Brand Saturation in Consumer Choice

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There is a growing sentiment among many marketers that brands are losing power. In this research, we examine this proposition by investigating the antecedents of the decline in brand power. Building on the view of brands as a means of expressing one’s identity, we argue that the decline in brand power could be attributed to the increase in alternative means of self-expression. We posit that the proliferation of self-expressive brands, as well as other non-brand means of self-expression, has diminished the personal relevance of many individual brands – a phenomenon we refer to as “brand saturation.” We document the brand saturation effect in a series of four experiments investigating the cross-category and cross-functional nature of brand competition for a share of consumers’ identity.

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SESSION OVERVIEW

Building on the existing literature, this session contributes to a better understanding of the role of brands in consumer decision processes. Research papers presented investigate the impact of brands from multiple theoretical perspectives, offering a broader view of the role of brands in consumer choice. The findings of the individual papers are unified into a general framework which examines the role of brands as a means of self-expression.

Given the relevance of the proposed topic to central issues in consumer behavior, this symposium adds to the identity research and, in particular, the role of brands as a means of self-expression. Apart from providing theoretical insights into how brands influence choice, the proposed symposium contributes to the understanding of several context areas that are of great interest to ACR conference attendees, including attitudes, self-image, and conspicuous consumption. Specifically, the session addresses the following issues:

Research presented by Chernev and Gal explores the antecedents of the recent decline in the power of many brands. Building on the view of brands as a means of expressing one’s identity, they argue that the decline in brand power could be attributed to the increase in alternative means of self-expression. They posit that the proliferation of brands, as well as other non-brand means of self-expression, has diminished the personal relevance of individual brands — a phenomenon referred to as “brand saturation”. They show that the self-expressive value of a given brand is subject to diminishing returns as the number of alternative means of self-expression increases.

Research by Berger and Ward examines the role of inconspicuous brand consumption in consumer choice. Inconspicuous consumption suggests that branded products help explicitly display wealth and sophistication. In contrast, they argue that inconspicuous consumption, or using subtler signals unrecognizable to most consumers, can sometimes be more effective to insiders. Eight studies demonstrate that a) certain categories show an inverted U relationship between price and explicit branding; b) mass consumers prefer high-end products with explicit branding and misidentify those that use subtle brand signals; and c) insiders or experts prefer less explicit branding and can correctly identify subtle-signal products, which implies that subtle signals can sometimes provide more effective identity signals.

Finally, research by LeBoeuf and Simmons investigates the influence of branding on attitude functions. They show that branding predictably alters the degree to which products give rise to attitudes that serve self-expressive, as opposed to utilitarian, functions. Specifically, products that support utilitarian attitudes at the category level support less utilitarian, more symbolic attitudes at the brand level, whereas products that support symbolic attitudes at the category level support more utilitarian, less symbolic brand attitudes. They further demonstrate the implications of this finding for persuasion: Whereas utilitarian appeals are best for “utilitarian” products (and symbolic appeals are best for “symbolic” products) at the category level, this advantage does not arise at the brand level, in part because attitude functions change with branding.

The individual presentations were integrated by the discussion leader Rohit Deshpande into a more general framework, facilitating a broader understanding of the role of brands as a means of self-expression.

EXTENDED ABSTRACTS

“Brand Saturation in Consumer Choice”
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There is a growing belief among many marketers that brands are losing their power and have “run out of juice.” Prior research has attributed the diminishing power of national brands to factors such as the increased degree of commoditization of the underlying products, the transparency of the product information available online, the proliferation of intelligent agents, and the deployment of new business models such as Priceline.com, which make brands invisible to consumers.

In this research, we advance a novel explanation for the recent decline in brand power. Building on the view of brands as a means of expressing one’s identity, we argue that the role of brands as a means of self-expression is contingent on the availability of other means of self-expression. We posit that the proliferation of brands, as well as other means of self-identification, has diminished the personal relevance of individual brands — a phenomenon we refer to as “brand saturation.”

