Bringing History Into Consumer Research

Session Chair: Katherine Sredl, Univ. of Illinois
Discussion Leader: Russell Belk, Univ. of Utah

Special Session: “Historical Perspectives on Consumption” “Cultural Prejudice and the Construction of Rhetorical Pasts” Katherine C. Sredl, University of Illinois (presenter) and Linda M. Scott, University of Illinois Short Abstract Individual choices in a variety of domains from clothes to soap to cell phones are formed by the past experiences, personal and collective, of consumers. Yet consumer research has given little attention to the influence of history on purchase behavior and use. The 2004 Journal of Consumer Research Thirty Year Cumulative Subject Index lists five articles under “Historical Analysis”—out of 930 total JCR articles published since 1987. Even these few articles tend to focus on the history of producers rather than of consumers. During this same period, the field of history has turned its attention to questions of consumption for the first time. Yet this work, too, tends to focus on the roles of producers and focuses on providing broad-brush explanations for large-scale social change, glossing over the need to first understand the ways that ordinary people in any given time have actually used goods to live their lives. The very few exceptions, such as Richard Bushman’s Refining America, have shown tantalizing potential to upend common assumptions about how consumers of the past really behaved—and, by extension, challenge the way we frame behavior in the present. Further, because so little history has been written on the actual practices of consumption, cultural theory across a variety of domains tends to be based on an imagined past; thus, cultural criticism is sometimes grounded in an assumed trajectory of material culture, rather than an actual one. The basis for policy and expectations for the future are, in turn, profoundly affected by the vacuum of historical knowledge on past consumer practice. This presentation will focus on some of the theoretical and evidentiary challenges that an actual history of consumption would pose, as well as pointing out the ways in which such an effort might illuminate thought or debunk prejudices in contemporary work. “Brands as Historical Actors” Douglas B. Holt, Said Business School, University of Oxford Short Abstract I draw upon a brand genealogy of Budweiser beer to critique the way in which brand symbolism is treated in the dominant theory of branding in American marketing—the consumer-based brand equity (CBBE) model—and to advance an alternative model. I challenge two CBBE assumptions: that brand symbolism consists of abstract associations, and that the needed stability of brand “knowledge structures” suggests that consistency is central to successful branding. Instead, I demonstrate that Budweiser’s symbolism is dependent upon the historical fit between the brand’s particular cultural expressions (usually in advertising) and the social contradictions of the day. Brands as Historical Actors From the work of Dichter, Levy, and other motivation researchers nearly a half-century ago, through countless studies by academics and practitioners, we know that symbolism is a central aspect of consumption, and of brands in particular. Yet marketing’s brand theories have largely ignored brand symbolism, yoking symbolism to the dominant psychological models without considering its distinctive qualities, one of which I will argue is historical specificity. In this presentation I will use a case study of Budweiser beer to critique the way in which brand symbolism is treated in the dominant theory of branding in American marketing—what Kevin Keller calls the consumer-based brand equity (CBBE) model—and to advance an alternative model. The CBBE Model’s Anti-Historicism Kevin Keller’s exposition of the CBBE model (Keller 1993, 1998, 2002, 2003a, 2003b) offers the most widely accepted and comprehensive treatment of branding in American marketing. Keller’s CBBE model is a more formal academic treatment of similar ideas that David Aaker has developed in managerial texts (1991, 1996, 2000). In this presentation, I will challenge two of the central axioms of CBBE: Axiom #1: Brand symbolism consists of abstract associations. The core of the
brand—what Keller calls the core brand values and, in short form, the brand mantra, and what in industry is more commonly referred to as the brand DNA or brand essence—is defined as the set of abstract associations (attributes and benefits) that characterize the most important dimensions of the brand (Keller 2003, 151). In the CBBE model, brand symbolism is treated as a subset of these associations, part of the brand’s intangible associations. Like other associations, brand symbolism is conceived as a transcendental entity, a property of the mind that exists outside of history and society. Axiom #2: Brand associations exist as cognitive “knowledge structures” that act as heuristics; so the stability of this knowledge (via consistency) is key to the brand’s success. Following the logic of many industry gurus before them (from Rosser Reeves to Trout and Ries), both Keller and Aaker assume that consumers value brands because they provide a distinctive and stable heuristic. So both insist that brands can be