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Split Second Research

Effectiveness of Strikethrough and Other Techniques





Almost everything...

...is **value charged**

= functional / motivational / emotional / social

significance

>> **grabs attention**

>> **associative penetration**

SOCIAL IMPACT



Self-transcendence

LIFE CHANGING



Provides hope



Self-actualization



Motivation



Heirloom



Affiliation/belonging

EMOTIONAL



Reduces anxiety



Rewards me



Nostalgia



Design/aesthetics



Badge value



Wellness



Therapeutic value



Fun/entertainment



Attractiveness



Provides access

FUNCTIONAL



Saves time



Simplifies



Makes money



Reduces risk



Organizes



Integrates



Connects



Reduces effort



Avoids hassles



Reduces cost



Quality



Variety

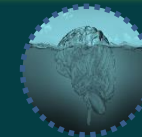
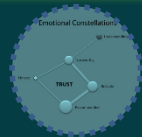


Sensory appeal



Informs







Offers
attract
attention

System 2 – New Brain

Will Power

System 2

Focus groups Traditional surveys

Interviews

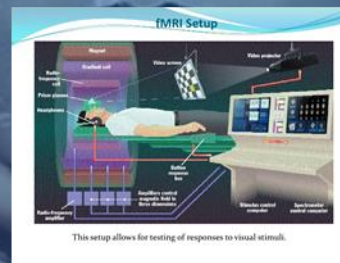
Logical thinking

As much as 90% of brain activity is conducted in the subconscious

Beliefs



Values

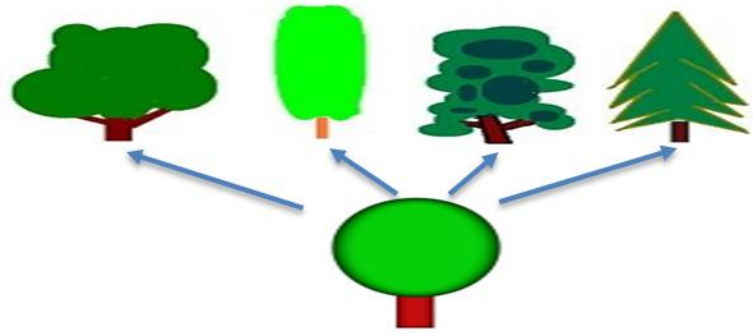


Habits



System 1 – Old Brain

Problems with asking people

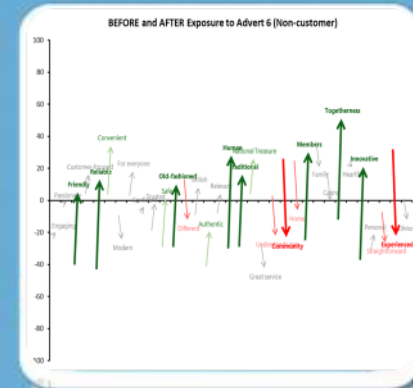
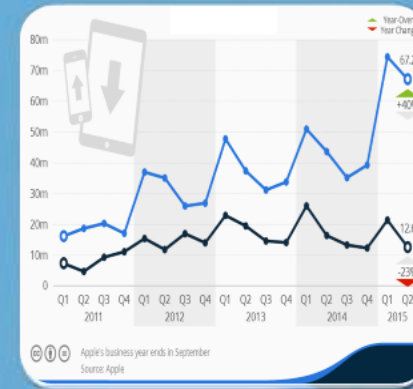
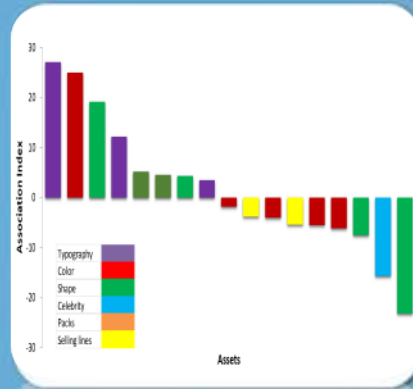
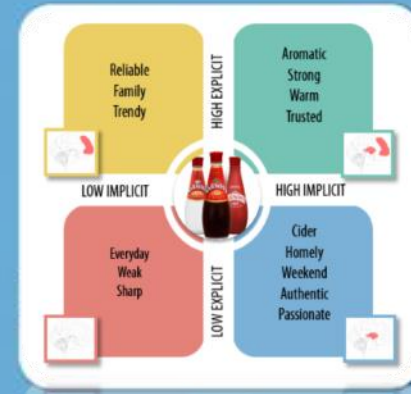
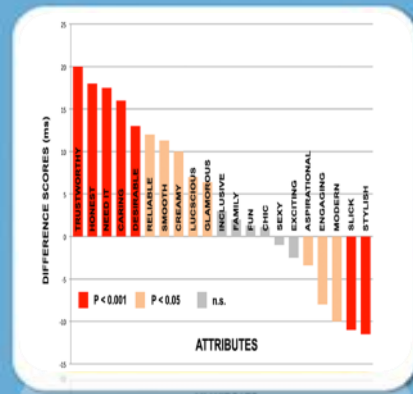


