The Influence of Generic Advertising on Brand Preferences

AMITAV CHAKRAVARTI
CHRIS JANISZEWSKI*
* Amitav Chakravarti (achakrav@stern.nyu.edu) is assistant professor of marketing, Leonard N. Stern School of Business, New York University, New York, NY 10012-1126. Chris Janiszewski (chris.janiszewski@cba.ufl.edu) is the Jack Faricy professor of marketing, Warrington College of Business, University of Florida, P. O. Box 117155, Gainesville, FL 32611-7155. The authors thank Alan Cooke, Tom Meyvis, an encouraging and insightful associate editor, and three outstanding reviewers for their helpful comments. Both authors contributed equally to this work.
More than a billion dollars is spent annually on generic advertisements that promote the consumption of commodity goods. Generic advertising is designed to increase primary demand, or the ‘size of the pie’, without affecting selective demand, or the ‘share of the pie’. We find evidence to the contrary -- generic advertising increases the consumer’s sensitivity to changes in price and systematically alters brand preferences. These effects of generic advertising can be attributed to the tendency of generic ads to change the relative importance of the attributes used to evaluate the brands. The results have implications for the public policy issue of how to effectively implement generic advertising without differentially benefiting certain brands and the managerial issue of how to integrate generic and brand advertising in order to achieve product category and brand differentiation goals.
More than a billion dollars is spent annually on generic commodity promotion with spending in some individual product categories exceeding $100 million (Armbruster and Nichols 2001). In 2002 alone, the annual domestic expenditure on generic advertising for cheese, beef, and Florida orange juice was $47 million, $45 million, and $24 million, respectively. By comparison, advertising budgets for Kraft cheese, Hormel Foods fresh meat products, and Tropicana orange juice were approximately $26.6 million, $2.6 million, and $32.4 million, respectively. In fact, the $14 million spent on the 1997 national generic ad campaign for “Pork: The Other White Meat” and the $15 million spent on the popular 1998 “The Fabric of Our Lives” cotton campaign were significantly more than the total brand advertising in their respective product categories.

The existence of both category level and brand level advertising in commodity markets raises the possibility of advertising interdependence. More specifically, there is a concern that generic advertising may mitigate or amplify the advertising efforts of individual brands. These concerns are exemplified by two recent court cases challenging generic advertising. In the 2001 Supreme Court case between United Foods, Inc. and the U.S. Congress, United Foods charged that the Mushroom Promotion, Research, and Consumer Information Act of 1990 made them contribute to a generic advertising campaign that homogenized brands, while their goal was to differentiate brands. In another recent court case, small, independent beef growers filed suit in Federal District Court in September, 2001 claiming that generic advertising benefited corporate packing houses with branded goods by increasing brand differentiation. In each case, the plaintiff argued that generic advertising was not achieving its legislatively mandated goal of increasing primary demand for all of the sellers in the commodity market.

In this article, we will demonstrate that the concerns of both United Foods and the small
cattle producers are legitimate. In study 1, we show that some generic ad campaigns increase, and others decrease, brand differentiation in a product category. These changes in brand differentiation result in changes in brand choice. In studies 2 and 3, we show that generic advertising influences the competitive structure of a market because it increases the importance of an advertised product attribute by decreasing access to information about non-advertised product attributes. We also show that decreasing access to information about non-advertised product attributes results in an increased sensitivity to price, a consequence unique to generic advertising. Study 4 shows that when generic ads are recast as brand ads, non-advertised attribute information is not suppressed when consumers are asked to make judgments about brands. Instead, access to the advertised attribute information is enhanced, the advertised attribute becomes more important in product evaluations, and consumers become less sensitive to price.

**GENERIC ADVERTISING**

In 1937, Congress enacted the Agricultural Marketing Agreement Act. The goal of the legislation was to establish marketing rules for farm commodities and to encourage the marketing of these commodities via industry committees. Producers of commodities were required to remit a small percentage of their proceeds to commodity boards that pooled the resources and used them to promote consumption. As of 1990, 30 commodity boards had been established by Acts of Congress.

During the 1990’s, rulings by the Ninth U.S. Circuit Court of Appeals in California weakened legislation that forced producers to make mandatory contributions for generic advertising. In December 1993, the USDA almond marketing order, and in June 1995, the USDA
nectarine and peach marketing order, were found unconstitutional. The court reasoned that generic advertising had not been shown to be more successful at increasing primary demand than brand advertising. Thus, growers should be able to use their money to advertise individually. In response to the findings of the Ninth Circuit Court, the Federal Agricultural Improvement and Reform Act of 1996 authorized check-off generic advertising programs. The legislation includes a congressional finding that generic advertising programs are in the national public interest and vital to the welfare of the agricultural economy. Moreover, the legislation states that generic advertising programs “never were designed or intended to restrict, prohibit, or replace the advertising and promotion activities of any individuals or groups of individuals” (Becker 1996). These check-off programs can be initiated by the USDA and, if approved in a referendum of industry participants, can require producers to “pay assessments which are used to fund generic (as opposed to branded) promotion, research, advertising, and related activities designed to increase consumption of that commodity” (Becker 1996). As of 2001, 13 of the 20 national check-off programs (e.g., dairy, fluid milk, beef, soybeans, cotton, pork) authorized by Congress were active as were approximately 35 commodity programs being run by state organizations (e.g., apples, avocados, orange juice).

Generic versus Brand Advertising

Many of the recent concerns about generic advertising can be subsumed under the questions of (1) What does generic advertising do?, and (2) How do we assess / monitor the impact of generic advertising? One way to approach these issues is to compare and contrast the traditional information processing explanation of the influence of brand advertising with the
expected role of generic or category-level advertising. Afterwards, we discuss how generic advertising may operate in branded commodity markets.

**Brand Advertising.** A simple, macro-level framework of the influence of brand advertising is shown in figure 1A. Brand advertising influences beliefs about a brand, beliefs about a brand influence within-category product differentiation, and product differentiation influences a product’s own-price elasticity. As differentiation increases, the substitutability of one brand for another decreases, and consumers become less price elastic. Of course, if minor brands advertise the same benefits as major brands, differentiation should decrease, the substitutability of the brands should increase, and consumers should become more price elastic.