successful over time only if they maintain consistency in the brand’s associations—brand symbolism included. The CBBE model argues that the brand exists as a trans-historical timeless entity abstracted from the ebb and flow of social and cultural changes. The CBBE model yanks the brand and consumer out of history to posit a brand-consumer connection that is not dependent upon historical context. Budweiser Case Study I have conducted historical research on over a dozen brands to develop a new conceptual model of branding conceived specifically to explain how brands create value through their symbolism (Holt 2002a, 2002b, 2003a, 2003b, 2004, 2005). This presentation will further develop one particular aspect of this model—the centrality of history. In my research, I conduct what I term brand genealogies of iconic brands (described in methods appendix of Holt 2004). Iconic brands are brands that, for extended periods, have extremely valuable symbolism. Budweiser is one such brand. Budweiser’s revenues are driven largely by advertising, according to senior managers at Anheuser-Busch. Budweiser was a competitive but not dominating brand in the 1970s, strongly challenged by Miller, Schlitz, and Lite Beer from Miller. Anheuser-Busch struggled to find advertising to respond to Miller’s successful “Miller Time” campaign. Finally, in 1983, Anheuser-Busch launched “This Bud’s for You,” a campaign that showcased men working cheerfully and industriously in artisanal trades, men whom Bud saluted with a baritone-voiced announcer proclaiming “This Bud’s for you!” The results were startling. American men, particularly working class men, flocked to the beer. By the middle of the decade, Budweiser was unchallenged as the most desirable beer in the country, dominating the premium segment. Anheuser-Busch successfully extended the campaign for seven years, but around 1990 the advertising stopped working, sending Bud’s brand equity into a tailspin. For the next seven years, management tried a variety of very different campaigns to revive the brand, all of which failed. Finally, two new campaigns very different from This Bud’s For You—“Lizards” and “Whassup?!”—combined to rekindle Bud’s iconic stature. My analysis explains Budweiser’s failures and successes using the techniques of the cultural historian: I conduct a close interpretation of Bud’s ads and seek to explain why different content resonated differently in terms of both changes in society (economy, politics, demographics, etc.) and in the responses to these changes found in the major culture industries (film, television, music, books etc.). Brands as Historical Actors I demonstrate that the CBBE model cannot explain why different ad campaigns either substantially enhanced or denigrated Bud’s brand symbolism. To address this weakness, I develop a model that emphasizes the historical fit between particular cultural expressions and the major societal contradictions impacting the brand’s target customers. In the case of Budweiser, symbolism consists not of masculinity, but, rather particular expressions of masculinity: men reclining after a hard day’s work, manual laborers teaming together to get the job done, guys chasing girls, buddies having a laugh. The brand’s value is located in the particulars of the brand’s cultural expression. For Bud, some expressions of masculinity work well, others worked terribly, driving down sales. The expressions that work are those that address the identity needs created at particular historical junctures by cultural disruptions—dramatic shifts in society that challenges people’s identities. I also demonstrate that Budweiser branding succeeded only when it violated the CBBE model by dramatically shifting its supposed brand associations. Brands must perform as historical actors, shifting their stories as society changes, or else fade in relevance. Iconic brands are built using a philosophy precisely the opposite that espoused by the CBBE model: the brand is an historical entity whose desirability comes from performing myths that address the most important social tensions that pulse through the nation. For identity brands, success depends upon how well the brand’s myth is modified to fit historical exigencies, not by its consistency in the face of historical change. The CBBE model is a distilled model that denies the brand a role as an historical actor in society. In its insistence that brands forge a transcendental identity lodged in consumers’ minds, the CBBE model ignores that identity value is created and transformed in particular historical contexts. A model of brand symbolism must detail the brand’s stakes in the transformation of culture and society and the particular cultural expressions the brand uses to push for these transformations. “Historicizing Consumer Culture Theory” Craig J. Thompson, University of Wisconsin-Madison Short Abstract This presentation will discuss two ways in which consumer culture theory (Arnould and Thompson 2005) can be enriched by the use of historical methods: 1) facilitating the analysis of macro-level relationships between