Implicit Reaction Time testing – An ideal measure for marketing

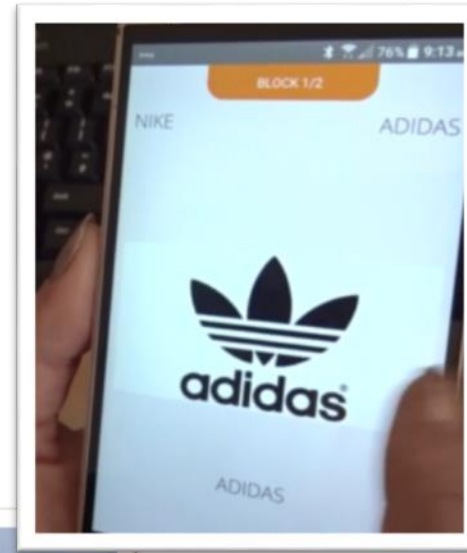
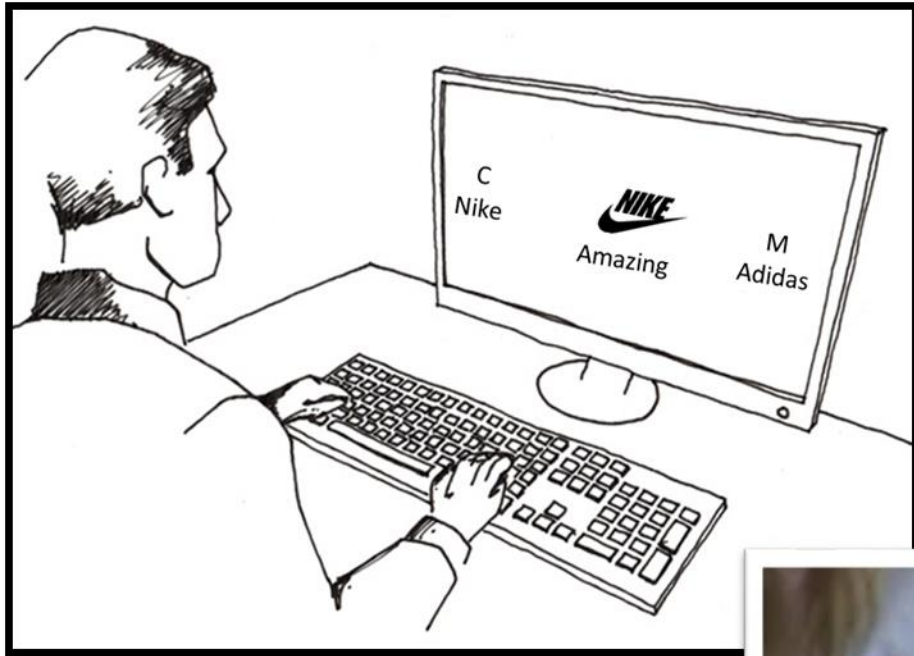
- Integrate explicit and implicit responses
- No rely on verbal report
- Difficult to fake
- Better understand consumer behaviour
- Fast service / easy to administer



