

**When Bigger Isn't Better:
How Perceptions of Market Dominance Impact Brand Favorability**

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Abstract

Past research has suggested that companies should tout their market leadership over other brands, and many companies have embraced this recommendation in their advertising messages. However, this research shows that communicating market dominance can in fact be harmful to certain brands, namely those that have built a warm brand image. We propose that dominance over the competition is in conflict with a brand's warmth and can in fact dilute the brand's image when communicated. This diluted brand image leads to a decrease in favorability towards the brand. Additionally we show a way that even warm brands may communicate their dominance in a category without suffering these negative effects.

Introduction

Brands regularly tout their leadership in a product category through advertisements and even slogans (i.e. “ESPN – the worldwide leader in sports”). Considering that market leadership seems to bring with it perceptual benefits, this is not surprising. However, we propose that taking this positioning may be detrimental to certain brands. Specifically, our research explores how communicating dominance of competitors lowers positive attitudes towards brands with warm brand images. Warm brand images are commonly used in many categories as a way to differentiate one product from another. For instance, Snuggle fabric softener uses a cuddly bear along with its warm name in order to increase perceptions of warmth over other brands in the category, such as Bounce. If Snuggle were to claim market leadership or dominance of competitors in the category, would this message negatively impact its warm image and the positive perceptions that go along with it? We believe that it would.

We argue that perception of dominance, which includes traits such as aggression and self-assuredness, is in conflict with perceptions of warmth—kindness and sincerity. Furthermore, we propose and find that promoting the dominance in the marketplace of a warm brand diluted its warm image and leads to unfavorable consumer reactions. Because communicating market dominance certainly has its benefits (Hellouf and Jacobson 1999; Kamins, Alpert and Perner 2003), we further investigate ways to mitigate the negative effects just described.

Benefits of Market Dominance

One way that market dominance can be communicated is through messages about a brand's leadership position in the category. Because perceptions of market leadership (even if these perceptions are not accurate) can result in positive consumer evaluations and purchase intentions (Kamins et al. 2003), brands often adopt communication messages that promote dominance in the hope of reaping these benefits. Consumers may infer that a market leader must offer quality products in order to build such a large market share (Hellofs and Jacobson 1999). Individuals may also experience lower perceptions of risk, positive networking effects or a psychological benefit from using a popular, market dominant brand (Hellofs and Jacobson 1999; Kamins et al. 2003). When overwhelmed by other information about the brands, consumers may use perceptions of market leadership as a convenient cue to drive purchase intentions (Kamins et al. 2003). Kamins and colleagues (2003) recommend that brands that cannot claim leadership in a large product category define themselves by a subcategory in which leadership can be claimed due to the many benefits that they find associated a brand's position as market leader.

Past research seems to suggest that for any brand communicating market dominance or otherwise increasing perceptions of market leadership would have a positive impact. However, it is unclear how these perceptions reflect on brand image other than by seemingly increasing perceptions of quality. We suggest that it is beneficial for marketers to understand how perceptions of market dominance in order to fully understand the impact of communications focusing on market dominance. While market dominance may be a signal of product quality as Hellofs and Jacobson suggest (1999) but we propose that market dominance is also a signal of a brand's power.

Market Dominance as Power

Power is a commonly used construct in social psychology research and more recently has been of interest in consumer research (Rucker, Galinsky, and Dubois 2012; Galinsky, Rucker and Magee 2015). However, this construct has not been fully defined when applied to brands. What does it mean to be a “powerful brand”? A google search of these terms returns lists of brands including Apple, McDonald’s, Disney and Coca-Cola (Forbes 2014) that are dominant in their categories. Furthermore, research has shown that market dominance is correlated with perceptions of brand power in the minds of consumers (Stoner and Torelli 2015).

Brands that are dominant in a category may have power over several members of the supply chain and the market. A leader of the market may serve as a category exemplar and thus dictate what attributes a competing brand must have in order to be perceived as a member of the category by consumers (Carpenter and Nakamoto 1989; Kamins, Alpert and Perner 2007). Furthermore, brands with a high market share may have power over consumers due to network effects and near monopoly power in consumption settings where choice is limited (e.g. even a small town is likely to have a McDonald’s or Wal-mart). Dominant brands may also have power over members of the supply chain due to buyer and seller power (Porter 1979) and have been shown to use stronger methods of influence, such as withholding payment, on channel partners (Wilkinson and Kipnis 1978). Given that dominance and power perceptions are linked to high market share and category leadership, we believe that these images may conflict with certain brand images, specifically images of warmth.

Impact of Market Dominance on Warm Brands

While perceptions of power through market leadership may be beneficial for many different brands, we believe that communicating dominance over competitors will be detrimental to brands that have built a warm brand image. Warmth has been shown to not only be a common dimension of social judgments (Fiske et al. 1999; Fiske et al. 2002) but also of perceptions of companies and brands (Aaker, Vohs and Mogilner 2010; Aaker, Garbinsky, and Vohs 2012; Bennett and Hill 2012). Firms may build a warm image to differentiate themselves from competitors (Aaker 1996). They may simultaneously try to communicate market leadership in order to gain perceptions of competence and reach the “golden quadrant”—high perceptions of both competence and warmth—which translates to admiration for the brand and thus greater purchase intentions (Aaker et al. 2010; Aaker et al. 2012). We hypothesize that while communication of a brand’s competence, such as a third party endorsement, may actually enhance a warm brand’s image, a communication of market dominance will negatively impact a warm brand due not to its association with competence but because of its message of power.

We believe that a warm image can conflict with perceptions of a brand’s category dominance for several reasons. First, given that brands can often be seen as having personality characteristics similar to humans (Aaker 1997), the fact that leaders are typically seen as having characteristics that oppose those of warmth such as masculinity (Koenig et al 2011) and dominance (Lord, De Vader and Alliger 1986) could also mean that consumers apply these same traits to brands that are seen as category leaders. In fact, trait dominance, or typically acting assertive, forceful and self-assured, is so strongly related to power that it has been suggested that

a trait dominance measure might be used as a proxy for power (Galinsky, Rucker and Magee 2015).