consumption, marketing, and society and 2) by providing new venues for theorizing micro-level consumption phenomena. These implications will be illustrated through a historically informed analysis of consumer health risk perceptions. Long Abstract This presentation will discuss two ways in which consumer culture theory (Arnould and Thompson 2005) can be enriched by the use of historical methods: 1) facilitating the analysis of macro-level relationships between consumption, marketing, and society and 2) by providing new venues for theorizing micro-level consumption phenomena in a manner akin to what Michel Foucault (1979, p. 31) characterized as the “history of the present.” Macro-level issues and problems are ritually (re)cited by ACR presidents and other disciplinary thought leaders as critically important yet woefully understudied topics within the Association for Consumer Research community. Despite these repeated admonishments, year in and year out, consumer research remains anchored to micro-level questions. One consequence of this orientation is that ACR tends to be isolated from broader academic and public policy discussions on the marketing-consumer culture-society triad. In contrast, some of the most influential studies of consumption have been undertaken by historians whose analytic perspectives are attuned to macro-level issues (e.g., Cohen 2003; Lears 1994; Leach 1993, Marchand 1987). These historical analyses tease out complex institutional relationships and confluences of sociological, cultural, and economic forces that have set consumer culture on particular historical trajectories and thereby, they provide a broader viewpoint from which to assess the societal impacts of consumption. The academic training of most researchers in the ACR community, however, is geared toward micro-level analyses of cognitive structures, preference utilities, and consumer-object/brand relationships. For example, PhD programs seldom provide (or encourage) students to immerse themselves in exemplary historical studies of consumer culture or to gain training in historical methods. Rather, the sphere of history is glossed (and ghettoized) as some version of the “history of marketing thought” (Bartels 1976). I will argue that dry treatises on the writings of pioneering marketing theorists are poor substitutes for a historical perspective on the development of contemporary consumer culture. Consumer research’s ahistoric predilections have also shaped the development of CCT. The vast majority of CCT studies remain wedded to micro-level orientations such as ethnomethodologies and phenomenological modes of analysis. CCT analyses can easily remain at a superficial level unless they are in fact historically grounded. An historical perspective encourages consumer researchers to see various domains of consumer culture, and their specific meaning systems and practices of interactions, as historical contingencies that have become more or less institutionalized and exert more or less binding path dependencies. This shift in analytic orientation would push aspiring CCT researchers to think beyond descriptive levels of analysis and situate their findings in broader institutional-historical contexts. An historical-institutional perspective also offers considerable potential to advance CCT through studies that blend macro and micro-level modes of analysis. The second part of my presentation will discuss how a historical perspective can be integrated into a more micro-level CCT analysis. I will illustrate this idea through an historically informed analysis of the social construction of consumer health risk perceptions (Thompson 2005). Studies of consumer risk perceptions, with scant exception (see Celsi, Rose, and Leigh 1993), have been steeped in theories deriving from cognitive psychology, most particularly Tversky and Kahnneman’s (1982) prospect theory. This family of cognitive studies marshals extensive evidence indicating that consumers’ health risk assessments are often skewed by their reliance on simplifying cognitive heuristics or their susceptibilities to self-positivity biases (Block and Keller 1997; Keller, Lipkus, and Rimer 2002; Luce and Kahn 1999; Raghurib and Menon 1998). I will show how an historical perspective can open up very different venues of theorization than suggested by these micro-level conceptualizations. I focus on the case of home births and the question of how can consumers come to understand the act of having a child in their home (without direct medical supervision) as a safer and less risky alternative than laboring in a hospital setting. To address this question, I turn to the contested historical constructions of pregnancy, women’s bodies, labor, and birth technologies that have coalesced in the present as two competing cultures of birth: the technocratic medical model and the romantic midwifery model. It is through the appropriation of these discourses by various proponents of home birth, that consumers become socialized in a meaning system that renders the hospital (and standard medical interventions) as forms of avoidable risk. I show how these consumers’ unconventional risk perceptions are logical consequences of the historical narratives which frame their perceptions. Rather than being a function of ahistorical cognitive constructs (such as judgment heuristics), consumer risk perceptions are shown to be grounded in a particular cultural genealogy and a corresponding set of interpretive predispositions.

