

Placebo Effects of Front and Rear Modifier for Brand Revitalization

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Abstract

Marketers are fed up and confused by the duty of naming their brands and product lines continuously. Until now, adding new ingredients or improving of the performance level was the way to manipulate price increase of a present brand. Brand revitalization can also exist through the right usage of modifiers to substitute for the liquidated brand. (Sonata→ Sonata II→ Sonata III →EFSonata) The positioning of the rear modifier of a brand name has been the traditional experience but the usage of front modifiers such as EFSonata, New Grandeur, Ultra Dry Pampers, and etc. had also successfully grasped the attention. Therefore, we would like to focus our research on whether there is a difference in the effect in the positioning of the front and rear modifier. Also, if there is a difference between front and rear modifier placebo effect within the virgin(never have chosen to use the modifier) and married brand(have chosen to use the modifier). Lastly, horizontal(diversity, characteristics, emotional involvement) positioning of the front and rear modifiers have a placebo effect difference on the utilitarian and hedonic products.

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Background

The placebo effect was first scientifically documented by Beecher in 1955 through the soldiers in the WWII due to depletion of morphines. For the past 50 years, the study of placebo has been an enigmatic phenomenon of medical science and the most tested intervention in controlled trials and yet the least understood of all therapies (Vallance, 2006). Brain acts as a powerful engine in our body but by taking a sugar pill, does it abolish a patient's symptoms or even in extreme cases—cure diseases? A nationwide survey in December of 2008 indicated that as many as half of U.S. doctors prescribe a fake treatment to their patients—or called placebo—at least once a month (USA Today, 2008). The itching was not eliminated through prescribed lotion but from the assurance of the relief from the doctor who had prescribed the medication. It seems as if placebo effect works when an individual from a higher licensed authority speaks/commands those words out to the patient. In psychiatry, 75 randomized controlled trials of antidepressants showed up to half of patients on placebo improved significantly (Walsh *et al's*, 2002). In addition, men preferred orange color placebos while women had chosen the color blue for tranquilizers (Cattaneo, Lucchelli and Filippucci, 1970).

Marketers globally are finding ways to enhance the attractiveness by stretching/leveraging their brands, adding new features, pricing, and/or through modifying their product names. But can these factors be well adapted or related to customer's mind. How would you react to Samsung brand extending to "exotic juice" category? Unless the brand adds something intangible to the product, leveraging the brand to other products will be difficult (Farquhar, Han, Herr and Ijiri, 1992). When you think of Dove, you instantly think of the bar soap but dishwashing detergent, ice cream, chocolate, and various other product categories have been successful. Dove were able to reposition their brand's core association from product category (bar soap) to a usage situation (facial cleansing). Whatever people say, price does have an impact when it comes to decision making (Rao, Bergen and Davis, 2000). Whether it is the painkiller pills or services, high priced placebos are more effective than cheaper placebos. A study performed by a team of Dan Ariely where volunteers were given the same placebo but some were told that it cost \$2.50 for a pill and others were told the cost of 10 cents a pill for the exact same painkiller. The result showed the cost of \$2.50 per pill had a greater pain reduction than the cheaper pill and the finding was essentially a marketing factor (Ariely, 2008). One of the last important factor to consider is how to exponentially launch the initial sell to extremely picky market with the right product names. Names have no intrinsic meaning but with effective marketing, any nonsense name could be

made to work with any product, but a brand name can play an integral part by providing an instinct signal to the consumer and a deciding factor in making a potential purchase decision(Pavia and Janeen, 1993). If we assume through prior research that consumers tend to associate phonetic sounds with certain product categories(Peterson and Ross, 1972), in the *Marketing and Media Decisions* 1982 list of the top 200 brands for 1981, 93 of the 200 began with a "plosive" and 42 of the 200 end with a "plosive." Sounds are formed when an air-stream is pushed out of the lungs and then is restricted in the mouth by complete closure at the front and back of the mouth and have a certain phonetic characteristics which make their use in brand names very interesting(Bergh, 1982). In addition, alpha-numeric is used by marketers when launching new products: technical, complex, formulated, efficient, impersonal, informative, sporty, formal, concrete, serious, descriptive, basic, modern, effective, trendy, abstract, scientific, futuristic, chemical, sophisticated, and intellectual(Pavia, 1993). BMW, the German car manufacturer, came up with M3 and M5. Marketing managers tend to increase the number as their latest and improved models are launched. In the product categories such as cars, larger numbers are believed to better quality and performance level and

Phillips extended their electric razor by using complex alpha-numeric names such as XTR707. Did they get the idea from Boeing 707? On the other hand, alpha-numeric names can have a negative impact to the consumers since most alpha-numeric names are casually chosen with little association of a specific letter number and specific product combined(Boyd,1985) but can potentially change in a positive behavioral sense through placebo effects. For example, if you are optimistic about your recovery situation, you will feel better about yourself and can lead to improved health. The magic stick of the placebo effect depends on what others tell you and can not be done by oneself. This is where the marketers come into play. Consumers like myself can not tell the difference between a thirty and fifty dollar bottle of wine but since the fifty dollar bottle is in a nicer bottle, Consumers tend to be more persuaded to purchase it through the placebo effect. In marketing, a placebo effect claims to have a certain properties that is does not actually possess and changes the consumer's behavior(Irmk, Block and Fitzsimons, 2005).