We propose that brand saturation can be caused by a variety of available means of self-expression, including other self-expressive brands in the same category and in unrelated product categories, and by non-brand means of self-expression. For example, we argue that the relevance of the Budweiser brand is a function not only of the strength of its intrinsic associations, but also the strength of other beer brands such as Miller and Coors. Furthermore, we argue that relevance of the Budweiser brand is affected by non-beer self-expressive brands such as Apple, Swatch, and Whole Foods, as well as by non-brand means of self-expression, including involvement in online communities such as MySpace.com, Facebook.com and LinkedIn.com. In this context, we posit that the self-expressive value of a given brand is subject to diminishing returns as the number of alternative means of self-expression increases.

We examine the impact of identity saturation on consumer brand preferences in a series of four experiments. The first study aims to demonstrate that merely asking consumers to identify their favorite brands weakens their brand preferences in unrelated product categories. Consistent with our theory, respondents who were asked to articulate their most preferred brands displayed greater indifference between the available brands in subsequent choices.

Building on the findings from this study, the second experiment documents that non-brand means of self-expression—such as identifying favorite books, movies, songs, sports teams, and hobbies—are likely to decrease perceived differentiation of the target brands. We show that the brand-saturation effect holds even in the presence of non-brand means of self-expression, such that respondents who were asked to articulate personally relevant items displayed weaker brand preferences in subsequent choices.

Experiment 3 documented identity-saturation effects naturally occurring in the context of brand choice. Thus, unlike the first two experiments in which identity saturation was achieved by explicitly asking respondents to state their preferences, in this experiment identity saturation was manipulated by having respondents merely make a choice in several product categories. This manipulation was based on the notion that choice itself can serve a
self-expressive function, such that making multiple selections in personally relevant categories is likely to lead to identity-saturation, which in turn will decrease consumer preferences for the subsequent brands.

Building on the first three studies, experiment 4 provides more direct evidence of the processes underlying the brand saturation effect, documenting the role of self-expression in brand saturation. In this experiment we manipulated individuals’ need for self-expression by providing a feedback that was either consistent or inconsistent with their self-image, and examined its impact on subsequent brand preferences. The data lend further support to the notion that the strength of individuals’ brand preferences is a function of their need for self-expression. In particular, we show that decreasing the need for self-expression (e.g., by validating individuals’ unique identity) tends to weaken their brand preferences, whereas increasing their need for self-expression (e.g., by threatening their identity) has the opposite effect, strengthening their brand preferences. This experiment documented the impact of self-expression on the strength of individuals’ brand preferences using three different measures: personal brand-relevance, perceived brand similarity, and willingness to pay. The data show convergence across all three measures—a finding that enhances the validity of the observed effects.

From a theoretical standpoint, this research contributes to the literature of self-identity by furnishing evidence in support of the notion that individuals’ need for self-expression is finite and that there are diminishing returns on increasing the variety of means of self-expression. We show that the need for self-expression is not domain-specific but rather occurs across categories and consumption occasions. In this context, we show that brands compete for a share of a consumer’s identity, such that the self-expressive value of a given brand tends to decrease as the number of alternative means of self-expression (brand and non-brand) increases.

“The Subtle Signals of Inconspicuous Consumption”
Jonah Berger, University of Pennsylvania, USA
Morgan Ward, The University of Texas at Austin, USA

Branding varies across products. While some products use explicit branding (e.g., Armani Exchange emblazoned across a shirt front), others do not. The literature on conspicuous consumption suggests that price differences might drive signal explicitness. People often use products to communicate identity, and in particular to signal wealth and/or expertise to others. Consumers might want to broadcast their purchase of an expensive Lacoste polo shirt because it signals high status. They might be less interested in letting people know they purchased a generic polo shirt from Walmart. Consequently, one might imagine that explicit branding might increase with price.