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LONG ABSTRACTS

“Affect and Its Effects on Compensatory Consumption”
Nitika Garg, University of Mississippi

What are comfort foods? The popular press depicts comfort foods as various forms of junk food, with very little nutritive value. However, this may not always be the case. Taste related studies show that most taste preferences are developed throughout the life cycle. Developmental studies also show conditioned responses to comfort foods through early exposure, prenatal exposure, and genetic differences that may result in unconventional preferences for comfort foods. Using a national survey and two lab experiments, a framework is developed for examining the phenomenon of comfort foods. The graphic description of influential factors on comfort foods depicts physiological and psychological links to taste and preference development, the antecedents of comfort foods. Examination of how these tastes and preferences translate into comfort food choices due to mood states has not yet been extensively explored. The need for the consumption of food can be attributed to physiological functions and psychological reasons. Physiological factors of food needs consist of the body’s natural response to derive pleasure from certain foods. Psychological factors, consisting of social contexts, conditioned responses, and mood specific responses, affect the consumption of food. The stimulation to eat results from a combination of the brain’s arousal of hunger to satiate the body’s energy and nutritive imbalance and of sensory stimulation (Le Magnen 1986) to satiate cravings.

A national survey of 1005 participants were used in determining mood effects on the consumption tendency towards comfort foods. The findings indicate that comfort foods are made up of both nutritive and less-nutritive foods. The scenario-based recall study suggested that positive mood states encouraged the consumption of healthful comfort foods while negative mood states encourage less-nutritive comfort food consumption. In two follow-up studies in the lab, positive or negative moods were induced through scenario development, and participants were presented with advertisements for products that were relatively healthy or relatively unhealthy. This included cookies (vs. rice cakes), candy bars (vs. apples), and so forth. Measures of attitude and consumption intentions were consistent with the basic notion that those in negative moods were more likely to generate favorable attitudes and consumption intentions for the unhealthy foods than the healthier ones. This study makes three contributions to the discussion of mood and food. First, contrary to common wisdom, it shows that people use both nutritive as well as less nutritive foods to provide themselves comfort. Second, contrary to clinical research, it shows that people may be more prone to consume comfort foods both when in bad moods and in good moods. Third, consistent with hedonic contingency theory, it shows that preferences for foods vary with ones mood. Those in positive moods prefer more nutritive foods, and those in negative moods prefer less nutritive foods.

Although it was beyond the scope of this research to specifically examine the underlying mechanism by which people come to prefer certain comfort foods more than others in different moods, the results of two experiments offer an explanation as to why such differences occur. While this research provides some interesting and important theoretical and practical implications, there are numerous issues yet to be explored in understanding the taxonomy of comfort foods and the preference structures related to them. These studies add three important findings to the growing literature that investigates the importance and impact of how eating habits develop. These findings can hopefully serve as a springboard for future investigations of how physiological and psychological factors influence comfort food preferences and how these preferences then impact subsequent dieting and food consumption habits.

“Emotion Effects on Compensatory Consumption”
Nitika Garg, University of Mississippi
Jennifer S. Lerner, Carnegie Mellon University

For some time now, researchers have been paying closer attention to the influence of affect on consumption and have hinted at a possible relationship between the two. For example, Woodruffe (1997) examines ‘compensatory consumption’ in women’s shopping behavior. Her findings suggest that shopping offers a means of compensation (reward) for some women when they are in a negative affective state. Her study makes two important points. First, she suggests that compensatory consumption is a regular activity and is not restricted to clinically ill or under-privileged groups of consumers. Second, she suggests that this might be a way for people to ‘repair’ negative emotional states.

