TNS Introduces A New Approach To Accurately Identifying Growth Opportunities For Businesses

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Customer dynamics redefined: the new ConversionModel

Pinpointing how to win a greater share of a customerâ€™s spending in an increasingly crowded and dynamic marketplace has been made easier for brands around the world as TNS unveils a re-engineered version of its market-leading solution ConversionModel.

Developed to address the flaws of traditional brand tracking, which fail to take into account the way that people actually make decisions, the new ConversionModel reflects TNSâ€™s deep understanding of the specific factors at play when people choose which brand to buy.

Jan Hofmeyr, Head of Behaviour Change at TNS and founder of ConversionModel says:
â€œWith the new ConversionModel we are tackling some of the fundamental weaknesses of traditional research. These issues have been long ignored by the research industry, but are profoundly important to ensure an understanding of customer behaviour that is accurate and predictiveâ€•

In conventional tracking studies, brands often appear to be strong, yet that isnâ€™t reflected in sales success. A failure to both recognise the dynamics in markets, where people frequently shift their spending between brands, and the factors at play when it comes to making a decision, result in a false impression of strength.

The new ConversionModel addresses these weaknesses in traditional models by analysing two critical factors affecting the way people make decisions:
- â€˜power in the mindâ€™ - how people feel about a brand
- â€˜power in the marketâ€™ â€“ external factors, such as price and availability

By identifying the â€˜power in the marketâ€™ barriers which may prevent people from buying the brands they want to, as well as assessing peopleâ€™s emotional connection with brands, ConversionModel enables TNS to predict accurately the exact reasons preventing customers from spending more on a brand. TNS applies these insights to place a precise monetary value on how much a brand stands to gain by overcoming these barriers. Â

â€œWhen we look at the way in which people actually choose a brand â€“ we see a number of factors at play which are never normally captured in brand tracking. With ConversionModel we can combine our insight into sliding customer spending within a category and the market factors that result in that slide, enabling our clients to fine tune their marketing strategies for greater success.â€• said Jan.
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The Commitment Economy, a TNS study of 39,000 consumers in 17 markets uses ConversionModel to show that on 42 percent of occasions, people buy a brand that is not their first choice.Â This contradiction tends to be due to â€˜power in the marketâ€™ factors such as affordability, availability and the influence of others in the household, which if overcome would lead to greater sales success.

Jan concludes,
â€œThere are brands that stand to gain millions of dollars by really understanding the barriers that they need to overcome to ensure that strong share of mind really does translate into strong share-of-wallet.â€•

ConversionModel is available globally, with TNS consultants in 80 countries able to provide insights into the opportunity for brands. All measures from ConversionModel are validated against panel data to ensure accuracy.

The Commitment Economy is a global study conducted by TNS using the ConversionModel tool (see details below) to explore brand and category dynamics in different categories across 17 markets, based on conversations with over 39,000 people.

It provides deep insights into emotional engagement, brand commitment and the real drivers of brand choice, identifying where the biggest growth opportunities lie for brands and how to exploit them.

The Commitment Economy covers the following categories: Automotive, Alcoholic Beverages, Coffee, Haircare, Headache Remedies, Laundry Detergents, Payment Methods and Retail.Â The following markets were included in the study: USA, UK, Germany, France, Spain, Netherlands, Sweden, Brazil, Russia, India, China, Australia, South Africa, Nigeria, Indonesia, Turkey, Poland.

The research was conducted using TNSâ€™s ConversionModelâ„¢. ConversionModel evaluates the two critical factors affecting brand choice; â€˜power in the mindâ€™ (how people feel about a brand) and â€˜power in the marketâ€™ (factors like p availability). It assesses the extent to which people are emotionally connected to brands as well as diagnosing the barriers which may prevent them from using the brands they want to use.

Biographies
Jan Hofmeyr is TNSâ€™s leading expert on consumer behaviour, with a career spanning 20 years advising many of the worldâ€™s best-known brands.Â He developed ConversionModel whilst working for the Customer Equity Company (acquired by TNS in 2000), recognising a need for better quality insight on consumer motivations.Â In 2010, following a period of five years, Jan returned to TNS to continue his work in this field, re-engineering the ConversionModel methodology to cement its position as the worldâ€™s leading measure of customer commitment.

Prior to working in market research, Jan was a senior political advisor for the African National Congress during and after the first democratic elections in South Africa. He is the co-author (with Butch Rice) of Commitment Led Marketing and the author of numerous, award-winning papers on brand equity.

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