**Generic Advertising.** The legislative goal of generic advertising is to increase the primary demand (i.e., size of pie) of a product without influencing the market share of any one producer (i.e., share of pie). Generic advertising is designed to enhance category beliefs, increase across category differentiation, and reduce the advertised category’s price elasticity (see figure 1B). After accounting for the influence of demographic, social, and environmental trends, there is convincing evidence that generic advertising is effective at achieving these goals (Forker and Ward 1993; Williams 1999). For example, an assessment of $.15 per hundredweight of milk increased U.S. fluid milk sales by six billion pounds, natural cheese sales by 23 million pounds, and processed cheese sales by 230 million pounds between September 1984 and September 1990 (Blisard, Sun, and Blaylock 1991). The marginal rate of return for every $1 spent by the American Egg Board between 1990 and 1995 was $4.69 with a one percent increase in generic advertising expenditure resulting in a 1.4 percent increase in price (Reberte, Schmit, and Kaiser
1997). The marginal rate of return for each $1 spent on avocado advertising between 1961 and 1990 was $5, despite one of the highest levies (5.75% to 6.5% of annual gross crop values) of any commodity. Beef, pork, soybeans, cotton, catfish, and apples also show benefit/cost ratios ranging from $2 to $12 (cf. Williams 1999). Thus, consistent with its congressional goal, generic advertising is effective at increasing the size of the pie.

Problems with Generic Advertising. Despite the overwhelming evidence that generic advertising increases primary demand in a product category, the past decade has produced lawsuits by almond, peach, mushroom, plum, beef, and pork producers. The concern of these commodity producers is not that generic advertising is ineffective at increasing primary demand but that it is also redistributing ‘shares of the pie,’ especially in markets that have become differentiated. Over time, producers of some commodities have been able to differentiate their products because (1) there was product heterogeneity on an intangible attribute (e.g., nutrition), a search attribute (e.g., product appearance), or an experience attribute (e.g., taste), (2) there was consumer heterogeneity of preference toward product attributes and, (3) the perceived value of the differentiation was large relative to the production cost of the good (Borden 1965). Although brand differentiation has resulted in increased sales volume and gross margins for individual brands (Bain 1956; Boulding, Lee, and Staelin 1994; Porter 1976), it has done so by creating brand level beliefs that can subsequently be strengthened or weakened by generic advertising. To the extent generic advertising influences brand level beliefs, it can influence brand level demand.

If generic advertising is differentially influencing the demand of individual brands, it is likely doing so by increasing or decreasing the perceived differentiation between the brands. The difficulty of measuring brand differentiation, especially with aggregate data, has encouraged
many researchers to use changes in price elasticity as evidence about changes in brand
differentiation (cf. Boulding et al. 1994). Yet, relying on price elasticity to make inferences about
changes in perceived product differentiation is problematic because measures of price elasticity
are sensitive to (1) product desirability, a function of how well the product is differentiated from
its competitors, and (2) price responsiveness, a function of how important price is in evaluating
the value of an offer (Boulding et al. 1994). In other words, price elasticity is sensitive to both
shifts in the demand curve and changes in the slope of the demand curve. Thus, if the influence
of generic advertising on brand demand is to be understood, we must be sensitive to its influence
on both product desirability (i.e., differentiation) and price responsiveness.

The plan for the empirical investigation of these issues is as follows. In experiment 1, we
investigate the influence of generic advertising in four product categories and demonstrate that
generic advertising can influence brand differentiation and brand choice. In experiments 2 and 3,
we assess how generic advertising exerts its influence at the brand level. We use changes in
product desirability and price responsiveness to make inferences about whether generic
advertising is (1) increasing or decreasing belief dispersion, (2) increasing access to information
associated with the advertised attribute, or (3) decreasing access to information associated with
the non-advertised attribute. In experiment 4, we provide evidence that generic advertising is
influencing brand level demand in a different manner than brand advertising. We will provide
more detail on the theoretical underpinnings of the tests conducted in experiments 2 and 3 after
experiment 1.

EXPERIMENT 1
The goal of experiment 1 was to illustrate that generic advertising can increase or decrease brand differentiation and influence subsequent brand choice behavior. We investigated generic advertising in the orange juice, cheese, pork, and beef product categories because these categories were the most differentiated of those being promoted. A set of three premium and three non-premium brands were chosen in each of four product categories (orange juice: Tropicana, Florida’s Natural, Minute Maid, Albertson’s, Winn Dixie, and Kash N’ Karry; cheese: Kraft, Borden, Sargento, Albertson’s, Winn Dixie, and Kash N’ Karry; pork: Hormel, Smithfield, Lloyd’s, Albertson’s, Winn Dixie, and Kash N’ Karry; beef: Hormel, Maverick Ranch, Lloyd’s, Albertson’s, Winn Dixie, and Kash N’ Karry). Each subject was exposed to only one of the four product replicates.

The experimental manipulation involved the type of generic ad the subjects viewed. For each product replicate, one third of the subjects saw a generic ad discussing an attribute (e.g., taste) on which the brands in the category were relatively well differentiated (differentiating attribute condition). A second third of the subjects saw a generic ad discussing an attribute (e.g., nutrition) on which the brands in the category were relatively poorly differentiated (non-differentiating attribute condition). A final third of the subjects saw no generic ad and served as the control group. All three groups of subjects also saw a filler ad. It was expected that generic ads discussing a differentiating attribute would increase differentiation among the brands and lead to increased preference for the premium brands relative to the non-premium brands (see figure 1C). Likewise, it was expected that generic ads discussing a non-differentiating attribute would decrease differentiation among the brands and lead to increased preference for the non-premium brands relative to the premium brands (see figure 1C).
**H1:** Generic advertising discussing a differentiating (non-differentiating) attribute will polarizes (homogenizes) beliefs about brands and increase preference for the premium (non-premium) brands.

Pretest

A review of the brand advertising in the four product categories led us to posit that taste was a more differentiating attribute than nutrition. A pre-test was used to confirm this assumption. One hundred eighteen subjects were assigned to one of the four product categories. They were asked to rate the tastiness and the nutritional value of each of the brands on a nine-point scale. The three premium brands were contrasted with the three non-premium brands. As expected, there was a type of brand by type of attribute interaction ($F(1, 115) = 42.25, p < .01$). The difference between the mean rating of the premium and non-premium brands was significantly greater on the taste scale ($M_{\text{premium}} = 6.8, M_{\text{non-premium}} = 4.5, \Delta M_{\text{taste}} = 2.3$) than on the nutrition scale ($M_{\text{premium}} = 6.5, M_{\text{non-premium}} = 5.0, \Delta M_{\text{nutrition}} = 1.5$). The univariate tests were statistically significant for each of the product categories (all $p < .05$).

