriptive guidance to marketers. The agency modeled data from approximately 52,000 brand evaluations to quantify the mechanisms that drive Brand Intimacy. Through factor analysis, structural equation modeling and other sophisticated analytic techniques, the research allows marketers to better understand which levers need to be pulled to build intimacy between their brands and consumers.

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About MBLM: MBLM is the Brand Intimacy Agency, dedicated to creating greater intimacy between people, brands and technology. With offices in seven countries, our multidisciplinary teams help clients deliver stronger marketing outcomes and returns for the long term. To learn more about how we can help you create and sustain ultimate brand relationships, visit <u>mblm.com</u>.