More directly applicable to our current research, research by Fragale, Overbeck and Neale (2011) has shown that people with high power have been associated with perceptions of low warmth. Additionally, high power people have been known to take low warmth actions such as a lack of perspective taking (Galinsky et al. 2006) and spending more money on the self versus others (Rucker, Dubois and Galinsky 2011). Therefore, the relevant literature in psychology and consumer behavior seems to suggest that leadership and power are more associated with colder traits like masculinity and dominance than with warmth.

Highlighting market dominance over competitors brings to mind the competition of the marketplace and may bring to mind questions about the true motives of the brand. Established, competent brands regularly are overtaken and relinquish their market dominance by being outmaneuvered by more strategic, competitive rivals (Stalk, Evans, and Sgulman 1992). Merely by being linked with dominance in the market, consumers may believe that these brands are highly competitive, a trait that has been linked to perceptions of low warmth (Fiske et al. 1999; Fiske et al. 2002). People are seen as warm to the extent that they do not compete with others (Fiske et al. 2002). By communicating dominance over competitors, a brand is showing that it is aware of and actively invested in competition.

Research on brands as embodying human values also support our hypothesis that warm brand images may be in conflict with communication of market and competitor dominance. Prior literature that has applied the Schwartz structure of human values (Schwartz 1992) to brand concepts has demonstrated that brands that adopt compatible values—those that are adjacent to

one another on the Schwartz and Boehnke (2004) model—receive more favorable evaluations than brands that attempt to adopt incompatible values—those that are opposite to one another on the model (Torelli et al. 2012; Torelli, Monga and Kaikati 2012). Using this framework, a warm brand image would be associated with benevolent values within the higher-order dimension of self-transcendence which includes items such as helpfulness, honesty, forgiveness and responsibility. In contrast, communicating market dominance would be associated with power and achievement values within the higher order self-enhancement dimension which includes items such as success, capability, ambition, and influence on people and events (Schwartz and Boehnke 2004). Jointly communicating these values, such as when brand that has built a warm image communicates in dominance of competition, may trigger negative reactions as seen in previous research (Torelli et al. 2012; Torelli, Monga and Kaikati 2012).

For all the reasons outlined above, we argue that brands with warm brand images that attempt to communicate their marketplace dominance will receive less favorable reactions than brands with warm images that don't do so. This effect is due to the negative impact of the dominant message on the brand's warmth. Communication of market dominance will dilute the warm image associated with the brand. However, in certain categories where warmth is a point of parity, we hypothesize that communication of market dominance will not harm consumers' perceptions.

Moderating Impact of Product Category

While communicating market dominance may have a negative impact on brands with warm images, we believe that an important moderating variable is the type of product category. Just as an individual brand can develop a certain image so too can a category have an image that embodies a trait shared by the brands in the category. Product categories are often seen as attribute bundles that are selected using prototypes or exemplars for the category (Helloufs and Jacobson 1999). For example, scented candles may be connected to a hedonic association while screwdrivers may be connected with a utilitarian association. In some categories one of the attributes in its bundle may be warmth. However, some product categories have neither a high nor a low warmth category image and are neutral. In categories such as soap, brands may position themselves with a warm brand image or with another type of image such as exciting, functional, or sophisticated. These brand images serve to differentiate the brand from other brands. In warmth neutral categories, we believe that communicating market dominance will harm brands that choose to position themselves with a high warmth image.

However, in certain categories having a warm image is a point of parity in that it is assumed that all brands will embody that positioning to a certain extent. For instance, greeting cards, by their very nature, are warm, and all the brands in the greeting card category are assumed to be warm to some degree. In a category where properties such as a warm image is shared by all members of the product category, these attributes will be stored at the category level and be attached to individually branded products less strongly, allowing brands to differentiate themselves on other dimensions (LaBoeuf and Simmons 2010). Therefore, in categories where warmth is a point of parity, we theorize that communicating market dominance (vs. not) will not lower consumers' favorability. The benefits of promoting a distinctive brand

image (i.e. being dominant may be unique in this category) will attenuate the negative impact of communicating dominance on the brand's warm image.

We next outline four empirical studies which test and find support for our hypotheses. The first two studies explore our main hypothesis and demonstrate that advertising which communicates market dominance can be harmful for brands with warm images by using fictitious brands. Study 2 additionally explores the boundary condition of warmth of category as well as the mediating effect of brand image warmth. Study 3 explores how brands may still be able to communicate a leadership position in a less dominant way, through the communication of consumer choice. Additionally, this study uses a real brand that has built a warm brand image, Johnson's baby shampoo and provides additional evidence for the mechanism behind our effect. Finally, Study 4 shows that the drop in consumer favorability when communicating market dominance occurs only for a brand with a warm brand image.

Study 1: The Impact of Market Dominance on a Warm Brand

In Study 1, we find initial evidence for our effect using a fictitious soap brand. We manipulate the warmth of the brand image so that we can explore the impact of an advertisement communicating market dominance compared to an advertisement communicating competence but not dominance.

Method

Eighty one undergraduate students at a large American university were recruited for a study on brands and received course credit in exchange for their participation. Participants were assigned to one of two conditions: market dominance advertisement or control advertisement.

All participants viewed a description of a soap brand called “Fresh”. Soap was chosen as the target product category as it is a neutral category in which a variety of brands exists, and brands can position themselves as warm or not. Each participant viewed a description of the brand. Participants were told that Fresh was known for being gentle and mild, was sold in children’s stores and had ads that featured families and children.

