The Influence of Advertising on Decision Strategy

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Prior research suggests that selection and rejection are not complementary strategies and can have different and non-trivial effects. There is currently little understanding however of what motivates consumers to spontaneously use a selection- or rejection-based decision strategy. The present research proposes advertising type (positive, negative or non-comparative) as an antecedent of decision strategy. Two studies provide support for the hypothesis that negative comparative advertisements induce a rejection-based decision strategy relative to positive comparative and non-comparative advertisements. Planned studies that examine the influence of advertising type and decision strategy on attitudes and choice are also discussed.

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Decision strategy is the process used to make a choice: a rejection-based decision strategy occurs when the primary focus of the decision is on rejecting undesired option(s) whereas a selection-based decision strategy occurs when the primary focus of the decision is on selecting the desired option. Prior research suggests that selection and rejection are not complementary strategies and can have different and non-trivial effects on which options are chosen and subsequent satisfaction with those options (e.g. Shafir 1993). Most prior research manipulates decision strategy (e.g. Shafir 1993; Wertenbroch and Dhar 2000). There is currently little understanding therefore of what motivates consumers to spontaneously make decisions using either a selection- or rejection-based decision strategy. Our research investigates one potential antecedent: the influence of advertising on decision strategy and, in particular, comparative advertising. In doing so, we improve our understanding of the psychological mechanisms through which comparative advertising works and may help to explain some inconsistencies in research on the effectiveness of comparative advertising.

Comparative advertising is a long-standing advertising strategy in which comparative evaluations of the advertised brand and the comparison brands on one or more attributes are presented (Goodwin and Elgar 1980). Comparative advertising can be further sub-divided into positive and negative comparative advertising. While negative comparative advertising shows how the comparison brands are inferior to the advertised brand, positive comparative advertising claims the advertised brand as superior to the comparison brands (Jain 1993). We hypothesize that negative comparative advertising will direct consumer attention to the undesirable features of the competitor brand, leading them to use a rejection-based decision strategy to avoid those features. In comparison, positive comparative advertising, with its focus on the positive attributes of the advertised brand, will encourage consumers to use a selection-based decision strategy.

Two experiments provide early support for this hypothesis. Study 1 investigated the influence of advertising type on decision strategy and introduced motivation as a potential moderator. Consistent with much prior research on motivation, whereby advertising claims only influence evaluations under conditions of high motivation (Maheswaran and Meyers-Levy 1990; Shiv, Britton, and Payne 2004), we expected that advertising type (positive versus negative versus non-comparative) would only influence decision strategy when consumers were highly motivated to process the claims. As predicted, advertisement type did not influence decision-strategy under conditions of low motivation. However, under conditions of high motivation, negative comparative advertisements led participants to adopt a rejection-based decision strategy relative to positive comparative and non-comparative advertisements.

Study 2 held motivation constant and high for all participants and instead examined the moderating role of brand familiarity on the relationship between advertising type and decision strategy. Prior research has demonstrated that comparative advertising is more effective for new brands compared to established brands (Iyer 1988). Thus, we hypothesized that, for brands that are highly familiar, consumers would rely on their prior knowledge and simply select the brand they normally use, irrespective of advertising type. However, for new, unfamiliar brands, consumers should rely more on the advertising claims. In this case, negative comparative advertising should lead to a more rejection-based decision strategy while positive comparative advertising should induce a more selection-based decision strategy. Results support this hypothesis. Across three product categories (toothpaste, fast food restaurants, and canned soup,) when the advertised brands were familiar, there was no difference in decision strategy by advertising type. However, when the brands were unfamiliar, negative comparative advertisements led consumers to use a rejection-based decision strategy relative to positive comparative and non-comparative advertisements. Study 2 also generalize the findings by showing the same pattern of results when both single and multiple comparison brands are used.

These two studies provide early evidence that negative comparative advertisements induce a rejection-based decision strategy relative to positive and non-comparative advertisements. Subsequent studies (data currently being collected) seek to understand how the differential adoption of decision strategy after exposure to a certain advertising type influences attitudes towards the advertisement, attitudes towards the brand and ultimately choice. Prior research on the effectiveness of comparative advertising versus non-comparative advertising and, more specifically, positive versus negative comparative advertising has had mixed results (Block and Keller 1995; Sorescu and Gelb 2000). Furthermore, surprisingly little research has been conducted to investigate the underlying psychological mechanisms through which comparative advertising operates. We believe adding decision strategy to these models may help explain inconsistencies in advertising effectiveness results and also provide insight into the process.

