How Brands Shape Newness Perceptions

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Numerous innovations fail - often because they are perceived as lacking novelty. We demonstrate how innovation novelty is influenced by a previously unexplored factor: the brand used to introduce it. Four studies show that perceived novelty is determined by the level of abstractness of a brand’s overall associations.

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EXTENDED ABSTRACT

To be successful, innovations should be perceived as novel and different from existing alternatives (Gatignon and Xuereb 1997, Hernandez and Szymanski 2001). The handful of studies that explored the antecedents of novelty focused on either firm characteristics and new product development strategies (Sethi et al. 2012; Sethi et al. 2001) or consumer categorization processes (Selinger et al. 2006). With respect to launching new products, research shows the merits and increasing popularity of introducing products as brand extensions (e.g., Aaker and Keller 1990; Broniarczyk and Alba 1994; Stahl et al. 2012). For innovations introduced as extensions, an element that may heavily determine extension newness perceptions, is the brand used to introduce it. In this research, we explore the impact of parent brand typicality on extension newness perceptions. The strong context anchoring of long-established, typical brands like Jeep has been shown to create a unique advantage relative to other brands (Carpenter and Nakamoto 1989). However, it has also been argued to present a possible innovation disadvantage (Aaker and Keller 1990; Farquhar et al. 1992), as it intuitively may make people think inside the box. Yet, we counter-intuitively predict that brand typicality may help rather than hinder novelty perceptions.

In particular, we examine whether the type of dominant associations a brand evokes might affect the perceived novelty of its new products. We distinguish between types of brand association based on their level of abstraction: concrete attribute-based associations (i.e., physical product features) versus abstract associations (i.e., not directly related to physical product features). We argue that typical brands (i.e., brands strongly associated with a specific category and core category attributes) evoke more concrete attribute-based associations, whereas less typical brands (i.e., brands not strongly associated with a specific category) tend to evoke relatively more abstract associations. We argue that both types of brand associations affect perceived novelty differently.

Since novelty perceptions are relative judgments, they require a context against which novelty is assessed. Therefore, novelty of a new product is most likely assessed against the context of existing alternative products. Brands – by activating certain associations in consumers’ minds – might influence this comparison context. We posit that attribute-based associations evoked by typical brands provide consumers with a concrete context of existing product features. This context allows a direct comparison between the new product’s features and existing ones. This might draw attention to which features of the new product are new and different from existing ones, which might increase newness perceptions. For less typical brands we do not expect such effect as they are less likely to carry concrete attribute-based associations. Four empirical studies offer converging support for our predictions.

A first experiment (N=42) was designed to test the assumption that typical brands evoke more attribute-based associations compared to less typical brands. In this experiment, participants were confronted with either a typical or a less typical brand from two product categories. We asked participants to list which associations were triggered by these brands. Subsequent analyses confirmed that typical brands trigger a larger number of attribute-based associations.

### Table 1: Overview of the Experiments

<table>
<thead>
<tr>
<th>Experiment 2</th>
<th>Experiment 3</th>
<th>Experiment 4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Impact of typicality on novelty (regression coeff.)</strong></td>
<td>Perceived novelty (mean) as a function of brand typicality</td>
<td>Close extensions Distant extensions Consistent manipulations Inconsistent manipulations</td>
</tr>
<tr>
<td>Brand typicality</td>
<td>Brand typicality</td>
<td>Brand typicality</td>
</tr>
<tr>
<td>Low</td>
<td>Medium</td>
<td>High</td>
</tr>
<tr>
<td><strong>Photo Camera</strong></td>
<td>.151 (t = 2.87)*</td>
<td>4.30 (1.01)*</td>
</tr>
<tr>
<td><strong>Chocolate</strong></td>
<td>.169 (t = 2.97)**</td>
<td>3.49 (1.65)*</td>
</tr>
<tr>
<td><strong>SUV</strong></td>
<td>.211 (t = 4.22)*</td>
<td>3.84 (1.60)*</td>
</tr>
<tr>
<td><strong>Beer</strong></td>
<td>.151 (t = 2.87)*</td>
<td>4.30 (1.01)*</td>
</tr>
<tr>
<td><strong>Ketchup</strong></td>
<td>4.39 (1.31)*</td>
<td>5.31 (1.17)*</td>
</tr>
</tbody>
</table>

