



the Preference Framework: the engine behind consumer choice



Our Source Code

Why business should focus on preference?

Everything starts with a choice. Everyday you wake up, you make a decision on what to wear, what to have for breakfast, how to commute to work, which song to listen while you are jogging, what to buy as a gift to your friend's birthday and so on.

Our ability to choose and decide what to do next has literally changed the future of our human species and still, until today, make our whole existence an infinite pool of possibilities. Despite the impact that a decision can have, we, humans, choose every single day.

Choosing, however, has never been as hard as it is right now. Globalization and the digital revolution have opened the Pandora's box of consumption and unleashed an unprecedented amount of products and services to choose from. Just think back on the amount of cheese brands you found lying at the supermarket's shelf in the 80/90's and compared it to nowadays. It is not only the market world that has widened our choice scope: our personal routine has become a real-life "this or that" game, in which we have to choose which news we believe in, which side we are on a twitter debate, or which Tinder profile is worth to be swiped right. It is choice that determines if democracies are built (or fail), if a company succeeds (or go bankrupted) and if we actually save the environment (or destroy). However, we do not always have the capability to choose wisely and quite often we do choose things that later on will have a negative impact on us.



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If choosing the right thing was simple, we wouldn't be in the current climate crisis we are right now.

In the business world, understanding the “reasons why” behind consumer choice is not only a nice-to-have but also a survival imperative. If a product or service is not chosen by consumers, the market share will decrease, subsequently impacting the bottom line. Deeply understanding what drives our consumers choice is, then, the most urgent goal of marketing inside an organisation, as it directly drives sales and growth. Organisations are, therefore, becoming more and more customer-driven, not due to a trend, but due to a necessity, as putting customers in the centre of business is mandatory to be competitive today.

Understanding consumers choice inside an organisation, however, is not an easy task. We have a thousand indicators to measure our business, hundreds of studies trying to understand our customers and dozens of marketing actions trying to increase awareness and consideration of our products. However, we often get lost amidst so much information and it becomes hard to understand what truly influences the moment of choice.

Luckily, there is one single-minded idea that is behind every decision we make: preference. Our brain stores our previous experiences and opinions about a brand as prior preference that is key in the moment of choice. Preference is how our brain guarantees an intuitive response that prevails in the split second before we take an action and make our final decision.



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In the end, the more you prefer a product over the others, the more likely you are to choose them in the decision moment. The more preferred a brand is, the more willing consumers are to buy it.

Preference is, therefore, the engine behind every consumer choice.

Behind this apparently simple idea, there is a multidimensional concept that is directly correlated to business growth and market share. Preference is influenced by many different factors that imprint a single image in the mind of consumers and determine the strength of the relationship they have with the brand - ultimately leading to choice.

This is why the preference Framework exists: to thoroughly understand preference in order to influence choice. We aim to simplify the business complexity and help business to prioritise what is truly important for business growth. We intend to re-establish the long lost bridge between companies and consumers, and align organisational efforts with a customer-centric mentality. And, in the end, what we really want is to inspire business on helping people to make the right choice.



The Preference Framework

What are the key elements on determining preference?

Even though preference is a relatively simple concept, it is influenced by a diversity of factors associated with the way people perceive a brand. After extensive research, we have found out five key dimensions that play an active role in building preferred brands. These dimensions not only explain why people prefer specific brands, but also serve as a strategic framework for companies that intend to strengthen their bond with consumers and, consequently, grow market share.





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A. Mental Leadership: the space a brand occupies in people's minds

The first driver of preference we identified is Mental Leadership. Brands score high on this factor if they are considered 'the leader' within their relevant category. To become a mental leader, a brand needs to have a strong and fast association with the category they are part of and maintain a good reputation. An example is the Kleenex brand that has become the common term people use to refer to facial tissues. Guaranteeing a strong and continuous mediatic presence is fundamental to become the top of mind, while relationship marketing initiatives with current clients is key for a good reputation in the market. Being constantly in people's minds as well as in their mouth is the end goal to raise mental leadership.



