Better Not Smile At the Price: the Contradictory Role of Brand Anthropomorphization on Price Fairness

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The results demonstrate that consumers form more negative attributions of price fairness when a brand is anthropomorphized (vs. non-anthropomorphized) with a price increase (vs. decrease). Consumer self-construal moderates this effect. Inferences of a brand’s motive for a price change explain the pattern of results.

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EXTENDED ABSTRACT
As corn prices were nearing record highs in the summer of 2012, followed by the rising cost of gas, electricity, airfares, bread, coffee, and fresh fruits, consumers saw significant increases in their shopping bills (Hough 2012). To exemplify, during several subsequent years, Michelin, the world’s second largest tire maker, was forced to raise its prices to offset the increase of the cost of raw-materials. In turn, prices of the truck tires of its major competitors, Bridgestone and Firestone, continued to grow, as well. In these examples, the marketing positioning strategy of the Michelin brand has been to endow its brand with human features in its marketing communications, whereas the Firestone brand has not been positioned with such humanized features. Will consumer price fairness evaluations regarding a price change differ dependent upon whether a brand is anthropomorphized vs. non-anthropomorphized? This research addresses this question.

With the emerging trends of market price increases, firms are becoming more concerned with consumer hostile reactions to price hikes, as these firms’ profitability is constrained by consumer perceptions of what is considered to be a fair price (Bolton and Alba 2006; Wu et al. 2012). Price fairness encompasses consumers’ perceptions of a price as right, legitimate, and just (Campbell 2007; Homburg, Hoyer, and Koschat 2005). Given the importance of price fairness, researchers have begun to address this topic. However, the majority of prior research on price fairness has primarily focused on factors that are intrinsic to the price per se. That is, researchers have examined consumers’ attributions of a firm’s motive for a price change (Bolton and Alba 2006; Campbell 1999; Haws and Bearden 2006), consumer thoughts regarding previous or competitor prices (Bolton, Warlop, and Alba 2003), and consumer knowledge regarding appropriate pricing strategies (Xia, Monroe, and Cox 2004). Yet, research has been especially sparse in terms of investigating the factors that are extrinsic to a price change. The current research fills this gap in the literature and demonstrate that consumer price fairness perceptions when there is a price change will differ dependent upon the brand positioning strategy (i.e., anthropomorphized vs. non-anthropomorphized brand). The research examines both price increases and price decreases.

With this research, we attempt to provide several theoretical contributions. First, we demonstrate that brand anthropomorphization has a more detrimental effect on consumer judgments of price fairness when a brand raises its price (Table 1). Evidence in support of this proposition comes from the theoretical argument that, as consumers perceive brands as mindful and capable of performing intentional actions (Kim and McGill 2011; Puzakova, Kwak, and Rocereto 2013), they are more likely to attribute a negative motive for a price increase by an anthropomorphized (vs. non-anthropomorphized) brand. In this regard, we establish that no differences in price fairness exist between anthropomorphized and non-anthropomorphized brands for price decreases. Second, we demonstrate that the negative effect of brand humanization in instances of price increases is not universally negative and, instead, depends upon the type of cognitive processes that consumers employ to arrive at a causal judgment of a behavior. Recent research on self-construal (Ahuwalia 2008; Zhang and Mittal 2007) has opened up the possi-

Table 1: Cell Means and Standard Deviations in Study 1

<table>
<thead>
<tr>
<th></th>
<th>Price Increase</th>
<th>Price Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>AB</td>
<td>NAB</td>
</tr>
<tr>
<td>Price Fairness</td>
<td>1.90 (.83)</td>
<td>2.59 (1.07)</td>
</tr>
<tr>
<td>Inferred Motive</td>
<td>2.48 (.83)</td>
<td>3.14 (1.22)</td>
</tr>
</tbody>
</table>

Notes: AB = anthropomorphized brand; NAB = non-anthropomorphized brand. Standard deviations are in parentheses.

Overall, we conduct two studies to provide important theoretical and managerial contributions to the price fairness and brand anthropomorphism literature. First, this research contributes to the work on price fairness by shedding light on consumer perceptions of price fairness in situations of price changes by anthropomorphized vs. non-anthropomorphized brands (Studies 1-2). Second, this research enhances the theory of anthropomorphism by investigating the role of self-construal on consumer judgments of anthropomorphized brands and its underlying processes (Study 2). Third, understanding responses to price changes by consumers with interdependent vs. independent self-construals is not only theoretically important but might also open up new possibilities for marketers to use self-construal as a customer segmentation and prioritization variable.
REFERENCES


____________ (2007), “‘Says who?!’ How the source of price information and affect influence perceived price (un)fairness,” Journal of Marketing Research, 44 (May), 261-71.