We also calculated the correlation between the nutrition and taste ratings to confirm that the ratings were not negatively correlated across the premium and non-premium brands. If attribute ratings were negatively correlated, generic advertising discussing one attribute could benefit the premium brands and generic advertising discussing the other attribute could benefit the non-premium brands simply because the brands’ feature benefit was made more important by the generic ad. The correlations ranged from $+0.44$ for orange juice to $+0.68$ for beef and averaged $+0.58$ overall. Thus, we could be confident that changes in brand preference that were accompanied by changes in perceived differentiation could, in fact, be attributed to changes in
differentiation.

Stimuli

The stimuli were print ads from generic advertising campaigns run by the respective commodity boards. The orange juice ad in the differentiating attribute condition was a Florida Department of Citrus ad discussing the great taste of orange juice (see figure 3). It contained a picture of a glass of orange juice surrounded by oranges. The heading said "Great Juicy Taste - Worth The Wait." The text stated that the Florida Temple orange was sweet, juicy, and delicious, but had a short growing season. The text then instructed the reader to go to the supermarket and buy some orange juice today. The orange juice ad in the non-differentiating attribute condition was a Florida Department of Citrus ad discussing the nutritional value of orange juice (see figure 3). It contained a picture of a stack of reports on the nutritional value of orange juice. The text mentioned that over 500 studies had concluded that the vitamins and nutrients in orange juice play an important role in maintaining good health. The text then provided further details about the nutritional benefits offered by orange juice, including its ability to replenish minerals for the body, regenerate red blood cells, offer an adequate supply of Vitamin C, and prevent cancer and birth defects.

The two National Dairy Board cheese ads emphasized taste and nutrition. The ad in the differentiating attribute condition emphasized the great taste of cheese. Specifically, the headline said, “How cheddar cheese gives vegetables a taste you’ll fancy.” The ad went on to describe the ability of cheese to transform the taste of other foods like the “uninspired” broccoli. The ad concluded with a brief cheddar cheese sauce recipe. The ad in the non-differentiating condition stressed the nutritional benefits of cheese, specifically pointing out that cheese was an ideal
natural source of calcium, protein, vitamins, and other nutrients essential for the body.

The ads for pork were part of the Pork Council’s “Pork: The Other White Meat” campaign. The ad in the differentiating attribute condition emphasized the great taste and flavor of pork. The heading read, “The most delicious things happen when you cut into pork.” The rest of the ad briefly described a recipe for a pork dish that was tasty, yet easy to make. The ad in the non-differentiating condition emphasized the nutritional value of pork. The heading said “Facts for Figures.” The text detailed that pork contained very low levels of fat, cholesterol, and calories and was comparable to poultry. It also claimed that pork was an important source of essential nutrients like vitamins, iron and zinc.

Two ads issued by the Beef Board were used for the beef replicate. Both ads were part of the Board’s 1994 “Beef: It’s what’s for dinner” campaign. Similar to other three replicates, the ad in the differentiating attribute condition emphasized taste. After the headline “It’s sweet. It’s spicy. No, it’s not a romance novel”, the ad briefly described a recipe and further emphasized the great taste of beef. The ad in the non-differentiating condition stressed the nutritional benefits of beef. However, the text in the ad also emphasized that beef was becoming increasingly easy to cook and prepare due to the availability of fully cooked, fully prepared beef dishes.

The filler ad was for Renuzit air freshener. The ad described the fragrance of Renuzit and mentioned that the fragrance lasted a long time.

Procedure

The experimental procedure can be divided into three stages. In the first stage, subjects were shown computer-based pictures of three premium brands and three non-premium brands in the assigned product category and were told that they would be provided information on these
brands. Along with the pictures of these six experimental brands, subjects were also shown pictures of four brands from the filler product category of air fresheners. Next subjects were asked to go through a choice task involving one premium brand (e.g., Tropicana) and one non-premium brand (e.g., Kash n' Karry). The aim of this task was to obtain a price at which the subject would be indifferent between the premium brand and the non-premium brand. The nature of this task was as follows. A premium brand and a non-premium brand were presented to the subject and s/he was asked to indicate which of these brands s/he preferred more. After the subject indicated her/his first preference, the price of the non-chosen brand was lowered by a pre-specified amount. The subject was then asked to keep in mind the new prices and indicate if s/he (a) preferred the premium brand, or (b) the non-premium brand, or (c) was indifferent between the two. The price of the non-chosen brand was lowered iteratively until the subject indicated a price at which s/he was indifferent between the two brands. Subjects first carried out this exercise for the filler product category brands and then for the experimental product category brands. The computer program recorded the indifference prices for the two target brands.

In the second stage, subjects received an advertising booklet that contained two ads. The first ad was a filler ad for Renuzit air freshener. Subjects were asked to read the ad and summarize the three main points of the ad, identify an instance of cohesion (i.e., a relationship between sentences that helps provide an integrated meaning), and indicate whether they liked the picture or text better. The second ad was the target ad. Again, subjects read the ad and answered the same three questions as they did for the filler ad. These three questions were administered to ensure that the subjects attended to the ad. Control condition subjects saw only the filler ad.

Finally, in the third stage, subjects completed a computer-based questionnaire. Subjects were first asked four general questions about each of the ads they had seen (control condition
subjects were asked about the filler ad only). Then subjects completed a series of paired similarity judgments for all possible combinations of the six brands. The paired similarity judgements were recorded using a nine-point scale with endpoint “1” labeled “most dissimilar” and endpoint “9” labeled “exact same” (e.g., Droge & Darmon, 1987). Next subjects were presented with the premium brand and the non-premium brand that they had encountered in the first stage of the study. These two brands were listed at the prices the subjects had identified as their indifference prices. Subjects were asked to select the brand they would prefer at these prices. Finally, subjects used a similar nine-point disagree/agree scale to answer single questions on their impressions regarding the overall similarity of the brands, the similarity of the brands on taste, and the similarity of the brands on nutrition. Subjects were also asked questions pertaining to their frequency of consumption and disposition towards the experimental product category.

Results

Two hundred sixty-nine subjects from an introductory marketing course subject pool received extra credit to participate in the experiment. Data for each of the four product categories was collected separately and the product category variable was treated as a between subject variable. Unless noted, there were no interactions between the product category replicate and the ad treatment variable. Table 1 shows the mean results.

