Unconscious Brand Reactions Influence Financial Decision-Making

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Recent neuroimaging insights indicate that the reward value associated with brands may impact on affective processes underlying choice. In this research, we explore the possibility that brands with affective value can impact on behaviour by influencing affective systems underlying decision-making. Our results indicate that brand images with affective value can shift decision-making towards affectively-driven choices. Furthermore, these effects occur without conscious awareness of the identity of the brand stimuli. These findings provide initial evidence that brands may impact on behaviour outside of the consumer context by modulating affective systems underlying decision-making.

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reciprocation for two of the three dependent variables—self-brand overlap and brand attitude. To explore the nature of this interaction, we conducted a 2 x 2 between-participants ANOVA, separating those above and below the median for both independent variables. As predicted, there was a positive relationship between self-brand similarity and brand relationship closeness that held only when the brand is perceived to equally- or under-reciprocate affection.

These findings have several implications for consumer research. First, they prompt a reappraisal of our understanding of brands from a purely cognitive perspective, where brand equity is a product of brand association and valance (Keller 1993). Our findings suggest that brand liking is the product of a complex parasocial interplay that requires both projection of attitudes and reciprocated liking, at least for high-involvement products such as automobiles. Secondly, our work further specifies the nature of the consumer-brand relationship explored in previous research. We find that similarity of attitudes between the consumer and the brand is one important component of the brand relationship. However, we also find that consumers consider the extent to which their feelings toward the brand are reciprocated. In particular, our findings suggest that self-brand similarity exerts a positive influence on brand relationship closeness, but only when consumers feel that the brand does not like them more than they like the brand. In other words, when consumers feel that the brand over-reciprocates their affections, it seems they are “turned off,” thereby nullifying the effect of self-brand similarity on relationship closeness. In contrast, when consumers feel that the brand equally or even under-reciprocates their affections, our results suggest they are “turned on,” in which case self-brand similarity comes into play. Therefore, when it comes to brand relationships, it is not necessarily the case that consumers and brands of a feather flock together. Consumers must also feel that the brand is a catch, and that a relationship with that brand is not easy to come by.

References

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Abstract
Recent neuroimaging insights indicate that the reward value associated with brands may impact on affective processes underlying choice. In this research, we explore the possibility that brands with affective value can impact on behaviour by influencing affective systems underlying decision-making. Our results indicate that brand images with affective value can shift decision-making towards affectively-driven choices. Furthermore, these effects occur without conscious awareness of the identity of the brand stimuli. These findings provide initial evidence that brands may impact on behaviour outside of the consumer context by modulating affective systems underlying decision-making.

Introduction
Recent research indicates that exposure to goal-relevant brands automatically primes goal-directed behaviour, even without conscious awareness of the stimulus (Fitzsimons, Chartrand, & Fitzsimons, 2008; Chartrand, Huber, Shiv, and Tanner, 2008). An Apple logo may prime creative behaviour, or a Disney logo may prime honesty. These data indicate that brand exposure can moderate the salience of pre-existing behavioural goals, and may operate via mechanisms that are at least partially inaccessible to conscious introspection.

Increasingly, research drawing on neuroscientific techniques supports the idea that favoured brands may act as reward cues that moderate decision-making. Brand or product preference preferentially engages neural regions associated with reward processing (Plassmann, Kenning, Deppe, Kugel, & Schwindt, 2008; Schaefer & Rotte, 2007); and neural regions that mediate the influence of affect in decision-making (e.g. Deppe et al., 2005; Erk, Spitzer, Wunderlich, Galley, & Walter, 2002; Plassmann et al., 2008; Schaefer, Berens, Heinze, & Rotte, 2006). Further, the reward value associated with stimuli may bias decision-making in the absence of conscious processing (Pessiglioni, Petrovic, Daunizeau et al., 2008). These findings may have important consequences for brand theory. Affective brand responses may impact on behaviour via the modulation of affective processes in parallel with activation of brand-related schema in the absence of conscious processing. In this research we sought to examine these processes. We posed the question: Would unconscious presentation of a brand with affective value impact on decision-making behaviour that is susceptible to the influence of affective motivational states?
Brands and affective bases of decision-making

