Consumer Categorization and Evaluation of Ambiguous Products

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EXTENDED ABSTRACT - Many new products that are launched in today’s marketplace are ambiguous with respect to the product categories that they belong to and possess features of multiple categories (Moreau, Markman and Lehmann, 2001; Business Week, 2002). From a consumer perspective, ambiguous products provide consumers with a choice in terms of the category in which they can place these products. The selection of a product category is very important since categorization impacts the expectations that consumers will hold about the product and these expectations in turn will determine how the product is evaluated.


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Many new products that are launched in today’s marketplace are ambiguous with respect to the product categories that they belong to and possess features of multiple categories (Moreau, Markman and Lehmann, 2001; Business Week, 2002). From a consumer perspective, ambiguous products provide consumers with a choice in terms of the category in which they can place these products. The selection of a product category is very important since categorization impacts the expectations that consumers will hold about the product and these expectations in turn will determine how the product is evaluated.

Despite the prevalence of ambiguous products and the criticality of the categorization decision for these products, little research has examined how consumers categorize ambiguous products. Even less research has examined how categorization impacts the set of beliefs that consumers hold about these products and how these product beliefs drive product evaluations. In the absence of a clear understanding by marketers of the processes that consumers adopt to understand and evaluate ambiguous products, there is little that marketers can do to increase their chances of product success. This article therefore aims at examining the issues associated with consumer understanding and evaluations of ambiguous products and to suggest ways by which marketers can render consumer evaluations of their ambiguous products more favorable.

We begin by examining the interactive nature of different variables on categorization. Specifically, cue type (label versus non-label) and cue order were the two variables considered. We hypothesize that:

**H1:** If a category label is provided for an ambiguous product, categorization of and inferences about the product will be based on the category cued by the label regardless of the order of the categories cued by other attributes.

**H2:** When no category label is provided, categorization of and inferences about the product will be based on the order of categories cued through attributes.

Further, we examine the linkage between categorization and evaluations and predict that categorization will impact evaluations through product inferences. Hence, only category-consistent attributes will have an impact on evaluations. Specifically:

**H3:** Product evaluations will be sensitive to the quality of category-consistent but not category-inconsistent attributes.

Finally, we examine how product inferences about both label consistent and inconsistent categories can be increased. Based on the psycholinguistics literature, we predict that the induction of a property interpretation strategy as opposed to a relational interpretation strategy will lead to multiple category inferences. Specifically:

**H4:** Under property interpretations, inferences about the ambiguous product will be from both the head and modifier categories while under relational interpretations, inferences about the product will be restricted to the head category.

Three empirical studies were conducted to test our research propositions. Study 1 examines the interaction of cue type (labels versus non-label attributes) and cue order on product categorization and inferences. We find that category labels dominate other attributes in terms of their impact on categorization and inferences. We also find that in the absence of a label, consumers tend to categorize the product into a single category and make inferences about the product that are consistent with only that category. Hence, simultaneous categorization of an ambiguous product into two categories is not found.

Study 2 examines the impact of product inferences on product evaluations. We find that inferences about label-consistent categories alone drive product evaluations and that the label-inconsistent category attributes play no significant role in evaluations.

Study 3 draws on literature in psycho-linguistics (e.g. Hampton, 1988; Wisniewski, 1997) to overcome this problem of low weighting of inconsistent attributes. We prime respondents with different interpretation strategies and find that when primed with a property interpretation strategy, respondents weight attributes associated with both categories of the ambiguous product during evaluations. When primed with a relational interpretation strategy, respondents do not weight both sets of attributes during evaluations.

From a theoretical standpoint, this research contributes to the literature on categorization and evaluation of ambiguous objects by providing a better understanding of the interactions between various variables (cue order and category labels) in the categorization and evaluation of these products. Further, we combine research from two different literature streams—traditional categorization theories and psycholinguistics—to examine how inferences about one category can be influenced by inferences from other categories. The finding that all product inferences are not derived solely through categorization, but also from the type of interpretation strategy used is a radical departure from traditional categorization theory findings, which predict that inferences are derived from categorization.

From a managerial perspective, this research provides an understanding of the relative impact of different marketer controlled cues on categorization of ambiguous products. We demonstrate that it is possible to prime consumer interpretation strategies so as to control the inferences made about the product by consumers and the evaluations of such products. This research provides a better understanding of the comprehension processes of ambiguous products by consumers and suggests ways by which marketers can promote acceptance of their products.

REFERENCES