FACILITATING CONSUMER CHOICE DECISIONS: THE IMPORTANCE OF BRANDING CUES

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Summary

A review of the consumer behaviour literature shows that consumers undertake little external search when buying packaged groceries, with considerable reliance being placed upon memory. To efficiently undertake grocery shopping, without suffering from information overload, consumers seek a few chunks of information which they regard as having a high informational value. A better understanding of this can be appreciated from Cox's model, which posits that consumers interpret products as arrays of cues and they seek only those few cues with which they are confident in predicting a products performance. Brand name cues appear to be important informational chunks. To better understand the attributes consumers use when choosing a particular brand, a consumer research study was undertaken across six packaged grocery product fields. The first wave of interviews, using Kelly grids, were used to elicit an exhaustive list of consumer relevant attributes. A second wave of interviews, based on attribute–brand batteries from the Kelly grid results, enabled principal components analysis to be used to identify the key choice attributes. Confirming the earlier literature, between 8 to 10 attributes were used by consumers to make a brand choice and brand name information was frequently sought. Implications for marketing management are discussed.
Introduction

An analysis of the grocery trade marketing literature shows the increasing pressure on packaged grocery manufacturers and retailers to provide more packaging information (eg The Grocer 1987, The Grocer 1988a). The underlying assumption is that in a free economy, more grocery packaging information should improve the quality of products and competition, facilitate value comparisons and through having better educated consumers, increase purchase satisfaction. An inherent assumption is that more information facilitates consumers' decision processes, making them more "effective" purchasers. However, while consumers may feel more confident in grocery buying when more information is presented, there are studies showing that there have been no behavioural changes (eg Russo et al, 1986) or adverse behavioural changes (eg Jacoby et al, 1974). Information programmes should not solely focus upon the quantity of facts presented to customers, but instead should address the quality of grocery information (eg Day, 1976).

This paper, which draws heavily on the consumer behaviour literature, is concerned with better understanding the informational cues consumers use to choose between competing brands in the same product field. It opens by reviewing the way consumers use memory as the prime informational source to facilitate choice, which then directs a search for supplementary information from external sources (eg advertising, packaging, pricing, etc). Evidence of a restricted external information search process is presented and reasons for this advanced, in part due to the way that the consumer is primarily seeking a few high value informational cues. By considering the concept of products as arrays of informational cues, a framework is presented which suggests that certain cues (in particular brand name) are regarded as being very useful when choosing between competing items. To better understand the way consumers use different on-pack information cues survey research was undertaken and the results, from six packaged grocery markets, show the low number of informational cues sought and the reliance placed upon branding cues. The implications of these findings for the marketing of packaged groceries is considered.
**The Consumer Buying Process**

Consumers' buying systems can be described using the frequently cited cognitive information processing models (e.g., Engel et al., 1986; Bettman, 1979). These models are based upon consumers seeking information from memory and the external environment, processing it to arrive at a decision and storing the results of their purchase in memory, to be later consulted when again undertaking a similar purchase. The economist's view of the consumer is rejected, since consumers do not acquire perfect information (e.g., Katona and Mueller, 1955). Instead, consumers develop rational decisions (from their perspective) based upon limited cognitive capabilities used to acquire, store, and process limited brand information. Surrogate variables are used to overcome the problem of imperfect information, e.g., high price as an indicator of better quality (Wheatley and Chiu, 1977) and information is processed until it becomes consistent with consumers' prior experiences (Sheth, 1979). While there has been increased interest in the application of behaviourism in marketing (e.g., Foxall, 1983), in light of the considerable literature on consumer information processing models, this paper is based upon the information processing paradigm.

When stimulated to undertake a purchase, information search normally commences with an examination of memory (Engel et al., 1986). The extent of memory search is influenced by the amount and suitability of stored information (Bettman, 1979). As grocery products are frequently bought, with relatively short interpurchase time lapses, memory will play a significant role in the information search process. Memory search will have shown the consumer both what is and what is not known, and as such will guide the external search.

