When Bigger Isn't Better: How Perceptions of Market Dominance Interact With Existing Brand Images to Impact Brand Favorability

Jennifer Stoner, University of North Dakota, USA
Carlos Torelli, University of Illinois, USA

Brands that are market dominant are often described and perceived as powerful. This powerful image may conflict with other brand images, namely warmth. We find that communicating dominance over competitors can negatively impact consumer perceptions of brands with warm images.

[to cite]:

[url]:
http://www.acrwebsite.org/volumes/1021573/volumes/v44/NA-44

[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/.
When Bigger Isn’t Better: How Perceptions of Market Dominance Interact with Existing Brand Images to Impact Brand Favorability

Jennifer L. Stoner, University of Minnesota, USA
Carlos J. Torelli, University of Minnesota, USA

EXTENDED ABSTRACT

Brands often communicate their dominance through slogans and advertisements. Although business publications often refer to dominant brands as powerful brands, research has not explicitly acknowledged that consumers might perceive power in market dominant brands. This research directly assesses this possibility and demonstrates that communicating dominance can have unintended consequences for consumers’ reactions to these communication messages.

Research by Fragale, Overbeck, and Neale (2011) demonstrate that powerful people are perceived to lack warmth. Powerful people are known to behave in ways inconsistent with what is expected from a warm person (Galinsky et al. 2006; Rucker, Dubois, and Galinsky 2011). Therefore, we propose and find in four studies that a message communicating market dominance which is seen as an embodiment of power dilutes the image of a warm brand and hence are negatively evaluated by consumers.

Study 1 investigated our hypothesis using a fictitious soap brand. Participants viewed a description of a brand that positioned it as having a warm brand image. After reading the description, participants viewed an advertisement for the brand that either communicated the brand’s dominance over competitors or one that communicated an equal amount of competence (but not dominance). Participants then completed 4-items measuring their attitudes towards the brand. An ANOVA showed that participants evaluated less favorably the warm brand promoted with a market dominant (vs. competent though not market dominant) message ($M = 3.89$ vs. $4.41$, $F(1, 79) = 4.14$, $p < .05$).

Study 2 replicated this effect using a stricter version of the control advertisement, one that communicated only a brand logo and product image. This study also used fictitious brands from three different product categories and explored the mediating role of dilution of the brand image. After viewing a warm brand description, participants viewed either a market dominant or control ad. They completed the same favorability measures from Study 1 as well as 3 items of brands image warmth. An ANOVA revealed a main effect of type of advertisement ($F(1, 164) = 6.23$, $p < .05$) with the market dominant (vs. control) message receiving less favorable brand evaluations ($M = 4.27$ vs. $4.77$). This effect was significantly mediated by the warmth of the brand’s image (95% CI of the indirect effect = -0.64 to -.20).

Given that market leadership has its benefits (Kamins, Alpert, and Perner 2003) in Study 3 explores a way for marketers of warm brands to communicate market leadership without the negative effect of market dominance. By framing the brand’s market dominance as a descriptive norm (e.g. “More people buy Brand X”), marketers can avoid the power associations of a market dominant message. Study 3 used a real brand with a warm image, Johnson’s baby shampoo. Participants viewed an ad that either communicated either market dominance or descriptive buying norms. They then completed the favorability and brand warmth measures. An ANOVA revealed that participants liked the brand less after viewing the advertisement communicating the brand’s dominance over the competition ($M = 5.00$ vs. $5.66$, $F(1, 71) = 4.68$, $p < .05$). Furthermore, we find that this effect was mediated by perceptions of the brand’s warmth (95% CI of the indirect effect = .01 to 1.06).

Study 4 explored the boundary condition of category warmth. Research by LaBoeuf and Simmons (2010) suggests that attributes shared by a product category allow brands to differentiate on conflicting attributes. We propose that for brands associated with a high-warmth category, advertisements communicating a brand’s dominance do not trigger negative consumer attitudes. This study also demonstrated that the negative impact of market dominance occurs only for warm brands and not non-warm brands. The experiment was a 3 (brand: warm brand in warm-neutral category/warm brand in warm category/non-warm brand in warm-neutral category) × 2 (ad: market dominant/descriptive norms) between subjects design. Participants viewed a fictitious soap brand description for the warm-neutral category and a fictitious greeting card brand for the warm category. Participants then viewed either a market dominant or descriptive norms advertisement and completed ratings of favorability. An ANOVA revealed a significant brand × ad interaction, ($F(2, 115) = 3.10$, $p < .05$). Planned contrasts revealed that the dominant (vs. descriptive norms) ad triggered less favorable brand evaluations for the warm brand in the warm-neutral soap category ($M = 4.37$ vs. $5.01$, $F(2, 115) = 2.72$, $p < .05$, one-tailed). There was no difference in evaluations of the warm brand in the warm category ($M = 3.93$ vs. $3.46$, $F(2, 115) = 1.65$, ns) nor the non-warm brand in the warm-neutral category ($M = 4.51$ vs. $4.11$, $F(2, 115) = 1.37$, ns).

The final study replicates the findings of Study 4 by again showing that the negative impact of market dominance occurs only for warm brands and not for non-warm brands. This study used a warm rice brand and ads from Study 2 but also included a non-warm rice brand. Additionally, we theorize that the incongruity between warmth and dominance will be weakened (heightened) for participants that endorse values of self-enhancement less (more) than self-transcendence. After completing brand favorability items, participants completed measures of their endorsement of these values (Schwartz et al. 2001). A score was computed for each participant’s endorsement of self-transcendence values relative to self-enhancement values. An ANOVA revealed a significant 3-way interaction ($F(1, 123) = 4.32$, $p < .05$). Consistent with Study 4, participants at the mean level of self-transcendence importance evaluated the warm brand less favorably when viewing the market dominant (vs. control) advertisement ($M = 4.50$ vs. $5.17$, $F(1,123) = 6.50$, $p < .05$). Participants had equally favorable reactions towards the non-warm brand when viewing either ad ($M = 4.50$ vs. $4.39$, $F(1,123) = 0.20$, ns). Spotlight analysis showed that for participants valuing self-enhancement more than self-transcendence, favorability for the warm brand was lower for those viewing the market dominant (vs. control) ad ($M = 5.38$ and 3.83, $F(1,123) = 16.13$, $p < .001$). However, this difference disappeared for those valuing self-transcendence more than self-enhancement ($M = 5.17$ and 4.96, $F(1,123) = 0.21$, ns).

REFERENCES


*Advances in Consumer Research* Volume 44, ©2016