After viewing the description of the Fresh brand, participants then viewed an ad which featured a set of hands being lathered with soap under running water and copy that varied on the extent to which it communicated the brand’s dominance in the market. In the control ad, competence was communicated by a third party’s (The American Medical Association) endorsement of the soap’s germ killing ability while in the dominant ad the brand’s dominance over competitors and also germs was communicated. The picture was the same for both the dominant and control ad and only the text was changed. See Appendix for advertisement stimuli.

Following the advertisement, participants responded on a 7 point scale to four items to measure favorable reactions to the ad and the Fresh brand: “How much do you like the advertisement?” Not at all (1) – A lot (7), “How much do you like the Fresh brand?” Not at all (1) – A lot (7), “My attitude towards Fresh is...Unfavorable (1) – Favorable (7)”, and “I think Fresh is a ...Bad Brand (1) – Good Brand(2)”.

Results

Manipulation Checks. Using a separate group of participants from the same participant pool, we tested to see that soap was perceived as being a neutral category in terms of warmth. Participants were asked to rate on a 1- 7 scale (1 = Not at all, 7 = Very much) what extent the soap product category was associated with three warmth related traits: interpersonally warm, kind, generous (Aaker et al. 2010). The overall warmth rating was not significantly different than the midpoint of the scale demonstrating that it was neither a high nor low warmth category ($M = 3.76$, $t(83) = -1.30$, $p = .20$).

Another group of participants rated the warmth of the brand description using the same measures as used for the product category. The brand description was perceived to be significantly above the midpoint in terms of warmth ($M = 5.33$, $t(10) = 3.77$, $p < .01$).

Finally, the ad was tested to ensure that the dominant ad communicated the brand's market dominance more than the non-dominant ad. Participants rated the ad using a 3 item scale identifying how much the ad communicated that the brand was big, dominant of the competition and a leader in the market (1 = Not at all, 7 = Very much). The pretest demonstrated that the dominant advertisement did in fact communicate the brand's market dominance more than the control advertisement ($M = 5.29$ vs. 3.46 , $F(1,64) = 31.29$, $p < .001$). Additionally the ads were not shown to differ on how much they communicated the brand's competence ($p > .28$) based on the competence related measures used by Aaker and colleagues (2010).

Favorability. The four items measuring the reaction to the brand were averaged together to come up with an overall index of favorability ($\alpha = .90$). An exploratory factor analysis also showed that these items all loaded onto a single factor (factor loadings $> .75$). An ANOVA revealed a significant effect of dominant advertisement ($F(1, 79) = 3.89$, $p < .05$). Participants

had a less favorable impression of the ad when they viewed the dominant ad ($M = 3.89$) than when they viewed the control ad ($M = 4.41$).

Discussion

Study 1 finds initial evidence that communicating market dominance in an advertisement can negatively impact the perceptions of a brand with a warm image when compared with an advertisement that communicates a similar level of competence. In Study 2, we further explore this by using a more conservative control ad that just has the logo for the brand with no text. We also study the mediating role of brand warmth and the boundary condition of category warmth.

Study 2: The Roles of Brand and Product Category Warmth

Study 2 explores a boundary conditions associated with the effect demonstrated in the first study by looking at a product category in which warmth is a point of parity. Past research would suggest that attributes shared by a product category are held at a higher level and thus allow brands to differentiate themselves through images that seemingly are in conflict with the category attributes (LaBoeuf and Simmons 2010). Therefore, we believe that brands in categories where warmth is a point of parity will allow brands to communicate market dominance without it impacting the attitudes of consumers.

Study 1 used a product category (hand soap) where a brand may adopt either a warm or a non-warm image in order to differentiate itself. For instance in this category while a brand such as Softsoap communicates a warm image, Lava, a competing brand, actually focuses on its tough

scrubbing power and has a very non-warm brand image. In Study 2, we compare the effect of communicating market dominance on a warm brand in a neutral category (adhesive bandages) with the effect of a warm brand in a high warmth category (greeting cards).

Also in Study 2, we begin to explore the mediating role of brand warmth. We propose that the dominant advertisement will dilute the warmth of the brand's image in the neutral category and thus reduce favorability. However, for the warm brand in a category where warmth is a point of parity, the dominant advertisement will not decrease brand warmth and so will not be a significant mediator.

Method

Eighty five students from a large American university were recruited for a study on brand perceptions and were given course credit in exchange for their participation. Participants were randomly assigned to conditions in a 2 (product category: warm/neutral) X 2 (ad type: dominant/control) between subjects design. The warm product category was greeting cards and the neutral category was adhesive bandages.

The procedure for this experiment was similar to that of Study 1. Participants assigned to the adhesive condition read a description of the fictional St. Maria's brand: "St. Maria's is a brand of adhesive bandages. St. Maria's is known for an adhesive which is gentle on the skin. It is also known for having a great online community where parents can find resources and connect with other parents. The brand is known for its support of various community clinics that serve low income families." After reading this description, participants viewed either a dominant or control advertisement. For this study, unlike in Study 1, the control ad communicated no information about competence and was merely the brand logo and an image. This was meant to

be a stronger test of the impact of the dominant advertisement. See Appendix for advertisement stimuli. Participants then completed the same favorability index that was used in the first study. Additionally, after they recorded their favorability, they rated the extent to which they believe the St. Maria's brand was 15 various traits (1 = Not at all, 7 = Very much). Embedded within these traits were three items associated with a warm brand personality—interpersonally warm, kind, generous (Aaker et al. 2010).

Participants that were assigned to the greeting card product category condition followed the same procedure except that they read a description for the fictional Apple Seed greeting card brand: “Apple Seed is a brand of greeting card. They pride themselves on being able to capture the true heartfelt emotion of any special moment and communicate that through beautiful words and artistry. They also regularly have special lines of cards, which have a portion of the proceeds going to a variety of children's charities.” Once again this was created to communicate warmth. After reading the description, these participants also viewed either a dominant or control advertisement depending on the condition to which they were randomly assigned. See Appendix for advertisement stimuli. After viewing the ads, they then completed the same favorability measures and brand image measures as the participants that had viewed the adhesive bandage brand.