Product Life Cycle

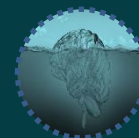


Implicit tests can be taken on any platform



HOW AN IMPRESS TEST WORKS

Split Second Research



IMPRESS

neural networks in the brain are connected through associations



IMPRESS measures the strength of these associations

Brand leaders have stronger associative penetration

Brand v Brand implicit reaction time test

Practice Trials

1. A brand is shown on the screen
2. Respondents have to decide which brand it is as quickly as they can and press the correct key (in this case they press C because it's Dove)
3. There is only one correct response



Press the spacebar to walk through the animation

Implicit reaction time test

Practice Trials

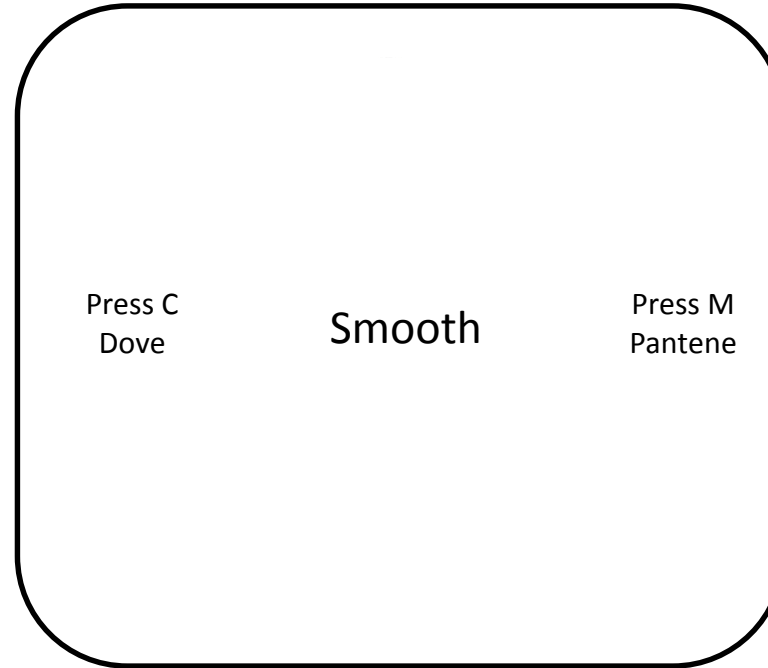
1. On other trials, the second brand is shown on the screen
2. Respondents in this case press M because it's Pantene
3. There is only one correct response



Implicit reaction time test

Main Trials

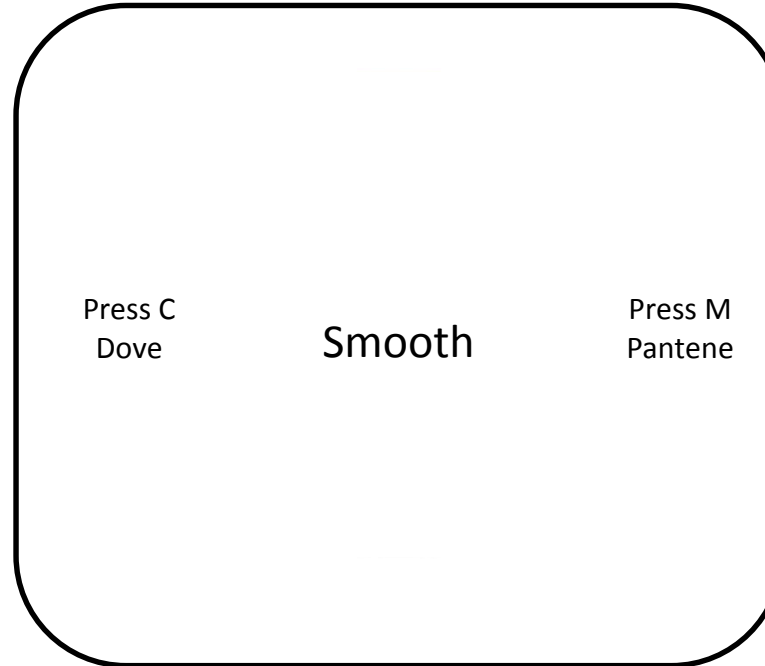
1. A word attribute (e.g., *Smooth*) is flashed on the screen
2. Followed by a brand (in this case Dove)
3. There is only one correct response (press C)
4. Note that the respondent is **not** making any evaluative judgement