**Extent of External Information Search**

External search is a relatively limited activity (Beales et al., 1981), albeit there are variations in search activity between different groups of consumers (Newman, 1977). The Katona and Mueller (1955) seminal study of pre-purchase information search was the first to show in detail the restricted depth of search activity. A third of electrical appliance buyers claimed to seek virtually no information, 47% visited only one shop, only 35% considered another attribute in addition to brand name and price while only 5% showed evidence of a very active information search process. Further evidence of limited external search has been reported in a wide variety of product fields, e.g., cars and electrical appliance (Newman and Staelin, 1973), furniture (Claxton et al., 1974), financial services (Olshavsky and Granbois, 1979) and fashion clothing (Midgley, 1983).
With restricted external search apparent for high cost items, it is not surprising that there is even less external search for packaged groceries. In one of the few comparative studies, Schaninger and Sciglimpaglia (1981) reported a much lower level of external search activity for coffee, creamers and lemonade that for electrical goods. Early evidence of the limited use of external information for packaged groceries was reported by Bucklin (1969), who found from shopping diaries that housewives only checked an advertisement for food once every five shopping trips. The numerous studies undertaken by Jacoby and his colleagues, which focused on packaged groceries, further showed the limited extent of information search. They reported (Jacoby et al, 1974) that consumers normally make grocery purchase decisions using no more than 5 attributes and that when presented with a large amount of packaging information, on average 2% of the available information is used to make a purchase decision (Jacoby et al, 1978). As Day (1976) rather astutely observed, a large proportion of consumers are aware of food label information, but only a small proportion claim to use this.

Observation of the way consumers buy groceries in store further shows the limited use of external information. Wells and LoSciuto (1966) watched 1,500 supermarket shoppers and noted that in 55% of the cases for breakfast cereals and 72% for detergents there was no visible evidence of an in-store prepurchase choice process, such as inspecting two or more packages. Likewise Kendall and Fenwick's (1979) in-store observations showed that amongst shoppers buying rice, pasta, canned meat/fish and soups, 25% made a purchase decision without any time for deliberation and 56% only spent up to 8 seconds examining and deciding which brand to buy.

There are a variety of reasons that could explain the restricted external search, for example:

- Information is continually being directed at consumers and thus considerable use is made of memory. Generalised impressions may have been formed to help select brands

- Many of the studies (particularly those focusing on non-grocery items) relied upon respondents narrating their prior search behaviour and are thus subject to respondents' memory limitations. The work of Newman and Lockeman (1975) shows that memory limitations result in prior search activity often being under reported
Some of the label information may have been difficult to understand.

Many of the studies counted the number of information sources used by shoppers, without considering the quality of these sources. Some skilled purchasers may have gained sufficient relevant information from only a few sources which they perceived as having high informational value, as will be later discussed.

Consumers have limited cognitive capacities which are protected from information overload by the perceptual process selectively seeking information (Asseal, 1984). This enables consumers to focus their attention on only those attributes which they consider to be important. Evidence of consumers' restricted mental capabilities was shown by Jacoby et al (1974) who found that beyond a certain level of grocery packaging information, people made poorer brand selection decisions, yet felt more satisfied.

It is my contention that consumers are efficient purchasers and when faced with over 20,000 grocery items in a typical Superstore they seek the minimum of information to process, as will now be considered.

**Consumers' Information Processing**

Having undertaken information search, cognitive activity is required to process the information. Since there are finite limits to consumers' cognitive capacities, not only are these protected by consumers only selecting a proportion of the information available, but according to the Principle of Information Processing Parsimony (Haines, 1974), "consumers seek to process as little data as is necessary in order to make rational decisions" (p96). Thus while there is an apparent restricted search for information by consumers in decision making, this principle indicates that consumers strive for efficiency by processing a minimum of information.

To process the minimum of information the consumer must develop a strategy to cope with the extensive information available. Miller (1956) was one of the first people to show how consumers can overcome their limited cognitive capacities. He showed that there is a limit of about seven items to short term memory. To overcome this limited capacity he argued that the mind recodes "bits" of information (a "bit" being the amount of information needed to make a decision between two alternatives) into larger groups ("chunks"), which contain
more information. By continuing to increase the size of these chunks, the consumer can process information more effectively.

