How and When Alphanumeric and Suggestive Brand Names Affect Consumer Preferences

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Firms often use alphanumeric and suggestive brand names to influence consumers’ preferences, yet how these influences occur has received limited attention. In two experiments, authors show that alphanumeric and suggestive brands can both mislead or guide consumer choices. Brand name effects on choice are moderated by information availability and need for cognition. Suggestive brands cue the attribute levels consumers ascribe to brands with missing information. Consumers use alphanumeric brands heuristically; higher numbers are perceived as associated with better products. High need for cognition consumers are less affected by misleading brands and attend more to guiding brands.

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In this study our goal is to clarify how different situations that elicit disgust are emotionally experienced by individuals. We aim to test the disgust elicitors that we uncovered in study 1 and verify that the elicitors of disgust have broadened. We are currently pre-testing our scenarios.

Study 3

Study 3 will manipulate similar scenarios to those used in Study 2 in a lab, to see if the reported responses in study 2 are in fact how people behave in the actual situation. The purpose of this study is to understand the passive nature of the responses to feelings of disgust.

Conclusion

Disgust is a core emotion that has known importance in marketing, but has not received much attention in the literature. With known effects on perceptions of advertisements, we believe that feelings of disgust also affect individuals in consumption situations. Disgust is an important, but understudied emotion in consumer behavior research. We hope to shed light on how this emotion functions in consumption situations. How often are you disgusted, and what do you do when you’re a disgusted consumer?

References


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Abstract

Firms often use alphanumeric and suggestive brand names to influence consumers’ preferences, yet how these influences occur has received limited attention. In two experiments, authors show that alphanumeric and suggestive brands can both mislead or guide consumer choices. Brand name effects on choice are moderated by information availability and need for cognition. Suggestive brands cue the attribute levels consumers ascribe to brands with missing information. Consumers use alphanumeric brands heuristically; higher numbers are perceived as associated with better products. High need for cognition consumers are less affected by misleading brands and attend more to guiding brands.

“Alphanumeric brand names include referential or nonsense mixtures of letters and digits, mixtures of words and digits, or any of the preceding where the figure is written out in word form.” (Pavia and Costa 1993, pg. 85). There are millions of registered and unregistered alphanumeric trademarks in use (USPTO 2006). For some brands it is fairly simple to draw inferences about the product. For instance, BMW 3.25 refers to a 2.5 liter engine volume for 3 series and you can easily tell that 3.30 is a relatively better product due to its larger engine (3.0 liters). Correspondingly, Audi A8 and A6 indicate larger size and higher luxury level than A4 and A3. However, it is not always so easy to understand brand names. Mercedes has over ten letter classes resulting in a rather complicated set of some forty alphanumeric brand names and not many people can tell the difference among C, S or M class cars. Contrary to intuition, Nokia 6110 is inferior to Nokia 6102 and the average consumer has no idea what 6110 refers to.

Alignable difference is a piece of information for a choice option that has correspondence for other options (Markman and Medin 1995). It is usually weighted more heavily and is more likely to be used for justification of decisions. Alignable attributes tend to be comparable and quantitative (Nowlis and Simonson 1997). Most brand names do not fall into this category due to their qualitative nature. However, alphanumeric brand names may be considered as alignable, semi-quantitative and comparable due to their numerical features and their tendency to follow sequences. Consumers believe that number portions of alphanumeric brands have something to do with measurement of features or signify the product’s relative placement in a sequence of products. Therefore, they favor large numbers inferring greater sophistication from them and believing that a product with a large model number in sequence is more recent (Pavia and Costa 1993). However, alphanumeric brands may have no meaning or they may be referring to internal design codes assigned at the discretion of the marketers (Boyd 1985). Depending on the branding strategy, alphanumeric brands may both guide or mislead consumer choices.

Another common type of brand name is suggestive brand names, which convey relevant attribute or benefit information in a particular product context (Keller et al. 1998). Suggestive brands are commonly meaningful words related in some way to product attributes or the problem to be solved (e.g. EverReady or DieHard batteries) (Folkes 2003). Various studies have shown that consumers make inferences
about product attributes using these brands (Peterson and Ross 1972). Firms may also assign suggestive brand names contradicting with their products or referring to an irrelevant attribute. If the suggested product benefit is difficult to observe before product trial, the negative effect on brand image will be delayed until after product experience (e.g. HeavyDuty brand aluminum foil tearing easily during use). In summary, we observe that suggestive brand names may help customers focus on various product attributes and help them make more accurate choices; they may also misdirect consumers to choose inferior products based on fanciful brand names.

In two experiments, we show that on average consumers picked the alphanumeric brands with larger numeric portions whether or not they were the best options. Therefore, alphanumeric brands guided (misdirected) choices when the number portions of brands were (not) actually related to product attributes or product advancements. On the other hand, suggestive brands guided (misdirected) choices when they referred to superior (irrelevant or essentially inferior) product attributes. In general, missing attribute information increased the effects of brand name on choice.

