Reputable Brand Names Can Improve Product Efficacy

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Otherwise identical consumer products performed better when they carried more prestigious brand-names: when target products bore more reputable brands, titanium frames were lighter, sunglasses helped see better when facing glaring light, ear-muffs enabled better hearing despite strong background noise, and chamomile tea improved mental focus more..

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EXTENDED ABSTRACT
Common sense suggests that the efficacy of products should be a function of how they are designed and produced. Brand names, on the other hand, can presumably only influence expectations and subjective assessments of efficacy. However, we illustrate that the brand name that products carry can also influence rather than merely reflect objective efficacy. We thereby extend Shiv, Carmon, and Ariely’s (2005) pioneering work on placebo effects of marketing actions, to a different type of marketing action (branding), study it with several new types of tasks, less likely to be influenced by voluntary control. In particular, across four experiments, each conducted in carefully controlled conditions, we show that attaching a prestigious brand name to a product can boost the performance of those who consume the product.

In experiment 1, participants repeatedly held the same titanium framed eyeglasses bearing either a prestigious or the less prestigious brand name in one hand, then held one of several paperweights each weighing slightly less or slightly more than the eyeglasses with no cue to its weight in the other hand, then judged which was heavier—the eyeglasses or the paperweight. Several aspects of the experimental design made it difficult to be insincere, thus reducing the likelihood of demand effects. As predicted, results showed that participants underestimated the true weight of the frame bearing the prestigious brand name more frequently and overestimated its weight less frequently, suggesting that the glasses seemed lighter when they bore the more prestigious brand.

In experiment 2, all participants first drank a cup of the same chamomile tea that was described as soothing to body and mind, which carried either a prestigious brand name or a less prestigious one. After a few minutes they were asked to complete as many puzzles as they could during a limited timeframe. As predicted, results showed that participants whose tea bore the more prestigious brand name gave more correct answers and fewer incorrect answers than those whose tea bore the less prestigious brand name.

In experiment 3, all participants faced a glaring light and were asked to read printed words as accurately and as quickly as they could, receiving compensation proportional to their performance. As predicted, those wearing sunglasses bearing a reputable brand name were able to read more quickly and with fewer errors than those wearing sunglasses bearing a less reputable brand name but were otherwise identical. Note that there are two ways that a participant who believes he or she is wearing quality sunglasses might perform better, to fulfill the expectation caused by the prestigious brand name. One is to try harder. That could account for the smaller number of errors, but not for the faster rate. Since both were recorded, willful effort seems to be ruled out. The other is to contract the pupil more, thus cutting out more glare. But our experimenters were instructed to make sure that participants did not do this. More importantly, inasmuch as the pupil is under voluntary control, it seems that putting one’s faith in one’s sunglasses would lead to the opposite inclination: One need not contract one’s pupil as much when one has effective sunglasses as when one does not. Whatever happens in this task, then, is not trivial.

In experiment 4, all participants wore the same pair of earmuffs said to reduce noise while assisting in hearing conversations, bearing either the prestigious brand name or a less prestigious one. They listened to a recording of an announcer reading a list of 62 unrelated words, read on the background of a very loud and noisy construction site and were asked to identify the words as they heard them. As predicted, participants whose earmuffs bore the more prestigious brand name identified more words correctly and fewer words incorrectly than those whose earmuffs carried the less prestigious brand name. Note that in this task it is not clear what a motivated participants could do in order to improve performance over a less motivated participant.

Altogether, this paper illustrates that in addition to coloring preferences and expectations the commercial reputation that is embodied in brand names can also influence objective efficacy in a manner that is difficult to attribute to volitional effort. The results can have significant managerial and public policy implications. As one example, firms may be able to boost the efficacy of their products by attaching more reputable names to them. Analogously, the findings suggest that generic medications may in fact not be as effective as branded ones, putting into question the common practice of substituting one for the other.