The Preference Framework

B. Availability: the mental and physical proximity from customers

Consumers tend to prefer brands that are closer and accessible to them, and that's where availability becomes a key dimension on building preference. Being available in relevant moments in places where people normally shop create intimacy and proximity with consumers – a decisive factor for becoming preferred. One good example of this is the relationship the Dutch consumer has with Heineken, in comparison to other brands. In a recent study about the beer scenario in the Netherlands, Epiphany discovered that, even though Heineken was not necessarily the beer that had a higher emotional connection with consumers or was seen as highly different from others, the brand was largely accessible and present in people's lives. This constant proximity was derived from a well thought trade and merchandise strategy of Heineken and guaranteed a high preference among the Dutch.

One common misconception about availability is that it is solely about distribution. However even though distribution guarantees good physical availability, it does not ensure brand to be mentally available. Mental availability is the idea people have that the brand is accessible to them and that they can easily afford it. The notion of accessible price and proximity to one's lifestyle is key in this point. For example, Louboutin can be considered a valuable shoe brand for many, but if few customers can afford it or think it fits their lifestyle, there is less chance that it becomes their preferred brand.



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C. Value for money: the perceived value of a brand

Value for money expresses the value that the product or service represents in the eyes of the consumer. As imagined, the notion of cost-benefit of the brand's products is determinant for a good value for money equation. In our surveys, we see that strong brands score better on the Price-Value Ratio than brands that use a lower price as main differentiator for their positioning. For example, Apple scores higher than the cheaper Chinese providers, such as Huawei, despite Apple's prices being significantly higher. In other markets perceptions of low price translate very well into value for money, e.g., Lidl has a very successful supermarket concept that was built on low prices as a starting point. Also, the willingness to pay extra for a brand is generally a good indicative of the high value associated to that specific brand. High scores on willingness to pay extra allow brands to be less dependent on price constraints and have higher profit margins. To guarantee a good value for money, communication in conjunction to pricing and product portfolio strategies are fundamental.



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D. Meaningful Differentiation: the perceived uniqueness and relevance of a brand

Brands that differentiate themselves from other brands by using a clear customer benefit are more likely to be preferred. Having unique benefits and features that are relevant to consumer's lives give consumers a rational motive for preferring a brand, at the same time that the good image of the brand is fortified. Arguably, creating a distinct image and promoting a product's unique features are the main focus of famous marketing theories, like Byron Sharp's distinctive brand assets theory and the concept of remarkable marketing of Seth Godin.

Differentiation can be build at the product level through innovation and R&D efforts, or in the symbolic level through effective advertising and design. One good example is Coca Cola's successful strategy for being highly distinct in a market full of similar products. By reinforcing the unique brand characteristics and particular sensations in communication and marketing initiatives, Coca-Cola created a high level of differentiation that makes their consumers attached and loyal to the brand. Apple, on the other hand, balances the symbolic differentiation with a strong delivery of innovative features in their smartphones and computers that create an effective reason to believe in the uniqueness of the brand.



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E. Emotional connection: the strength of the bond with consumers

Finally, attaining an emotional connection with a brand is an important factor for driving brand preference. Advertising has been one of the primary methods for creating this emotional connection with consumers. For example, consider Nike's campaigns that directly linked the brand with a bold and active attitude or Dove's real beauty campaign that tried to break harmful beauty stereotypes. Recently, brands are going even further than traditional emotional promises and are actively involving themselves with political, environmental and important social discussions. The stakes are getting higher and consumers demand brands to play an active role in the construction of a fairer and more sustainable world.

Alternatively, positive brand experiences are also an important driver of Emotional Connection. Positive and very personal experiences with the brand can create a connection that is hard to overcome by competitors. Just think of taking your child to a football match of your favourite club for the first time. The experience of the child - getting a scarf or shirt of the team, being part of a crowd that is united to support the players at the pitch and sharing the experience as parent and child - can create a life-long connection and preference that might be seen as irrational by outsiders. Therefore, being part of the events and moments people are part, through PR and experiential marketing, is an excellent way to grow preference among people.



Conclusion

Mapping the preference scenario of a brand help marketeers to understand the brand through a multidimensional way (considering the role of price, distribution, communication and R&D) and not only by a communication and branding perspective.

In fact, when we discuss preference, we discuss the very nature of the relationship a brand establishes with consumers and, most importantly, how they experience and personally connect to it. Understanding how and why people prefer your brand unveil the strengths (and weakness) of your business and the opportunities to grow closer to consumers. Ultimately, focusing on preference has the potential to reconnect business and marketing goals to the way people think and make choices.



Let's Talk

Want to know more about how to build preference for your brands?
Send us an email and we would be happy to discuss that with you!

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