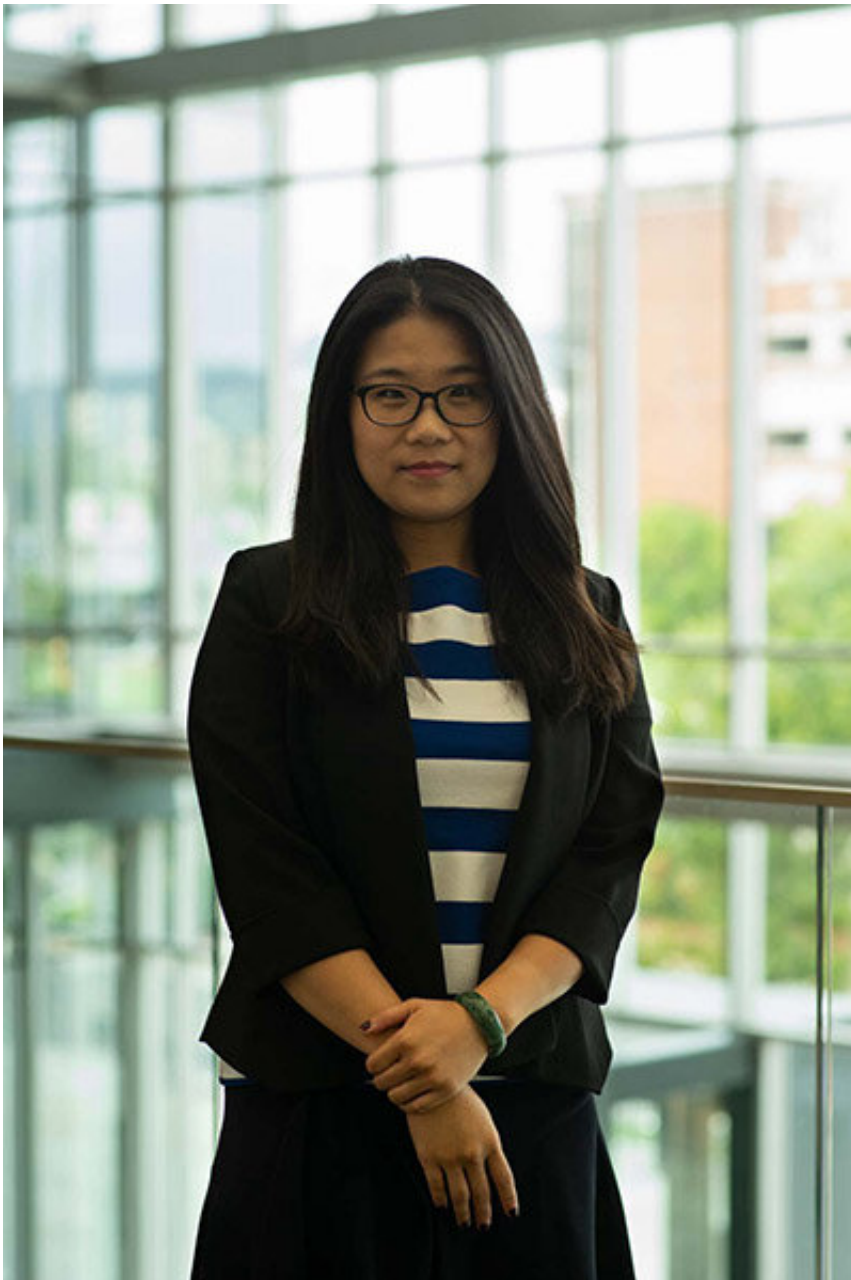


Product proliferation may not work for certain products

April 20 2021, by Fletcher Allen



A researcher from UAB and four colleagues found in a study that product proliferation, a commonly used marketing tactic, may not work for all brands or products, depending on the brand relevance in the product's category. Credit: University of Alabama at Birmingham

Companies that manufacture or sell products are often constrained by the amount of resources they can dedicate to one product. Many companies enact a strategy known as product proliferation, where one product is given many variations to ensure the success of said product in its market. However these companies can overlook the importance of brands to a consumers' decision to purchase, also known as brand relevance in category or BRiC.

In a [research article](#) published in the *Journal of the Academy of Marketing Science*, Yufei Zhang, Ph.D., an assistant professor in the University of Alabama at Birmingham Collat School of Business, and colleagues from three other institutions conducted a first-of-its-kind study into how BRiC affects consumer-based [brand](#) equity—consumers' thoughts and feelings about a brand—and brand sales as they relate to product [proliferation](#).

"A product proliferation strategy comprises strategic actions—product line extension, new product introductions—that businesses use to increase variety in a product category," Zhang said. "Such strategies are particularly effective when they align unique products with varied and dynamic consumer needs. Because extant research focuses primarily on the advantages of product proliferation and this strategy is prevalent in practice, we think some marketing and resource allocation decisions are made based on a particular thought process. The thought being 'other companies are doing the same, so we have to increase our product variety,' which can be a suboptimal decision if they do not consider

BRiC and their specific product categories."

Zhang and her research team conducted three studies: Study 1a was a survey on consumer reactions to product proliferation as it relates to high- and low-BRiC products; Study 1b, a lab experiment which also looked at consumer reactions to product proliferation; and Study 2, which looked at the effect of product proliferation on brand sales performance. What the team found was an opposing effect for product proliferation in consumer reactions versus brand sales.

"In studies 1a and 1b, we find a positive interaction of BRiC and product proliferation in driving CBBE, whereas Study 2 indicates a negative interaction in terms of their effects on brand sales," Zhang said. "CBBE and brand sales are supposed to be highly and positively correlated. And product proliferation can increase both at the same time. However, BRiC reveals an opposing moderating effect. It means that product proliferation strategy can increase CBBE more effectively when product categories are high BRiC—beer, razor blades—whereas it is more effective in driving brand sales when product categories are low-BRiC—diapers, paper towels."

Because this is the first study to look at product proliferation across categories, there is still much research to be done on the correlating factors and how these multiple variables interact in consumer and sales environments. Zhang attributes the lack of research across category lines to "data limitation and also the fact that brand research may tend to neglect category-level contingencies or moderators."

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More information: Yanhui Zhao et al. Brand relevance and the effects of product proliferation across product categories, *Journal of the Academy of Marketing Science* (2020). [DOI: 10.1007/s11747-020-00727-1](https://doi.org/10.1007/s11747-020-00727-1)

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