


Marketing Implications from Behavioral Research: A Personal View

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How Hard Should One Try to be 'Practical'?


- 'Pure' science can be important & satisfying
- Practical research can be painful
 - Training & reviewers emphasize rigor over practicality
 - Real world complex
- Almost all research has some marketing implications

Doing research is like making love- it may have some practical results, but that's not why we do it (Richard Feynman)



What it Takes to have Implications

- What question does the research answer?
 - DV's (attitudes vs. predicted behavior vs. actual behavior; time horizon)
 - Manipulations
 - Stimuli
 - S's
 - Context
 - ...



Marketing your Implications

- To ↑ effective prediction likelihood, simulate situation in question closely
- Many studies fall short
- But research model often compensatory
- Latitude depends on such features as:
 - Question Importance
 - Context
 - How informative is deviation from situation of interest?
 - Good story
 - Compelling example/s
 - ...



Resources for Marketing Research Implications

- Students
 - Practice getting attention
 - Substantive feedback
 - Source for data & (sometimes) ideas
- Colleagues
- Innocent bystanders



Placebo Effects of Marketing

(with D. Ariely, H. Mishra, B. Shiv, & R. Waber)

- **Placebo Effects of Price:** S's consuming performance boosters purchased at a discount solved fewer puzzles, exercised less vigorously, & recovered less quickly from cold vs. those consuming same product purchased at full price
- **Placebo Effects of Promotion (Puffery):** Consuming performance booster advertised as very effective helped more than when advertised as somewhat effective.
- **Placebo Effects of Place:** Pain tolerance higher when a placebo analgesic pill "produced in China"
- **Detrimental Placebo Effect of Consumer Empowerment:** S's benefited less (able to solve fewer puzzles) from consuming performance booster when asked to choose among alternatives (with conflicting benefits) vs. consuming any of these options (randomly chosen)

Field Study Example

- Bertrand, Karlan, Mullainathan, Shafir, & Zinman (2006)
- Bank loan offer acceptance by low income S. African consumers affected by:
 - Frame of reference
 - Number of options described (3.6-1.9%)
 - Promotional lottery (0-4%)
 - For men, woman's photo (4.5%)
- Interacted with
 - Attention
 - Not education or income

Bertrand et al. (2006) Stimuli Samples

The image displays three sample stimuli for a loan offer, each with a different frame of reference and promotional lottery. The stimuli are presented as screenshots of a web page or document, each dated 30 October 2003.

Stimulus 1 (Left): "the trusted way to borrow cash". It features a "A low rate for you." banner. The text includes: "Congratulations! As a valued client, you are now eligible for a low interest rate on your next cash loan from [Bank Name]. This is a limited time offer, so please come in by 30 November 2003 to take advantage of this offer. You can use this cash to pay for school, or for anything else you want. Enjoy low monthly repayments with this offer! Here is one example of a loan you can get under this offer:"

Interest Rate	Loan Amount	Loan Term	Monthly Repayments
11.50%	R2000.00	4 Months	R710.00

Stimulus 2 (Middle): "the trusted way to borrow cash". It features a "A low rate for you." banner. The text includes: "Congratulations! You are now eligible for a special interest rate on a cash loan from [Bank Name]. This is a limited time offer, so please come in by 31 October 2003. You can use this cash to pay off a more expensive debt, or for anything else you want. Enjoy low monthly repayments with this offer! Here is one example of a loan you can get under this offer:"

Interest Rate	Loan Amount	Loan Term	Monthly Repayments
1.00%	R1000	4 Months	R184.00
3.00%	R2000	4 Months	R229.00
5.00%	R3000	4 Months	R279.00
7.00%	R4000	4 Months	R329.00

Stimulus 3 (Right): "the trusted way to borrow cash". It features a "A special rate for you." banner. The text includes: "Congratulations! You are now eligible for a special interest rate on a cash loan from [Bank Name]. This is a limited time offer, so please come in by 31 October 2003. You can use this cash to pay off a more expensive debt, or for anything else you want. Enjoy low monthly repayments with this offer! Here is one example of a loan you can get under this offer:"

Loan Amount	Loan Term	Monthly Repayments
R2000.00	4 Months	R279.00

Each stimulus includes a "How to apply" section and a "How to apply" section with a photo of a customer consultant.

Simonson, Carmon & O'Curry (1994) Stimulus

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City			TOTAL \$	
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Zip			Fujicolor Umbrella Order.	

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