The data, however, display a distinctly different pattern. In Study 1, we randomly selected more than 120 pairs of sunglasses (both men’s and women’s) from major sunglass websites (e.g., Sunglass Hut). We then gave coders an image of each pair, and had them rate whether each pair explicitly identified the brand (i.e., the brand name or logo appeared) or not. In contrast to what would be predicted by conspicuous consumption, we found an inverted U relationship between price and brand identification. Regressing price and price squared on brand identification indicates that while brand identification increased with price, brand identification was negatively related to price squared. While only 21% of sunglasses under $50 bore brand identifiers, 84% of sunglasses between $100 and $300 identified the brand. Brand identification decreased, however, among higher priced options. Only half the sunglasses over $400 identified the brand. In Study 2, a category analysis of handbags replicated these results. These findings provoke an interesting question. If consumers care about signaling status, why would they pay more for a product whose brand is harder to identify?

We argue that certain consumers may prefer high-end products with subtle signals because they ensure differentiation. Consider two populations: mass consumers (the general population) and insiders (those with special knowledge). If being seen as an insider carries value among the masses, then some mass consumers may attempt to “poach” or borrow insider symbols so other mass consumers will treat them like an insider. This will dilute the product’s value as a marker of insider group identity, and insiders will diverge, developing new symbols to mark their group boundaries. Insiders may be able to maintain group identifiers, however, by adopting subtle signals that are only recognizable to other insiders. Because mass consumers want most others to regard them as insiders, they prefer explicit signals recognized by mass consumers. Consequently, insiders may migrate to subtle signals because they provide such differentiation.

Six additional studies support this perspective. Studies 3A-3C demonstrate that people typically misidentify products with subtle signals. Participants viewed different shirts, both low- and high-priced, which varied in their brand-signal strength from subtle (e.g., a small logo) to explicit (e.g., a large brand name). Results indicated that participants a) were more likely to misidentify the brand on shirts that used subtle brand signals; b) could not differentiate between generic and expensive shirts displaying subtle brand signals; and c) inferred no price difference between an expensive subtly marked and a generic, subtle-signal shirt. This shows that most people would misidentify someone who bought an expensive shirt with a subtle brand signal.

The data provided by Study 4 show, however, that insiders can identify products with subtler signals. For example, though members of the general college population could not differentiate between expensive and inexpensive handbags with subtle brand markings, members of a fashion school were able to identify such bags correctly.

Insider knowledge also moderated the inferences people made about others carrying subtly vs. explicitly branded bags, as well as the preferences of both groups. Study 5 showed that while members of the general population thought people with explicit bags knew more about fashion, insiders thought that people who carried more subtle (and actually, more expensive) bags, knew more. Further, Study 6 showed that given the choice between expensive bags at similar price points, members of the general population preferred explicitly branded bags while insiders preferred bags with subtler signals.

Overall, these studies indicate the utility of subtle signals. Though members of the general population prefer high-end products with explicit signals because they facilitate recognition by the general public, insiders prefer products with subtler signals that can be recognized only by their in-group of savvy insiders. Thus, while explicit signals facilitate broader recognition, subtle signals may be useful in maintaining group boundaries.

“Branding and Attitude Functions”
Robyn LeBoeuf, University of Florida, USA
Joseph Simmons, Yale University, USA

Attitudes serve different functions. Some serve a utilitarian function of maximizing rewards, whereas others serve a symbolic, value-expressive function. Prior research has shown that particular product categories are associated with particular attitude functions: Whereas some products (e.g., aspirin) typically support utilitarian
attitudes, others (e.g., flags) typically support symbolic attitudes. However, such research has focused almost exclusively on product categories, and has not considered how branding might alter associations between products and attitude functions.

We propose that branding alters these associations. First, although the associations between product categories and attitude functions are often clear, brands might be less directly associated with the category’s attitude function. Spreading-activation models of knowledge suggest that knowledge is often represented hierarchically, with properties associated with the entire category being stored at the highest applicable level and not necessarily re-stored for each subsidiary instance (e.g., “can fly” would be stored with “bird,” but not necessarily with each bird). Thus, the links between category-level functions and subsidiary brands may be indirect, with branded products being relatively weakly associated with the category’s dominant function. Second, brands may often emphasize how they differ from the generic category: brands in utilitarian categories may build symbolic associations, and brands in symbolic categories may build utilitarian associations. Because of this, consumers may expect brands in utilitarian (symbolic) categories to be more symbolic (utilitarian) than the category itself.

