

Masters of Business (Research)

**First time brand trial
in consumer goods markets**

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ABSTRACT

Acquisition of new customers is important for any brand manager looking to sustain or to grow a brand's market position. However, research indicates that consumers are habitual creatures and tend to buy from a stable repertoire of brands they already know (Dawes, 2008; East, Wright and Vanhuele, 2008; Ehrenberg, Uncles and Goodhardt, 2004). Therefore, attracting new brand purchasers is a challenge.

Grocery shoppers purchase 300-400 different items in a year (Sorensen, 2009). However, during 80% of their time consumers buy the same brands or variants (Sorensen, 2011). Still how often do they try brands for the first time? Even though shoppers may not be looking for brands that are new to them, there are many consumers who are engaging in trial situations (Givon, 1984).

While several studies have examined product innovation and adoption of new brands, there is limited knowledge on first time trial of long-standing consumer goods' brands. This thesis investigates trial behaviour of consumers who have never bought a particular brand within a given category. To understand this behaviour, this thesis explores research questions that examine:

- how often consumers try brands new to them for the first time;
- what proportion of brands are consumed again after trial;
- whether there are consumers who are more likely to engage in trial (i.e. if the category usage and demographics of trialists differ from regular shoppers); and
- what prompts consumers to try a brand new to them.

Three studies were undertaken to answer these questions. A number of data sets were included in these studies with the aim of establishing generalisable patterns across some categories in consumer goods' markets.

The key findings of this thesis are:

- Although there is a habitual consumer brand-buying pattern, consumers often try brands unfamiliar to them. This thesis shows that in any occasion, there is an incidence of around 15 to 20% of shoppers purchasing or trying for the first time brands they have never tried before.

- Around half of the trialists consume the same brand again at least once after trial. Although this finding cannot be generalised, as there is fluctuation in the results, it shows that there is a considerable chance of future brand uptake after trial.
- First time trialists are not different to habitual shoppers. There are no major differences related to the category usage profile and demographics of trialists compared to non-trialists. In other words, there is not a group of consumers inherently prone to consistently trying brands new to them. This means that marketers should not invest their time into looking for a magic trialist segment but simply aim to attract as many consumers as possible. This finding contradicts the literature on segmentation and targeting and reconfirms the importance of reach: the more people brands reach, the higher is the chance of getting these people nudged to trial.
- This thesis is a first step towards a comprehensive framework related to the factors associated with the first time trial of existing brands in the market, which fills a current gap in the marketing literature. This thesis shows that spontaneous trial is one of the main reasons that prompt consumers to try a brand for the first time. This means that the decision to try a brand is not always pre-conceived, i.e. in-store elements at the point-of-purchase (e.g. packaging, price promotions) motivate brand trial as opposed to the intention to try a different brand prior to visiting the store (e.g. based on a recommendation).

These findings show that brand managers should create strong customer acquisition programs focused on brand trial. To succeed in acquiring consumers through trial, all consumers currently buying a category must be reached. For that, marketers can create and implement innovative and effective brand strategies to get the attention of non-brand buyers. For instance, they could influence trial through brand packaging and visual appeal, shelf and retail space design, price promotions and also free product sampling. They should also ensure that consumers continue to use the brand by having it mentally and physically available for further purchases. In doing so, consumers could be prompted to try brands they have not tried before. The key point is to get the brand noticed so there is a higher chance of trial.