The Effects of Centrality and Distinctiveness on the Usage of Co-promotions

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EXTENDED ABSTRACT

Co-promotion coupons have become popular as marketers manipulate tight promotional budgets to cope with increasing clutter (Varadarajan, 1986). Examples of co-promotions include saving $1 with the purchase of two packages of Keebler Sandies Cookies and I jar of Taster’s Choice Coffee; and getting Campbell’s Chicken Noodle Soup free with the purchase of two packages of Oscar Mayer Cold Cuts. The basic idea behind such a promotion is to use the target market and equity of each partner brand to increase the sales of both.

Although co-promotions share some features of brand alliances, most of the literature on alliances has focused on corporate alliances and co-branding in the context of services and durables. There is little theoretical literature about factors that may influence co-promotions of frequently purchased products. In this paper, we examine factors that affect the impact of co-promotion coupons on consumers’ usage intention. We focus on co-promotion at the product rather than brand level and address the specific question of how managers may evaluate which product category to partner with in a co-promotion.

Using schema theory, we suggest that consumers may evaluate co-promotion coupons in the context of a given usage situation, e.g., Thanksgiving dinner, birthday party, coffee time. We propose that when prompted with usage situations, consumers will have higher usage intention for co-promotion coupons that belong to the same usage situation than co-promotion coupons that do not belong to same usage situation. Moreover, we propose that the effectiveness of a co-promotion will be a function of two aspects of the promoted product categories: 1) centrality, which refers to importance; and 2) distinctiveness, which refers to uniqueness (Galambos, 1986). For example a shopping goal for Thanksgiving Dinner may activate turkey and vegetables (corn and beans) as highly central products. The centrality of a product provides direct access during the encoding of material to be remembered and during production of that material (Nottenburg and Shoben, 1980; Galambos and Rips, 1982) and this accessibility may help with retrieval and choice (Nedungadi, 1990). Therefore, co-promotion coupons with central products will have a higher chance of being preferred than those with noncentral products. Similarly, if a usage situation schema is activated and a coupon is encountered, distinctive products will associate with the activated usage situation easier than they associate with another usage situation. This match is expected to create a positive feeling which then may reflect on the intention of the consumer to use the coupon.

We predict that effective co-promotion coupons will involve partners that are either high on centrality or distinctiveness, and that distinctiveness can make up for low centrality. Specifically, we predict that when the centrality of one of the partner products is low, higher distinctiveness will lead to higher usage intentions.

These predictions are tested in a 2 X 2 X 2 ANOVA revealed significant main effects of Focal Product Centrality (F(7, 184) = 124.65, p < .0001), Partner Centrality (F(7, 184) = 105.50, p < .0001), and Distinctiveness (F(7, 184) = 17.20, p < .0001), as well as a significant three-way interaction (F(7, 184) = 9.7, p < .05). The significant main effects showed that use intentions for co-promotion coupons were higher when the centrality of the focal product on the coupon was high rather than low (MFC = 5.82 vs. MFN = 4.00), when the centrality of the partner product was high rather than low (MPC = 5.75 vs. MPN = 4.07) and when the distinctiveness of the partner product was high rather than low (MD = 5.25 vs. MPN = 4.57).

The three-way interaction was consistent with our predictions. When centrality of one of the products was low, high distinctiveness led to higher usage intentions than did low distinctiveness. Specifically, usage intentions were higher when a central focal product was partnered with a non central partner who was distinctive than non distinctive [MCND = 5.67; MCNN = 4.54, F (1,184) = 11.87, p < .001]. Similarly, usage intentions were higher when a non-central focal product was partnered with a central partner who was distinctive than non distinctive [MCND = 5.58 MNCN = 4.33; F (1,184) = 14.65, both p < .001].

Finally, complementarity did not account for the effects, suggesting that the effects of centrality and distinctiveness are separate from the effects of perceived fit. This is one of the theoretical contributions of the paper.

References

Brand Visualization: Effects of ‘Product Shape-Typeface Design’ Congruence on Brand Perceptions and Price Expectations
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EXTENDED ABSTRACT
Research indicates that congruence, as opposed to incongruence, of symbolic meanings connoted across or within marketing mix elements positively affects consumer response (Bottomley and Doyle 2006; Erdem and Swait 1988, 1994). However, controlled studies addressing congruence effects of visual product features are non-existent. Since products comprise multiple visual ‘channels’ (e.g., shape and typeface) through which symbolic meanings are communicated, and considering that a product’s visual appearance is the most important determinant of consumer choice (Bloch 1995), such studies are called for. Hence, two studies were conducted addressing effects of congruence of symbolic meanings connoted across shape and typeface of a fictitious brand of bottled waters on brand perceptions and price expectations.

