THE USABILITY OF MENTAL MARKET SHARE AS A KPI FOR MENTAL AVAILABILITY

TWO THEORIES FOR MAKING BRAND CHOICES
Two scientists at the Australian Ehrenberg-Bass Institute, Byron Sharp and Jenni Romaniuk, have completely how many marketers view brands and how consumers interact with these brands. Central to Sharp and Romaniuk's theories on brand growth, is the relationship between the concepts of category entry points (CEPs) and mental availability. CEPs provide more clarity about how consumers handle the products within a category – they say something about the motives behind consumption (the why?), but also the situations in which this happens (where, with whom, when?). The more CEPs a consumer links to a brand, the greater the mental availability of this brand, and the greater the chance that the brand will be chosen in a purchasing situation. After all, a brand that is connected to more CEPs will be considered in a larger number of potential purchasing situations. And it is also more likely that the brand will be the best match for that specific purchasing situation of the consumer.

Such a view on brand choice seems to apply to product categories that are mainly emotionally charged (such as clothing) and / or have a relatively low degree of consumer involvement (such as FMCG). In these types of categories, decisions are often made on the basis of 'heuristics': simplified rules of thumb to simplify the choice between brands considerably. The theory behind mental availability, where the brand that comes to mind the strongest wins, fits in seamlessly with this.
At the same time, such a principle does not seem to be consistent with how consumers decide in more rationally charged product categories (such as electronics), where there is often more involvement. Here the consumer is expected to make more choices according to the traditional concept of the 'homo economicus' – someone who carefully examines which alternatives are available first, and then makes an informed decision about the alternative that scores best (on the characteristics they find most important).

These theories and the contradictions between them show that more insight is needed in the extent to which these different views can or cannot be applied to the choice behaviour of consumers – especially within categories with higher consumer involvement. We at DVJ Insights also notice that many of our clients wonder to what extent they can continue to lean on the traditional view of consumer decisions, or whether a switch to the theories of Sharp and Romaniuk (for their specific context) is more appropriate. We can therefore draw up several interesting issues:

- To what extent can the choice process of consumers be characterised as weighing up product properties to which more, or less importance is attached?
- To what extent is mental availability a predictive factor for different steps in the consumer's choice process (from thinking positively about a brand to labelling a brand as a preferred choice?)
- Is the choice process of consumers more driven by connections of brands with **specific** properties, or is it simply mainly the **amount** of connections that count?

AN INTERNAL STUDY INTO THE ROLE OF MENTAL AVAILABILITY
To get answers to these questions, DVJ Insights conducted an internal study using data collected for a category within service. This dataset covers 4 countries (Belgium, Ireland, United Kingdom and Switzerland) and a total of 14 different brands, with weekly data (both on an individual and aggregated level) over time periods ranging from approximately one year to two years. Table 1 shows how the data is distributed across the different countries.

	#BRANDS	#WEEKS	# ASPECTS FOR 'MENTAL MARKET SHARE'
BELGIUM	4	102	10
IRELAND	4	52	7
SWITZERLAND	4	96	10
UNITED KINGDOM	4	45	14

Table 1: Descriptive statistics regarding the composition of the dataset

In addition to the usual KPIs from the brand funnel (brand awareness, brand attitude, brand consideration, brand preference), the dataset contains data on a set of predefined (CEP-like) properties that respondents could connect to the different brands. From these aspects we calculate the so-called "mental market share" per brand for each respondent. This is a measure proposed by Romaniuk for the mental availability of a brand. The number of aspects which a consumer assigns to a specific brand is expressed as a percentage of the total number of aspects / brand links (across all brands) made by him / her. This makes mental market share a relative measure – the number of properties attributed to each brand is expressed in comparison to the other (competing) brands. By subsequently relating this measure to brand funnel KPIs which characterise the consumer choice process (such as brand consideration and preference), we can answer the previously stated research questions.

ARE CONSUMER DECISIONS A RATIONAL PROCESS?

