

Marketing Matters

A Newsletter of the Institute for Research in Marketing

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Nowhere but here.

CARLSON
SCHOOL OF MANAGEMENT
UNIVERSITY OF MINNESOTA

Why we buy

The importance of brand personality

Famous brands, Associate Professor Rohini Ahluwalia says, have long been known to have personalities. When we think of Campbell's, we associate it with sincerity and warmth, while Nike evokes an aggressive, athletic image. These personalities not only reach out to consumers, they help consumers reach out to each other by serving as vehicles for self-expression. But how can managers better harness the potential of brand personality?



"We know that a brand's personality helps humanize products and helps build strong relationships between the brand and the buyer," Ahluwalia explains. "Further, by signaling important attributes in social settings, brand personality can facilitate social interactions or build relationships." Along with her co-authors, Ahluwalia recently sought to uncover which traits

might matter most to which consumers, ultimately determining their brand loyalty, brand attachment, and purchase likelihood.

Their results, forthcoming in the *Journal of Consumer Research*, showed that individuals' attachment—or relationship—style is an important factor in determining the potential impact of a brand's personality in the marketplace. Specifically, Ahluwalia found that "anxiously" attached people were most likely to discriminate among brands based on personality, tending to choose brands based on traits they saw as important for building or maintaining interpersonal relationships.

Among those anxious consumers, the researchers also discovered a second level of differentiation: level of avoidance (basically, a positive or negative view of other people and the resulting desire to interact with them). Those consumers who were labeled "high anxiety, high avoidance"—those who didn't think highly of other people—chose brands seen as

exciting, while those who were "high anxiety, low avoidance" sought out more sincere brands (and deeper relationships).

Most importantly for practitioners, Ahluwalia reveals that her results are broadly applicable: "The attachment style patterns we identify in consumers replicate across different product categories—shoes, clocks, clothing—and among well-known brands, brand extensions, and even new and unfamiliar brands." By thinking creatively and designing rigorous experiments to test her hypotheses about "how consumers travel the road from brand preference to brand loyalty," Ahluwalia has become a reliable source of timely insights for smart marketers and buyers. Her article, "When Brand Personality Matters: The Moderating Role of Attachment Styles," co-authored with Vanitha Swaminathan and Karen M. Stille (both of the University of Pittsburgh), will appear in the April 2009 issue of *JCR*.

Letter from the Director

The beginning of 2009 is an interesting time for all of us, whether we work in Corporate America or are consumers and investors. I have received phone calls and e-mails from advisory board members, former students, and other colleagues in industry describing their experiences as they weather the economically turbulent times they confront. Based on the academic wisdom in our various fields, it seems fair to say that this too shall pass, and at the other side of this downturn, the playing field will probably comprise fewer brands. Marginal firms may not survive, but firms who have stayed true to fundamentals—by anticipating customer needs, by delivering *better value* than the competition, by *investing in technology and innovation*, and by maintaining good

relationships with employees, vendors, channel members and other relevant players—increase their odds of surviving and prospering when the recession passes. These are among the core attributes of "market oriented" firms, and the success of Wells Fargo, one of our corporate partners, in their acquisition of Wachovia and in a seriously troubled sector of economy speaks volumes for thoughtful marketing. Learning how to accomplish these goals in a cost-effective way is central to the research that occurs in the Marketing discipline.

It is this investment in "Marketing R&D" that sustains the Institute for Research in Marketing, and I am happy to report that

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our set of illustrious corporate partners continues to grow. I am pleased to announce that two new organizations representing the health care sector have joined our advisory board; I welcome Chris Gibson, Chief Marketing Officer of UnitedHealthcare, and Ken Coyle, Executive Director of Commercial Insights for AstraZeneca Pharmaceuticals. I would also like to welcome Kal Patel, EVP Emerging Business, who is our new representative from Best Buy and Steve Michaelson, CMO, who will represent Supervalu.

I would also like to acknowledge another first: Jim Lawrence, the CFO of Unilever, has provided a most generous personal contribution to the Carlson School that is directed to the Institute. Our work has caught the attention of a thoughtful and influential practitioner, and we are most appreciative of his gift.

Our faculty continue to be enormously productive on the research front. As described elsewhere in this issue, my colleagues publish path-breaking research in the leading scientific journals in our field at an enviable pace. Among recent honors, Assistant Professor Joe Redden was the recipient of the most prestigious award for junior scholars in the field of consumer behavior, the Robert Ferber award, which recognizes the best PhD dissertation based article in the *Journal of Consumer Research*. And the national media continues to take serious notice of our work; some of the best regarded news organizations in the country, including the *New York Times*, *The Economist*, and *BusinessWeek*, have recently featured research and commentary by Carlson marketing professors.