In accounting for effects of various forms of congruence on consumer response, recent theorizing on processing fluency is insightful. According to such accounts, stimuli that can be easily processed are generally evaluated in positive terms and inspire favorable attitudes (Lee and Labroo 2004; Reber, Schwarz, and Winkielman 2004). The basis for these effects can be traced to the finding that fluent processing is experienced as positive (Reber et al. 2004). Of particular relevance for the present context is the finding that fluent stimuli are experienced as more credible or true (Reber and Schwarz 1999; Unkelbach 2007) and aesthetically pleasing (Reber et al. 2004) than non-fluent stimuli.

As for product appearance, perceived congruence of symbolic meanings connoted across visual product features is expected to facilitate processing. Arguably, products high in congruence facilitate impression formation, as opposed to products low in congruence. In line with the claim that fluent processing generally inspires favorable product evaluations (Lee and Labroo 2004), and the finding that symbolic qualities expressed through product appearance steer brand perception (Childers and Jass 2002), shape-typeface congruence, as opposed to shape-typeface incongruence, is expected to positively impact perceptions of the corresponding brand.

In line with processing fluency accounts, a particular type of brand perception that should benefit from fluent processing concerns perceptions of brand credibility, i.e., the believability of the product information contained in the brand. Hence, products high in shape-typeface congruence should elicit ratings of the corresponding brand as more credible than products low in shape-typeface congruence. Elsewhere, it has been proposed that brand credibility is an important determinant of consumer-based brand equity (Erdem and Swait 1998), defined as the value of a brand to consumers (Keller 1993). Since product- or brand value is, among others, reflected in product price, it is expected that shape-typeface congruence positively affects price expectations via perceptions of brand credibility. These predictions were tested in study 1.

Study 2 tested the proposed relation between congruence and perceptions of brand aesthetics. Based on the finding that processing fluency positively affects aesthetic responses (Reber et al. 2004), it is expected that congruent, as opposed to incongruent, products trigger perceptions of the corresponding brand as higher in aesthetic value. In addition, study 2 sought to replicate the effect of shape-typeface congruence on price expectations using another set of stimuli.

In study 1, two shape variants and two typeface variants of a fictitious brand of bottled waters connoted either luxury or casualness, effects confirmed by a pretest. Cross pairing the two shapes with the two typefaces resulted in two congruent variants (shape and typeface both connoting luxury, or shape and typeface both connoting casualness) and two incongruent variants (product shape connoting luxury and typeface connoting casualness, or vice versa). One hundred and forty-four undergraduate students were randomly presented with a congruent or incongruent product variant, after which they filled out a measure of brand credibility. Price expectations were assessed by prompting participants to indicate what they thought would be the average price of the product presented (in Euro-cents) at supermarkets. Results showed that the two congruent product variants induced, as expected, higher perceptions of brand credibility and higher price expectations than the two incongruent variants. The expected mediation of the latter effect by perceived brand credibility was not confirmed.

In study 2, the proposed relation between shape-typeface congruence and perceived brand aesthetics was tested. In addition, study 2 sought to replicate the effect of shape-typeface congruence on price expectations with another set of stimuli. This time, the two shape and the two typeface variants (again using the same fictitious brand of bottled waters) either connoted masculinity or femininity. Similar to study 1, two congruent product variants and two incongruent variants were created by cross pairing the two shape and the two typeface manipulations. One hundred and twenty-six undergraduate students were randomly presented with a congruent or incongruent product variant, after which they filled out a measure of perceived brand aesthetics. As in study 1, price expectations were assessed by prompting participants to indicate what they thought would be the average price of the product presented (in Euro-cents) at supermarkets.

Although congruence effects were stronger for the feminine typeface variant than for the masculine typeface variant (indicating that the feminine typeface induced higher price expectations and higher ratings on perceived brand aesthetics than the masculine typeface), results showed, as in study 1, overall positive effects of congruence on both measures. Mediation analysis showed that congruence affects price expectations via perceived brand aesthetics, indicating that aesthetic value is not just an important determinant of consumer choice (Creusen and Schoormans 2005), but may also contribute to commercial success by shaping price expectations.

In addition, the findings presented suggest that shape-typeface congruence facilitates processing. Future research should incorporate more direct measures of processing fluency (e.g., reaction speed), and establish how fluency can be related to ‘design principles’ other than shape-typeface congruence. To further elucidate the described mediation, measures of brand aesthetics and brand credibility should be incorporated in the same study. Finally, future research should address effects of variations in product design on perceptions of existing brands characterized by a relatively stable brand image, usually the resultant of many more factors besides product appearance. Awaiting research addressing these issues, in the meantime, our results underscore the importance of controlled studies addressing effects of product design on consumer response.