To consider these effects, we examined a scenario in which an individual is faced with a decision that is susceptible to the influence of affective motivational states—a choice between an immediately available monetary reward and another that is available only after a delay. This scenario pits drive the emotionally-driven drive for impulsive gratification against more reasoned and less impulsive choice behaviour (Hoch and Lowenstein, 1991). Crucially, incidental affective states impact on the extent that delayed rewards are valuable. For example, males devalue delayed financial rewards more heavily after exposure to images of attractive females (Wilson & Daly, 2004). Furthermore, decisions that favour immediate rewards have been shown to engage neural regions linked with affective processing, particularly those associated with reward processing (McClure, Ericson, Laibson, Loewenstein, & Cohen, 2007; McClure, Laibson, & Cohen, 2004).

Hypothesis Development

We believe that favoured brands may act on such decision-making processes. By acting as reward cues, we propose that brands with affective value may directly prime affective processes underlying decision-making mechanisms, and will bias decisions between earlier and later monetary rewards towards earlier reward options. We predict that subliminal presentation of a brand with affective value will prime significant devaluing of delayed financial rewards than other priming stimuli with lesser affective value.

Method

One hundred and thirteen undergraduate college students participated in a computer-based temporal discounting task which offered a series of choices between an immediate reward of $20 and a reward of higher value to be paid at one of six possible delays (1, 10, 21, 55, 90 180 days). Each choice was preceded by the subliminal presentation (16 ms pre- and post-masked) of one of four priming image types: a brand logo (Apple or Windows); a smiling face, or a household object. Participants completed the discounting task four times, once for each of the priming image types. The principal dependent variable was the subjective value assigned to delayed rewards when subliminally primed by each of the four image types. Following the discounting task, participants completed a five-item brand affect scale which incorporated seven-point ratings of brand salience, brand affective value, brand ownership, desire to own brand products, and intention to purchase branded products within the next six months.

Results

Seven participants with discounting rates greater than three standard deviations above the median discounting rate were removed from the data set. Paired t-tests examining brand affect scale ratings indicated that ratings for Apple were significantly higher than for Windows overall, t(103)=3.40, p=.001, and on individual scale item ratings of affective value, t(103)=2.20, p<.05, desire to own, t(103)=5.26, p<.001, and intention to purchase, t(103)=5.40, p<.001. Responses to the smiles priming condition are not examined in this paper. A repeated measures analysis of variance examined the impact of priming condition (3-Apple, Windows, Neutral) and reward delay time (6) on subjective value of delayed rewards for the remaining 106 participants. Main effects of image priming condition, F(2,10)=4.10, p<.05, and delay time, F(5,525)=495.69, p<.001, were observed, whereas an interaction between priming condition and delay time, F(10,1050)=41, p=NS, was not observed. Delayed rewards were significantly less valuable when preceded by an Apple logo than when preceded by a Windows logo, t(105)=1.92, p<.05, one-tailed, or a neutral image type, t(105)=2.62, p=.005, one-tailed. Thus, the experimental hypothesis was supported.

Discussion

Our results indicate that the affective value associated with a brand may impact on unrelated decision-making processes. Following presentation of the Apple logo, participants were more likely to choose an immediate reward than when primed by other image types. Further, the impact of this affective value on behaviour occurred without conscious awareness of the priming images. Thus, our findings support a proposal that brand images can impact on behaviour by communicating affective value in the absence of conscious awareness of the stimulus. These findings provide initial evidence that brands may impact on behaviour outside of the consumer context by modulating affective systems underlying decision-making. In addition, an initial analysis indicates that when primed by a favoured brand, preference for immediate rewards is linked with faster response times than preference for delayed rewards, and is insensitive to decision-difficulty. Further analysis of these data will examine the role of heuristic decision-making processes associated with choices for immediate rewards and may provide further support for an affective mechanism evoked by unconscious brand presentation with impact on decision-making processes.