Implicit reaction time test

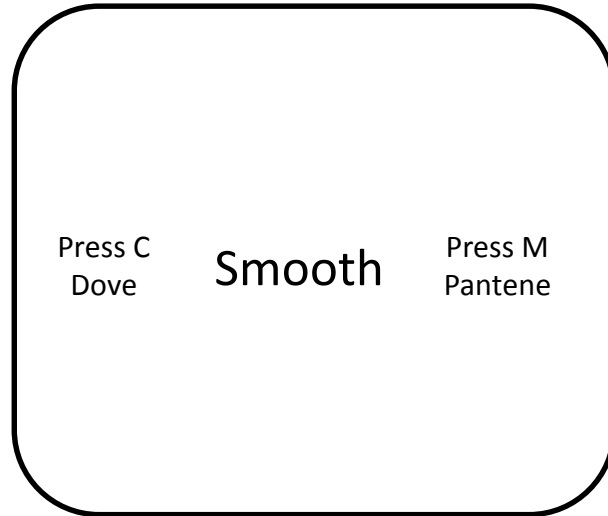
Main Trials

1. On other trials the same word attribute (e.g., *Smooth*) might be flashed on the screen
2. Followed by the other brand (Pantene)
3. There is only one correct response (press M)
4. The respondent is **not** making any evaluative judgement