Results

Manipulation Checks. These two product categories had been pretested using the same procedure as the pretest in the previous study to show that the greeting card category was perceived to be significantly above the midpoint on the warmth measure ($M = 5.11$, $t(83) = 8.63$,

$p < .001$) and the adhesive bandages category was not significantly different from the midpoint ($M = 3.93, t(83) = -.48, p = .63$).

Pretests also judged that both the greeting card brand description ($M = 5.29$) and the adhesive bandage brand description ($M = 5.39$) were both significantly above the midpoint in terms of brand warmth (p 's $< .001$). Additionally one brand was not significantly warmer than the other ($F(1,60) = .09, p > .76$), and one brand was not judged to be more competent than the other ($p = .76$).

Finally, the adhesive bandage advertisements were pretested to ensure that they differed on how much they communicated the brand's dominance ($F(1,64) = 99.07, p < .001$) with the dominant ad communicating more market dominance than the control advertisement (M 's = 5.51 vs. 2.52) The greeting card ads were also pretested to show that they differed how much they communicated the brand's market dominance with the market dominant ad again communicating more market dominance than the control ad (M 's = 4.75 vs. 3.56, $F(1,47) = 8.27, p < .01$).

Favorability. Once again the four items measuring brand favorability were averaged together to create an overall index ($\alpha = .94$). Additionally all the items loaded onto one factor (factor loading $> .79$). An ANOVA revealed a marginally significant main effect of ad type ($F(1, 81) = 2.72, p = .10$). The main effects of product category ($p > .14$) and product category X ad type interaction ($p > .42$) were both not significant.

Additional analysis using planned contrasts demonstrated that the main effect of ad type was driven by the advertisements in the neutral category. In the neutral adhesive bandage category, participants evaluated the brand more favorably after viewing the control advertisement ($M = 4.66$) than after viewing the advertisement that communicated market

dominance ($M = 3.90$, $F(1, 81) = 3.45$, $p < .05$, one-tailed). For participants viewing the greeting card advertisements the difference was not significant. Participants viewing the control greeting card ad liked it as much as those viewing the dominant greeting card ad ($M = 3.96$ vs 3.70 , $F(1, 81) = .31$, $p > .57$). See Figure 1.

Insert Figure 1 about here

Moderated Mediation. We used the trait measures of warmth in order to investigate the role of brand image warmth as a mediator of the effect of communication of market dominance on consumers' evaluations of the brand. The three items used to measure brand image warmth were averaged together to create an overall index of warmth ($\alpha = .96$). All items loaded onto a single factor (all factor loadings $> .89$). We used bootstrapped confidence intervals as recommended by Preacher and Hayes (2008) and the PROCESS model X (CITE) to test moderated mediation. We found that as predicted warmth of the brand's image mediated the ad's impact on overall brand favorability for the neutral product category (95% CI of the indirect effect = -1.43 to $-.04$) but was not a significant mediator for the warm product category (95% of the indirect effect = $-.94$ to $.42$).

Discussion

Study 2 explores the boundary condition of product category warmth on the impact of an advertising strategy communicating brand dominance. It finds, consistent with our theorizing, that in a category where warmth is a point of parity, such as greeting cards, communicating

market dominance may be a successful differentiating strategy without harming consumer perceptions. Furthermore, we replicated the finding of Study 1 using a different neutral product category, adhesive bandages, and find initial evidence that dilution of the brand's warmth leads to the lower brand favorability ratings. Additionally, Study 2 found process evidence for this effect by showing that for the adhesive bandage category a dilution of the brand's warmth led to the lowered favorability, but this was not seen for the high warmth greeting card category.

The first two studies used fictitious brands in order to ensure that participants have no prior associations with the brands. In Study 3, we replicate the findings from these studies using a real brand in a neutral category that has built a high warmth image, Johnson's baby shampoo. Additionally, we find additional mediational evidence for lowered associations of warmth with the brand using a different measure of warmth. Finally, rather than use a control advertisement for comparison, we demonstrate how marketers can use their market leadership to their advantage without suffering the negative impact coming from the conflict between dominance and warmth.

Study 3: The Impact of Market Dominance on a Real High Warmth Brand

Study 3 builds on the findings of Study 1 and 2 by using a real brand that has built a warm image as well as provides further evidence of the mediator. We use a real branded product, Johnson's baby shampoo, a leading brand with a warm image in a neutrally warm product category, to demonstrate the main effect of market dominance on warmth. Johnson's was chosen because it had been shown to be strongly associated with warmth and warmth related attributes

in prior research (John, Loken, and Joiner 1998; Kervyn, Fiske, and Malone 2012), Additionally, we used a different pool of participants, mTurk workers, to increase the generalizability of our findings and show how marketers may be able to communicate their leadership in a category in a warmer way, by focusing less on their dominance over competitors and more on the fact that more consumers choose to purchase their products.

Method

One hundred and fourteen participants were recruited off of Amazon's mTurk for a study on brand perceptions and were paid a small amount of money in exchange for their participation. Participants were randomly assigned to one of two conditions: a market dominant ad or a non-dominant ad.

In both conditions participants viewed an ad for Johnson's baby shampoo. The ad had the same design in each condition with only the text changing. In the market dominance condition the ad read "There's a reason Johnson's continues to dominate the competition with 70% of all baby shampoo sold bearing the Johnson's name." In the non-dominant condition, the ad read "there's a reason 7 out of 10 moms purchase Johnson's baby shampoo." See Appendix for advertisements.