I hope you enjoy reading more about the Institute and our activities. Please visit our website for more information: carlsonschool.umn.edu/marketinginstitute.

Best wishes,

Akshay R. Rao

Director, Institute for Research in Marketing
General Mills Chair in Marketing

Ask the Expert

Survival of the Fittest



Bob Ruekert, Associate Dean of Undergraduate Programs and Professor of Marketing at the Carlson School, specializes in marketing strategy, new product development, and brand management and has published widely in top tier marketing journals. We recently asked for his thoughts on brand survival in a floundering economy.

Q As the American economy heads into what we now know to be the second year of a recession, what predictions can you make about the emerging brand-landscape?

A I think we're in for a sort of "Darwinian shakeout" for companies and brands that many of us have never seen before. Looming bankruptcies may bring brand extinctions at all levels, whether it's at the corporate level (General Motors), the product line level (Buick), or the product level (LeSabre), and I certainly expect to see lots of mergers, product pruning, and fierce competition for customers. What we'll find is that companies will need to focus on a little-known aspect of brand value—brand resiliency—and that value brands like Target might be the most resilient ones out there. Normally, in tough times, we expect that companies representing mid-value brands will feel the pressure—your Sears or JC Penney—while those on the low and the high end, such as Walmart and Gucci, should be the survivors who ultimately get the spoils as the economy rebounds. This recession is uncharted territory, though—the holiday sales figures showed that *both* the middle and the high end floundered. Only discount retailers are keeping their heads above water for the time being. For the foreseeable future, companies will have to continue courting consumers with sales promotions, if not outright price slashing.

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Evolution, emotion, and persuasion

New faculty member Vldas Griskevicius applies social psychology to marketing



“Knowing your audience and the underlying reasons behind their actions is the first step in effective communication.”

—Vlad Griskevicius
Assistant Professor

Most of us think of peer pressure as a bad thing, but when it comes to the environment, assistant professor Vlad Griskevicius thinks it might just be the key to unlocking beneficial behavior. In a recently published *Journal of Consumer Research* article, Griskevicius and his co-authors designed two simple experiments with hotel towel reuse programs to highlight this effect. Traditional placards outlining a hotel towel reuse program were already fairly effective with guests, but when the researchers rephrased the signage to appeal to social norms, the results were striking.

“By subtly and tastefully informing guests that the majority of other guests —and, in particular, ‘guests in this room’ —reused their towels at least once during their stay, we spurred a significant increase in towel reuse.” Griskevicius, a social psychologist in the marketing department, notes that he simply hoped to examine the motivation of pro-social behavior in a real consumer setting, but, “considering that many hotel guests never even read the cards in their hotel rooms,” he was amazed at the team’s clear results. It made a big difference to emphasize just how common the “common good” was.

Highlighting the applicability of his findings, Griskevicius offers the example of carpool lanes. “Many people in the Twin Cities have considered carpooling to work, but our designated lanes are generally empty. This makes doubling-up seem like a less popular option, regardless of environmental or even time benefits.” But, if officials were to publicize the yearly increases in carpooling, they could target drivers’ often unconscious desires to follow peer cues. “By using messages such as ‘Three thousand residents carpooled last week alone’ or ‘Carpooling is the fastest growing mode of transportation,’ the city might both reduce traffic and help the environment.”

Building on this work, Griskevicius has turned his focus to situations when the opposite effect—going

The same ad may have drastically different implications when shown during sultry “Sex and the City” or gritty, fear-provoking “CSI.”

against social norms—might take place. In the forthcoming *Journal of Marketing Research* paper “Fear and Loving in Las Vegas: Evolution, Emotion, and Persuasion,” he uses his evolutionary and consumer behavior expertise to demonstrate that arousal-inducing contexts such as watching a scary or romantic movie can cause people to react to product pitches in unexpected ways.

“In particular, I’ve found that people resist going along with the group or specifically go against the group when they are in a ‘mating’ mindset.” For example, people in the studies disagreed with a majority opinion after they had been shown photos of attractive people. “All beings share an evolved tendency to follow the herd,” Griskevicius explains, “but, like most other animals, people want to stand out from the crowd when a potential mate may be nearby.” Companies should, he says, be aware that his findings show that the same ad may have drastically different implications when shown during sultry “Sex and the City” or gritty, fear-provoking “CSI.” It is important that marketers tailor their messages to fit the emotion elicited by the program.

While experiments considering towels, carpools, and flirtatious advances may seem to have little in common, Griskevicius’s sly studies of human—and consumer—behavior are clearly helping inform marketing strategy in many fields. He observes, “Knowing your audience and the underlying reasons behind their actions is the first step in effective communication, whether you’re trying to sell them on a new product or a better environment.”

