

Do younger category buyers buy brands and consume media differently from other category buyers?

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Abstract

This thesis aims to document in what ways (if any) younger category buyers buy brands and consume media differently from other category buyers. In this thesis, the terms younger category buyers and older category buyers are for age relative to the category. The terms young buyers and old buyers are for an absolute age.

Brands grow by increasing their penetration among **all category buyers**. But marketers need to reach **younger category buyers**, as they might be of greater strategic value. They are often new category buyers who are still forming their repertoires. Once established, habitual buying behaviour means that these repertoires are reasonably stable for a lifetime (Martin, 2008; Bogomolova and Grudinina, 2011). While there is a higher probability of being incorporated into younger category buyers' repertoires, the task is more difficult, given they are harder reach. They consume fewer minutes of television (Holz and Leonard, 2010) and read fewer newspapers (Moore and Stephens, 1975). So, this thesis looks at whether younger category buyers might be of strategic value, and then looks at how to reach them with advertising.

Specifically, this thesis contributes the new knowledge:

- are younger category buyers more important than other category buyers for a sub-brand's growth trajectory.
- can a medium that skews towards younger category buyers provide high levels of reach.
- will within medium net-reach estimates be more accurate when accounting for differences in the age of audiences.

The first study examines if younger category buyers buy sub-brands differently from other category buyers.

Study 1: Do new-to-market or growing products skew to younger category buyers?

This first study analyses 1950+ sub-brands in 80 product categories to determine if there is a relationship between the age of a sub-brand's buyers and its growth trajectory. It replicates and extends Anderson and Sharp's (2010) study of new-to-market, growing and declining brands. The results of this study show that declining sub-brands are less likely to skew towards younger category buyers and growing sub-brands are less likely to skew towards older category buyers.

In contrast to the hypothesis that new-to-market and growing sub-brands skew towards younger category buyers, study 1 instead found that younger category buyers skew away from declining sub-brands. While this is not the smoking gun, that is, evidence of new-to-market or growing sub-brands skewing towards younger category buyers, a lack of younger category buyers is almost like a canary in the coal mine in that they can tell us if a sub-brand is in danger of dying. Marketers could rejuvenate declining sub-brands by temporarily allocating a slightly higher percentage of their budgets towards attracting younger category buyers. But as the vast majority of sub-brands are stable or showed few signs of skewing, marketing marketers need to simultaneously reinforce the habitual buying behaviour of middle-aged and older category buyers.

So, all category buyers matter regardless of the stage of a sub-brand's growth trajectory. Still, marketers may have legitimate reasons for targeting younger category buyers. They include products designed primarily for younger category buyers (e.g., undergraduate courses at a university), or messages for the same product that resonates better with younger category buyers.

Study 2, therefore, investigates if younger category buyers consume different media from other category buyers.

Study 2: Rethinking media age skews and the ability to reach younger category buyers

The second study analyses the relationship between a medium skewing towards younger category buyers and its ability to reach younger category buyers as a result of any skew and its absolute reach. It extends the between media user profile work of Romaniuk et al. (2013) to a new country, new media and for the current context of younger category buyers. Study 2 shows that six of the eight media examined have similar proportions of younger and older category buyers.

Only cinema skews toward younger category buyers and newspapers towards older category buyers. When we compare cinema to a non-skewed medium such as television we find that television reaches approximately three times as many people in a year; roughly 1.5 times more younger category buyers and is an eighth the cost per thousand reached (Gelzinis et al., 2016). So, in spite of cinema's audience being a slightly higher percentage of younger category buyers, television still reaches a higher number of younger category buyers and for a lower cost. This makes the non-skewed medium the more efficient option to reach younger category buyers and concurrently all other category buyers.

The previous evidence suggests the within medium age skew differences may be big enough to invalidate net-reach estimates of the Sainsbury Normal Method (which assumes no diversity in profiles). The third study determines if improvements can be made to a net-reach estimation method by accounting for the differences in the proportion of younger or older category buyer.

Study 3: Net audiences of Australian media: a comparison of the Sainsbury Normal Method and Sainsbury Weighted Method

The third study determines if the accuracy of a net-reach estimation method could be improved. It replicates and extends the seminal Sainsbury Normal Method study – (an equation for estimating net-reach) of British newspapers (Caffyn and Sagovsky, 1963) within Australian newspapers and within seven other media. Study 3 continues by comparing the within medium net-reach estimates with those of the improved method which includes the weighted sums of younger and older category buyers. In almost nine in ten cases, the weighted sum equation provides a higher level of within medium net-reach estimation accuracy.

The Sainsbury Normal Method provides less accurate within medium net-reach estimations when there are differences in the proportions of younger and older category buyers. Marketers should conservatively move away from the Sainsbury Normal Method and move towards the Sainsbury Weighted Method to be able to accurately determine how many younger and older category buyers have had an opportunity to see their advertising. Reaching all category buyers equally, and in particular circumstances, younger category buyers notably, increases the propensity of that brand being bought and becoming established in their repertoires. Study 3 improved the mean (average) within-medium net-reach estimation accuracy by 0.6 points which is an improvement of 9%.