

When context matters: Consumers link unfamiliar products to surrounding items

July 20 2009

Sometimes we judge a product by the company it keeps. For example, we might think a car advertised among expensive cars is also pricey--but only if we're unfamiliar with the car, according to a new study in the *Journal of Consumer Research*.

Authors Michelle P. Lee (Singapore Management University) and Kwanho Suk (Korea University) set out to examine a paradox of <u>consumer behavior</u>: Sometimes consumers are swayed by the surrounding context in which a product appears (an "assimilation effect"). In other situations, a product that appears among cheaper items seems to be more expensive ("contrast effect").

The researchers designed a series of three experiments where they asked participants for evaluations of restaurants and cars. In the car studies, participants were asked to rate car models for how expensive or inexpensive they thought they were. Unbeknownst to them, only a subset of the cars was critically important.

"We found that for cars that were completely novel to the participant, in the sense of the participant not having previously encountered them, perceptions were skewed in the direction of the context," the authors write. "The expensive cars seemed to rub off on these novel cars so that they, too, came to be perceived as expensive, and conversely for the inexpensive cars."

When participants were with the cars, the salient factor seemed to be



their general level of knowledge about cars. Car buffs seemed to be immune to the influence of the context, reporting similar ratings whether or not the cars appeared near expensive or inexpensive examples. Novices showed a contrast effect, believing the cars to be more expensive when they saw them with inexpensive ones.

"Marketers have long been wary of the negative consequences that might arise when consumers associate their products with others not aligned with the desired positioning," write the authors. "Conventional wisdom suggests that birds of a feather should flock together. Our research cautions against over-relying on this rule of thumb. It suggests instead that this is sound advice only when the product is new to the consumer, allowing perceptions of it to be readily molded by what is around it."

More information: Michelle P. Lee and Kwanho Suk. "Disambiguating the Role of Ambiguity in Perceptual Assimilation and Contrast Effects." <u>Journal of Consumer Research</u>: February 2010 (published online June 23, 2009).

Source: University of Chicago (news : web)

Citation: When context matters: Consumers link unfamiliar products to surrounding items (2009, July 20) retrieved 9 April 2024 from https://phys.org/news/2009-07-context-consumers-link-unfamiliar-products.html

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