The process of chunking would help explain why consumers base purchase decisions on only a few attributes. In their striving for efficiency, they would be looking for just a few high information value attributes from the packaging to help make a purchase decision. To better appreciate this aspect of consumer decision making, it is important to understand the informational properties of packaged groceries.

**The Concept of the Product as an Array of Cues**

Cox's (1967) model further helps explain why consumers seek only a few informational dimensions. It is argued that consumers interpret products as arrays of cues (e.g., price, brand name, colour, etc.). Within this model consumers assign information values to the available cues, using those with the highest values. A cue's information value is a function of its predictive value (the accuracy with which it predicts the attributes under consideration) and its confidence value (the consumer's confidence in the predictive value they have ascribed to the cue). His research showed that consumers based their decisions on only a few of the available cues and that the predictive value of a cue has a dominant effect on cue utilisation, with a moderating effect from the confidence value of the cue. Others provide support for this model (e.g., Hansen, 1972), with, for example, consumers evaluating products on the basis of surrogate cues with which they have confidence in the predictive value (e.g., the freshness of bread based on the nature of the packaging material). This perspective of a product offers a conceptual framework for understanding consumers' limited information search by indicating that if a few cues offer high predictive and high confidence values these will be selected. Learning, through product usage, would enable the consumer to internally adjust their predictive and confidence values. The appeal of this model is its explanation of information search behaviour which still presents the purchaser as a rational decision maker. However, it does appear to assume an involved consumer making predictive and confidence value judgements for each grocery item. In view of consumers' limited cognitive capacities I believe it more likely that consumers make generalisations about cues across products.

In the increasingly concentrated retailing environment, where manufacturers of branded groceries compete against retailers' own labels, marketers use many facets to differentiate
their offering. In particular they rely upon branding to attract consumers, and as the next section shows this is one of the prime informational cues used by consumers.

The Brand Name as an Informational Cue

A review of the literature indicates that presence or absence of brand name serves consumers as a very important informational cue. Jacoby et al (1977) showed that when respondents could choose any information from a board displaying all the information normally present on the packaging for toothpastes, brand names were the most frequently selected cues. When further analysing the results by respondents choosing/not choosing brand name information, those using brand name information sought a lower number of informational cues than those not choosing brand name cues and a higher overall level of satisfaction with choice was recorded amongst those selecting brand name information. It would appear reasonable, as the authors suggest, that the importance of brand name is support for chunking. However, as they neither measured nor analysed the results by familiarity, the evidence is not conclusive about chunking. Kendall and Fenwick (1979) found by standing in 2 aisles in a grocery supermarket that 25% of shoppers selected items without any decision delay ("grabbers"), while the remainder spent some time examining packs before choosing ("lookers"). In store, when then showing respondents pack designs for new bacon substitute, "grabbers" stated that the brand name was the most important information on the new pack, while "lookers" thought nutrition information was most important. Jacoby et al (1971) showed that when respondents had to evaluate beer samples, they placed more reliance upon brand name information, rather than price information, when evaluating quality.

Thus, from these studies, there is evidence of the importance of brand names as informational cues. As Allison and Uhl (1964) showed, consumers' perceptions of product characteristics are markedly affected by the presence or absence of brand names. The ability of consumers to infer product quality characteristics through the presence or absence of brand name information has also been reported by Render and O'Connor (1976).

The brand name, or retailer name on pack, evokes certain connotations which consumers place reliance upon when evaluating competing brands within a product field. Sheth and Venkatesan (1968), investigating the repeated selection of brands of hair spray, found respondents using brand image as a risk reducer. The weekly meetings of a panel of interviewees to answer questions about reasons for selecting each brand and information
sources consulted, may though have heightened awareness of any marketing of hair sprays over the 5 weeks' period of the research and they may have answered in a manner to imply the rationality of their decision process. As further support for the usefulness of brand image, Roselius (1971) tested 11 risk relievers used by consumers across 4 types of loss (time, hazard, ego and money). The strategy of buying a major well known brand and relying on its reputation, i.e. "major brand image", consistently emerged across all 4 kinds of loss as the second most preferred risk reducer after "brand loyalty".