Note.—Experiment 1 reveals that brands scoring high (low) on typicality tend to carry more concrete attribute-related (abstract non-attribute related) brand associations. These results were omitted from this table for reasons of clarity. Experiment 2 uses a regression model to test the impact of brand typicality on perceived novelty of new products. For all product categories tested, perceived novelty is significantly, positively influenced by brand typicality. Experiment 3 uses ANOVA to test the impact of brand typicality on perceived novelty of new products. The mean scores on perceived novelty for each condition are presented in the table. The data shows that brand typicality significantly increases perceived novelty for extensions into similar, but not to dissimilar, product categories. Experiment 4 uses an additional manipulation that affects perceived novelty: construal level. The table presents the mean perceived novelty score under each experimental condition. ANOVA was used to test their significance. Results show that when both the type of brand (typicality low or high) and construal level (concrete or abstract) affect perceived novelty in a consistent direction, the effect of typicality persists. If not, both effects level each other out.

* significant at $p<.001$ significance level  ** significant at $p<.01$ significance level  *** significant at $p<.05$ significance level

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compared to less typical brands. The total number of non-attribute-based associations shows the expected opposite pattern. The differences were even stronger when we focused on the top-of-mind associations: attribute-based associations (M Typical = 1.30, SD = .57 versus M Less Typical = 0.65, SD = .47; z = -3.556, p < .001); abstract associations (M Typical = 0.67, SD = .57, M Less Typical) = 1.24, SD = .45, z = -3.256, p < .001).

The goal of the second experiment was to establish the link between brand typicality and perceived newness of new products introduced by that brand. To test this, we ran an online experiment among 1047 participants in which each participant rated the novelty of a new product introduced by either a brand low, medium, or high in typicality. We tested our predictions across three different product categories for generalizability. A regression analysis showed that typical brands increase novelty perceptions of new products (β = .214 (t = 7.080, p < .001)). We observed this effect of brand typicality on perceived novelty of new products in each product category tested.

A third study (N=1030) tests a boundary condition of the effect found in study 2. In particular, we find that the effect of typical brands on perceived novelty is limited to new products introduced in the brand’s core category (i.e., close extensions) and not for dissimilar product categories (i.e., distant extensions). This finding offers additional support for the notion that brand associations drive novelty perceptions. Attribute-based associations (physical product features) are only useful in assessing the novelty of a new product if they can be used as a comparison point. This is true for new products introduced into the brand’s own category (e.g., Jeep introduces a new type of 4x4), but not for dissimilar new products (e.g., Jeep introduces a new type of city scooter). We documented this boundary condition across three product categories.

A final study (N=231) aims for convergence by influencing novelty perception through an additional manipulation: construal level. Previous research found that individuals with a concrete (abstract) mindset tend to focus on dissimilarities (similarities) between objects, which might also affect perceived novelty of new products. Experiment 4 combines a construal level and brand typicality manipulation to test their joint effects. Across two product categories, we find that both factors affect perceived novelty, as expected. In particular, we show that when both manipulations drive novelty perceptions in consistent directions, the effect of typicality on perceived novelty remains significant, whereas inconsistent manipulations level each other out.

This research demonstrates, for the first time, that brands can influence extension newness perceptions. Specifically, we show that a new product launched using a brand that is typical for the category is perceived as more novel than it would be if launched by a less typical brand. We also provide evidence for the underlying mechanism. We argue that attribute-based brand associations make people focus on dissimilarities, and as such facilitate novelty perceptions. This insight has considerable business value, as it shows that managers can influence the perceived novelty of an innovation by carefully considering the brand to launch it.

REFERENCES