The ad manipulation had a significant influence on the perceived similarity among the brands as measured by the paired similarity ratings. The differentiating attribute ads ($M = 3.96$) decreased the perceived similarity of the brands ($F(1, 257) = 62.44, p < .05$), and the non-differentiating attribute ads ($M = 6.13$) increased the perceived similarity of the brands ($F(1, 257)$
= 76.35, \( p < .05 \)), relative to the control group (\( M = 5.02 \)). The primary reason for the decreased similarity of the brands in the differentiating ads condition was that the premium brands were perceived as less similar to the non-premium brands in the differentiating ad group (\( M = 2.79 \)) relative to the control group (\( M = 4.38 \); \( F(1, 257) = 104.35, p < .05 \)). The primary reason for the increased similarity of the brands in the non-differentiating ads condition was that the premium brands were perceived as more similar to the non-premium brands (\( M = 5.73 \)) relative to the control group (\( M = 4.38 \); \( F(1, 257) = 82.37, p < .05 \)).

Ratings of overall similarity paralleled the paired-similarity ratings. The differentiating attribute ads (\( M = 3.19 \)) decreased the perceived similarity (\( F(1, 257) = 87.20, p < .05 \)), and the non-differentiating attribute ads (\( M = 6.96 \)) increased the perceived similarity (\( F(1, 257) = 78.41, p < .05 \)), of the brands relative to the control group (\( M = 5.17 \)). The ability of the differentiating ad to reduce perceived similarity on the differentiating attribute varied by replicate (\( F(1, 257) = 13.52, p < .05 \)). The differentiating ad significantly reduced perceived similarity on the taste dimension for the orange juice (\( M = 2.42 \)) and cheese (\( M = 2.77 \)) replicates relative to the control (\( M_{\text{orange juice}} = 3.55, M_{\text{cheese}} = 3.65 \)), but significantly increased perceived similarity on the taste dimension for beef (\( M = 6.76 \)) relative to the control (\( M = 4.35 \)). The ability of the non-differentiating ad to increase perceived similarity on the non-differentiating attribute did not vary by replicate (\( F(1, 257) = 1.48, p > .05 \)). The non-differentiating attribute ad increased similarity on the non-differentiating attribute (\( M = 7.05 \)) relative to the control (\( M = 5.84 \); \( F(1, 257) = 30.86, p < .05 \)).

Brand choice was influenced by generic advertising. The proportion of subjects preferring the premium brand was higher in the differentiating ad condition (81%) than in the control group (65%; \( z = 2.46, p < .05 \)). The proportion of subjects preferring the premium brand
was lower in the non-differentiating ad condition (17%) than in the control group (65%; \( z = 7.50, p < .05 \)).

Discussion

The results of experiment 1 show that generic advertising can alter the perceived differentiation among the brands in a product category. In specific, generic advertising can make the premium brands seem more similar or less similar to the non-premium brands. When the generic ad emphasized a differentiating attribute, the premium brands were perceived as less similar to the non-premium brands and the choice share of a premium brand increased. This pattern of results illustrates the complaints of the independent beef growers (i.e., unbranded goods) discussed earlier. When the generic ad emphasized a non-differentiating attribute, the premium brands were perceived as more similar to the non-premium brands and the choice share of a premium brand declined. This pattern of results illustrates the complaints of United Foods (i.e., premium brand) discussed earlier.

Although the first experiment demonstrates the influence of generic advertising on brand differentiation, it does not provide insight into the source of the increased and decreased differentiation. We propose two potential sources of increases and decreases in brand differentiation. First, generic advertising may be changing beliefs about the attribute performance of premium and non-premium brands. Second, generic advertising may be influencing the accessibility of attribute information and subsequently altering the relative importance of this attribute information in judgments about the brands. It is possible to differentiate between these two processes by observing changes in within-category brand
differentiation and changes in price responsiveness, an indicator of the importance of price in a purchase likelihood judgment.

The path diagram at the top of figure 2 shows the potential influences of generic advertising. First, generic advertising may differentially impact beliefs about brands (see path labeled 2B). To illustrate, consider a premium brand and a non-premium brand described by a differentiating taste attribute and a less differentiating nutrition attribute, as was the case in experiment 1 (see numerical example in figure 2A). Also, assume the consumer can consider purchasing each brand at one of three prices (e.g., low, mid, and high) and that the price attribute cannot influence brand differentiation (i.e., increasing or decreasing the importance of price will not make brands more or less differentiated).\(^1\) Figure 2B shows how a differentiating generic ad could polarize beliefs about the performance of the brands on a differentiating attribute (i.e., premium brand performance on taste changes from a 8 to 9 and non-premium brand performance on taste changes from a 2 to 1). As a consequence, the premium brand would become more liked, and the demand curve for the brand would shift outward, and the non-premium brand would become less liked, and the demand curve for the brand would shift inward (see updated ratings in figure 2B). The graph accompanying figure 2B shows ratings prior to the generic advertising (solid lines correspond to strikethrough ratings) and after the generic advertising (dashed lines correspond to updated ratings). This dispersion in demand is equivalent to the increased differentiation we observed in experiment 1. It is also the case that a non-differentiating generic advertisement could homogenize beliefs on the non-differentiating attribute (i.e., premium brand performance on nutrition changes from a 6 to 5 and non-premium brand performance on nutrition changes from a 2 to 1).

\(^1\) This assumption about price is represented in our figure 2A numerical illustration by setting the difference (e.g., 4) of the mean price scale ratings for the premium brand (e.g., \([8+7+6] / 3 = 7\)) and the non-premium brand (e.g., \([4+3+2] / 3 = 3\)) equal to the mean of the taste (e.g., 8 – 2 = 6) and nutrition (e.g., 6 – 4 = 2) attribute differences (e.g., 4). Price is included as an attribute to make our illustration easier to comprehend across explanations.
nutrition changes from a 4 to 5), reduce differentiation, and shift demand curve of the premium brand inward and the non-premium brand outward (not shown in figure 2B).

**H2:** Generic advertising polarizes (homogenizes) beliefs about premium and non-premium brands on product attributes. As a consequence, brands become more differentiated (less differentiated) and demand curves disperse (converge).

Second, generic advertising could also alter the relative importance consumers place on the product attributes via one of two mechanisms; salience and suppression (see path labeled 2C/D at top of figure 2). Salience models assume that advertised attribute information becomes more accessible as a consequence of viewing the advertisement. Salience models are most often used to describe the influence of brand advertising on the evaluation of multiattribute products. For example, Yi (1990) found that advertising affected the subsequent evaluations of advertised computer brands by making a particular attribute (e.g., versatility or ease-of-use) more salient. In our scenarios, viewing the generic ad at time one could make the advertised attribute information more accessible for a brand judgment at time two, hence the advertised attribute information would have more weight in the brand judgment and remaining brand information would have less weight in the brand judgment.