Summary of How the test Works

Important:
We infer how they feel about the brands based on their reaction times



The prime is flashed on the screen

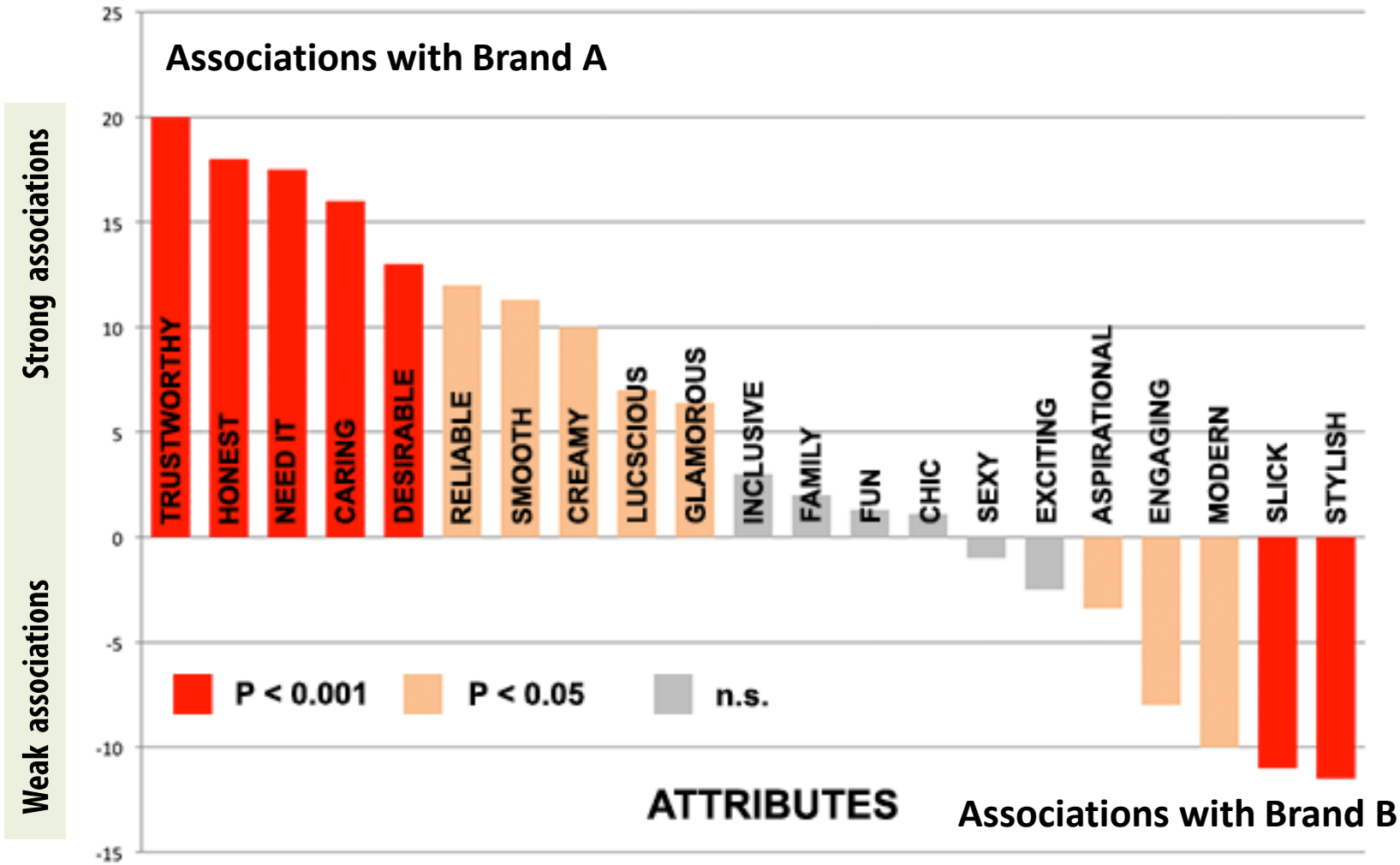
If Dove is **strongly associated** with being **smooth**, the time taken to respond to the Dove brand will be **FAST**

Swiftly followed by the target...

Also, if Dove is **associated** with being **smooth**, the time taken to respond to the Pantene brand will be much **SLOWER**



The data are then rank ordered statistically to provide a brand profile



Numerical read-out
Measurable results

Yields an implicit profile of the brand

Strengths of the brand

Weakness of the brand

Data Splits: Brand profiles can be assessed for each demographic



Neuropricing

- Eye-tracking studies show
 - Gaze hits 1.5 in-store promotional merchandise items every second
 - 1 in 5 is visually attended to
- Supermarket pressure
- Variations
 - Offer type (60% price off deals, e.g., strikethrough, 40% quantity)
 - Structural properties (colour, number types, words, symbols)
 - Location in the store (windows, gondolas, grab zones)
 - Type of display (collars, wobblers, shelf strips, stack displays)

Types of offers



Specific price promotions



Quantity promotions



Generic price promotions

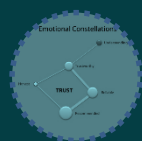
BOGOF

Data Analytics

Experiment with a range of offers against sales – regression analysis

Doesn't tell you the whole picture

- Questions
 - Which promotions attracts the right attention?
 - Which promotions can trigger a purchase?
 - Is it category specific?
 - What is the effect of a specific promotion on my brand?
 - Does the offer develop loyalty?
 - Is there a risk to loyal customers?
 - How does the offer affect switchers and price sensitive customers?
 - What happens when the offer ends?