Following the ad, participants responded on the same scales to measure favorable reactions to the ad and the Johnson's brand as used in the first two studies. Participants also rated several items meant to address their perceptions of warmth towards Johnson's and to serve as a mediating variable. Unlike in Study 2, where general warmth items were used, in this study warmth related items were specific to the consumers beliefs and feelings towards the Johnson's brand. One question was in a similar format to the other attitude measures "My feelings towards

Johnson's are...Cold (1) – Warm (7)". The other two items were responded to on a 1-7 scale anchored at Strongly Disagree and Strongly Agree: "Johnson's baby shampoo is a mild product" and "Johnson's baby shampoo is good for delicate skin and hair."

Results:

Manipulation Checks. Using the same procedure as described for the pretests for the previous studies, the children's shampoo category was rated as just above the midpoint on the warmth scale ($M = 4.38$). While the score was significantly higher than the midpoint ($t(83) = 2.36, p < .05$), we do not believe that a rating of 4.38 would categorize it as a high warmth category and in fact L'Oreal kids, another children's shampoo has a more exciting and less warm image demonstrating that brands in the category need not be high warmth.

The ads were also pretested in a manner similar to that in Studies 1 and 2 and the dominant ad was demonstrated to communicate the brand's market dominance more than the non-dominant ad (M 's = 5.68 vs. 5.08, $F(1, 51) = 3.34, p = .07$). This is interesting in that the advertisements communicate nearly the same information and merely phrase it in a warmer manner. Importantly, the dominant ad was not judged to communicate the brand's competence more than the non-dominant ad ($p > .82$).

Favorability. The four items were averaged together to come up with an overall index of favorability ($\alpha = .94$). An exploratory factor analysis showed that these items all loaded onto a single factor (factor loadings $> .74$). An ANOVA revealed an effect of ad ($F(1, 71) = 4.68, p < .05$). Consistent with our hypothesis participants viewing the market dominant ad reported liking the Johnson's brand less ($M = 5.00$) than those viewing the non-dominant ad ($M = 5.66$).

Mediation. The three items used to measure warmth were averaged together to create an overall index of warmth ($\alpha = .88$). All items loaded onto a single factor (all factor loadings $> .70$). We used bootstrapped confidence intervals as recommended by Preacher and Hayes (2008) to test the proposed mediation mechanism. We find that the attitudinal measure of warmth does in fact mediate the ad's impact on overall brand favorability (95% CI of the indirect effect = .01 to 1.06). The mediation model showed that the impact of the dominant ad which was initially significant ($\beta = -.66, t = -2.16, p < .05$) became not significant when ratings of warmth were added into the model ($\beta = -.14, t = -.98, p > .32$). See Figure 2.

Insert Figure 2 about here

Discussion. Study 3 expands our findings to a real brand and finds additional evidence for our proposed mechanism, dilution of perceptions of the brand's warmth. Additionally, we expand to a non-student population of subjects. Our first three studies looked only at brands with a warm image. If, as we propose, dominance is in conflict with warmth, the negative impact of communicating market dominance should only occur for brands with warm images. In our final study, we compare the impact of an ad communicating market dominance on a warm brand to that of a non-warm brand.

Study 4: Impact of Market Dominance on a Warm versus Non-warm Brand

In Study 4, we wanted to demonstrate that market dominance only conflicts with and causes a negative impact on warm brand images. We use the same warm brand description as in Study 1, the soap brand, but also include a condition with a non-warm version of this brand. We again use a dominant or non-dominant ad as in Study 3.

Method

Eighty-one undergraduate students at a large American university were recruited for a study on brand perceptions in exchange for course credit. The experiment was a 2 (market dominant ad/non-dominant ad) X 2 (high warmth brand/low warmth brand) between subjects design in which participants were randomly assigned to the conditions.

All participants viewed a description of the “Fresh” fictitious soap brand used in Study 1. In the high warmth brand condition, participants viewed the same description that had been used in Study 1. In the low warmth condition, participants viewed a description of the soap saying that it was bought by many people but had a loyal following among factory workers and mechanics, was tough on fighting dirt, and had sponsored a “dirtiest hands” contest.

After viewing the description of the Fresh brand, participants then viewed an ad which featured the same image as in Study 1 and copy that varied on the extent to which it communicated the brand’s dominance in the market. The dominant ad was slightly different than that used in Study 1 so that it would match better with a non-dominant version of the advertisement. See Appendix for stimuli. After viewing the advertisement, participants once again rated the brand on the same measures of favorability as used in the prior studies.

Results

Manipulation Checks. A group of participants similar to that of the actual participants in the study rated the warmth of the brand descriptions using the same measures as used for the product category. The high warmth brand description was perceived to be significantly warmer than the low warmth image ($M = 5.33$ vs. 3.70 , $F(1, 19) = 11.55$, $p < .01$). Additionally, the brands did not vary in their level of competence ($M = 5.07$ vs. 5.06 , $F(1, 19) < .001$, $p > .98$).

Finally, the ad was tested to ensure that the dominant ad communicated the brand's market dominance more than the non-dominant ad. The pretest demonstrated that the dominant advertisement did in fact communicate the brand's market dominance more than the non-dominant advertisement ($M = 5.59$ vs. 4.63 , $F(1, 70) = 9.59$, $p < .001$). Additionally the ads were not shown to differ on how much they communicated the brand's competence ($p > .72$).

Favorability. The four items measuring the reaction to the brand were averaged together to come up with an overall index of favorability ($\alpha = .91$). An exploratory factor analysis also showed that these items all loaded onto a single factor (factor loadings $> .82$). An ANOVA revealed a significant interaction of warm brand and dominant ad ($F(1, 77) = 3.784$, $p = .05$). There was neither a significant main effect of warm brand ($p = .16$) nor of dominant ad ($p = .66$). Planned contrasts revealed that the significant interaction was driven by those viewing the high warmth brand. When the high warmth brand had a market dominant ad, participants liked the brand less ($M = 4.37$) than when they viewed the non-dominant ad ($M = 5.01$): this difference was one-tailed significant ($F(1, 77) = 2.95$, $p < .05$). There was no significant difference for those viewing the low warmth brand ($F(1, 77) = 1.14$, $p = .29$): participants viewing the dominant ad liked the low warmth brand no more ($M = 4.51$) than those viewing the non-dominant ad ($M = 4.11$). See Figure 3.