Figure 2C shows how a differentiating generic ad could increase accessibility to differentiating attribute information, increase the importance of the differentiating attribute (i.e., weight of taste attribute increases from .3 to .5) during a brand judgment, and shift the demand curve for the premium brand outward and the non-premium brand inward (see dashed lines in graph accompanying figure 2C). An additional consequence of the increased weight on the taste attribute should be that the weight on the nutrition and price attribute decline (Anderson 1981). A
decline in the importance of price should lead to lower price responsiveness, as represented by a
decrease in the slope of the response curve (see dashed lines in figure 2C graph).

When consumers view a non-differentiating generic advertisement, there should be
increased access to non-differentiating attribute information and an increase in the importance of
the non-differentiating attribute (i.e., weight of nutrition attribute increases from .3 to .5) during
a subsequent brand judgment. This should result in reduced differentiation and an inward shift of
the premium brand demand curve and an outward shift of the non-premium brand demand curve
(not shown in figure 2C). Similar to the differentiating generic advertisement, this process should
also result in a reduction in the importance of price and lower price responsiveness (i.e., a
decrease in the slope of the response curve).

**H3**: Generic advertising increases accessibility to brand information about the
advertised attribute. Advertising a differentiating (non-differentiating) attribute
results in more differentiated (less differentiated) brands, demand curves that
disperse (converge), and reduced price responsiveness.

Suppression models assume that learning one piece of information suppresses access to
other information directly linked to the same cue (Anderson, Bjork and Bjork 1994; Anderson,
Green, and McCulloch 2000). Suppression models are most often used to describe the influence
of rehearsing a specific category-exemplar relationship on the accessibility of other exemplars in
the category. For example, suppose a category (e.g., red) has two associated exemplars (e.g.,
blood, tomato). Enhancing retrieval of one of these exemplars via repetition, elaboration, or
retrieval practice inhibits access to the other exemplar, as compared to a control group that does
not engage in such processing (Anderson et al. 1994). This inhibition effect only occurs if the
exemplars are directly related to the category cue (Bauml 1998, 2000).
The stimuli studied in suppression studies parallel the generic advertising scenario. In generic advertising, product attributes (i.e., taste and nutrition) are directly related to the category cue. In our scenarios, advertising taste could suppress access to nutrition information and advertising nutrition could suppress access to taste information. Figure 2D shows how a subsequent judgment can be influenced by this suppression. Limited access to information about nutrition will reduce its importance and increase the importance of the advertised attribute. The demand curve for the premium brand shifts outward and the demand curve for the non-premium brand shifts inward (see dashed lines in graph accompanying figure 2D). It should be noted that this prediction does not differ from that of the salience model. The salience model and suppression model also make similar predictions for generic ads featuring non-differentiating attributes.

The primary difference between a salience model and a suppression model is in the predicted influence of generic advertising on attributes that are not closely related to the category cue. In the case of generic advertising, price is an exogenous variable that is not as closely related to the category cue. It has been argued that price is best analyzed as an attribute independent of other attributes in determining behavioral intentions (Erickson and Johansson 1985) and that price is more like a constraint in product choice (e.g., Srinivasan 1982; Hauser and Shugan 1983). Thus, access to price information should not be suppressed as a consequence of the generic advertising. Yet, reduced access to information about the non-advertised attribute will make the price attribute relatively more important during brand judgments. An increase in the importance of price should lead to higher price responsiveness, as represented by an increase in the slope of the response curves (see dashed lines in graph accompanying figure 2D).
**H4:** Generic advertising reduces accessibility to brand information about the non-advertised attribute. Advertising a differentiating (non-differentiating) attribute results in more differentiated (less differentiated) brands, demand curves that disperse (converge), and increased price responsiveness.

**EXPERIMENT 2**

Experiment 2 investigated the influence of generic advertising on price responsiveness to gain insight into the processes responsible for changes in perceived product differentiation and preference. As in experiment 1, people viewed a generic advertisement about a differentiating product attribute, a generic ad about a non-differentiating product attribute, or no ad at all (a control condition). Unlike experiment 1, people then were asked to report their likelihood of purchasing each of the six brands at a high price, market price, and low price respectively. The key test involved the relationship between the purchase likelihood curves across the three generic ad conditions. If the purchase likelihood curves vary in intercept and are parallel across the ad conditions, we can conclude that generic advertising is creating differentiation by polarizing or homogenizing beliefs on the advertised attribute (hypothesis 2). If the purchase likelihood curves vary in intercept and have shallower slopes in the ad conditions than in the control conditions, we can conclude that generic advertising is changing differentiation by a process that increases the weight on the advertised attribute, decreases the weight on the non-advertised attribute, and decreases the weight on price (hypothesis 3). If the purchase likelihood curves vary in intercept and have steeper slopes in the ad conditions than in the control conditions, we can conclude that generic advertising is changing differentiation by a process that decreases the weight on the non-advertised attribute, increases weight on the advertised attribute, and increases the weight on
price (hypothesis 4).

Stimuli and Procedure

The stimuli were the generic ads used to investigate the orange juice category in experiment 1. The procedure was identical to experiment 1 except that the dependent measures were replaced by purchase likelihood ratings. After viewing and evaluating the ads, subjects returned to the computer and evaluated the likelihood of purchasing each brand at three different prices. The purchase likelihood question used a 100-point scale with endpoints labeled “extremely unlikely” and “extremely likely” to assess how likely a person was to buy the brand. The three successive price points were set at the market price minus 15%, the market price, and the market price plus 15%. The market prices were $3.90 for Tropicana, $3.50 for Florida’s Natural, $3.22 for Minute Maid, $2.79 for Albertson’s, $2.15 for Winn Dixie, and $1.99 for Kash N’ Karry. Subjects also answered questions related to their consumption habits and disposition towards orange juice.

Results

Forty-five subjects from an introductory marketing course subject pool received extra credit to participate in the experiment. The brand by ad type by price interaction was significant \((F(20, 68) = 5.23, p < .05)\). The significant three-way interaction indicated that the price by ad type interaction varied by brand, so the brand variable was coded into a two-level, within subject variable with three premium brands and three store-brands. The three-way interaction was again
significant \( F(4, 84) = 4.41, p < .05 \). We confirmed that the three-way interaction using only the premium brands was not significant \( F(4, 84) = 0.78, p > .05 \) nor was the three-way interaction using only the non-premium brands \( F(4, 84) = 1.21, p > .05 \). This meant that we could collapse the means for the premium brands and the means for the non-premium brands. Figure 4 shows the mean results for the premium and non-premium brands.