More recently, research has shown that when individuals experience sadness, one of the ways they try to repair their affective state is by consuming tasty, fatty food products that are hedonically rewarding to the individual (Garg, Wansink and Inman 2005). Research has also established that sad individuals tend to pay more to obtain a new object (e.g., water bottle) than do individuals in a neutral state (Lerner et al. 2004). Also, they choose to take the object over money to a greater extent than do neutral individuals (choice price). However, this process is not completely conscious for most individuals. Thus, the objective of this study is to take an in-depth look at compensatory consumption and examine how people use it to cope with their affective state. Specifically, this research examines the influence of two discrete emotions, sadness, and neutral, on two outcome measures—amount of food consumed and choice price for an object—and whether the influence of sadness on choice price is moderated when participants have the opportunity of consuming food product earlier on (Study 1) and whether the influence of sadness is consumption domain specific such as across eating food vs. acquiring a new object (Study 2).

Study 1 examines the role of sadness and neutral emotions on two variables in the consumption domain. One, is the amount of food consumed (e.g., Garg et al. 2005) and the second, is the choice price for an object (e.g., Lerner et al. 2004). Garg et al. (2005) found that sad (vs. happy) individuals consume more butter popcorn (a hedonic product) and they suggest that this is done in order to repair their mood. Study 1 predicts that when participants are given an opportunity to consume a hedonic product before they provide their choice price for a product (say, water bottle), this will influence their choice price. A 2 (popcorn: present, absent) x 2 (emotion: sad, neutral) between-subjects design was implemented to test the hypotheses of the study. Interestingly, the results indicate that whereas neutral individual’s choice price goes down after consum-
ing a hedonic product, sad individual’s choice price actually goes up. This suggests that whereas neutral individuals are insensitive to activity differences in compensatory consumption (eating vs. buying a product), sad individuals’ need to compensate for that feeling of loss (Lazarus 1991) becomes more salient in the other domain (acquiring a new product) after they have an opportunity to satisfy it in the first domain (eating in this case).

Study 2 thus, examines the mechanism driving the influence of sadness on compensatory consumption. Specifically, it tries to ascertain whether the results obtained in study 1 are due to sadness being domain specific or whether it is due to sad individuals just having a higher threshold for compensatory consumption. To test this hypothesis, a 3 (sad with emotion repair task, sad with emotion amplification task, neutral) cell design was implemented. Everyone was also offered popcorn and diet soda/water to consume. The prediction is that if the results are being driven by sad individuals’ higher threshold for compensation, then subjects in the ‘sad with emotion repair’ condition should show a drop in their choice prices as they are offered two opportunities to compensate-food consumption and emotion repair task—before their choice price is elicited. However, if sadness is domain specific then we should see similar choice prices across the two sadness conditions and these choice prices should be higher than those in the neutral condition, replicating the results from Study 1.

Overall, these studies will provide valuable insights about consumption behavior and the influence of affect on the same. Given the rising concern with obesity and other consumption related problems (e.g., compulsive shopping), the implications of this research should be of interest to academics, policy regulators, managers as well as consumers. Further, this research would shed some light on the underlying mechanism by comparing and contrasting different theoretical frameworks to suggest the one that can better explain the results.

“Feeling Ashamed or Guilty? The Emotions and Consequences of Violating Consumption Norms”
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Shashi Matta, University of Southern California

Shame and guilt are negative self-conscious emotions that have remained relatively unexplored in consumer research. Understanding shame and guilt has practical significance as their evocation may motivate, de-motivate, or serve as responses to consumption. For instance, shame and guilt may be evoked in response to consumption practices viewed as normatively inappropriate (e.g., compulsive shopping, consumption of pornography, over-eating) as well as from the failure to consume products and services viewed as normatively appropriate (e.g., exercise, low calorie foods, gift giving, failure to tip or buy a product from a doting salesperson). In sum, these emotions arise as a result of the violation of a consumption norm. Further, from a motivational standpoint, some products and services (e.g., therapy, exercise, cosmetic surgery, and gifts) are consumed so as to reduce shame or guilt. Others are avoided (e.g., visits to doctors) because they induce shame or guilt. The study of shame and guilt also has theoretical significance. While prior research has largely focused on contrasting affective states of different valence (Arkes, Herren, and Isen 1988; Wright and Bower 1992), studying the potential differential effects of emotions of the same valence is particularly relevant for emotions such as shame and guilt, which are often referred to inconsistently or used interchangeably.

