

Abstract

Research has shown that multi-brand users allocate a large percentage of spending in a particular product or service category to a few brands i.e., over 80% to the top two brands. However, none has shed some light into how the two compete for a customer's future share of wallet (SOW). Of special interests are what and how the top brand does that affects both its SOW and that of the second, and vice versa. And would those effects be symmetric between the two? This study proposes that SOW of each brand is affected by its own as well as the adjacent competitor's non-brand, brand, and relationship factors. Specifically, those factors are represented by *value superiority*, *brand superiority* (above and beyond value superiority), and *relationship instruments*.

Data from credit card and grocery customers were collected to test the proposed model. Although there are multi-brand relationships between customer and brands, top two brands accounted for more than 90% of SOW. And top brand's SOW is about two times adjacent brand's SOW. Results also show that when modeled separately, each brand's SOW was significantly influenced by its own three factors. However, when modeled together, different patterns of effect emerged. Value superiority appeared to matter most in the credit card industry while brand superiority as showed higher effects in the grocery industry. Moreover, there was a negative effect from the top brand to SOW of the adjacent brand and vice versa. This significant negative effect was also likely to vary by industries.

This study contributes to the field in many aspects. This is the first integrated model accounted for direct competitive effects on SOW. Moreover, measure of SOW is extended to be more future orientation. This study shed light on relative importance of brand and non-brand drivers across industries, as well as, differing important drivers between top and adjacent brands. This study would help firms to focus on factors influencing their brands' SOW and competitive brands' SOW. And different marketing actions are then recommended to both top and

adjacent brands. Since our study was limited to two service industries, future research should replicate the model to other service and product contexts. Some additional variables are suggested to include in the model for future research to see changes of consumer behavior and pattern of effects.