The test for a price by ad type interaction was significant for the premium brands \( F(4, 84) = 4.41, p < .05 \) and the non-premium brands \( F(4, 84) = 3.71, p < .05 \). The significant price by ad type interaction means that the purchase likelihood ratings cannot be attributed solely to changes in the beliefs about the brands. Instead, changes in purchase likelihood ratings must in part be attributable to changes in the weights used to integrate the beliefs. The two interactions can be best understood if each type of brand is compared to the control condition for each type of ad. Consider the differentiating ad first. For the premium brands, the differentiating ad \( (M_{-15\%} = 90.2, M = 60.1, M_{+15\%} = 40.1) \) made people more sensitive to the changes in price than did the control ad \( (M_{15\%} = 70.2, M = 44.2, M_{+15\%} = 29.0; F(2, 27) = 5.83, p < .05) \) and the differentiating ad led to more positive ratings of the premium brand \( (M = 63.4) \) than did the control ad \( (M = 47.8; F(2, 27) = 3.91, p < .05) \). For the non-premium brands, the differentiating ad \( (M_{-15\%} = 50.9, M = 38.0, M_{+15\%} = 16.1) \) made people more sensitive to the changes in price than did the control ad \( (M_{15\%} = 58.3, M = 48.0, M_{15\%} = 32.2; F(2, 27) = 3.98, p < .05) \) and the differentiating ad \( (M = 35.0) \) led to less positive ratings of the non-premium brand than did the control ad \( (M = 46.2; F(2, 27) = 7.18, p < .05) \).

Now consider the non-differentiating ad. For the premium brands, the non-differentiating ad \( (M_{-15\%} = 65.7, M = 34.7, M_{+15\%} = 15.3) \) made people more sensitive to the changes in price than did the control ad \( (M_{15\%} = 70.2, M = 44.2, M_{+15\%} = 29.0; F(2, 27) = 4.68, p < .05) \) and the
non-differentiating ad \((M = 38.6)\) led to less positive ratings of the premium brand than did the control ad \((M = 47.8; F(2, 27) = 4.16, p < .05)\). For the non-premium brands, the non-differentiating ad \((M_{-15\%} = 70.6, M = 60.4, M_{+15\%} = 45.2)\) did not make people more sensitive to the changes in price than did the control ad \((M_{-15\%} = 58.3, M = 48.0, M_{+15\%} = 32.2; F(2, 27) = 0.40, p > .05)\), but the non-differentiating ad \((M = 58.7)\) did lead to more positive ratings of the non-premium brand than the control ad \((M = 46.2; F(2, 27) = 4.19, p < .05)\).

Discussion

The results of experiment 2 replicate the key findings from experiment 1. Generic advertising that mentioned the differentiating attribute of taste increased the appeal of the premium brands and reduced the appeal of the non-premium brands. In contrast, generic advertising that mentioned the non-differentiating attribute of nutrition increased the appeal of the non-premium brands and decreased the appeal of the premium brands. Experiment 2 also documented that generic advertising can influence price responsiveness. Generic advertisements that featured a differentiating attribute or a non-differentiating attribute both increased the slope of the demand curves of the premium and non-premium brands.

The results allow us to make inferences about how generic advertising is altering the relative perceptions of competing brands. When the generic ad mentioned a differentiating attribute, it suppressed access to non-differentiating attribute information. When the consumer was asked to indicate the likelihood of purchasing a brand at a given price, the limited accessibility of the non-differentiating attribute information made the differentiating attribute information and price relatively more important. Premium brands became more desirable, non-
premium brand became less desirable, and price responsiveness increased. Similarly, a generic ad mentioning a non-differentiating attribute suppressed access to differentiating attribute information. The limited accessibility of the differentiating attribute information made the non-differentiating attribute information and price relatively more important in subsequent brand judgments. Premium brands became less desirable, non-premium brand became more desirable, and price responsiveness increased.

Our explanation of the influence of generic advertising could be bolstered by an additional piece of information. If generic advertising is reducing accessibility to information about the non-advertised attributes, we should be able to directly observe a reduction in the importance of the attribute that is not mentioned in the generic ad. In other words, when a generic ad mentions a differentiating attribute, people should become less sensitive to changes in the non-differentiating attribute. Likewise, when a generic ad mentions a non-differentiating attribute, people should become less sensitive to changes in the differentiating attribute.

**EXPERIMENT 3**

Experiment 3 investigated the influence of generic advertising on the consumer’s sensitivity to changes in the level of the non-advertised attribute. As in experiment 2, people viewed a generic advertisement about a differentiating product feature (e.g., taste), a non-differentiating product feature (e.g., nutrition), or no ad at all. People then were asked to report their likelihood of purchasing each of the six brands at their market price assuming the brand had one of three levels of nutrition or one of three levels of taste. For example, some subjects were asked to report their likelihood of purchasing Tropicana orange juice if it had 80% RDA
(Recommended Daily Allowance), 50% RDA, or 20% RDA of vitamins. They made similar judgments about the remaining five brands. Other subjects were asked to report their likelihood of purchasing Tropicana orange juice if it had great, good, or average taste. They made similar judgments about the remaining five brands. Except for these changes in the dependent variable, the procedure was identical to experiment 2.

The predictions are as follows. If generic advertising is reducing accessibility to information about attributes not mentioned in the ad, then advertising the taste attribute should make people less sensitive to changes in nutrition, whereas advertising the nutrition attribute should not influence a person’s sensitivity to changes in nutrition. Similarly, advertising the nutrition attribute should make people less sensitive to changes in taste, whereas advertising the taste attribute should not influence a person’s sensitivity to changes in taste. In each case, we directly measure the consumer sensitivity to levels of an attribute. In other words, we wanted to measure sensitivity to attribute value changes after suppression, but prior to an adjustment in the relative weights of attributes that occurs during an integrated judgment.

