

## **Incidence and factors influencing brand trial in the whisky market**

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### **Abstract**

This descriptive paper explores what prompts consumers to try a brand for the first time. The results from two surveys conducted in the whisky market in Sweden indicate that every year about 20% of whisky buyers try a whisky brand for the first time. The most common factors influencing brand trial are product sampling combined with recommendation, and spontaneous purchase. No evidence suggests that consumers with different demographic characteristics have distinct reasons to try a brand for the first time. The research provides implications for brand managers on how to maximise their efforts in encouraging brand trial, which is essential for brand growth.

### **Introduction**

To grow a brand, brand managers need to attract new customers (Ang and Buttle, 2006; Riebe, Sharp and Stern, 2002). New consumers are those who have never purchased a brand (Kalwani and Morrison, 1977). They could be either consumers who have never bought any brands from the entire category, making their first *category* purchase (Ehrenberg, 1970; Heilman, Bowman and Wright, 2000), or current category users who have never bought a particular brand within the category, making their first *brand* purchase (Ehrenberg, 1970). This paper focuses on the latter.

The marketing literature contains knowledge about diffusion of innovations and adoption of new products by the market (e.g. Mahajan, Muller and Bass, 1990; Rogers, 1976). However, to date, marketing academics and brand managers have very limited knowledge of the circumstances and factors that prompt existing customers of a product category to try a brand for the first time and subsequently adopt it (or not).

Consumers are not interested in learning about brands that are unfamiliar to them (East, Wright and Vanhuele, 2008). Rather, they tend to purchase brands they know, usually buying from a stable repertoire of brands (Dawes, 2008; East, Wright and Vanhuele, 2008; Ehrenberg, Uncles and Goodhardt, 2004). Hence, to attract new consumers, a brand must be marketed in a way that disrupts this habitual purchase behaviour (East, Wright and Vanhuele, 2008), influencing consumers to try a brand outside their usual repertoire. The literature does not provide evidence on how common it is for existing category customers to try a brand, and to what extent marketers can influence the trial of brands that are new to the consumer. It is also unclear whether certain gender and age groups have distinctive reasons to try a whisky brand for the first time. These questions are answered in this descriptive study.

### **Literature Background**

While trial in a product category that the customer is already buying from should be easier to achieve than trial of a completely new product category, the incidence of such events is

unknown. Limited research has been conducted into how and why consumers try existing brands in categories they currently purchase (Bogomolova, 2008). Based on this background, the first research question is:

***RQ1: What is the incidence of brand trial in the whisky market?***

Consumers rely on various sources of information to judge whether or not to include a brand in their consideration set. Brand information comes from various sources (Gluckman, 1990), which have a distinct impact on consumers' perceptions of credibility and on the likelihood of acting upon the information. Krishnan (1996) suggests that there are two main sources of information about brands: direct and indirect experience.

Direct experience primarily occurs through brand trial or usage (Krishnan, 1996). One of the key sources of knowledge about a brand is personal experience (Romaniuk and Gaillard, 2007) and it is a critical step towards brand adoption (Kempf and Smith, 1998). Brand trial is related to first time, first-hand brand experience, whether it involves a purchase or not, while brand adoption relates to the subsequent purchases. Direct experience with a brand enhances the processing of product-related information in the consumer's mind (Mooy and Robben, 2002) by triggering sensory cues (Gluckman, 1990), resulting in adoption of the brand. Direct brand exposure - e.g. product sampling - is expected to be one of the main factors that prompt consumers to add a brand into their repertoire. It could take place when someone receives the product - e.g. as a gift, at someone's home - or through marketing activities.

One of the most common sources of indirect experience is recommendation or word-of-mouth (Krishnan, 1996). Consumers view recommendations as well-accepted (Arora, 2007), free of cost, and credible (Krishnan, 1996) when it comes from someone they know personally, i.e. family or friends. Recommendation is often a major reason for brand choice (East, Hammond and Lomax, 2008) and it is an important potential driver of brand trial (East, Hammond and Gendall, 2006). Although the choice of unfamiliar brands is positively influenced by references given by acquaintances, it could be predisposed by professional/expert recommendations. Therefore, recommendation is divided into advice from other consumers - word-of-mouth - and advice from commercially interested parties - e.g. sales people (East *et al.*, 2005) - or in-store experts. Advice from credible professionals is a source of information that reassures consumers of the brand's performance (Sweeney, Soutar and Johnson, 1999).