Insert Figure 3 about here

Discussion

Study 4 includes a brand with a non-warm image and shows that the dominant ad does not impact favorable attitudes towards the brand as it does with the warm brand. Taken together our four studies show that communicating market dominance over competing brands can in fact backfire for brands with warm images because of a conflict between warmth and power causing dilution of the consumer's perceptions of the brand's warmth. Additionally, we demonstrate that communicating dominance does not have the same impact on brands that are associated with a warm product category or brands that have a brand image not associated with warm. Finally, we show that marketers can leverage their position in the marketplace without having a negative impact on warm brands by communicating that more consumers choose to buy their product rather than their dominance of competition.

General Discussion

In this research, we have used both real and fictitious brands to demonstrate that communication of a brand's dominance of a competitor can be harmful to brand's that have built a warm brand image. Furthermore, we show that this effect is due to a dilution of the brand's

image. This effect only occurs for brands in a neutral versus warm category. We further show that by communicating the purchase of the product by other consumers rather than by communicating dominance directly, brands can leverage their position as a market leader and avoid the dilutive effects of market dominance.

This research contributes theoretically to the literature by demonstrating that positions associated with the corporate position of a brand, such as position of dominance in the product category, can interact with and sometimes conflict with the image or personality that a brand has built. More specifically, we show that market dominance is in conflict with perceptions of warmth, something that has yet to be identified in the branding literature. Finally, we replicate and expand the findings of LaBoeuf and Simmons (2010) by demonstrating another example of when product category allows a brand to differentiate itself in a way that normally would receive negative reactions based merely on the brand's image.

Finally, this research offers actionable recommendations for brand managers. Brand managers may want to tout their brand's dominance over a competitor; however, our research suggests that they may want to carefully consider their brand's image before doing this. For brands with a warm image, a message communicating market dominance needs to be crafted in such a way as to not conflict with and potentially dilute the brand's image.

This research also opens many other potential avenues of research. While we have shown that communication of dominance based on market share can be harmful to warm brands, brands often communicate leadership and dominance of the competition on other dimensions such as quality, safety, and customer satisfaction. Some of these dimensions may be warmer than sales and so leadership on these dimensions may in fact not conflict as much as a market dominant

positioning. Future research will want to look at the dimensions on which dominance claims are made.

Additionally this research has shown how a corporate image, that of having high market share, can conflict with the brand's image. Future research should continue to explore the interaction of a corporate image with a brand image. For instance, low profitability at the corporate level may be more harmful to a brand that has built an image around status and wealth. While some literature on corporate social responsibility has touched on the interaction of corporate activities and brand images, this relationship needs to be explored further.

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Figure 1: The Moderating Role of Category Warmth on the Impact of Market Dominance (Study 2)

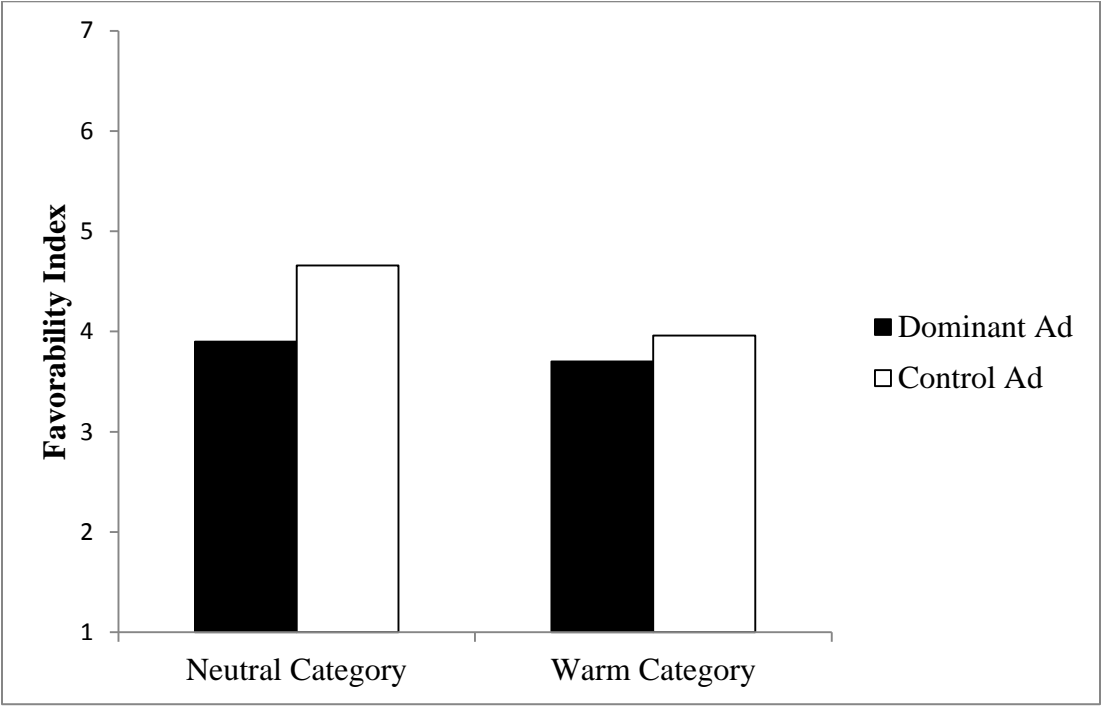


Figure 2: Mediation Path of Dominant Ad on Favorability through Warmth (Study 3)