The objectives of this research are three-fold. The authors first introduce and conceptually distinguish the two self-conscious emotions of shame and guilt in the consumption domain. Second, they examine the differential impact of shame and guilt on consumers’ behavioral motivations and demonstrate the moderating role of an individual difference variable—consumers’ implicit theories about the fixedness/malleability of personality (study 1). Finally, they demonstrate that the priming of shame and guilt impacts consumers’ encoding and retrieval of new information regarding the violation of a consumption norm, their expectations of the behavioral response to this violation, and the perceived likelihood of repeating the violation of the consumption norm in the future (study 2).

Defining Shame and Guilt. Shame and guilt are often confused and used interchangeably (Tangney and Dearing 2002), perhaps because they are both self-conscious and moral emotions of self-condemnation. Though similar, some research in psychology suggests that shame and guilt are distinct. Shame involves a focus on and evaluation of one’s self, whereas guilt concerns a focus on and evaluation of one’s behavior (Lindsay-Hartz 1984; Tangney 1992; Tangney et al. 1996). Notably, while shame and guilt differ in perceived causal locus, they may be precipitated by the same causes. For instance, the same behavior (eating chocolate mousse/forgetting a birthday gift) may evoke shame in one consumer (I am selfish/a glutton) and guilt in another (I shouldn’t have broken my diet/let my busy schedule get the better of me). What matters is not the initiating cause but rather consumers’ interpretation (i.e., appraisal) of it. Based on their differing appraisals, the authors define shame and guilt as follows: Shame is an emotion evoked from a perceived transgression of the self in evaluating a consumption episode involving oneself. Guilt is an emotion evoked from a perceived transgression of behavior in evaluating a consumption episode involving oneself.

Study 1. The study (N=199) used a 2 x 2 x 2 between-subjects design manipulating the evoked emotion (shame vs. guilt), the context in which the incident occurred (consumption vs. non-consumption), and measuring consumers’ implicit theories about the malleability of personality (fixed vs. malleable). Measures included ratings of the intensity of various emotions and different motivations arising from the emotion-evoking incident. Results showed that (1) shame and guilt are recent and frequent emotions in consumption contexts; (2) shame inspires the motivation to distance oneself from the shame-inducing situation whereas (3) guilt inspires the motivation to repair the situation that gave rise to the feelings of guilt; and (4) consumers’ implicit theories about the fixedness/malleability of personality moderate the effect of experienced shame or guilt on consumers’ behavioral motivations.

Study 2. Respondents (N=60) provided a detailed written account of a personal shame (or guilt) experience, listed a set of counterfactuals about how the situation might have been different. They then read a narrative in which an undergraduate senior describes two episodes in which an individual engaged in a violation of a consumption norm. Following a two-minute distracter task, participants were asked to write down as much of the narrative as they could recall. Other measures included respondents’ expectations of behavioral responses of the characters in the narratives, and the perceived likelihood of these characters repeating similar consumption behaviors in the future. Results showed that (1) priming shame made consumers process and recall new information about a violation of a consumption norm with an emphasis on traits or personality whereas (2) priming guilt shifted the emphasis to behaviors; and (3) consumers primed with shame report a greater expectation of the likelihood of repeating the consumption behavior than those primed with guilt. The authors discuss the theoretical contributions of this research, and the practical implications to consumer behavior, self-regulation, and advertising.
The Price of ‘Free’-dom: Consumer Sensitivity to Promotions with Negative Contextual Influences

