The Effects of Comparative Processing and Mitigating Information on Customer Choice of a Brand With Negative Attributes
Steven Koppitsch, Bowling Green State University, USA

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EXTENDED ABSTRACT

As consumers, we hear negative news stories about companies and also hear positive information about the benefits of those companies’ products. How does this mixture of information influence purchases? Firms would benefit from being able to understand how consumers process the information gained from news sources and knowing how these stories impact purchase patterns. This research examined customers who have learned negative information about a company to see how comparative processing of information impacts product choice. In comparative processing, individuals give an evaluation on one object based on how it compares to suitable alternative options (Sanbonmatsu et al. 2011). This is different than selective processing, in which individuals instead make judgments based on an object’s own features while ignoring other options.

This paper explores how positive and negative information regarding a brand influences consumer decision-making when comparative processing is encouraged. The results show that when consumers receive mitigating information about a brand’s negative actions or features (e.g., that a firm’s pollution levels were out of its control due to government regulations), that mitigating information influences choice when the consumer engages in comparative processing and is thinking about the tradeoff between positive and negative information.

Prior research has found that limiting cognitive resources appears to decrease comparative processing and favor selective processing (Sanbonmatsu et al. 2011). Additionally, people engaging in selective processing have a propensity to focus on positive information (Posavac et al., 2006). This positivity bias means that people focus on the positive aspects of a product when making an evaluation while discounting the value of negative information. This suggests that someone engaging in comparative processing will focus less on a product’s positive attributes and give more weight to negative information than someone engaging in selective processing. This greater weight to negative information suggests that those engaging in comparative processing when making purchase decisions should have a lower propensity to select a brand with negative information than those who are not engaging in comparative processing.

Hypothesis 1: Engaging in comparative processing prior to choice decreases consumers’ choice of a brand that has a negative attribute when compared to a customer who is not engaging in comparative processing.

When a firm has done something negative, its customers are likely to have a more negative reaction to the company’s actions if the customers believe that the firm had control over the problem when compared to customers who do not feel the failure was controllable by the firm (Folkes, 1984). If that company provided mitigating information that suggested the cause of the negative information was uncontrollable, this could affect customer perceptions. This mitigating information can have different effects depending on whether the consumer is engaging in comparative processing. If engaging in comparative processing, the customer is more likely to be influenced by mitigating information than customers who are not.

Hypothesis 2: Customers engaging in comparative processing about a product with negative information are more likely to be influenced by mitigating information about the company than customers who are not engaged in comparative processing.

An experimental study with a 2x2 between-subjects factorial design in which the manipulated factors were the ability to engage in comparative processing and whether participants received mitigating information about the firm’s pollution was conducted. The results of the study support the above hypotheses.

When engaged in a purchase-related task, there was a significant main effect for cognitive processing for the negative brand, with participants rating the negative brand lower if engaging in comparative processing when compared to a distraction condition.

However, in a non-purchase related task in which participants were choosing a sample, participants who were engaged in comparative processing and received mitigating information about the negative information were more likely to want to sample the negative brand than other participants. These results suggest that the thought process was different when participants were thinking about actually purchasing a product. In the purchase situation, the comparative processing seems to have made participants less willing to validate the negative information about the brand.

The study advances the theory on comparative processing by exploring how consumers process product information when they have access to both positive and negative information about the product and its manufacturer. Selective processing of information in which a person focuses on an object’s features in making judgments results in a bias towards positive information about the target (Posavac et al., 2006). Because people focus on the positive information, this means that selective processing (i.e., when people do not engage in comparative processing) leads to greater likelihood of choice for a product when compared to someone engaging in comparative processing. Comparative processing, on the other hand, focuses attention away from the positive aspects of the product and includes more of a focus on negative information compared to selective processing.

These results provide some insight as to what managers can do to help reduce the negative impact of negative news stories. Most obviously, firms can release mitigating information that helps reduce the negative impact of these stories. Since there was a main effect for the presence of mitigating information on attitude towards the brand, providing this type of information will help improve consumer attitude. If the company does release mitigating information, it should encourage consumers to focus on the tradeoff between the negatives and positives of the product’s features. For example, the company could issue a release that not only acknowledges the issue (pollution), but also informs consumers about the steps being taken to correct the issue (apply for permits to upgrade equipment) or provides other mitigating information such that the facilities met prior emission standards.

REFERENCES