Another source of indirect experience is marketing communication (Krishnan, 1996). Branding, traditional advertising, online advertising, event sponsorship and other forms of marketing should be designed to attract the attention of non-buyers (Dawes, 2009). Wright and Lynch (1995) discuss that advertising is superior in communicating search attributes - product information that can be evaluated prior to trial or purchase - rather than experience attributes - information that can be evaluated only by consumption experience. In addition, McDonald (1970) discusses the two short-term effects of advertising: an educative one - building up brand awareness - and a reinforcing effect - stimulating and influencing the buying decision. Therefore, marketing communications are likely to reinforce and remind consumers of a brand when they come to choose a brand for the first time.

Likewise, brand trial could be associated with spontaneous or impulse purchase. It could be a result of consumers' desire to try another brand for a change - i.e. true variety-seeking behaviour (Van Trijp, Hoyer and Inman, 1996). Similarly, the consumer choice process could be influenced by a non-consciously perceived stimulus, as a large part of consumer decisions arise without intention or any awareness that it is occurring (Fitzsimons *et al.*, 2002).

However, spontaneous purchase could be reinforced by price and promotions in-store (Mazursky, LaBarbera and Aiello, 1987; Tang and Chin, 2007). Specific brand information in a retail outlet has positive influences on purchase decisions and reduces perceived purchase risk (Mueller *et al.*, 2009) when the consumer knows little about the brand. Consumers are likely to buy something that cries out 'buy me' (Hausman, 2000), hence, shelf attributes may impact on impulse buying of an unknown brand or unplanned purchase.

Based on this discussion, the second research question is:

**RQ2:** *What are the main factors influencing first time brand trial in the whisky market?*

Consumers differ from each other in the size and composition of their repertoires and in their brand choice probabilities within these repertoires (Uncles, Ehrenberg and Hammond, 1995). However, only a few publications discuss whether the rate of trial differs between gender and age, or if it is category specific (Trinh, Dawes and Lockshin, 2009). On a brand level, user profiles are similar for competing brands (Kennedy and Ehrenberg, 2001). However, different groups of people react differently when processing brand information. During product trial, females are more sensitive than males to the comprehensiveness of the information they process (Kempf, Laczniak and Smith, 2006). Prior work on gender differences in decision-making (Powell and Ansic, 1997; Venkatesh, Morris and Ackerman, 2000) suggests that females tend to be more affective than cognitive in their choices. Therefore, we investigate:

**RQ3:** *Do different gender and age groups have distinct reasons to try a whisky brand?*

## **Methodology**

Developed in the whisky market in Sweden, this descriptive study represents a context of a consumer choice that requires more involvement than common packaged branded goods, due to a higher price per unit and longer consumption life. These circumstances allow for better memory retention about first time brand trial. In addition, compared to other categories, the whisky market presents more opportunities for trial without purchasing. Thus, this category allows exploration of the impact of trial on future brand adoption.

The data was collected in two separate waves (June 2008 and June 2009) using a European internet panel provider. The two surveys were conducted with the purpose of checking whether the findings consistently hold across the years and samples. Replication was undertaken to ascertain the generalisability of the results in the Swedish market. Major demographic characteristics were monitored to be broadly in line with the profile of whisky drinkers in Sweden. The respondents were whisky drinkers who had consumed whisky at least once in the past four weeks. All respondents were 18 years of age or older.

The analysis included six brands, which were representative of the Swedish market, signifying a wide range of market shares and brand images. To address RQ1 - Incidence of brand trial, the respondents were asked: "*How long have you been drinking each of the following brands?*".

To address RQ2 - Factors influencing brand trial, the respondents were asked: "*Think about the first time you drank each of the following brands. How were you first introduced to this brand?*". The respondents could choose as many of the 14 response options created, based on the literature background. An 'other' verbatim response was also available. To establish a comparison between drivers of brand trial, while still ensuring sufficient sample size, five

experts - marketing professionals with different levels of whisky experience - were commissioned to collapse the fourteen response options into five major categories:

- 1) Word-of-mouth (personal recommendation by friends, family or acquaintances);
- 2) Recommendation by experts (whisky expert, in-store staff, barman or whisky articles);
- 3) Product sampling usually combined with recommendation (given at someone's house, given at a bar or given as a present);
- 4) Marketing communications (advertisements, websites or events); and
- 5) Spontaneous purchase (saw it in a bar, in a store or at duty free).

Following a descriptive brand level analysis, which demonstrated that results were consistent across different brands, the brands were merged to achieve higher statistical power in the analysis. Therefore, the sample size represents the total responses across all six brands.