References


**Insights into the Concept of Underconsumption and the Internal and External Mechanisms Consumers Utilize to Underconsume**

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**Abstract**

While prior research has used the term underconsumption to characterize certain behavior patterns in consumers (e.g. Heath and Soll 1996), research is currently lacking an understanding of the phenomena of underconsumption. The current research aims to define the construct of underconsumption based on previous consumer research, including research on topics such as frugality (Lastovicka et al. 1999), tightwaddism (Rick, Cryder, and Loewenstein 2007), and hyperopia (Haws and Poynor 2008). Furthermore, this research also provides an understanding of the external and internal mechanisms that consumers utilize to maintain lower amounts of consumption. An exploratory study is conducted to delineate the construct of underconsumption and investigate the mechanisms that consumers utilize.

Prior research has used the term underconsumption to describe patterns in consumer behavior (e.g. Heath and Soll 1996), but an understanding of the concept itself and the mechanisms that consumers utilize to maintain underconsumption behaviors are still unknown (Lee, Fernandez, and Hyman, 2009). In the current research, literature related to frugality (Lastovicka et al., 1999), tightwaddism (Rick, Cryder, and Loewenstein, 2007), and hyperopia (Haws and Poynor, 2008) are used to provide an understanding of underconsumption. Additionally, this research also attempts to understand the mechanisms that consumers utilize in order to underconsume. The ultimate goal of this research is to generate a comprehensive model which explains the antecedents to consumer underconsumption.

**Defining Underconsumption**

Three related topics of research provide a framework for defining underconsumption. Lastovicka et al. (1999) define frugality as a consumer lifestyle trait in which individuals are restrained in acquiring and resourcefully using economic goods and services to achieve longer-term goals. Tightwads are classified as those whose affective reaction to spending leads to less consumption than the individual’s more deliberate self would prefer (Rick et al., 2007). Lastly, hyperopia is defined as the deprivation of hedonic experiences due to excessive overwork and the need for control at one’s job (Kivetz and Simonson 2002). While each of these classifications is unique, they all involve lesser amounts of consumption relative to others of similar background and status. Therefore, using these three types of underconsumption, overall underconsumption is defined as consuming fewer goods, services, and experiences than others of similar demographic and socioeconomic status. Since underconsumption consists of frugality, tightwaddism, and hyperopia, these concepts should be empirically related to one another.

**Mechanisms that Influence Underconsumption**

In addition to developing the concept of underconsumption, the current research also investigates the mechanisms consumers utilize to underconsume. Frugal consumers and tightwads experience affective reactions during consumption decisions, while hyperopic consumers do not. Frugal consumers derive pleasure from saving to meet long-term goals, while tightwads experience anticipatory pain toward spending (Rick et al. 2007). Since these forms of underconsumption involve the recognition of future affect, self-control and willpower should help consumers avoid the perceived negative affect that is related to present consumption. Self-control refers to the general strategies that one imposes individually in order to maintain consistency in behavior, while willpower relates to the tactics such as precommitment, economic cost assessment, and regret and guilt that allow people to overcome their desires (Hoch and Loewenstein 1991). A greater presence of these internal mechanisms should lead to increased levels of tightwaddism and frugality as consumers will manage and control their desires in order to meet their affect-laden consumption decisions.

Since individuals are inherently different in their ability to regulate their own consumption levels (Tangney, Baumeister, and Boone 2004), the hyperopic consumer is expected to use different mechanisms. Recall that a hyperopic consumes less due to overwork and the need for control. This very imbalance is the mechanism that the hyperopic consumer utilizes. Desire control, which consists of avoidance, postponement, and distraction, involves the manipulation of one’s own reference points in order to reduce the frustration they experience in consumption decisions (Hoch and Loewenstein 1991). Therefore, hyperopic consumers use work and other precommitments as external mechanisms to avoid consumption situations instead of relying on the internal mechanisms of self control and willpower that tightwads and frugal consumers utilize.