
Consumer Intelligence Series:

Driving forces behind
communication and media
brand choice



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Discovery sessions conducted on March 3, 2008

Series overview

As part of our global consumer research program, PricewaterhouseCoopers Entertainment, Media and Communications practice is conducting a series of consumer discovery sessions to elicit candid consumer feedback and gain an understanding of consumer attitudes and behaviors in a rapidly changing media landscape. This research will help identify emerging trends and provide fodder for consideration of how to monetize content. The following is a summary of what we discovered when talking with three separate groups of consumers, ages 14–18, 19–24, and 25–34, about communications and media brand affinity.

Summary: Make my life easier. Be innovative. Don't fail me.

Performance, innovation, creativity and convenience are a brand's key elements in building successful relationships with today's empowered consumer. However, there are important distinctions in priorities and expectations between younger consumers (teens and early 20's) and older consumers (late 20's and up).

- **Younger consumers desire innovation and reliability.** Today's young consumers expect constant technological innovation. Companies must therefore offer innovation in order to stay relevant to this demographic. However, young consumers also seek consistent product services—something they have not been able to receive. This consumer group expressed a desire for reliable basic performance, including product quality (last long; doesn't break; doesn't need to be replaced); reliable service (no dropped calls or dropped connections); helpful customer service; and flexibility in pricing and offers. Brands which provide consistently reliable basic product services may be able to stand out and establish a more personal relationship with this demographic. To younger consumers, a great brand is an innovative product that comes through for them every time.
- **Older consumers seek familiarity and credibility.** For older consumers, relationships with brands are based around their comfort levels—product familiarity and a brand's credibility. This trust comes from personal experience and performance and, particularly, from ease of use. Technological innovation has value but can be surprising and unpredictable to this demographic. For them, brand switching is less attractive, requiring much more effort because they have to learn how to use a new product made by a different company. To older consumers, a great brand is not complicated—it works and it's

"I don't think it's all about brand. It's about the quality—how it works, how it runs... If it works well and you can use it for a long time, it's good."

-14–18 year old consumer

"It's sort of like something that might have been a part of your life since you were a kid. (You might) feel homesick or be out of town somewhere, but you always have this (product)...Everything around me is totally unfamiliar and I have no idea where I am, but this particular product has been a part of my life for so long that I know it just makes me feel like I'm at home"

-26–34 year old consumer

comfortable, so it connects to them on a personal level. Technological innovation has value but can be surprising and unpredictable to this demographic. For them, brand switching is less attractive, requiring much more effort because they have to learn how to use a new product made by a different company. To older consumers, a great brand is not complicated—it works and it's comfortable, so it connects to them on a personal level.

"The convenience factor (is appealing) that (the barcode technology) is instantaneous. You can just look at it and go, 'Oh, that's exactly what I want, exactly what I need.' Boom. Done. (But what) if someone else gets that phone, if the profile is in your phone, saved there and you lose your phone?"

-26–34 year old consumer

"Personability: With the iPhone, I love that it's very personable. You can formulate things the way you like it. With my Nintendo Wii, I love the idea that it's so different from any (other) gaming system. It literally...hits me on a personal level that I can create a character and it's mine. With my phone, with my Blackberry, I have everything set up to the point where I don't even think. I don't have to look at my Blackberry to know what I'm doing. It's just there. It creates such a personal touch that I feel it's almost part of me. So, that personal effect [surpasses] any advancement that there could be in technology, as long as it connects to me on a personal level."

-19–25 year old consumer

One brand that consistently hits the mark across the age spectrum is

Apple. Apple is known for its reliability, innovation and user-friendliness. Its innovations are interesting and anticipated by the younger segment; at the same time, it's not daunting to the older segment because Apple products are invariably easy to use, with new products sometimes even easier to use than their predecessors.

Successful relationships with today's empowered consumers cannot be forced. Consumers, especially younger buyers, consistently stress that branding relationships must be real and genuine, as well as intuitive and organic to the product or service. Trying too hard is often very transparent and can serve to thwart the relationship building effort entirely.

Consumers are highly receptive to new mobile technology that uses barcode scanning to convey information but have reservations about using it as a purchasing tool. This technology is viewed as innovative and providing the increased benefit of convenience. However, there are concerns about personal control (buying may be too easy if a phone morphs into a credit card); parental approval; and privacy issues relating to access of credit card information.

Our key findings are as follows:

1. Consumers develop relationships with their favorite brands based on real experiences. Brand marketing and advertising efforts more often serve to carry news and/or reinforce relationships—not create them.
 - In developing a relationship with a particular brand, consumer expectations are centered around basic product performance needs: reliability, ease of use, and approachable and quality customer service.
 - For younger consumers the relationship has not yet matured into loyalty to a brand—it's simply about how well the product meets their performance needs. As they age and mature, relationships will develop from product attribute performance to feelings about a brand that include credibility, familiarity, comfort and trust.
2. Innovation is a critical part of what keeps a brand relevant.
 - Apple emerges as a paradigm of a "favorite brand," due to its reliability, creativity, user-friendliness, quality and functionality. It draws highest marks for its constant product innovation as well as the creation of new product categories, such as the iPod for portable music and the iPhone as a PDA.

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- Innovation must be relevant to connect. One retail company's new relationship marketing campaign was viewed as contrived, as it was a "disconnect" with consumer perceptions of the brand and of the clothing products.
3. Communications brand choices are driven by price, peers and flexibility.
 - Particularly among teen consumers, peers heavily influence communications choices, which often are made either to 'stand apart from the pack' or alternatively to 'fit in' with others.
 - Financial considerations also heavily influence communications brand choices, especially with cellular service and particularly among younger consumers, who rely on the services but tend to have more limited funds. For example, T-Mobile's free cell-to-cell calling among its customers offers a strong incentive. Cellular contracts are disliked as being constrictive. *There is an opportunity for service carriers to create greater brand affinity by offering more innovation, especially in terms of flexibility and personalization of contracts, such as allowing consumers to choose their "weekends."*
 4. The new barcode scan technology for cell phones is viewed as impressive—especially to younger consumers—but there are a wide range of opinions about how it can be best applied and the risks of using it.
 - Its use as a credit card substitute is worrisome, especially for teens concerned about getting into trouble with parents, and consumers in their early 20's who are concerned about running up their bills. Among consumers aged 25 to 34, concerns range more toward privacy and security, such as concerns about the theft or loss of a phone containing credit card information.
 - Consumers view the technology useful for accessing quick information, such as at a retail store to get product data, but express skepticism around the idea that the product would provide objective information.

Implications to your business

1. Establishing and building a successful relationship with empowered consumers means delivering basic product performance and being credible in what and how you deliver.
2. Successful relationships require constant "upgrading" and innovation. The brand working to meaningfully improve itself by adding value to the consumer draws the greatest affinity.
3. The empowered consumer requires "straight talk" from its brands. To keep the communication credible, it must be genuine and consistent with perceptions of the brand and the types of product being offered.

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4. Effective relationships with the empowered consumer require flexibility, options and increased personalization. Be flexible and innovative. The consumer never stops changing or moving, and they want their service plans to change with them. They want plans that constantly offer more options to provide them with more real-time, instant and on-demand access to information, social networks and news and entertainment.

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