Thus, we predict that products that give rise to utilitarian category-level attitudes will give rise to brand attitudes that are less purely utilitarian, but that products that give rise to symbolic category-level attitudes will give rise to brand attitudes that are less purely symbolic.

We further predict that branding will alter appeal persuasiveness. Typically, “function-matching” appeals are more effective than “mismatching” appeals: for utilitarian products, appeals emphasizing tangible benefits are superior, but for symbolic products, value-laden, symbolic appeals are superior. However, because attitude functions may differ for categories and brands, appeals that match a product’s category-level function may not match the product’s brand-level function as clearly. As a result, an appeal that is more persuasive at the category level (because of this function-matching advantage) may not be more persuasive at the brand level. For example, for a utilitarian product, a utilitarian appeal’s advantage may be smaller at the brand level, precisely because brand attitudes for the product may be less strictly utilitarian.

We first examined whether branding alters attitude functions. In Study 1, participants evaluated the attitude functions they associated with an array of utilitarian (e.g., toothpaste) and symbolic (e.g., class rings) products. Half evaluated category-level products (e.g., vitamins) and half evaluated branded products (e.g., One-a-Day vitamins). As predicted, products that supported utilitarian category-level attitudes supported somewhat more symbolic attitudes when branded, but products that supported symbolic category-level attitudes supported less symbolic attitudes after branding.

Study 2 replicated this procedure, but participants in the branded condition evaluated hypothetical, unnamed brands. Even when the brands were unnamed, branding made attitudes towards utilitarian products more symbolic but attitudes towards symbolic products more utilitarian.

Study 3 examined the implications of this effect for persuasion. Participants considered appeals for paper towels and college t-shirts, which support utilitarian and symbolic (respectively) category-level attitudes. Participants were randomly assigned to a 2 (appeal level: brand, category) x 2 (appeal type: matching or mismatching the category-level attitude) design. For paper towels, the utilitarian (matching) appeal discussed cleaning, whereas the symbolic (mismatching) appeal emphasized a discount associated with wearing the shirts, whereas the symbolic (matching) appeal emphasized school spirit. As predicted, matching appeals reliably outperformed mismatching appeals when delivered for the category, but this advantage disappeared—and non-significantly reversed—when the same appeals were delivered for brands. Study 4 replicated these results, using different products, appeals, and brands.

In Study 5, participants evaluated an advertisement for greeting cards. Between participants, we manipulated whether the ad was symbolic or utilitarian, and whether it was a category-level or brand-level appeal. We also measured the function served by each participant’s attitude towards the category of greeting cards; this allowed us to define for each participant whether the assigned appeal was a “match.” Indeed, for those with utilitarian (symbolic) attitudes, the utilitarian (symbolic) appeal had an advantage at the category level, but not at the brand level. Thus, the very same appeal’s success depended upon whether it matched the individual’s attitude function, thereby confirming attitude functions’ role in these effects. Even with appeals held constant and “matches” defined idiosyncratically, matching appeals outperformed mismatching appeals for categories, but not for brands.

Finally, in study 6, participants evaluated actual magazine advertisements, rating them on either (a) how effective each advertisement seemed, (b) the degree to which each advertisement made symbolic and utilitarian claims, or (c) the degree to which each advertised product supported utilitarian or symbolic category-level attitudes. Advertisements for branded products were more favorably evaluated to the degree that the appeals were incongruent with the attitude function associated with the product category (i.e., mismatching appeals had an advantage). This finding converges with the more controlled experimental evidence provided by the other studies, showing that the main conclusions hold even with a much broader set of appeals. Strikingly, even with these “real” stimuli, there was no evidence that the category-function-matching advantage emerged for branded products.

These results give us insight into what brands communicate about products. Branding alters attitude functions, with predictable consequences for persuasion: “Function-matching” appeals that are superior at the category level lose their superior status at the brand level, in part because appeals that are incongruent with categories are more congruent with brands. This has potentially important managerial implications, especially because most advertisements are for brands (rather than categories). It seems that the mere fact that a product has been branded can strikingly alter not only how it is perceived, but also how attitudes towards it can best be changed.