

A splash of thought

THE GREAT BRANDING SQUEEZE

Try this

How do you value time? Time management specialists talk about prioritising items that are important and setting aside things that are not so important. But individuals value different uses of time differently. As a test, think of 5 minutes. How much would you pay to save 5 minutes queuing in a supermarket? Or 5 minutes longer lunch? Or 5 minutes more out with friends? Why are some time periods more or less valuable to you than others? Do you use the time you have in the way you most value?

Purchasers like to talk about power in buyer-seller relationships. The way the power is used will fundamentally drive the outcome of a deal. A party with power—buyer or seller— can almost dictate terms.

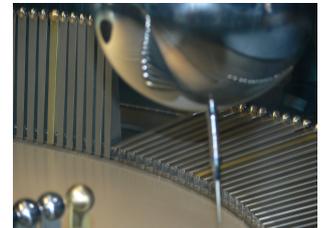
And at the moment, power in manufacturer-retailer relationships is almost entirely in the hands of the retailers. This means for manufacturers, marketing budgets are being redirected to support retail accounts focusing on promotions, packaging and in-store developments at the expense of long term brand building.

Even the most popular brands find retailers can apply a squeeze by refusing to list an important stock item such as a larger pack size while smaller brands can struggle

to get shelf-space at all. With just five accounts to concentrate on, sales take precedence over marketing in the boardroom.

Not only this, but many retailers are now using their sourcing power to drive innovation into sectors previously considered brand strongholds. With no product brands to defend from a misfiring brand extension, supermarkets are able to take more risks and experiment more, picking and choosing from the winners and losers.

Whilst all brands are under pressure, the ones that are most resilient are those which are most difficult to copy, or which have strong affiliative content, most often displayed where there is an emotional risk or reward for the consumer if



Getting picked off

they buy the wrong product. The emotional risk or reward could be a child that will only eat one particular brand, or in personal care products such as shampoo, where a brand may be a luxury 'reward' for the consumer.

Working within this arena requires knowledge of price premiums and profit maximisation strategies internally and for the retailer. Research and modelling such as **BPTO** can help in scenario planning.

Did you know?

- Tracking internet discussions for research has been going on for nearly 20 years. It can give useful immediate insight into market or product launch early adopters, but care is needed as it is rarely representative of all the market.

ANONYMITY OR PRIVACY

With the advent of social networking like Facebook and Notanant, the gap between personal and private information has narrowed. Individuals merrily provide personal details on websites and blogs they would otherwise have been assumed to want to keep hidden.

For researchers, who place anonymity as the central point of trust for market research, this laissez

faire attitude to personal data can seem strange. People are actively advertising and sharing their innermost thoughts. Anonymity is not apparently wanted.

But it's not that simple. Although individuals are happy not to be anonymous, social networking sites are careful to allow members control of their own data and privacy, constraining the types of data that

can be shared and used for different types of network.

However, for researchers there can be benefits from respondents viewing and commenting on other people's thoughts and ratings to build a deeper picture of the market. Properly controlled, these 'delphi-quant' techniques allow respondents two bites at responding, with privacy control of course.

CONSUMPTION OF TIME



Time. Time. Time. Got to dash.

How many people still take an hour over lunch in the UK? How many people have time to read a newspaper?

The consumption of time is becoming a defining factor in purchasing, not just in terms of time saving, but also in terms of how people are choosing to be seen to consume time.

It is well known that convenience is a key factor in purchase decisions—location sells, and it's not just estate agents but marketers too that need to focus on location. Around the office in Bristol the price of 200ml of Coke varies from

50p to £2.00 just because of location. Convenience means time saved is traded against cost. This is why garage forecourts can charge double the price for the same products as supermarkets.

However, time is not just about time saving. The question is also a social one—the conspicuous use of time. Where are you seen and what are you seen doing?

If you are seen as busy and working all hours, the perception is of a person of higher standing. Choosing to go to the gym, rather than the local sports centre. Choosing to take the children across town for

after school activities. Choosing to drive rather than walk.

The consumption of time is therefore a double edge. For factors that have low social value, the general desire is towards less—so an increasing need for convenience and ease-of-use. For items that have social value it is not that there is a greater demand per se, but that individuals are willing to pay more for these time goods.

If you can increase the conspicuous value of time for your service—or product even—there is the rare possibility of increasing demand with increasing prices.

CUSTOMER LOYALTY—IT'S NOT ALL BAD NEWS

“Customers will be most loyal to the company that gives them the best in terms of long term value”

If we all bought and ate the same thing all of the time the world would be a pretty dull place. Yet oddly marketers still place an emphasis on trying to measure and capture 'customer loyalty' - how often the customer sticks solely to one product or brand.

In terms of choice theory, if a customer prefers one brand over another they would be more likely to re-pick that brand, but not neces-

sarily all the time as there is always some variation in the choice—there is randomness in our decision making.

Although the urge for brand loyalty is understandable for brand owners, the danger with promoting brands purely for loyalty is that the brand becomes something of a fad. Doctor Martens had lots of loyal customers, at least until they found another trend to follow.

For some sectors, such as financial services, a spectrum of products and companies is advisable—even large banks can suffer liquidity crises. The question should therefore be which are most preferred and attract most value.

In the end customers will be most loyal to the company which gives them the best in terms of long term value. That is the combination of product, service and price that best meets their needs.

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