Branding Placebos: Brand Prestige Can Improve Product Efficacy

Moty Amar

School of Business, Ono Academic College, and Duke University

Dan Ariely

Duke University

Maya Bar-Hillel

The Hebrew University

Ziv Carmon

INSEAD

Chezy Ofir

The Hebrew University

Abstract

This research illustrates the power of reputation, such as that embodied in brand names, demonstrating that names can change *objective* product efficacy. Study participants facing a glaring light were asked to read printed words as accurately and as quickly as they could, receiving compensation proportional to their performance. Those wearing sunglasses tagged Ray-Ban were able to read more quickly yet with fewer errors than those wearing sunglasses tagged Mango (a less prestigious brand) that were otherwise identical. Similarly, ear-muffs blocked noise more effectively, and chamomile tea improved mental focus more, when otherwise identical target products carried more reputable names.

Word count: 97

Well known biases such as observer-expectancy effects (cf. Rosenthal, 1994) illustrate that reputation can shape perceptions. Psychologists have long known that commercial reputation, such as that embodied in brands, can color expectations and subjective experiences. For example, the same meat tasted better when it sported a better known brand (Makens, 1964). More generally, consumers often believe that brand names signal quality, and expect products carrying more reputable brands to be better. This research suggests an intriguing related possibility: brands can *change* product efficacy rather than merely *reflecting* it, demonstrating that labeling the same product with a more reputable brand name objectively improved performance of those who used it.

Preliminary support for the possibility that branding can alter *objective* product efficacy comes from studies illustrating its impact on s*ubjective* efficacy. Allison and Uhl (1964) describe a classic example: people barely distinguished between different beers in a blind taste test, but sensed significant differences between the same beers when they bore brand labels. McClure et al. (2004) found that the greater pleasure people reported while consuming Coca-Cola vs. Pepsi-Cola corresponded to higher activation levels in the dorsolateral prefrontal cortex, a brain area associated with emotions and cultural memories.

More generally, branding effects on product efficacy are reminiscent of medical placebo responses. Abundant empirical data suggests that pharmacologically inert therapies (placebos, such as sugar pills) can help people cope with pain (Price et al., 1999), and depression (Leuchter et al., 2004). Those conditions are difficult to assess objectively, but there is also evidence of placebo responses to conditions more amenable to objective assessment such as physical fitness (Crum & Langer 2007), irritable bowel syndrome (Patel et al., 2005), Parkinson's disease (Dela-Fuente-Fernández et al., 2001), and coronary artery disease (Granger et al., 2005).

Study: Brand Names and Product Efficacy

We compared performance of participants utilizing a product (sunglasses, earmuffs, or chamomile tea) said to assist task performance (visual, auditory, or mental concentration, respectively) when it carried more prestigious versus less prestigious brand names. Participants were students, mean age 26, roughly 50% women. A 3 (task: overcoming glare vs. overcoming noise vs. concentrating) x 2 (brand prestige: high vs. low) between-subject design was used. The dependent variable was number of correct responses, and also speed, where applicable.

Overcoming Glare: Stimuli and Procedure. Participants (N=60) were asked to read aloud, as quickly and accurately as possible, 84 unrelated words printed on a 12cm-by-12cm transparency placed in front of a 60-watt incandescent bulb, in a lamp lined with aluminum foil to amplify glare. Participants, tested individually, sat at a table, their chin on a pad fixed 70cm away from the lamp. To reduce glare, all wore the same pair of sunglasses, labeled "Blocks 80% of visible light." Participants were randomly assigned to either the prestigious brand (Ray-Ban, N=30), or the less prestigious brand (Mango), conveyed via a sticker on the frame. They received 20NIS (then ~$5) for participation, plus 0.15NIS per correct word, with no penalty for errors.

Overcoming Noise: Stimuli and Procedure. Participants (N=43) heard 62 unrelated words, one every 3 seconds, recorded and played on the background of a noisy construction site, and were asked to write each word as they heard it. They were tested individually, all donning the same pair of protective earmuffs, said to "filter onerous audio frequencies, reducing noise while assisting in hearing conversations". Participants were randomly assigned, via a sticker on the earmuffs, to either the prestigious (3M, N=22) or the less prestigious brand (Etkes), receiving 20NIS for participation, plus 0.15NIS per correct word, with no penalty for errors.

Concentration: Stimuli and Procedure. Participants (N=55) drank an identical cup of chamomile tea, described as "soothing to body and mind", but were randomly assigned, via an accompanying tag, to either a prestigious (Wisotsky, N=27) or a less prestigious brand (Hamutag). All then saw 35 flowerlike sketches, each with 48 small circles of different sizes surrounding a central point. Most circles (42-48) were connected to the center with a stem-like line (see Figure 1). Participants had 3 minutes to detect and connect all unconnected circles (not enough for this exacting task, which requires focus and patience), moving between "flowers" as quickly as they could.

(Figure 1)

Results

Visual task: Participants wearing sunglasses tagged Ray-Ban made fewer errors than those wearing the same sunglasses, but tagged Mango (6.2 vs. 12.2 errors; t(58)=-3.52), and completed the task faster (64.4 vs. 102.8 seconds; t(58)=-5.89). Fewer errors cannot, therefore, be due to slowing down.

Auditory task: Participants wearing earmuffs tagged 3M identified more words correctly (26.1 vs. 21.4; t(58)=-4.1), but not more words incorrectly (26.1 vs. 27.8; t(58)=-1.54, ns) than those wearing the same earmuffs, but tagged Etkes; speed was constant by design.

Mental concentration task: Participants drinking tea tagged Wisotsky detected more missing lines (35.5 vs. 30.8; t(53)=-2.66), and had fewer 'false-alarms' (0.63 vs. 3.75; t(53)=3.67) than those drinking the same tea, but tagged Hamutag; time was fixed by design.

Conclusions

Our experiments illustrate that brand names can *change*, rather than merely reflect, product efficacy.

An interesting question is whether such reputation effects on product efficacy apply specifically to the dimensions for which the brands are known (cf. Lee, Frederick, & Ariely 2006), as in our studies, or also generate a more diffuse 'halo effect'. Our findings raise intriguing possibilities. For example, could knife manufacturers licensing use of the Volvo name, which is associated with safety, reduce cutting accidents? Conversely, and disconcertingly, might substituting generic versions of branded medications (a popular practice of healthcare organizations) be detrimental to patients' health? Current debates about bioequivalence (i.e., no significant differences in effects of active ingredients administered in similar conditions) focus on whether unmonitored ingredients of medications affect therapeutic efficacy. Our results question how bioequivalence should be defined and tested.

Branding effects on objective efficacy are a fascinating, if as yet not completely understood, phenomenon, worthy of further research exploring its breadth and causes, with wide-ranging potential benefits.

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Figure 1.

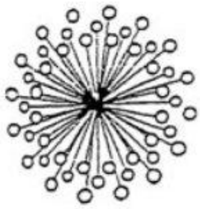

Figure caption

Figure 1. An example of the flowerlike pattern utilized in study 2.

Taken from a test named “Flaw recognition” in *Preparation for Selection tasks,* HighQ Press.