New Advisory Board members



Kal Patel, executive vice president of emerging business for Best Buy, spear-headed Best Buy’s refocusing plan, which takes a bottom-up approach to internal innovation, and leads their efforts to increase innovation capabilities and implement global growth opportunities. Patel holds a BS from Leeds University and an MBA from the London Business School.



UnitedHealth Group

Christine Gibson, chief marketing officer for UnitedHealthcare (the commercial division of UnitedHealth Group), is responsible for corporate growth functions such as market strategy, brand and advertising, interactive ecommerce, sales performance, and public relations. An active member of a number of advisory boards, Gibson earned her BA from Iowa State University and an MBA at St. Thomas University.

Center Stage

Assistant Professor **Joseph P. Redden** received the 2008 Robert Ferber Award from the *Journal of Consumer Research* for his February 2008 article, "Reducing Satiation: The Role of Categorization Level." The Ferber Award is given annually for the best interdisciplinary article published in that volume of *JCR*. Redden's novel studies on tempering consumer satiation showed that simply paying attention to details or subcategories can make both sensory and cognitive activities more enjoyable. This fascinating practical work has received considerable media coverage from outlets such as *WebMD*, *Psychology Today*, and *CBS News*.



The fourth edition of PhD student **Neil Bendle's** award-winning book, *Key Marketing Metrics: The 50+ Metrics Every Manager Needs to Know*, has been issued in the UK.

Associate Professor **Kathleen D. Vohs** has recently received the 2008 International Society for Self and Identity's Early Career Award. This annual honor recognizes and encourages a distinguished junior scientist who has made outstanding theoretical and empirical contributions to the scientific study of the self. The award was made on the basis of the originality, quality, and impact of Vohs's research. As the winner, she presented an address at the annual Self and Identity pre-conference at the Society for Personality and Social Psychology annual meeting. Along with her co-authors, Vohs also received an honorable mention in the Society for Personality and Social Psychology's Theoretical Innovation competition for her May 2008 paper "How Emotion Shapes Behavior: Feedback, Anticipation, and Reflection, Rather than Direct Causation."

Associate Professor **Rohini Ahluwalia** has been named an Associate Editor for the *Journal of Consumer Research*, 2008-2011.

Marketing Moments



In a new and widely reported National Cancer Institute monograph, Professor **Barbara Loken** and her co-authors have reached


the government's strongest conclusion to date that tobacco marketing and depictions of smoking in movies encourage young people to start smoking. As quoted in media outlets around the world, Loken points out, "Now we need to use marketing to steer youth and others away from smoking!"

Professor **Rajesh K. Chandy's** latest



paper concludes that corporate culture is the greatest driver of radical innovation in firms across countries and industries. Further,

Chandy and his co-authors identify three firm-level attitudes—willingness to cannibalize assets, future orientation, and tolerance for risk—and three practices—empowerment of product champions, incentives for enterprise, and fostering internal markets—that mark the most innovative corporate cultures. This research was published in the January 2009 issue of the *Journal of Marketing*.

AstraZeneca  **Ken Coyle**, executive director of commercial insight at AstraZeneca Pharmaceuticals, guides all of the company's U.S.-based strategic analytics across the field sales and brand marketing organizations, guiding their development of industry-leading market strategies for key customer segments. An alumnus of Grinnell College and Rutgers University, Coyle did his graduate work in applied advanced analytics and research methodologies.

SUPERVALU **Steve Michaelson**, chief marketing officer of Supervalu, Inc., leads the company's marketing activities, working closely with both corporate and banner leadership to guide their continued migration into a customer-centric organization. Michaelson comes to Supervalu from his position as president and CEO of Fresh Direct.

Changing ways

GfK Custom Research and the pulse of the new consumer



Patricia Hughes, GfK Custom Research—
Managing Director,
Consumer Sector

Headquartered in New York, GfK Custom Research North America is part of the GfK Group, the fourth largest market research company in the world. It is a full-service, fact-based consultancy providing research to a diverse client base in several different categories. A conversation with the Managing Director of GfK's Consumer Sector and Institute for Research in Marketing board member Patricia Hughes reaffirms the feeling that companies, in addition to consumers, are wondering "what's next" in light of the changing economy.

"Our feeling is that this economic downturn will have a permanent effect on all of us as consumers," says Hughes. "That said, one of the things our clients are wondering is 'Is this a good time to gather opinions from consumers?' What we've seen so far is that behaviors are already changing."