Need for cognition moderated the effects of these brand names. When a suggestive brand was misleading, it was incongruent with the general perception of the product or with the attribute it was suggesting (e.g. an AbsoluteNoFee calling card with a high fee). High NFCs were more likely note the discrepancy whereas NFCs were more likely to get misdirected. For guiding suggestive brands, attribute information was congruent with the suggestions, and high NFCs were more likely to scrutinize this match and make more accurate choices. Alphanumeric brands equally guided and misled subjects with both high and low need for cognition. Low NFCs used the the higher the better heuristic, whereas high NFCs processed all the information and formed illusory correlations among alphanumeric brands and product attributes.

This research is an important attempt to discover the important effects of brand names on consumer choices. Despite their domination in technical product categories, alphanumeric brands have been largely neglected in past studies. Exploring the guidance roles and manipulative powers of brands will help us understand the underlying mechanism of consumer choices and especially inference making under incomplete information. With the increasing importance of technology nowadays, numerous electronics products are purchased over the internet by viewing product-attribute matrices on portals or e-merchants’ websites that seldom have complete information (see Kivetz and Simonson 2000). The systematic effects of brand names on choice indicate potential problems for consumers and opportunities for marketers to manipulate choice sets.

References

Choice With Inference is Different from Choice without Inference
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Abstract
Some researchers argued that consumers rarely form inferences. Others proposed ways for inference formation using: within-brand attribute information; other brands in the choice set (across-brand information); or average values. The authors found that choices made with and without inferences were significantly different from each other. Making inferences reduced choice difficulty and indecisiveness (choosing none of the options) and increased the attractiveness of chosen options. Contrary to the averaging hypothesis, inferences were different from mean attribute values. Supporting across-brand processing, inferences made for different attributes of multiple brands were significantly correlated. Need for cognition played a moderating role in inference making.

Products and services are seldom described completely, therefore, consumers often need to form inferences that go beyond the information given (Kardes et al 2004). Some researchers argued that consumers rarely form inferences (Simmons and Lynch 1991). Others found that inferences for non-visible attributes occur on the basis of available attributes or via various rules of thumb (e.g. adding or averaging). Most found that inferred value of a missing value is often discounted (Huber & McCann 1982; Ford & Smith, 1987; Johnson & Levin, 1985). A comparative judgment context increases the salience of the missing information resulting in more spontaneous inference formation (Sanbonmatsu et al., 1997). In a recent study of choice under incomplete information, subjects faced with binary choice task with missing information reported making spontaneous inferences. Kivetz and Simonson (2000) argued that consumers might treat
missing values in a way that supports their preferences or tentative hypotheses. Following the motivated reasoning and motivated inference theories (Kunda 1990; and Pyszczynski & Greenberg 1987), authors explained that people who are motivated to arrive at a conclusion construct a justification, a rationale for it and they search for evidence to support it.

Linear aggregation models (Fiedler 1966) predict illusory correlation as an inferential bias that arises even in the absence of motivational or memory-based mechanisms (Kardes et al. 2004). Correlation-based inferences for missing attribute information may be heavily based on known information about other attributes of the focal brand (known as same-brand, within-brand or attribute-based processing—e.g. Ford & Smith, 1987; Johnson & Levin, 1985); on other brands in the product category or choice set (known as other-brand, across-brand or alternative-based processing—e.g. Huber & McCann, 1982; Ross & Creyer, 1992) or on both (e.g. Lee and Olshavsky 1997). We propose that when consumers are explicitly asked to make inferences, they will engage in a different process and their choices will be affected by the values they infer. Choices made after inferences will be different compared to choices made without inferences.

In study 1, missing attribute information and inference making were manipulated. The choice sets consisted of product-attribute matrices for three product/service categories. A different attribute was missing for each of the three options in all product categories. Participants were randomly assigned to two conditions. Those in the No Inference condition were simply asked to make choices, whereas the ones in the Inference condition were asked to make inferences for missing attribute values before making choices. Results indicated that making inferences changed the nature of decisions. Choices made after inferences were significantly different from choices made without inferences. Assigning different values to missing attributes significantly decreased perceived choice difficulty and increased attractiveness of chosen options. In addition, inferences made across brands for different attributes were significantly correlated with each other. This finding was in support of the alternative-based correlation inducement (also known across-brand or other-brand processing) earlier proposed by Huber & McCann (1982) and Ross & Creyer (1992).

In study 2, an identical design was used with one exception. Besides the three options in each choice set, a “no choice option” was added, such that participants also had the alternative of not choosing any of the options as in real purchase situations. In addition to the replication of results from study 1, analysis showed that making inferences significantly decreased the selection of the “no choice option” (indecisiveness) as well as reducing perceived difficulty and risks of decisions. This effect was prevalent for all product categories.

It has been shown that at least a moderate level of cognition is typically required for correlation-based inference formation (Lee & Olshavsky, 1997) and when cognitive resources are required, spontaneous inference formation is more likely, if the motivation and the ability to deliberate are high (Kardes et al. 2004). Another important finding was that inferences were significantly moderated by need for cognition (NFC). High NFCs made more conservative assumptions regardless of product or attribute types.

While some researchers have argued that consumers do not make inferences, there have been numerous attempts to explain the underlying mechanism and heuristics for making inferences. Past studies have forced participants to make inferences about single attributes for one of the options in the choice set. Our research expanded these by including different missing attributes for multiple options; exploring the effects of multiple inferences; increasing the realism by including a no choice option; and demonstrating the differences in choices made with and without inferences.

References