Exploring the Effectiveness of the Label “New” in Product Packaging and Advertising

Jiska Eelen, VU University Amsterdam, The Netherlands
Peeter Verlegh, VU University Amsterdam, The Netherlands
Bram Van den Bergh, Erasmus University Rotterdam, The Netherlands

In four studies (in the lab, online, and in the supermarket) the authors demonstrate that a “new” label on product packages and in advertising leads to positive consumer responses towards the products. By means of moderation, mediation and eye tracking it is shown that a curious mindset underlies the effect.

[to cite]:

[url]:
http://www.acrwebsite.org/volumes/1020261/volumes/v43/NA-43

[copyright notice]:
This work is copyrighted by The Association for Consumer Research. For permission to copy or use this work in whole or in part, please contact the Copyright Clearance Center at http://www.copyright.com/.
Exploring the Effectiveness of the Label “NEW” in Product Packaging and Advertising
Jiska Eelen, VU University Amsterdam, The Netherlands
Peeter W. J. Verlegh, VU University Amsterdam, The Netherlands

EXTENDED ABSTRACT
Every day consumers are exposed to novel products. The label “new” is often used on product packages and in advertising of innovations, but how effective is it? In which circumstances is it good to make use of the label? Intuitively, it could be argued that the word “new” is not very informative and may not, in itself, trigger any consumer responses. In contrast, people are afraid of the unknown, and as such the label could invoke responses of avoidance within consumers. Too much novelty can give rise to feelings of anxiety (Berlyne 1960) and can sometimes lead to lower trial probability (Steenkamp and Gielens 2003). However it is also suggested that people have a drive to seek out information about novel products (Hirschman, 1980). Because the future is uncertain, exploring product innovations might be beneficial sometime later. In this research we empirically demonstrate that the presence of a simple verbal “new” label on product packages and in advertising is effective. Moreover, we show that its effect is driven by a boost in curiosity that instigates positive consumer responses.

In a first online experiment we found that a washing detergent of a familiar national brand was evaluated more positively with a “new” sticker on the bottle than without the sticker (between-subjects design, N = 65). The new label led to a more positive product attitude, and to a greater purchase and word of mouth intention. As literature suggests, positive effects of novelty might be driven by exploration (Hirschman, 1980). This was tested explicitly in the follow-up studies.

In Study 2, we tested the label in the field. For one week, we organized a taste booth in a supermarket where consumers could walk by and try out a cup of a known chocolate drink. The bottles at the booth were presented without label, a label “whole milk” (i.e., a control label, the drink was made of whole milk), or a label “new”. Hours of the day of label presentation were counterbalanced. We found that significantly more people visited the stand when the bottles were presented with the new label than with the control label or without label. Visitors who had tasted the product were requested to fill in a questionnaire to evaluate the product (purchase intention, product attitude, taste, quality, price/quality perception). At the end of the questionnaire, they were invited to tell how they felt in the supermarket at that moment (including curiosity items, and filler items such as cold/warm). Overall we found that all dependent measures were significantly more positive when consumers had tasted the “new” product than in the other two conditions. Moreover, consumers in the “new” condition felt more curious, and all positive evaluations were contingent on that feeling.

Direct evidence for the impact of the new label on exploration is provided by Study 3 in which eye movements of participants (N = 132) were tracked while they scrolled through an online magazine containing several advertisements. The lab experiment had a 2 (label: no label vs. new label) x 2 (advertising clutter: absent vs present) between-subjects design. We measured attention for the brand elements (Pieters, Warlop and Wedel 2002) in the target advertisements. For half of all participants the target advertisements were presented among four other advertisements that created advertising clutter. In line with earlier findings, advertising clutter reduced attention for the advertisements. However when the new label was present, attention was boosted to the level of participants who watched the advertisements without experiencing clutter. Hence, as in Study 2, it was demonstrated that the “new” label boosts exploration. Interestingly, the study points to real-life circumstances in which exploration or interest for marketing is low (i.e., advertising clutter) that make the label more effective.

In Study 3 we predicted that if the “new” label triggers exploration, the impact of the label on consumer responses should be similar to that of an exploration mindset. Therefore we manipulated the mindset of consumers, and had them focus on what was usual or unusual. We know from prior research that unusual circumstances instigate exploration (Berlyne 1950; Verplanken and Wood 2006), whereas habitual circumstances lower the chance of detecting changes in the environment (Fazio, Ledbetter and Tovles-Schwen 2000). The experiment had a 2 (mindset: habitual vs. exploration, between-subjects) x 2 (label: no label vs. new label, between-subjects) x 2 (product: tea, vitamin drink, within-subjects) mixed design. Participants (N = 154) were recruited online through a market research agency and were requested to give their opinion about several products after describing what was usual (or unusual) about the day. Overall, the products were liked more (i.e., product attitude, brand attitude or purchase intention) in the exploration mindset condition than in the habitual mindset condition; and more with the new label than without. Most importantly, individuals with a habitual mindset who saw the products with a new label liked the products more than those with a habitual mindset who saw the products without label. As expected, the new label boosted product liking to the level of those in the exploration mindset, indicating it had a similar effect.

In sum, we find that a “new” label on product packages and in advertising gives rise to positive feelings towards the observed product. We show that the new label triggers an explorative or curious mindset in consumers, both by measuring and manipulating exploration. This is in line with theories (Berlyne 1960; Hirschman 1980) and empirical research (Steenkamp and Gielens 2003) about novelty seeking suggesting that moderate product novelty gives rise to positive consumer responses. In further research it could be investigated explicitly whether the label is more effective for incremental changes in products (e.g., line extensions) rather than radically new products. It is remarkable that the “new” cue did not lose its influence on decision making when intrinsic cues, such as taste, were made available. The “new” cue even biased taste perception, like price does (Plassmann, O’Doherty, Shiv and Rangel 2008). It could be investigated how the cue can be turned off to make judgments more “rational”.

REFERENCES
