“Is This Product Really New?” a Study on the Effect of Category Information and Certainty on Newness Evaluations of New-To-Market Products

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Research shows that new products motivate consumers to pay more, stimulate word of mouth, enhance receptivity to marketing activities, and speed adoption and diffusion. Yet, little research has been conducted to determine how consumers recognize and define newness in new-to-market products. Two experiments demonstrate that perceptions of newness for new products are contingent on the consumer’s ability to identify with certainty an appropriate category anchor. Our findings suggest that categorization provides a point of reference from which an appropriate contrast of new from old can be made. When consumers are uncertain about a product’s category, evaluations of newness are diminished.

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Both academic and industry research shows that consumers desire and value new and original products (Battel.org/news; Dahl & Moreau, 2002; Lee & O’Connor, 2003). Individuals strive to obtain new products for both functional benefits that can provide utility as well as psychological benefits inherent with being the first to recognize an innovation. Research has shown that the perceived product newness can have a major impact on the product’s diffusion and adoption (Gatignon & Robertson, 1991; Rogers, 1976). A new product can also instigate demand and may even redefine major aspects of consumption in a particular product category. Finally, new products can motivate consumers to seek more information, stimulate word of mouth and can enhance consumers’ receptivity to marketing activities surrounding the innovation. Given the ascribed benefits of newness it is not surprising that organizations spend millions of dollars in developing new products and convincing consumers of their newness. Yet, very little research has been conducted to determine how consumers recognize and define newness in new-to-market products. What constitutes newness in the mind of a consumer?

Research suggests that people naturally rely on categorization and perceived prototypicality to form inferences about newly encountered objects (Cohen & Basu, 1987; Gelman & Markman, 1987; Veryzer & Hutchinson, 1998). Categorization is necessary to incite learning and the formation of product evaluations and preferences (Gregan-Patxon & John, 1997). Aesthetic response to product prototypicality is also influential in the development of preferences in consumers. Research on prototypicality indicates that people respond more favorably to objects that are stronger category exemplars than to objects that are less prototypical (Veryzer & Hutchinson, 1998). To date, no new product learning has been a studied in a context that provides consumers with obvious categories and detailed attribute information (Hoeffler, 2003; Moreau et al., 2001A; Moreau et al., 2001B). However, many consumer product encounters occur under information limited and ambiguous circumstances where a category label is not immediately available (e.g., limited visual exposure, teaser ad campaigns). This context provides a rich opportunity to explore the direct effect of categorization and certainty on newness perceptions. The following studies are the first of a series that are designed to illuminate the interplay between categorization, certainty and perceptions of newness. Thus far, we find evidence to support that newness perceptions, first rely on the ability of the consumer to identify a product’s category and, second, depend on the accuracy of this categorization.

Study 1 provided a direct test of the effect of categorization on newness perceptions for new-to-market products. Participants were randomly assigned to receive either a 30 second visual product exposure only or a product exposure and product category. The product stimulus was the Roomba Vacuum Cleaner, a new-to-market product. Following the manipulation, participants completed a survey containing measures relating to perceived product newness. There was a significant difference in perceived newness between individuals who received the product category [M =5.33], and individuals who did not receive the category [M=4.24] (t (50)=−3.31, p<0.05). This finding demonstrates that categorization plays an important role in facilitating perceptions of newness during new-to-market product encounters. Having a category label enhanced newness ratings, and not having a category label reduced newness ratings.

Study 2 examined the effect of natural categorization processes on perceived newness for new-to-market products. The design was a 2 information level (no demo/demo) x 2 product prototypicality (prototypical/non-prototypical) between-subjects design. The Roomba differed substantially from typical category exemplars and was used in the non-prototypical condition. The Dyson Cyclone vacuum was selected as a new but representative exemplar for the prototypical condition. After the manipulation, participants described the product as though talking to a friend. This description was coded for the use and accuracy of a category label. Participants then completed a survey with the key dependent variable, perceived newness and relevant manipulation checks.

A significant interaction between information level and product prototypicality on perceived product newness was found [F (1,76)=4.66, p<0.05]. Perceived newness was significantly higher for the high [M=4.83] versus low [M=3.76] information conditions for the non-prototypical product [t (39)=−3.06, p<0.01]. Perceived newness in both the low and high information levels for the prototypical product were significantly lower than perceived newness in the non-prototypical, high information condition [both p’s<0.05]. Perceived newness did not differ significantly among the prototypical and non-prototypical products at the low information level and the prototypical product and the high information level [all t’s<1, p>0.05].

A significant interaction between information level and product prototypicality on categorization accuracy was found [F(1,76)=37.06, p<0.05]. Accurate categorization for the prototypical product in the low and high information conditions and the non-prototypical product in the high information condition were all significantly higher than in the non-prototypical, low information condition [all p’s<0.05]. Prototypicality also had a significant effect on categorization, such that accurate categorization always occurred for the prototypical product in comparison to the non-prototypical products [F(1,76)=75.17, p<0.01]. There was also a significant main effect of information level on correct categorization [F(1,76)=37.06, p<0.01]. High information enhanced categorization accuracy in comparison to low information.