To test the possibility of memory bias, we compared the responses claimed by those who tried the brand for the first time within a year, with those who tried the brand a longer time ago. There were no significant differences. This suggests that respondents are able to accurately recall circumstances of their first time trial in this product category.

To address RQ3 - Demographic versus factors influencing brand trial, gender and age were collected through prompted single-choice responses.

### **Discussion of the Results**

To analyse RQ1, the respondents were asked if they had started to drink any of the brands analysed in the last year. The results are presented in Table 1.

**Table 1 - Incidence of brand trial in the whisky market**

<b>How long drinking analysed brands</b>	<b>2009 (%)</b> <b>n=835</b>	<b>2008 (%)</b> <b>n=757</b>	<b>Average</b> <b>08/09 (%)</b>
Started drinking in the last year	20	21	20
Drinking for the past 1-5 years	20	22	21
Drinking for more than 5 years	49	51	50
Don't know	11	6	9

The results across the 2008 and the 2009 waves were similar and consistent. On average, the result of 20% of brand trial incidence confirms that every year there are many consumers trying a brand for the first time. Although there is a large number of consumers with the same stable repertoire for a long period, the 20% incidence of recent trialists shows the importance of better understanding the reasons why people try brands outside their usual repertoires.

To address RQ2, the incidence of prompts for first time trial was analysed. The results are shown in Table 2.

**Table 2 - Factors influencing brand trial in the whisky market**

<b>Factors influencing brand trial</b>	<b>2009 (%)</b> <b>n=915</b>	<b>2008 (%)</b> <b>n=847</b>	<b>Average</b> <b>08/09 (%)</b>
Product sampling combined with recommendation	39	43	41
Spontaneous purchase	31	28	30

Word-of-mouth	17	21	19
Marketing communications	19	17	18
Recommendation by experts	13	15	14
Others	2	2	2
Don't know	11	6	8

*Multiple responses possible.*

On average (between the 2008 and the 2009 waves), product sampling usually combined with recommendation is the main reason for brand trial in the whisky market in Sweden (41%). This is followed by spontaneous purchase (30%), word-of-mouth (19%), marketing communications (18%) and recommendation by experts (14%). Therefore, in addressing RQ2, we conclude that the most common factors influencing first time brand trial are product sampling combined with recommendation and spontaneous purchase.

To address RQ3, further analysis reveals that there is no evidence that different gender and age groups have distinctive reasons to try a whisky brand. The absence of significant differences within gender groups (male versus females) and age groups (18-24, 25-34, 35-44, 45-54 and 55-64) shows that different demographic groups do not have a relationship with the reasons to try a brand (chi-square 'gender'  $p = .968$ ; chi-square 'age'  $p = .896$ ).

### **Conclusions and Further Research**

The results show that every year about 20% of whisky buyers try a whisky brand for the first time. This implies that 1/5 of the market is often engaging in activities that potentially result in expansion or change to their repertoires. This shows the importance of better understanding what prompts consumer trial to create effective branding activities.

The study demonstrates that product sampling combined with recommendation is one of the most common factors influencing brand trial in the whisky market (around 40% on average). To understand this process, practitioners need to enhance consumer experience by providing opportunities for tasting (Gluckman, 1990). In addition, brand managers need to understand the process of giving and receiving word-of-mouth in order to create a positive brand impact. This could be achieved via consumer referral campaigns (Arora, 2007), or advertisements that reflect the process of giving advice (East, Wright and Vanhuele, 2008).

The second main factor influencing brand trial is spontaneous purchase (30% of responses). Although this is a type of unplanned trial, marketing professionals have a high level of control over it in the form of shelf and retail space design (Mueller *et al.*, 2009).

In support of the prior studies in other markets (Kennedy and Ehrenberg, 2001) there is no evidence that certain gender and age groups have distinctive reasons to try a whisky brand for the first time. Therefore, the focus of marketing strategy should be on the whole market, rather than targeting specific demographic groups.

A limitation of this descriptive research is the use of a retrospective survey method. Although the findings in the Swedish market were consistent overtime, the respondents were required to notice their behaviours. Therefore, the reports were subject to memory bias. The problem with recall of events could affect the results. Interviews with more recent buyers could minimise this problem. However, this study shows that respondents that tried a brand for the first time recently or longer ago did not differ in their reasons to try the brand or demographics. Thus, it appears that the information collected is fairly reliable. Nevertheless, other techniques, such as shopper surveys in-store, are an avenue for future research.

The choice of a single country also limits the results generalisability. Investigation of other countries is in order. Moreover, examination of other categories might uncover different patterns in consumer brand trial behaviour, as other packaged branded goods categories might not have as much involvement as the whisky category.

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