

New kids on the block: Latecomers must be unique to outperform pioneer brands

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What is it that allows some brands to succeed and some to fail? Why is it sometimes better to be first and other times more advantageous to reach the market later? A new study in the *Journal of Consumer Research* takes a close look at the learning process consumers use to evaluate brands.

Authors Marcus Cunha, Jr. (University of Washington-Seattle) and Juliano Laran (University of Miami) found that people evaluate pioneer brands more thoroughly than the next brands they encounter. They also tend to associate attributes common to both brands more to the first brand they encounter.

"In four experiments, we find that consumers more strongly associate common attributes with early-learned brands and unique attributes with late-learned brands," the authors write.

For example, in their first experiment, researchers showed participants a brand-name wine then pointed out two attributes of that wine brand. Then, researchers showed people a second brand name, pointing out two of its attributes. In the second wine, one attribute was common to the first one and one was unique to the second brand. Then researchers showed them a wine with the common attributes and a wine with the unique attributes and asked them to choose what brand the wine was. When shown the common attribute, participants were more likely to choose the first brand, but when shown either of the unique attributes, they were more likely to choose the second brand.

"In this research, we found that a stronger association between the unique attribute and the late-learned brand may result in a late entrant's advantage when the unique attributes are more valued than the common attributes," the authors explain. "When a common attribute is more valued than unique attributes, the early entrant will have an advantage because its brand name will be more strongly associated with the common attribute."

This study could help marketers better learn how to brand products. "We show that people develop a strong association between the unique attribute and the late-learned brand," they conclude.

Source: University of Chicago

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