Results

Nutrition Tradeoffs. Forty-six subjects from an introductory marketing course subject pool received extra credit to participate in the experiment. Figure 5 shows the mean results collapsed across the six brands. The ad type by nutrition level interaction was significant ($F(4, 86) = 4.20, p < .05$). A planned contrast between the taste ad and the control ad significantly interacted with the nutrition level ($F(2, 54) = 6.18, p < .05$). This implies that people were less sensitive to changes in RDA level in the taste ad condition ($M_{80\%\text{ RDA}} = 66.1, M_{50\%\text{ RDA}} = 54.4$, \ldots).
$M_{20\% \text{ RDA}} = 42.6$) than in the control condition ($M_{80\% \text{ RDA}} = 68.0$, $M_{50\% \text{ RDA}} = 50.3$, $M_{20\% \text{ RDA}} = 30.6$). A planned contrast between the nutrition ad and the control ad did not significantly interact with the nutrition level ($F(2, 56) = 0.39, p > .05$). Thus, people were equally sensitive to changes in RDA level in the nutrition ad condition ($M_{80\% \text{ RDA}} = 67.4$, $M_{50\% \text{ RDA}} = 46.5$, $M_{20\% \text{ RDA}} = 25.3$) and the control ad condition ($M_{80\% \text{ RDA}} = 68.0$, $M_{50\% \text{ RDA}} = 50.3$, $M_{20\% \text{ RDA}} = 30.6$). These results are consistent with the predictions.

**Taste Tradeoffs.** Sixty subjects from an introductory marketing course subject pool received extra credit to participate in the experiment. Figure 5 shows the mean results collapsed across brands. The ad type by taste level interaction was significant ($F(4, 114) = 41.70, p < .05$). A planned contrast between the nutrition ad and the control ad significantly interacted with the taste level ($F(2, 74) = 5.20, p < .05$). This implies that people were less sensitive to changes in taste in the nutrition ad condition ($M_{\text{great}} = 79.7$, $M_{\text{good}} = 65.2$, $M_{\text{average}} = 49.5$) than in the control ad condition ($M_{\text{great}} = 77.6$, $M_{\text{good}} = 63.2$, $M_{\text{average}} = 40.2$). A planned contrast between the taste ad and the control ad did not significantly interact with the taste level ($F(2, 74) = 0.20, p > .05$). Thus, people were equally sensitive to changes in the taste level in the nutrition ad condition ($M_{\text{great}} = 75.7$, $M_{\text{good}} = 60.6$, $M_{\text{average}} = 36.3$) and the control ad condition ($M_{\text{great}} = 77.6$, $M_{\text{good}} = 63.2$, $M_{\text{average}} = 40.2$). These results are consistent with the predictions.

**Discussion**

The results of experiment 3 are consistent with the claim that generic advertising reduces access to information about non-advertised attributes. When the generic ad mentioned taste,
people became less sensitive to changes in the nutrition level offered by the brands. When a generic ad mentioned nutrition, people became less sensitive to changes in the taste level offered by the brands. More importantly, generic ads that mentioned taste did not make people more sensitive to changes in the taste level offered by the brands and generic ads that mentioned nutrition did not make people more sensitive to changes in the nutrition level offered by the brands. This provides further evidence that generic advertising does not make an advertised attribute more important directly. Instead, generic advertising makes an advertised attribute more important indirectly, by reducing access to information about the non-advertised attribute.

The results of experiment 3 provide further support that generic advertising influences attribute weights in a manner consistent with a suppression model. Still, the results of experiments 2 and 3 are likely to be surprising for many readers because of findings in the literature on brand advertising. There is considerable amount of multiattribute research showing that brand level advertising increases preference for a brand and reduces price elasticity, a pattern of results consistent with a salience model (Boulding et al. 1994; Krishnamurthi and Raj 1985; Staelin and Winer 1976). We believe this evidence is correct. Thus, there must be a fundamental difference between generic and brand advertising.

Recent research on the suppression effect suggests consumers may respond differently to category-level and brand-level advertising. Anderson, Bjork and Bjork (2000) found that category cues (e.g., fruit o____ for fruit-orange) produced suppression effects, but that exemplar cues (e.g., f____ orange for fruit-orange) did not. A plausible reason for these differences may be that exemplar level processing (e.g., brand advertising) encourages configural processing while category level processing (e.g., generic advertising) encourages elemental processing. Configural processing encourages the processing of the similarity among items,
usually in the form of inter-item relationships, while elemental processing is characterized by processing of differences among items that results in a comparatively more piecemeal process. Anderson, Green, and McCulloch (2000) argue that features related to a category are often less related than features related to an exemplar cue, thus features related to a category cue can create inhibition whereas features related to an exemplar cue create facilitation. In other words, it is the degree to which features overlap that determines whether exposure to one feature will suppress or facilitate access to information about another feature. Since feature information at the brand level is more interrelated than feature information at the category level, we expect a salience effect at the brand level.

One approach to investigating this prediction is to convert the generic ads into brand ads. If category-level and brand-level advertising engage different processes, then these converted brand ads should increase differentiation and reduce price responsiveness. Promoting either attribute should enhance brand beliefs about the attribute, make the attribute more important, and reduce the importance of price. If the results observed in experiments 1 through 3 are a procedural or stimulus artifact, then brand-level advertising should, at a minimum, continue to increase price responsiveness.

**EXPERIMENT 4**

Experiment 4 directly addressed the premise that generic advertising and brand advertising influence beliefs and beliefs weights in a different manner. The previous three experiments provided data consistent with the hypothesis that generic advertising reduces access to information about non-advertised attributes. We expect that brand advertising does the
opposite. Brand advertising should increase access to information about the advertised attributes and, to the extent it is persuasive, enhance beliefs about the advertised brand. To investigate this prediction, the differentiating and non-differentiating orange juice ads were modified. Each ad was transformed into a brand ad.

Stimuli and Procedure

The generic orange juice ads used in experiments 1 through 3 were original ads produced by the Florida Department of Citrus, so it was impossible to directly manipulate these ads. Instead, we created our own ads so we could easily manipulate whether the ad was a generic or brand ad. The emphasis of the first ad was on the differentiating attribute of taste. The headline read “Florida Orange Juice: Taste The Difference.” The text of the ad discussed recent improvements in processing technology that made the taste of orange juice even better than before. The second ad was non-differentiating ad that discussed recent findings about the nutritional benefits of orange juice. This headline said “Florida Orange Juice: The Road to Health.” This ad further described the role of orange juice nutrients like vitamin C and folic acid in preventing certain types of cancer and birth defects. The text also described how orange juice was free of fat, sodium and cholesterol, and that it helped in the generation of red blood cells and the absorption of iron and calcium. An identically sized and placed picture of a glass of orange juice appeared in each ad.

Brand ads were created by replacing the phrase “Florida orange juice” with the phrase “Tropicana orange juice” in the headline and the text of the ad. The procedure was identical to experiment 2 except for an extra explanation. Subjects were told they were viewing pre-test ads
that might be used in the near future. Although the ads were professionally produced, they were not on magazine stock. Thus, subjects could tell ads were not in their final state.

