Framing the Game: How Positioning Brands in Competition Can Be Strategically Used to Increase Brand Value

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We explore how the competitive context affects consumers’ responses to brands and find that consumers like small brands more when they compete with big brands and like big brands less when they compete with small brands. This effect is mediated through a process of politicized consumption.

[to cite]:

[url]:
http://www.acrwebsite.org/volumes/1015609/volumes/v41/NA-41

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EXTENDED ABSTRACT

A prominent narrative in contemporary consumer culture is one in which “category killer” brands like Amazon, Starbucks, Home Depot, and Wal-Mart are forcing mom and pop independent bookstores, coffee shops, hardware stores, and retailers out of business. The narrative tells us that consumers are switching their loyalties from independently owned and operated businesses to big box retailers (Hosein and Hughes 2006; Spector 2005). However, recent anecdotal evidence suggests this narrative misses part of the story. For example, when Coldstone Creamery, a national chain, moved in across the street from independently-owned J.P. Licks ice cream in Newton, Massachusetts, consumers rallied around J.P. Licks and drove Coldstone out of town. When Starbucks moved in next door to Los Angeles’ Coffee Bean and Tea Leaf, sales at the local café ironically went up. This activity suggests that consumers may be willing express their political will in the marketplace and protect small, independent brands from aggressive competition. In this article, we explore the effect of competitive framing, positioning brands in competition with one another, and show that small brands can paradoxically benefit from having a large competitor. Unlike prior research that focuses on the dyadic relationship between a consumer and a brand, we provide a networked understanding of how consumers assess brands not in isolation, but as part of a competitive system. We explore the effects of competition and show how changing the competitive framing of the marketplace positively and negatively affects consumers’ support for the brands within it. Our results show that consumers’ brand evaluations are not dependent only on dyadic interactions between a consumer and a firm, but rather are also influenced by the web of competitive relationships within which the brand is entangled. Work on separate versus joint evaluations (Hsee et al. 1999) provides support for our theory that consumers’ preferences for brands may shift depending on their perception of the competitive context. People justify their decision when products are assessed together versus when they are assessed alone, inserting social approval into the decision calculus (Curlay, Yates, and Abrams 1986; Tetlock 1985), making consumers more likely to choose in a manner consistent with societal or peer expectations, than a more self-interested one.

Our theory and empirical findings demonstrate the importance of considering consumers’ perceptions of the brand’s competitive context and competitive behavior. Brands, both big and small, can use the framing the game effect to motivate or mute political consumption. We offer positioning advice for both small and large firms for either highlighting or downplaying competitive aspects of their industry and strategy. We illuminate how small brands can benefit from the real or perceived presence of a large competitor and how big brands can suffer when they are perceived as being too aggressive in competitive arenas. Our theory shows that small, independent brands should highlight their competitive context and encourage consumers to reframe consumption as a political, rather than an economic act. Large, corporate brands should avoid invoking competition narratives, especially when they are competing against small, independent brands.

REFERENCES


Hosein, Hanson and Heather Hughes (2006), *Independent America: The Two-Lane Search for Mom and Pop: CreateSpace.*


