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Too Nice to be Dominant: How Brand Warmth Impacts Perceptions of Market Dominance

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Too Nice to be Dominant: How Brand Warmth Impacts Perceptions of Market Dominance

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ABSTRACT

Consumers are unaware of brands' market dominance. This is important given that even misperception as a market leader has been shown to lead to positive evaluations from consumers. We hypothesize that when consumers are lacking direct knowledge about a brand's market dominance, brand image is used as a cue for inference making: specifically, a brand with a warm, kind, and generous image will be in conflict with perceptions of market dominance, which are perceived as an embodiment of power. Thus high warmth brands will be perceived as less market dominant than low warmth brands.

In study 1, we use real brands in two product categories in which participants had little knowledge about brands' market dominance, cough syrup and fabric softener. We found that consistent with our hypothesis, the brands which had an image built around being kind, caring and generous and thus seen as high warmth were estimated to have a lower market share than a low warmth brand. Study 2 replicates the findings of Study 1 except that we presented participants with descriptions of fictitious brands that varied on warmth and were in two new product categories (pens and adhesive bandages). Using the same cough syrup brands as in Study 1, Study 3 builds on the findings of Studies 1 and 2 by demonstrating the effect of brand image warmth on perceptions of market dominance is driven by reduced perceptions of competitiveness in the market. High warmth brands were perceived as being less competitive in their product category which led to lower perceptions of market dominance. In Study 4, we investigate category knowledge as a boundary condition for this effect by using a product category, soup, for which our participant group, college students, have a high variance of knowledge. We hypothesize and find that category knowledge is a predictor of market dominance for a highly dominant, high warmth brand but not for a low warmth brand. Our final study demonstrates the potential impact of this effect on preference for brands by demonstrating consistent with prior literature demonstrating that more dominant brands are preferred in self-relevant conditions, the high warmth and thus perceived to be less dominant brands were less preferred when the choice situation was highly self-relevant.

ABOUT THE AUTHORS

Jennifer L. Stoner received her PhD from the University of Minnesota and is currently an Assistant Professor at the University of North Dakota. Her work has been published in *Organizational Behavior and Human Decision Processes* and is forthcoming in the *Journal of Consumer Research*. Carlos J. Torelli received his PhD from the University of Illinois at Urbana-Champaign where he is currently a Full Professor. His research has been published in a variety of marketing and psychology publications including the *Journal of Consumer Research*, *Journal of Marketing*, and *Journal of Personality and Social Psychology*.