Store image appears to have less reliance placed upon it than does brand image. Roselius (1971) found that respondents evaluated store image as a less useful risk reducer than major brand image. Across time loss, ego loss and money loss it emerged as the third most preferred risk reducer, but for hazard loss it fell to fifth most preferred risk reducer. Confirming these findings, Taylor (1979) showed that while reliance on store reputation did act as a risk reliever, its importance was secondary to brand reputation.

Thus this review has shown that consumers do not undertake a detailed information search when choosing between brands of grocery items and that a few, high value informational cues are sought with which consumers feel confident in predicting how a particular brand will perform. Brand names appear to be one of the more frequently sought informational cues, possible because they represent informational chunks. To better understand the packaging information consumers use interviews were undertaken. The first part of the study used Kelly grids to elicit an exhaustive list of attributes that consumers use to differentiate between competing brands. To reduce these lists to the key consumer relevant attributes, a series of brands-attribute batteries were then administered to a further group of consumers and by examining the resulting correlations between attributes, in conjunction with principal component analysis, the salient informational cues were identified. The methodology employed is examined in more detail in the next section.

Data Collection

Six packaged grocery product fields were the focus for this research (aluminium foil, bleach, disinfectant, kitchen towels, toilet paper and washing up liquid). To ensure respondents had a sufficiently representative sample of competing items in each product field, store visits were undertaken in the areas where the recruited householders live and for each product field, the 3 more frequently seen brands in each sector were chosen. Within each product
field 3 different retailers own labels were selected and at the time of fieldwork (1984/85) the 2 or 3 generic versions on sale where respondents lived were also used.

For each of the 6 product fields, householders older than 18 in the Hertfordshire/North London area were recruited. Provided they personally had done their grocery shopping in a multiple or co-operative retailer within the past 4 weeks they were asked if they would participate in an interview in their home, making it clear the interview would take at least half an hour. Householders focused upon only one product field, and for each sector approximately 15 interviews were undertaken (95 interviews in total). Reflecting buying behaviour, women were primarily interviewed (85 women). Using a pre-determined random selection process, 3 of the competing items in a product field were placed in front of the respondent who was asked "Please tell me one way in which 2 of these are alike and different from the third". The Kelly grid procedure was repeated until participants had exhausted their repertoire of constructs.

The total number of different constructs elicited varied by product field (between 43 and 84). To identify the key attributes, particularly when statements such as "this is a plain pack" and "this is more informative" may be describing the same dimension, a data reduction process was undertaken. Nolan (1971) recommended that the number of attributes be reduced either by using only those statements mentioned by the majority of the sample or only one of the several constructs that correlate with others. Since a low number of respondents completed the repertory grids, the first suggestion was not followed. Consideration of the extent to which each attribute correlates with others is a better approach for which examination of the attribute correlation matrices and principal component analysis are ideal techniques.

For each product field separately, the different attributes were first reduced by ignoring the more trivial, descriptive statements (e.g. "this pack has computer coding printed on it"). Attribute lists of between 19 to 29 statements resulted. To find the correlations between attributes in each product field, 15 further interviews were completed for each product field. A new sample of housewives were shown the 8 or 9 competing items in a product field and were asked, using a 5 point scale, how much they agreed or disagreed with each statement describing each of the 8 or 9 items on display. Each of the attribute-brand batteries was aggregated, within each product field separately, and the correlations between attributes calculated. In this research, principal component analysis was used to identify the components which explained a high proportion of the variance, as well as highlighting the
high loading attributes on these components. After having decided how many components to select (through using the scree test and considering the interpretability of components) attention was directed at those attributes with loadings greater than about 0.8 on the rotated components. Referring back to the correlation matrices, when there was a high correlation between a few attributes which logically described the same variable, only one of these was selected. In this manner between 8 to 10 attributes (as shown in table 1) were identified which summarised the key consumer evaluative criteria.

