The Brand Anchoring Effect: a Judgment Bias Resulting From Brand Awareness and Temporary Accessibility

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Following the Selective Activation, Reconstruction, and Anchoring (SARA) and consumer-based brand equity models, we predict a brand anchoring effect in which high awareness brands are used as anchors in forming impressions of co-branded entities. Comparing the brand personality profiles of fictitious brand alliances with high and low awareness brands, we find a brand anchoring effect in studies 1 and 2. Moreover, in study 3 we show that the effect generalizes to specific brand characteristics; we also demonstrate that the effect is driven by making brand-related information more available. Future research on brand awareness and on anchoring effects is discussed.

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EXTENDED ABSTRACT

Introduction
Anchoring refers to a biased judgment on a stimulus based on the initial assessment of another stimulus and the insufficient adjustment away from that initial assessment. Previous research indicates that anchoring seems to be a general phenomenon, underlying a wide variety of processing strategies (Epley and Gilovich 2001; Johnson and Puto 1987; Tversky and Kahnemann 1974). Every time when individuals form an impression or an image about a stimulus while another stimulus is present, these impressions may be subject to anchoring effects.

Consumers regularly form images about brands and compare brands to other brands. We therefore propose that there will be an anchoring effect in image impressions about brands—a phenomenon that we will refer as “the brand anchoring effect.” The brand anchoring effect can be investigated, for example, in the context of co-branded identities (e.g., cellular phones offered by the brand alliance Sony Ericsson). We propose that in these co-branding cases, one constituent stimulus (Sony or Ericsson) may serve as an anchor and affect the image structure of the co-branded identity (Sony Ericsson) as a whole. We test the brand anchoring effect in three studies, identifying characteristics of the co-branded entities that lead to one of the constituent entities to become the anchor. We derive our hypotheses on the basis of the Selective Activation, Reconstruction, and Anchoring (SARA) model (Pohl, Eisenhauer, and Hardt 2003), which is specifically designed to explain anchoring effects, and the customer-based brand equity model (Keller 1993, 2003).

Theoretical Background
The SARA model assumes that when individuals are asked a question that requires a judgment (e.g., what is the brand personality of the co-branded identity?), they utilize available images about the “information units” in long-term memory (such as an image of the brand associations of a constituent brand). Each judgment is associated with a number of images of the brands and the SARA model specifies which “information units” are chosen as an anchor. Specifically, the selection of the anchor and the direction of the judgment bias depend on distinct characteristics of internally represented brand knowledge. Once a brand has been selected as an anchor, it will bias the co-branded identity in such a way that its knowledge structure will be closer to the anchor brand than the other constituent brand.

Consistently with the SARA model, it has been shown in a wide range of domains, such as information integration theory (e.g., Fazio and Williams 1986), the accessibility-diagnosticity framework (e.g., Feldman and Lynch 1988), brand alliances (e.g., Simonin and Ruth 1998), and in research on priming, that the accessibility of information has a strong influence on judgments. In the context of branding, Keller (1993) identifies brand awareness as one of the most important factors for retrieval of information about the brand. Thus, following the SARA model and the brand alliance study by Simonin and Ruth (1998), we predict that brands with a high level of awareness in a co-branded identity are more likely to be anchors than those with low awareness.

Method
To test our hypothesis about the brand anchoring effect, we conducted three studies (each n=80) with fictitious brand alliances of existing brands from three different product categories. In studies 1 and 2, respondents evaluated the alliances and the constituent brands on Aaker’s (1997) brand personality scale. We conclude that an anchoring effect was present or not, based on standard similarity measures (D, X, and q correlation) that compare the profiles of constituent brands with the brand alliance.

Study 1
In study 1, we tested two brand alliances that either consisted of two toothpaste brands with different levels of unaided awareness (high/low) or similar levels of awareness. The results support our assumption: The judgment of the brand alliance was based on the brands with the higher level of brand awareness. In contrast, in the similar-brand-awareness condition, none of the brands served as an anchor.

Study 2
Study 2 was designed to replicate the brand anchoring effect of high vs. low awareness for a new product category (chocolate). In addition, we tested whether or not we would observe anchoring effects for strong image brands (relative to weak image brands) when the awareness levels of both brands in the alliance are at comparable high levels.

Our results provided a replication of the brand anchoring effect of high (vs. low) awareness brands. However, when both alliance constituents have high awareness, independent of brand strength, none of the brands served as an anchor.

Study 3
In study 3, we addressed the key question of how brand awareness creates a brand anchoring effect. Following the SARA model, it is available information that provides retrieval cues, and therefore for awareness to produce anchoring effects, brand awareness should make information more available. Thus, we manipulated brand awareness and the availability resulting from it, rather than just measuring it (as in the previous two studies). Respondents were exposed to two different packaging designs for the brand alliance Milka Uncle Ben’s, offering a crispy rice chocolate cereal. The package design either provided predominantly Milka related brand elements (e.g., color) or predominantly Uncle Ben’s related design elements.

As expected, the profile in the Milka focused design was closer to Milka than Uncle Ben’s whereas the profile of the Uncle Ben’s focused design was closer to Uncle Ben’s. These results confirmed that the packaging design made Milka brand-related information more available when the design first brought to mind Milka. In contrast, it made Uncle Ben’s brand-related information more available when the design first brought to mind Uncle Ben’s.
Conclusion

Taken together, the results of the three studies confirm our overall prediction: brand-related information, once made available, can result in a brand anchoring effect in the judgment of a co-branded entity. Brand-related information may be permanently more available in high awareness brands; alternatively, it can be made more available temporarily by presenting the co-branded entity in a particular way. Future research should examine possible moderators of the brand anchoring effect, such as brand name order in the alliance or product category fit, and how these factors influence the selection of the brand anchor.

References