In a first regression analysis (model #1), at individual respondent level, we explain different KPIs within the brand funnel (positive attitude, consideration, and preference) based on the different properties that can be assigned to the brands. Table 2 shows that in almost all models, the vast majority of the properties exert a significant positive effect on the KPI in question. At the same time, there is a significant degree of variation in effect size - in the majority of models, there are both properties that have a small (around, 100), medium (around, 300) and large (around, 500) coefficient and thus strength of effect. This leads to a preliminary conclusion that the decision-making process of consumers within this service category is rational in nature. After all, the consumer lets virtually all brand characteristics play a role in his or her choice, there does not seem to be any simplification. However, at the same time, a clear assessment is made of which aspects are considered more and less important.

		# POSITIVE SIGNIFICANT ASPECTS	SMALLEST ASPECT COEFFICIENT	LARGEST ASPECT COEFFICIENT
POSITIVE ATTITUDE	BELGIUM	10 (/10)	.075	.392
	IRELAND	7 (/7)	.088	.418
	SWITZERLAND	7 (/10)	.126	.784
	UNITED KINGDOM	13 (/14)	.088	.503
CONSIDERATION	BELGIUM	10 (/10)	.089	.364
	IRELAND	7 (/7)	.086	.455
	SWITZERLAND	9 (/10)	.076	.612
	UNITED KINGDOM	13 (/14)	.041	.482
PREFERENCE	BELGIUM	10 (/10)	.126	.376
	IRELAND	7 (/7)	.116	.531
	SWITZERLAND	9 (/10)	.082	.528
	UNITED KINGDOM	14 (/14)	.089	.453

Table 2: Summary of logistic regression results: brand properties -> funnel KPIs

MENTAL MARKET SHARE AS A POWERFUL PREDICTOR

We then repeated the analyses for the same KPIs and countries, but replaced the individual brand attributes with one other independent variable formed from these brand attributes - the mental market share of each brand (Model # 2). Table 3 shows that the mental market share of a brand is a significant predictor of attitude, consideration and preference towards a brand for all countries. This is not entirely surprising – as mental market share is constructed from the individual brand characteristics, which in the previous model almost all of them had a significant effect on the brand KPIs.

		MENTAL MARKET SHARE SIGNIFICANT?	HIT RATE FOR MODEL TYPE 2	DIFFERENCE IN HIT RATE W.R.T. MODEL TYPE 1
POSITIVE ATTITUDE	BELGIUM	✓	78%	-2%P.
	IRELAND	✓	72%	-3%P.
	SWITZERLAND	✓	81%	-3%P.
	UNITED KINGDOM	✓	74%	-5%P.
CONSIDERATION	BELGIUM	✓	81%	0%P.
	IRELAND	✓	75%	0%P.
	SWITZERLAND	✓	81%	0%P.
	UNITED KINGDOM	✓	77%	-2%P.
PREFERENCE	BELGIUM	✓	79%	-1%P.
	IRELAND	✓	70%	0%P.
	SWITZERLAND	✓	78%	-2%P.
	UNITED KINGDOM	✓	77%	-1%P.

Table 3: Summary of logistic regression results: mental market share   funnel KPIs

It is immediately noticeable that this relatively simple model (one explanatory variable) already has a particularly strong predictive power – on average, the mental market share that a brand occupies in the mind of a consumer can account for almost 80% of the cases (the 'hit rate') in which his or her attitude, consideration and / or preference for that brand are correctly predicted. Table 3 also shows that a more complex model, in which all the different brand characteristics are included as a separate independent variable, only increases the predictive strength to a limited extent – the improvements never exceed 5 percentage points. All this already shows that mental market share (as a measure of mental availability) is a very suitable KPI to include the strength of the image of the consumer around the brand. After all, there is a strong relationship with different KPIs that are deeper in the funnel surrounding the consumer's decision-making process, and the effects of different brand aspects that make up the consumer's image are effectively summarised - without having to lose a lot of predictive power.

