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Forum's New Study Reinforces Importance of 'People Behind the Product'

August 10, 2010 NAPERVILLE, Ill. – Companies which invest in people development activities, including sales training and employee recognition and rewards may perform better than firms focusing on costly brand development, marketing, and advertising, suggests a new study published today by the [Forum for People Performance Management and Measurement](#).

The study, authored by Forum Academic Director Dr. Frank Mulhern of Northwestern University, predicts a return to more direct customer contact and less reliance on mass media advertising. "Brands will always remain important. However, as technology enables greater addressability of communications and interactivity becomes mainstreamed, we may see a return to the pre-modern business world where personal relationships matter more than brand names," Mulhern said.

While these relationships are more common to personal service businesses such as health care, financial services, and education than mass retailing, the Forum's study focused on the nation's personal insurance industry (life, health, auto and property), which showed the most dramatic links between sales agent performance and customer retention and new business.

A series of surveys conducted for the study showed that customers consistently rated the insurance sales agents higher than the insurance company itself. "The customer's experience with the agent is more important than the customer's experience with the brand in driving performance," Mulhern noted. "The person is more important than the brand."

The research study may be found on the Forum's website at
<http://www.performanceforum.org/Research.5.0.html>.

Further findings of the new study will be published in an upcoming Forum white paper later this fall.

The implications of Forum research will be discussed at its third annual "Think Tank" on Wed., Sept. 15, 2010 from 9 a.m. to 4:30 p.m. at the Union League Club of Chicago. Keynote speaker will be Monster.com Founder Jeff Taylor. For more information please visit
<http://www.performanceforum.org/Think-Tank.105.0.html>.

The Forum for People Performance Management and Measurement

www.performanceforum.org) is a research center within the Medill Integrated Marketing Communications (IMC) graduate program at Northwestern University. A central objective of the Forum is to develop and disseminate knowledge about communications, motivation and management so that businesses can better design, implement and manage people-based initiatives for inside and outside an organization.

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