In order to reduce the amount of driving and to cut back on spending when gas prices were high, consumers were shopping at single outlets for their day-to-day needs while purchasing as much as possible. Now, says Hughes, purchase habits are shifting. "We have seen an increase in shopping at multiple stores to find the best deal; more products bought using coupons and a higher purchase rate of store brands and private labels. These shifts are most likely just the beginning

GfK believes that if their clients want to understand how consumers will change in this stressful time, they need to take the journey with them.

of a permanent change in how consumers relate to "wants" versus "needs" and how they value their dollars." Indeed, recent research from GfK Roper Reports®, an on-going study of American consumer trends, reports that 56% of Americans say they are "still driving less than they used to"—even with falling gas prices.

With consumer behavior changing rapidly, particularly when compared to the last few years, is this a good time for companies to try to predict buyers' next steps? GfK believes that if clients want to understand how consumers will change in this stressful time, they need to take the journey with them. As was the case with the generation that experienced the Great Depression, so this generation (and their children) will likely adopt a different point of view on economic matters.

So, one would ask, what is next? "Products and brands need to be relevant and 'needed' to be successful. Private labels may make permanent inroads if their product quality is high. The value propositions are evolving, and we will likely see lasting shifts by the time this downturn is over."

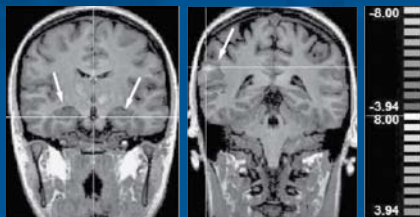
Out Now

In her February 2009 *Journal of Marketing Research* paper, Professor **Joan Meyers-Levy** provides insights for consumers and retailers on self-view and customer perceptions of products on different display surfaces. Marketers, she shows, may use external cues to boost buyer preference, while savvy shoppers can become aware of tools used to enhance product perceptions.

This research, by the same duo who investigated the effects of ceiling height on people's actions, indicates that display surfaces and merchandising can either bolster or damage product perceptions such as "trendy", "traditional", or "all-natural". "Retailers," Meyers-Levy says, "cannot directly control shoppers' perceptions of their goods, but they can anticipate or manipulate the self-view their target customer uses and, with that knowledge, adjust their fixtures' surfaces to arrive at a desired impression."

Conversely, these findings offer buyers a chance to be clever at the cash register. "If a

shopper is aware of the tools used to enhance brand reputation or sales, they will be more likely to make an informed decision, rather than going home with the wrong product," Meyers-Levy reveals.



Professor **Akshay Rao** and his co-author explain the mechanism behind the "decoy effect" in their lead article in the latest issue of the *Journal of Marketing Research*. Using fMRI technology, the authors scanned subjects' brains as they made decisions, and they found that people faced with choice sets containing two or three options reacted very differently.

The fMRI scans showed that, when making a choice between only two, equally preferred options, subjects' brain activity tended to display irritation because of the difficulty of the choice process. The presence of a third, less attractive option—or "decoy"—made the choice process easier and relatively more pleasurable.

Using a decoy also raised the choice share of the most similar option from the original pair. To illustrate, Rao cites a recent conundrum. Wavering Republicans who might have preferred an economic stimulus package that emphasized tax cuts versus one that emphasized spending, he says, may be persuaded to choose the spending-heavy package if a third, less desirable proposal that also included family planning funding was added to the choice set. On a wider scale, Rao adds, "irrelevant alternatives are routinely encountered in everything from web-based travel and vacation markets, cable deals, cell phone plans, and even newspaper circulars. The addition of decoys in these settings is a strategy that reduces negative emotion."

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Carlson profs among most prolific

In a recent article published in the *Journal of Marketing*, “What Does it Take to Get Promoted in Marketing Academia? Understanding Exceptional Publication Productivity in the Leading Marketing Journals,” authors Steven Seggie and David Griffith rank the top 50 most prolific scholars in the leading marketing journals.

Three Carlson School professors—Joan Meyers-Levy at 19 articles, George John with 17, and Deborah Roedder John at 16—made the list for having the most published between 1982 and 2006 in the *Journal of Marketing*, *Journal of Marketing Research*, *Journal of Consumer Research*, and *Marketing Science*. Further, Professor Rajesh Chandy ranks 24 in rate of publication, i.e., the number of papers published per year since receiving the PhD.

Only Wharton and Duke—with five professors each—have more scholars on this list. Columbia ties the Carlson School with three professors. All other schools have two or fewer.

Recent Publications

26
From January 2008 to the present, the faculty of the Department of Marketing and Logistics Management have had 26 papers accepted or published by the leading journals in the field:

Journal of Consumer Research (10)

Journal of Marketing (2)

Journal of Marketing Research (10)

Marketing Science (4)