Neuropricing study

week



dairy

purchase frequency

packaged foods

months



personal hygiene

2 years



shelf life



types of promotions

Buy 1 get 1 free

Any 3 for 2

Any 2 for £2

£1-50 now £1

Save £1

Save $\frac{1}{3}$

Promotion related
to quantity

Specific price
promotion

Original price
Post-offer price

IMPRESS tests

Positive-Negative paradigm

Categorise a word as pos or neg

Product + Offer acts as the prime

Over a set of attributes in 5 dimensions

Quality, Status, Emotional, Trust, Loyalty

Analysis:

We compared original price with offer price

DV = associations with positive vs negative feelings



600 regular supermarket shoppers

Living in the UK

Representative sample of each brand



Short term goods (dairy)

Most short term products use strikethrough

- Overall effect of a promotion is very negative on the brand
 - Poor quality, inferior, harmful
 - “It’s on offer because something must be wrong with the product”
- Worst type of offer

~~£1.50~~ now £1

- Least worst

Any 3 for 2

Buy 1 get 1 free



Medium term goods (packaged foods)

Most medium term products use quantity promotions

- Overall effect of a promotion is a little negative on the brand
 - Not popular, not loved, inferior, (embarrassing)
 - But still good quality and authentic
 - “It’s on offer because it’s not popular”
- Worst type of offer



Long term goods (personal)

Most long term products use quantity promotions

- Overall effect of a promotion is mixed to **positive**
 - Increased: quality, authentic, superior
 - “It’s on offer because it’s a low frequency purchase”
- Worst type of offer

