



## Why Coke Still Beats Pepsi

Recently in *U. S. News and World Report* I was reading a fascinating article about the subconscious human mind and how it influences our buying decisions. The article referred to the well known story of the early 80s Coke fiasco of pulling what's now called "Classic Coke" in favor of introducing "New Coke." Coke made their decision based on the fact that in blind taste tests consumers then, and still do, prefer the taste of Pepsi. As a matter of fact, three out of four consumers in a blind taste test will prefer the taste of Pepsi over Coca-Cola, and it has been this way for over 20 years. Coke was beginning to lose market share to Pepsi, as Pepsi was pounding the public with the message that Pepsi tastes better. In desperation, Coke changed their "classic formula" to try to compete with Pepsi.

For those of you who read my correspondence, you know the first thing I will tell you is *the product is a commodity. It is not about the product.* Even though Coke lost in the blind taste tests, they underestimated the power of the attachment and the emotional experience of the consumer to the Coke brand.

In cutting-edge research just being published, psychologists have discovered that many people relate the drinking of a Coca-Cola to pleasant childhood experiences. You see, drinking a Coca-Cola is about remembering things such as going to the drugstore or buying a six-and-a-half ounce Coke bottle and putting peanuts in it. These pleasant memories from our childhood are reinforced every time we drink a Coca-Cola. Unfortunately Pepsi does not have the strong customer experience of a Coca-Cola; therefore, even after being shown in a blind taste test that they preferred Pepsi, many consumers will still continue to drink Coca-Cola.

How does this apply to us as financial advisors? Simply put, *the experience people have when they visit our firm will be a likely indicator as to whether or not they will become a customer.* Think of the premium price people pay to visit a Disney property, drink coffee at Starbucks, or stay at a Ritz-Carlton resort. It is not about the hotel room. It is about the way you were treated when you checked in and the way they made you feel while you were there that made you gladly pay a premium price to be "wowed."

We as financial advisors need to take "The WOW Factor" more seriously. Just as we discovered, in a previous issue, that doctors who have better patient care are less likely to be sued and more likely to build big practices, so are financial advisors that show customer care.

We believe it is all about the customer service experience, and that's why we have our critically acclaimed WOW Factor series of articles and audio/video CD-ROM on the WOW Factor experience. If you'd like to learn the best secrets on how to bring a WOW Factor to your practice, please invest \$29 in our WOW Factor program. You may find this silly and unimportant, but let me assure you, you do not want to compete against someone who has implemented these principals into their practice.

In short, the next time you are drinking a Coke, be reminded of the experience you can give to your next potential client.

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