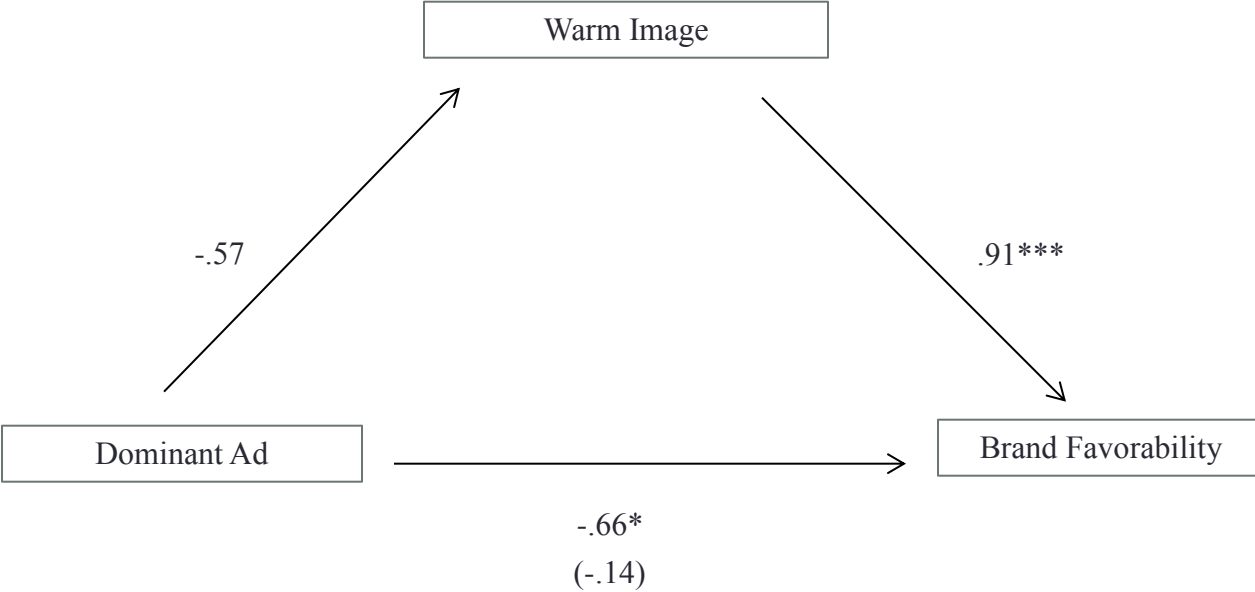
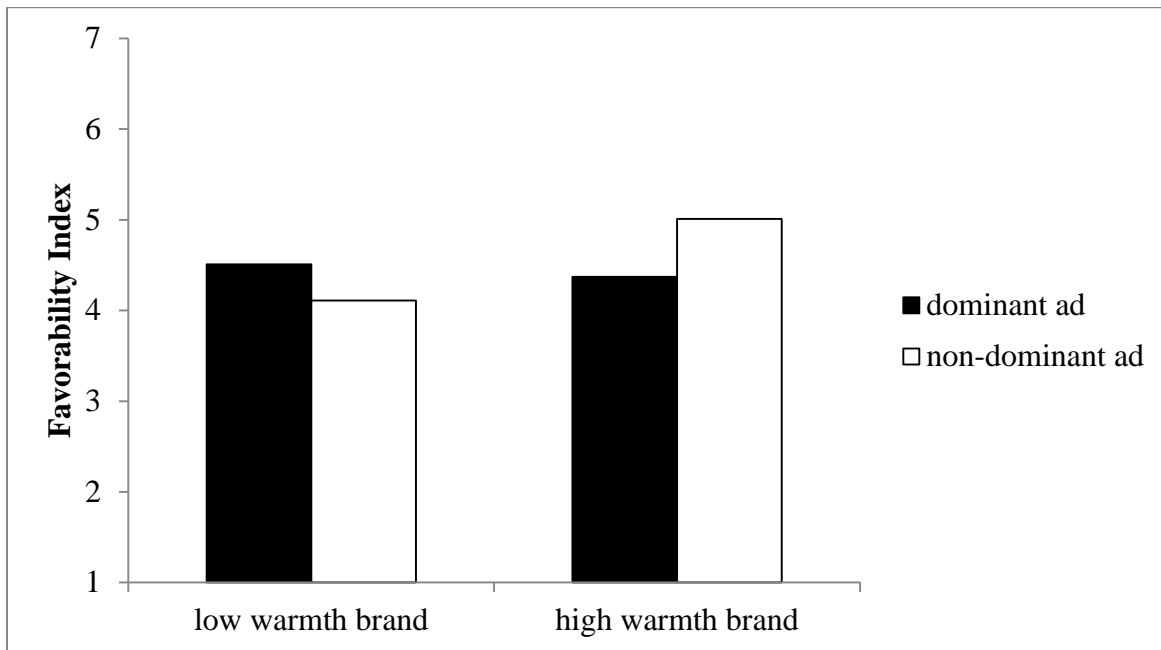


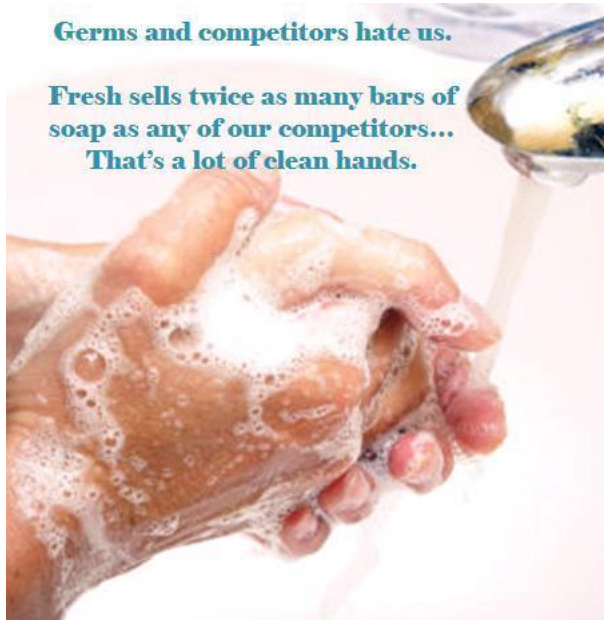
Figure 3: The Impact of Market Dominance on a High Warmth versus Low Warmth Brand (Study 4)