MENTAL AVAILABILITY: SOMETIMES MORE IMPORTANT THAN OTHER TIMES

Finally, we performed a comprehensive analysis, combining both models # 1 and # 2 (into model # 3), including both the individual brand features and the mental market share as explanatory variables. Table 4 shows that the mental market share remains a significant predictor of attitude, consideration or preference within almost every model, even if the individual aspects that make up this mental market share are already checked. At the same time, these aspects also continue to play a significant role. It can be concluded that, within this service category, the consumer's choice process is influenced by both the **individual** attributes assigned to brands and the **total number** of attributes associated with a brand.

		# POSITIVE SIGNIFICANT ASPECTS	MENTAL MARKET SHARE SIGNIFICANT?	SMALLEST ASPECT COEFFICIENT	LARGEST ASPECT COEFFICIENT	MENTAL MARKET SHARE COEFFICIENT
POSITIVE ATTITUDE	BELGIUM	9 (/10)	✓	.051	.348	.363
	IRELAND	7 (/7)		.083	.410	N.S.
	SWITZERLAND	7 (/10)	✓	.049	.714	.541
	UNITED KINGDOM	13 (/14)	✓	.064	.486	.152
CONSIDERATION	BELGIUM	10 (/10)	✓	.040	.260	.741
	IRELAND	6 (/7)	✓	.089	.351	.493
	SWITZERLAND	8 (/10)	✓	.055	.525	.652
	UNITED KINGDOM	13 (/14)	✓	.051	.422	.583
PREFERENCE	BELGIUM	10 (/10)	✓	.054	.276	.732
	IRELAND	7 (/7)	✓	.067	.435	.265
	SWITZERLAND	8 (/10)	✓	.111	.504	.151
	UNITED KINGDOM	12 (/14)	✓	.072	.362	.536

Table 4: Summary of Logistic Regression Results: Brand Features + Mental Market Share -> Funnel KPIs

Interestingly, the relative strength of these influences can vary per KPI. For example, when looking at (positive) **attitude**, the individual aspects dominate the choice process more – the coefficient for the most influential aspect is generally far above the coefficient for mental market share. In addition, the variation in effect sizes of the individual aspects (average difference between lowest and highest coefficient: .417) remains comparable to a model without mental market share (average difference between lowest and highest coefficient: .421). For this KPI, we can therefore still conclude that consumers make a clear consideration of which aspects are considered more and less important in the establishment of their brand attitude. However, looking at **consideration**, we see a much higher relative importance for mental market share in all models – in each country the coefficient is clearly higher than for the most influential individual aspect. In addition, after adding mental market share as an explanatory variable, the variation in effect sizes of the individual aspects is clearly reduced (average differences between lowest and highest coefficient: .265 versus. 384). In other words, the choice of the consumer to consider or not to consider a brand is driven more by the overall mental market share that the brand holds in the minds of the consumer, than by a consideration of more or less important brand characteristics.

WHERE TWO VISIONS MEET

From this study, we have concluded that two apparently conflicting views (that consumer choices between brands are either strongly simplified and are mainly influenced by 'mental availability', or that they are a rational and careful trade-off between different brand characteristics), can actually coexist just fine. Within the sector we studied – a category within the service sector, in which consumer involvement is generally relatively high – decisions (as expected) are guided by specific aspects, but also by the total number of aspects that can be linked to a brand. Overall, we see that mental availability - operationalised in this study as mental market share – appears to be a very interesting KPI to track (over time). After all, conceptually, this is a good summary indicator of the overall image that a brand evokes, and in practical terms it proves to be a very good predictor ($\pm$ 80% correctly predicted) for KPIs deeper in the brand funnel (such as attitude, consideration and preference).

At the same time, we also see that the relative role of mental availability can vary throughout the brand funnel: where brand attitudes are still more shaped by individual brand characteristics, mental availability is the more important determinant for forming a consideration set. This, together with the fact that within some categories consumers are looking more towards simplification of the choice process (which is done by means of mental availability) than in others, shows that different theories can be applied in different situations to a greater or lesser extent. We therefore always advise marketers to carefully analyse in advance with which indicator(s) the most powerful predictions can be realised, specifically for their situation (i.e. their brand, and for this brand the KPI(s) on which to steer).

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