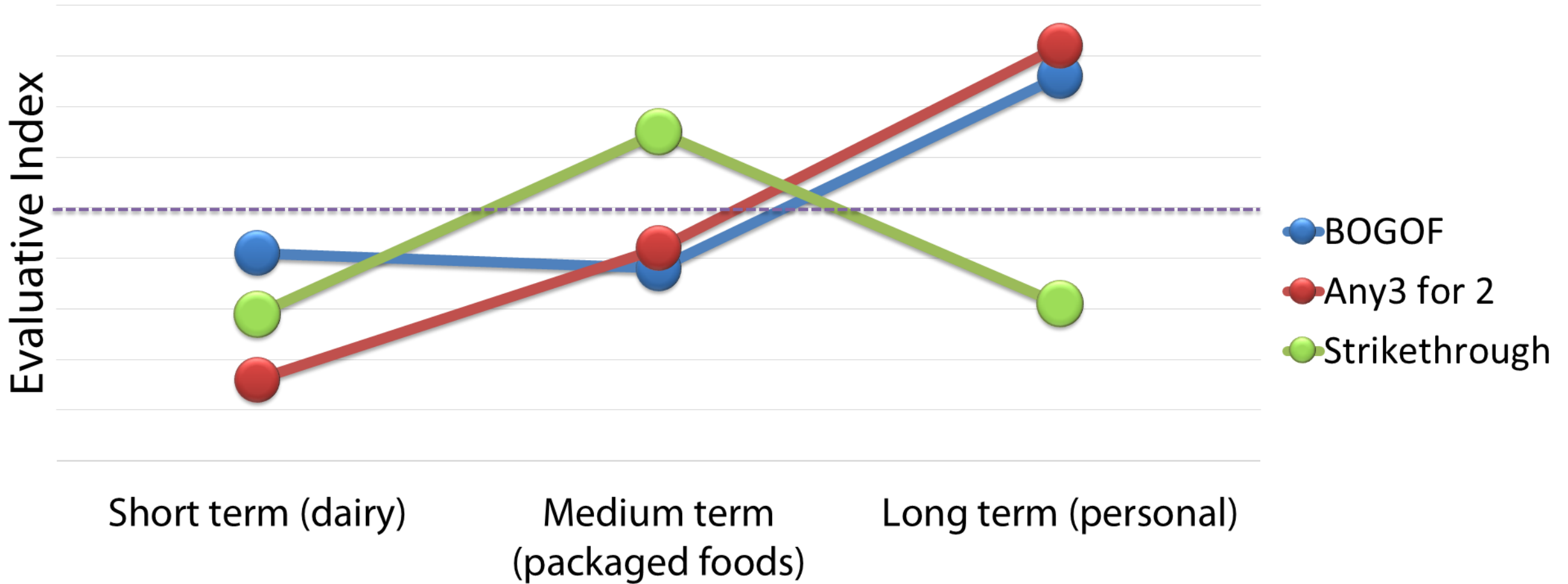
- Best

~~£1.50~~ now £1

Any 3 for 2 Buy 1 get 1 free



Comparison of offer type against product category



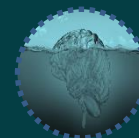
Conclusions & Future Directions

- Conclusions

- Short term products – promotions should emphasise quantity – danger to quality
- Medium term products – promotions should emphasise price reduction – danger to perceived popularity
- Long term products – promotions should emphasise quantity – perceived positively
- Price promotions may not create brand loyalty
- Price promotions may negatively affect brand equity / brand values, except perhaps for longer term products

- What Next?

- Loyals vs Dippers
- Other categories
 - Clothing
 - Electrical
 - Luxury goods
- Generic terms “Special offer”
- “Closing down sale”
- Gondola vs Stack display vs Wobbler
- Seasonal



The **IMPRESS** Platform

Easy to use - learn in a
30 min online tutorial

Continuous email and
telephone support

No set-up fee

Usage fee only



IMPRESS is your own **implicit platform**

You can create your own implicit surveys linked to the traditional survey system

Implicit surveys can either be embedded or linked through a redirect

Implicit results are analysed instantly – no stats software required

Charting software included – **creates your charts instantly**

It will save you time and money!

Mind-Choice App



A fun app for making consumer choices

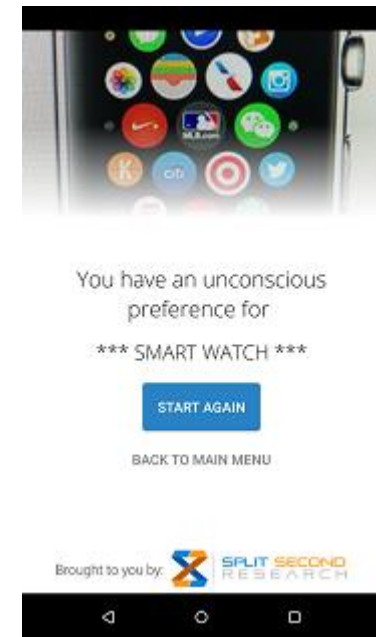
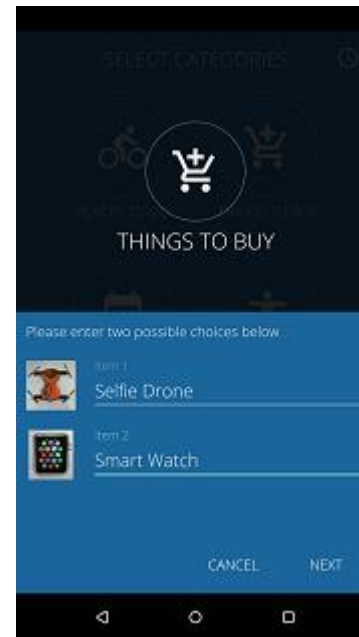
Where to go? *Paris or New York?*
What to do? *Dine out or takeaway?*
Which pair of shoes to buy?

Type in your two items or **take a photo with your phone** in the store
Upload them as your two choices

Download from Google Play (for Android) or iTunes:



Find out what you really love



Thanks for listening!

Dr Eamon Fulcher

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