



Press Release

J.D. Power and Associates Reports:

Samsung LCD TVs are More Often Recommended to Shoppers at Major Electronics Retailers

WESTLAKE VILLAGE, Calif.: 8 September 2009 — Salespeople at major electronics retailers are recommending Samsung LCD televisions to customers with increasing frequency, according to the J.D. Power and Associates and Market Force Information 2009 Television Retail Insights Report.SM

Among major electronics retailers examined during both the first and second quarters of 2009¹, salespeople recommended Samsung LCD televisions to 58 percent of the study's mystery shoppers² during the second quarter of 2009, up from 45 percent during the first three months of the year.

“Salespeople’s perceptions of Samsung LCD TVs are beginning to change from that of a value brand to a premium brand,” said Chris Denove, vice president of operational research at J.D. Power and Associates. “In addition to recommending Samsung more frequently, salespeople focused recommendations of the brand on its core attributes such as processor speed, picture quality and recent third-party awards it received, rather than on price.”

While Samsung has experienced an increase in LCD recommendation rates during the second quarter of 2009 compared with the first three months of the year, recommendations of Sony LCD sets have steadily declined during the past 18 months. During the second quarter of 2009, Sony was recommended to fewer than one-quarter of mystery shoppers. This marks a notable shift from the first quarter of 2008, when overall recommendation rates for Samsung and Sony were comparable.

The report also finds that salespeople are increasingly likely to suggest Panasonic sets to shoppers interested in plasma TV technology. Meanwhile, recommendations of Samsung plasma sets have remained flat.

Despite the shift in brand recommendation rates, the likelihood that salespeople will recommend LCD instead of plasma as the preferred technology platform has decreased notably from the first quarter of 2009.

Comparison of Technology Recommendation Rates – First and Second Quarters, 2009

Quarter	LCD Recommendation Rate	Plasma Recommendation Rate	No Technology Recommendation
1	68.3% (margin of error: 2.8%)	29.5% (margin of error: 2.8%)	2.2% (margin of error: 0.9%)
2	59.4% (margin of error: 3.1%)	30.0% (margin of error: 2.9%)	10.7% (margin of error: 1.9%)

While the recommendation rate for plasma sets has remained flat, there has been a sizable increase in the proportion of salespeople who did not provide a recommendation for either technology. As is the case with brand recommendations, technology platform recommendations tend to be left up to the individual salesperson, rather

¹ These retailers include ABC Warehouse, Best Buy, Conn’s, Fry’s, hhgregg, PC Richards, PRO Group, Sears and Ultimate Electronics.

² Margin of error: 3.1 percent at 90 percent confidence level

than dictated by store policy. For example, even the store that recommended LCD technology most often still recommended plasma sets to 21 percent of mystery shoppers.

“The role of the salesperson’s recommendation is very important in large-screen TV sales,” said Denove. “The differences in quality among various TVs are difficult for most shoppers to distinguish as they face a wall covered with dozens of flat screens. Based on what they say about individual brands, skilled salespeople have a great opportunity to determine a shopper’s ultimate choice. Our mystery shoppers found that salespeople tend to recommend brands heavily based on personal opinion, rather than store edict.”

“It is critical for manufacturers to maximize their recommendation rates,” said Karl Maier, chief executive officer of Market Force. “They may do this either through direct incentives or by increasing ‘share of mind’ through education and training. The latter is especially important because our mystery shoppers report far too often that salespeople had difficulty articulating brand attributes and differences. No manufacturer can expect a salesperson to effectively push their brand until that salesperson is armed with one to three differentiating brand attributes that they can easily communicate to customers.”

The 2009 Television Retail Insights Report, produced jointly by J.D. Power and Associates and Market Force Information, compiles the findings of more than 1,500 mystery shoppers who shopped at more than 1,200 major electronics retail locations during the first six months of 2009. The mystery shopping research investigates salespersons’ product knowledge and the types of recommendations they make to customers.

About Market Force Information

Market Force Information Inc. is the leading global customer experience information and insights company for multi-location businesses including major retailers, restaurants, grocery and convenience stores, financial institutions, entertainment studios and consumer packaged goods companies. With more than 120 years of combined industry experience, Market Force Information has pioneered the industry with a suite of customer experience information solutions – from 300,000 field associates, to real customer surveys, to proprietary decision support tools – that provides a holistic view of the customer’s on-site experience and identifies the actions required at the store level to increase customer loyalty and improve financial performance. For more information, please visit: www.marketforce.com.

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Headquartered in Westlake Village, Calif., J.D. Power and Associates is a global marketing information services company operating in key business sectors including market research, forecasting, performance improvement, Web intelligence and customer satisfaction. The company’s quality and satisfaction measurements are based on responses from millions of consumers annually. J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

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