Usage of Various Modifiers

Up to present days, modifiers were used in two different strategy forms: Line-up vs. Substitution sequence. Farquhar(1992) suggests on different strategies for leveraging the master brand which is branched out into the vertical(sub-branding and super-branding) and horizontal(brand bundling and brand bridging) branding. Under the vertical branding,

sub-branding strategy is used as a tool to focus on the usage of modifiers for the product line-up strategy. To effectively revitalize an older master brand, modifiers are often used for the super-branding strategy as well.

1. Line-up sequence

As Farquhar suggested in his study, modifier used in the line-up sequence is presented as a mean to indicate sub-branding. Sub-branding strategy is focused especially on the brand hierarchy below the level of the master brand. It can occur through different quality levels, flavors, and functions.

- ☛ cases : Johnnie Walker(scotch whisky) → Red Label, Black Label, Gold Label
- Marlboro → Light, Menthols
- Kodak → Kodacolor 100,200, and 400 print film

A fundamental purpose of using a sub-branding strategy is to emphasize a unique point of difference that is easy for customers to remember(Farquhar,1992). Prestige

brands tend to stretch upwards(Kirmani,Sood and Bridges,1999) than downwards to the prestige parent brand. Most studies have focused on the brand line-up sequence through the manipulation of the modifiers to the existence of the master brand but our study will be focused on the substitution sequence of an obsolete/older brand by using a modifier through the placebo effect to revitalize the brand.

2. Substitution sequence

Old Brand → Modifier → (placebo effect) →Substitution for Revitalization

Assuming that the consumers have an understanding of the placebo effect, modifiers can be used to as a tool for substitution of an obsolete/older brands which can be revitalized. This process/method is much different from the previous line-up sequence even if we use the same modifier. By using this strategy, substitution to revitalize an old brand can play a key player in the existence of a strong placebo effect from the consumers.

- ☛ cases : Sonata→ SonataII → SonataIII → EFSonata →Sonata Transform
- Sorento → Sorento R
- Chairman → ChairmanW
- 박카스 → 박카스D → 박카스F
- Aronamin→ Aronamin Gold

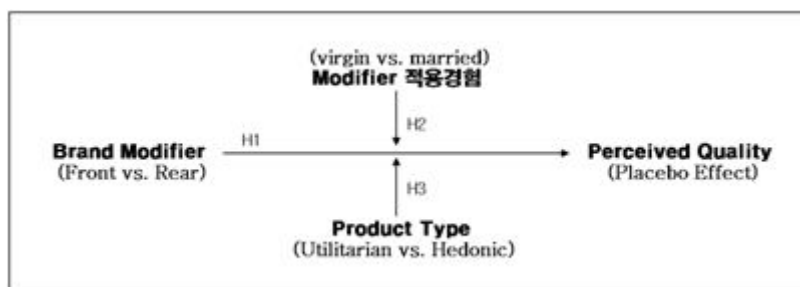
A particular brand is chosen through a satisfaction of a particular attribute (Fishbein and Ajzen 1975) which can trigger the motivation level to purchase a brand through substitution. The purpose of this study is to use the front and rear modifier to revitalize for the existing master brand through the placebo effect.

Due to prior research, we believed it would be interesting to explore and determine whether or not the consumers have a placebo effect in positioning front and rear modifiers. Are front or rear modifier names more acceptable for certain products or in certain product categories? Simply put, we are adding and subtracting the different ingredients through brand names to make the perfect recipe. Ingredient branding could enhance the equity of the host brand by sending a strong signal to consumers that the host product offers the combined benefits of two quality brands in one (Desi and Keller, 2002). The objective is to manipulate the usage of front and back modifiers that have placebo effect differences by Virgin and Married product.

Lastly, determine whether or not the horizontal positioning of the front and rear modifier has a placebo effect on measuring hedonic and utilitarian product characteristics. Hedonic consumption is described as the consumer behavior

associated with multisensory, fantasy, and emotive aspects of ones' experience with the product and the role emotion plays in the selection of products (Hirschman and Holbrook, 1982). The brain has a narrow stalk that connects the hypothalamus to the pituitary gland. It is where the hypothalamus that contains centers involved with emotions and hormone production. Whereas the utilitarian consumption is more of goal oriented and accomplishes a functional or practical task (Strahilevitz and Myers, 1988). When choosing a cellular phone, consumers start to consider both the hedonic features (e.g., unique design) as well as utilitarian feature (e.g., size of the memory) simultaneously.

<Research Model>



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