<table>
<thead>
<tr>
<th>Comments relating to</th>
<th>Bleach</th>
<th>Toilet Paper</th>
<th>WashUp Liquid</th>
<th>Alum</th>
<th>Kitchen Towels</th>
<th>Disinf</th>
<th>Total Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PRODUCT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Packaging</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>17</td>
</tr>
<tr>
<td>Branding</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>11</td>
</tr>
<tr>
<td>Product Characteristics</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>-</td>
<td>1</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Quality</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td><strong>PROMOTION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Familiar/ well known</td>
<td>1</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Has been advertised</td>
<td>1</td>
<td>1</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td><strong>PLACE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bought in bigger shops</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td><strong>PRICE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Looks economy product</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
</tbody>
</table>
As a guide to how suitable the reduced number of statements were in describing the information contained by the 19 to 29 statements, a mapping procedure was employed. The component scores for each of the 8 or 9 competing items were plotted on the first 2 components from an R-type principal component analysis of the complete attribute correlation matrices. These maps (one for each of the six products) were taken as a standard against which the maps calculated from the reduced list of attributes were compared. Generally the reduced attributes for each product field reflected reasonably well the relative spatial positioning of the competing items.

**Discussion of Results and Managerial Implications**

Supporting Cox's model, and the other published research on the limited use consumers make of information, respondents' evaluations of the competing items were based upon a relatively low number of informational cues. Between 8 to 10 attributes were found to be the key evaluative criteria.

When considering the salient evaluative informational cues in terms of the marketing mix, as shown in table 1, it is evident that consumers make greatest use of "product" cues, with three quarters of the total number of comments across the six product fields describing this element of the marketing mix. After the popularity of packaging cues (e.g. "this container looks easier to hold", "this is poor quality packaging"), brand name cues (e.g. "this is a branded product", "this is a supermarket brand") were frequently considered, confirming the earlier review on the importance of branding cues. In a multi-cue situation, the three other components of the marketing mix were less frequently consulted than the product cues and a remarkably low information value appears to have been ascribed to price information. The relative infrequency with which "price" has been used as an informational cue is not surprising in view of previously published studies showing consumers' uncertainty of grocery prices (The Grocer, 1988b).

While none of the product fields investigated were foods, the consistency with which certain attributes would frequently identified across the six product fields were indicated a high

<table>
<thead>
<tr>
<th>Total number of statements</th>
<th>9</th>
<th>10</th>
<th>10</th>
<th>9</th>
<th>8</th>
<th>9</th>
<th>55</th>
</tr>
</thead>
</table>

Table 1: Summary of Key attribute statements
likelihood of their applicability to packaged foods. Product content/nutritional information may also be important evaluative criteria for food products (beside the attributes already identified) and using the methodology described, researchers could quite easily test this proposition.

With the increasing move to Superstores, and the vast number of grocery lines being stocked, one starts to question how much information consumers are using when undertaking their grocery shopping. Their task could be made easier by manufacturers and retailers working harder to tie their particular message in with their brand names (since consumers use brand names as a means of recalling further information from memory). Good branding enables a clear positioning to be developed and through the subsequent reinforcement of a brand personality this should strengthen the relationship between the manufacturer/retailer and consumer.

Whilst manufacturers and retailers appear increasingly committed to providing more information, this paper has shown that consumers soon approach a state of information overload and protect themselves by seeking a few simple informational sources. Standards of living can be increased through educational programmes, for example in-store literature about healthy eating. Yet, from a consumer's perspective, this could quite easily be seen as further "noise" complicating the purchase decision. One of the factors affecting the success of brands in the future will be the effectiveness with which they communicate their benefits to consumers on the shelf. To gain a competitive edge, marketers should undertake a consumer orientated packaging audit. The methodology outlined in this paper could be employed to identify the key attributes consumers use when purchasing a particular brand in a specific product field. The pack design should then emphasise the presence of the key discriminating attribute, which can be further communicated by advertising which is strongly associated with the brand name.

**Conclusions**

The consumer behaviour literature has shown that consumers make considerable use of memory and undertake limited external search. To protect their limited cognitive capabilities they seek chunks, rather than bits of information. By conceptualising products as arrays of cues, it is possible to appreciate why consumers seek a few informational chunks, with which they feel confident in being able to predict how a particular item will perform. The survey research confirmed the low number of cues sought to differentiate
between brands and provides further support for the value of brand names as informational chunks. To successfully communicate brands' benefits to consumers, marketers should undertake a consumer audit of their packs, with a view to emphasising the consumer salient attributes.

References


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