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EXTENDED ABSTRACT

Free offers are a frequent form of promotion used across a wide range of products (e.g., free lipstick with the purchase of cosmetics), a bundled offering (e.g., buy a computer and get a free printer) or free delivery/shipping. Despite the prevalence of such offers, little research has examined how consumers react to free promotions. Prospect theory (Kahneman and Tversky 1979) suggests that decisions are typically framed with respect to a reference point and inconsistencies in decision-making result from changes to such frames. Therefore, consumers may not react in the same way to a free promotional offer as they do to another monetarily equivalent promotion. Research has shown that monetary promotions like discounts are more readily processed with price as the focus and tend to be integrated with price, while free promotions are more likely to be processed independent of price because their monetary value is often not explicit or is non-focal even when available (Thaler 1985, Nunes and Park 2003). In this paper, we examine some strategic benefits that free promotions may offer over other types of promotions on account of such differential processing. We suggest that this differential processing makes the free promotion salient, which in turn affects consumers’ reactions to a promotion in the face of negative quality information.

Through a series of three experiments we first establish the basic effect that while purchase intentions of consumers who see a monetary discount are sensitive to negative information on quality, purchase intentions of consumers who see free promotions are not. We next show that this invariance of free promotions to negative quality information appears to be on account of the salience of the free promotion and that it can be reversed by making other decision factors more salient.

Our first study establishes the basic effect that free price offers are relatively invariant to negative quality information compared to equivalent price discounts. Participants in this study read a scenario about a senior in their university who is preparing to take the GMAT exam and comes across a used GMAT textbook that he is looking to buy for extra practice. Participants are either told that the quality of used books at that bookstore is usually good (positive quality information) or is variable and he is uncertain about the quality of the book (negative quality information). Participants either saw a book costing $23 with a discount of 2.99 (shipping and handling costs $2.99) or a book costing $25 where shipping is free. We find that while those who saw a discount had significantly lower purchase intentions when the quality of the book was uncertain than when quality of the book was good, those who saw a free shipping offer did not have significantly different purchase intentions across the two quality conditions. Hence, we find support for the basic free effect that we hypothesize.

In the next study we test the process that we hypothesize by using a similar purchase scenario as in study 1. We expect that the free promotion is more salient than the discount because it is likely processed independent of price. If this is so, we should be able to impair its salience when participants consider other aspects of the decision. We do this by manipulating the order of measurement of purchase intentions and reasons to buy the book. When we measure purchase intent first and reasons to buy next we replicate the basic free effect from study 1. However when we measure reasons to buy first and purchase intent next we find that much like for discounts, purchase intentions of those in the free shipping condition drop significantly in the negative quality condition (vs. the positive quality condition). Thus, by having participants focus on different aspects of the decision, we are able to reduce the salience of the free promotion thereby mitigating its invariance to negative quality information.

Finally in study 3, we replicate our results in a different product context and use a different method to blunt the salience of the free promotion. Here participants read a scenario where they are considering the purchase of a wireless mouse. They are told about a CNN program featuring the company that makes the wireless mouse. The company is said to be either outsourcing their manufacturing to countries like India and China and therefore their product quality is variable and uncertain (low quality) or that the company is resisting such cost cutting moves, manufacturing locally and therefore their quality is excellent (high quality). Participants either saw a mouse costing $33.99 with a discount of $5.99 (shipping=$5.99) or saw a price of $39.99 with free shipping. Finally we had them list either two reasons to buy the product or 6 reasons to buy the product. We expected those who did the easy task of listing two reasons infer that they really needed this product. Conversely those who did the difficult task of listing six reasons were expected to infer that they didn’t really need the product and question the purchase thereby impairing the salience of the free offer. As expected in the two reasons condition, the free offer was again invariant to negative quality information, however in the six reasons condition intentions dropped in the low quality condition.

In summary we find support for our thesis that differential processing of free promotions and monetary discounts results in differences in consumers’ reactions to negative contextual influences. We conclude by discussing some theoretical and practical implications of our research.

REFERENCES