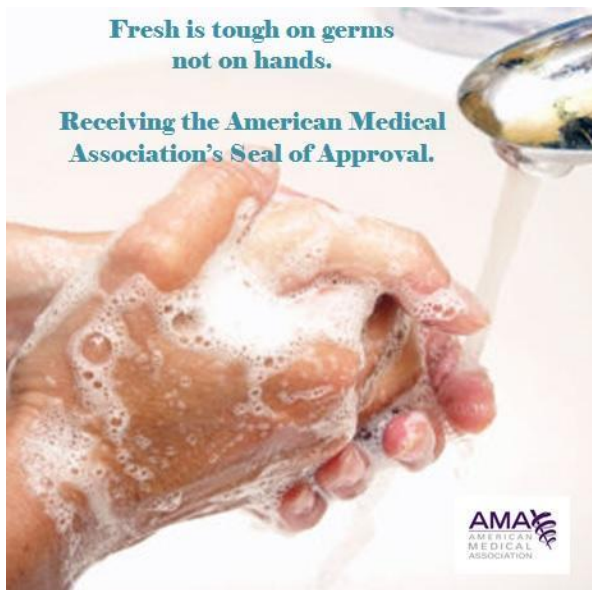
Appendix

Study 1

Dominant Ad



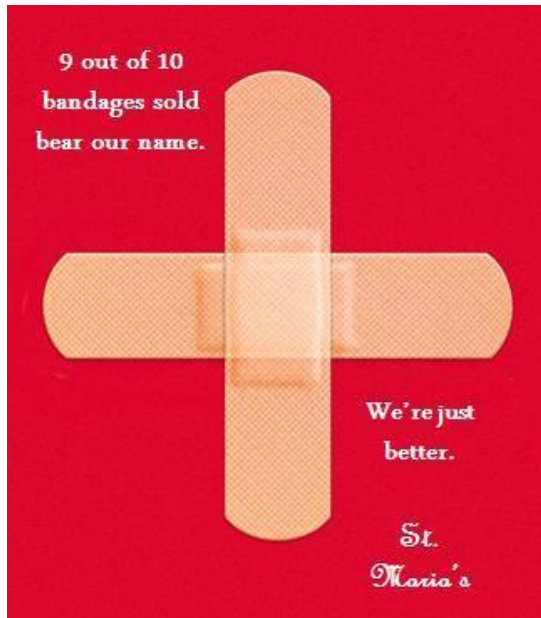
Control Ad



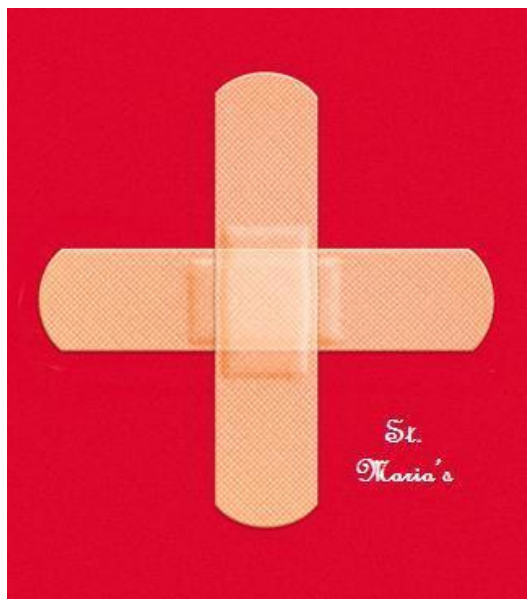
Study 2

Adhesive Bandage (Neutral) Category

Dominant Advertisement



Control Advertisement



Greeting Card (Warm) Category

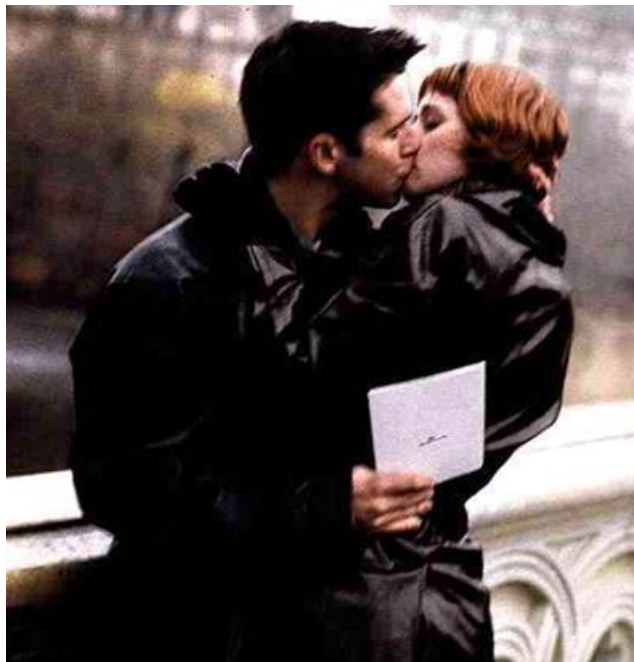
Dominant Ad



There's a reason Apple Seed has been dominating its competitors for so long with 70% of all greeting cards sold bearing the Apple Seed logo... we know how to say the words you and our competitors don't.



Control Ad



Study 3

Dominant Advertisement



Non-dominant advertisement



Study 4

Dominant ad



Non-dominant ad