Comparative advertising encourages consumers, explicitly or implicitly, to choose between two or more alternatives. At a general level, therefore, we hypothesize that comparative advertising induces a choice frame, while non-comparative advertising induces a rating frame. Much prior research suggests that the task type (choice or rating) can lead to preference reversal (e.g. Nowlis and Simonson 1997), similar to the kinds seen in studies assessing the effectiveness of comparative versus non-comparative advertising. More specifically, as decision strategy has been shown to influence preferences, we further hypothesize that the effectiveness of positive versus negative comparative advertising will be influenced by the decision strategy used. Specifically, we propose that evaluations of the advertisement and brand will be elevated when advertising type and decision strategy are congruent than when they are incongruent.

To summarize, our initial findings demonstrate that advertising type influences decision strategy, providing one of the first investigations of the antecedents of decision strategy. As decision strategy can influence both the actual choice and subsequent satisfaction with that choice, understanding how consumers spontaneously adopt one strategy over another is important. Our findings also contribute to the literature on comparative advertising by shedding light on the process by which positive, negative and non-comparative advertising works and, with data currently being collected, may ultimately help determine the relative effectiveness of such advertising.

References
Advancing the creativity literature, this study explores specifically the social motivations for consumers to engage in creative DIY experiences. Design-It-Yourself, or Do-it-Yourself (DIY), is a type of creative experience in which consumers create handmade, customized objects for private and commercial consumption (Levine and Heimerl 2008). At the time of writing, DIY has broken out of its origins in home improvement (Davidson and Leather 2000) and underground music cultures (Spencer 2005) to encompass a broad range of craft cultures—scrapbooking, art-making, altered books, knitting, jewelry and apparel—all of which privilege the doctrine of the handmade (Lupton 2006, Wherry 2006).

The primary research question asks: From a social networks perspective, why do consumers engage in DIY experiences? Referring to the appropriation and reconciliation of social bonds through creative experiences and artifacts, a theory of social creativity is introduced. Social creativity is seen when designers simultaneously create DIY artifacts and their own social networks through the: 1) transformation of intangible, fleeting relations and experiences into representative, tangible, permanent DIY artifacts, 2) inadvertent reconciliation and appropriation of social bonds vis-à-vis the design of DIY artifacts, and 3) departure from ordinary marketscapes through a multi-layered legitimization of social capital. Through a qualitative, grounded theory study that involves long interviews with 14 DIY designers (Strauss and Corbin 1998; Charmaz 2006), the findings reveal that social creativity enables an assertion of self into a world that is wrought with market-centered meanings that claim responsibility and recognition for drawing consumers together (Diamond, Sherry, et al., forthcoming).

DIY industries have witnessed phenomenal growth in recent years, leading experts to refer to this “new wave of craft” (Levine and Heimerl 2008) to include, for example, the home improvement industry with sales almost doubling from approximately $160 billion in 1999 to $290 billion in 2008 (Home Improvement Research Institute 2009) and the scrapbooking industry, rising from a $500 million industry in 2000 (Fram 2005) to a $2.9 billion industry in 2007 (Craft and Hobby Association 2007). Knitting, once an association of elderly women, has become a cool activity for the young, with a resurgence in popularity for women under 30 who embrace the social, meditative, and political aspects of knitting (Gschwandter and Shirobayashi 2007; Stoller 2004; Greer 2008). Finally, DIY-oriented Internet services such as Etsy and Cafepress offer online resources for consumers to design and sell their products. Since Etsy opened in 2005, over 100,000 DIY designers have opened virtual stores on the web portal.

The recent surge in DIY activity and the increasing number of consumers engaging in creative experiences is suggestive of changing socio-cultural trends among consumers. However, previous studies of creativity largely focus on either the individual psychological motivations from a consumer’s perspective or the factors that affect industrial design from the firm’s perspective. For example, the consumer research literature explores creative experiences as linked to cognitive motivations such as gaining self esteem (Csikszentmihalyi 2000), competence (Watson and Shove 2008) and autonomy (Dahl and Moreau 2007). Meanwhile, the industrial design literature focuses on individual producers’ frames of mind, and how various factors and techniques, such as imaginative thinking, analogic thinking, input constraints and empathy, lead to creative results (Dahl, Chattopadhyay and Gorn 1999; Dahl and Moreau 2002; Moreau and Dahl 2005; Dahl and Moreau 2007; Durgee 2004). In short, there is a gap in the consumer creativity literature regarding social motivations of creativity.

The findings begin to address this gap by revealing that the outcomes of DIY as an artform are not limited to the creation of beautiful meaning-laden arts and crafts, but also include the transformation of mundane minutiae of everyday objects into representations of social bonds and experiences. In this way, consumers engage in DIY experiences to mitigate social isolation and the perceived and actual fragmentation of social networks. More specifically, consumers impute meanings that are gleaned from past times, faraway places, and sought after relational spaces into their current lives. DIY designers actively reconcile the lack or conflict of meaning that exists in their