Results

Data for the generic \(n = 61\) and brand ad \(n = 65\) were collected in two separate sessions, thus the data are discussed separately. Data for the generic ad conditions were the collapsed premium brand ratings and the collapsed non-premium brand ratings. Data for the Tropicana ad conditions were the Tropicana brand ratings. The remaining five brands were also rated in the Tropicana brand conditions, but were insensitive to experimental manipulations and will not be discussed further.

Generic Ads. The data for the differentiating and the non-differentiating ads replicated the results from experiment 2. For the premium brands, the differentiating ad \(M_{-15\%} = 86.6, M = 55.9, M_{+15\%} = 38.9\) made people more sensitive to the changes in price than the control ad \(M = 67.8, M = 43.1, M_{+15\%} = 28.3; F(2, 58) = 10.83, p < .05\) and the differentiating ad \(M = 60.5\) led to more positive ratings of the premium brands than the control ad \(M = 46.4; F(2, 29) = 15.77, p < .05\). For the non-premium brands, the differentiating ad \(M_{-15\%} = 61.5, M = 39.8, M_{+15\%} = 19.4\) made people more sensitive to the changes in price than the control ad \(M_{-15\%} = 66.9, M = 49.7, M_{+15\%} = 34.6; F(2, 58) = 5.93, p < .05\) and the differentiating ad \(M = 40.2\) led to less positive ratings of the non-premium brands than the control ad \(M = 50.4; F(2, 29) = 4.19, p = .05\).

For the premium brands, the non-differentiating ad \(M_{-15\%} = 62.1, M = 30.1, M_{+15\%} =\)
15.1) made people more sensitive to the changes in price than the control ad ($M_{15\%} = 67.8$, $M = 43.1$, $M_{+15\%} = 28.3$; $F(2, 64) = 7.18$, $p < .05$) and the non-differentiating ad ($M = 35.8$) led to less positive ratings of the premium brands than the control ad ($M = 46.4$; $F(2, 32) = 9.62$, $p < .05$).

For the non-premium brands, although the non-differentiating ad ($M_{15\%} = 81.1$, $M = 60.9$, $M_{+15\%} = 45.4$) did not make people more sensitive to the changes in price than the control ad ($M_{15\%} = 66.9$, $M = 49.7$, $M_{+15\%} = 34.6$; $F(2, 64) = 0.92$, $p > .05$), the non-differentiating ad ($M = 62.5$) did lead to more positive ratings of the non-premium brands than the control ad ($M = 50.4$; $F(2, 32) = 7.10$, $p < .05$).

**Brand Ads.** The data for the differentiating and the non-differentiating ads is consistent with the predictions of a salience model (see figure 6). For the Tropicana brand, the taste ad ($M_{15\%} = 64.4$, $M = 51.7$, $M_{+15\%} = 39.5$) made people less sensitive to the changes in price than the control ad ($M_{15\%} = 53.9$, $M = 29.4$, $M_{+15\%} = 14.0$; $F(2, 62) = 4.03$, $p < .05$) and the taste ad ($M = 51.9$) led to more positive ratings of the brand than the control ad ($M = 32.5$; $F(2, 62) = 16.22$, $p < .05$). The nutrition ad ($M_{15\%} = 63.8$, $M = 48.3$, $M_{+15\%} = 35.9$) made people less sensitive to the changes in price than the control ad ($M_{15\%} = 53.9$, $M = 29.4$, $M_{+15\%} = 14.0$; $F(2, 62) = 3.50$, $p < .05$) and the nutrition ad ($M = 49.3$) led to more positive ratings of the brand than the control ad ($M = 32.5$; $F(2, 62) = 12.27$, $p < .05$).

Discussion

Experiment 4 demonstrates that there is a striking difference between generic advertising and brand advertising. When generic advertising promotes a differentiating attribute, brands become more differentiated because the ad reduces accessibility to non-differentiating
information. When generic advertising promotes a non-differentiating attribute, brands become less differentiated because the ad reduces accessibility to differentiating information. In each case, reducing accessibility to non-advertised attribute information makes price information relatively more accessible and increases price responsiveness. In contrast, brand advertising enhances beliefs about the performance of a brand and makes the advertised belief information more accessible. Enhancing brand beliefs makes the brand more desirable and making advertised beliefs relatively more accessible makes price less important in a brand judgment. As a consequence, consumers become less responsive to changes in price.

GENERAL DISCUSSION

The experiments provide insight into how generic advertising works. First, generic advertising can increase or decrease the perceived differentiation among competing brands and, thus, influence brand choice. Second, increases in differentiation occur because generic advertising increases or decreases the weight consumers place on differentiating or non-differentiating attributes. Generic advertisements that discussed a differentiating attribute decreased access to information about the non-differentiating attribute, which resulted in an increase in the importance of the differentiating attribute and increased price responsiveness. Generic advertisements that discussed a non-differentiating attribute decreased access to information about the differentiating attribute, which resulted in an increase in the importance of the non-differentiating attribute and increased price responsiveness. These effects are consistent with a suppression model of advertising in which generic advertising on one attribute reduces accessibility to information about non-advertised attributes.
Public Policy Implications

We can draw two conclusions from the experiments. First, generic advertising has the potential to redistribute market shares among brands. Second, generic advertising has the potential to make people more responsive to price. What we cannot estimate is the relative impact of these effects in the natural environment. Our problem is that we investigate only two of the three potential outcomes of generic advertising. We show that generic advertising can shift a brand’s demand curve or shift the slope of a brand’s demand curve. We do not investigate the influence of generic advertising on cross-category elasticity. In other words, generic orange juice ads may influence category level demand because orange juice becomes more preferred relative to other drinks. We agree that no lab experiment could meaningfully estimate the relative impact of generic advertising at the brand and category level. Thus, our results should encourage researchers to conduct field studies investigating these issues.

A public policy implication of the findings is that generic advertising should not promote a single attribute, especially if a commodity market is differentiated. Single-attribute generic ads have the potential to increase or decrease product differentiation, hence have the potential to benefit premium or non-premium brands. In addition, single attribute ads increase price responsiveness. Yet, to the extent a commodity market is undifferentiated, as is the case when commodities are introduced into foreign markets, we expect a single-attribute generic ad will not be detrimental. If brands are not evaluated on attributes, then it is difficult for a single-attribute ad to suppress accessibility to non-advertised attribute information. Instead, the ad may increase the differentiation of the product category relative to competing product categories. This may be
the reason that generic advertising is four to ten times more effective in export markets (Williams 1999). When there is no within-category product differentiation, generic advertising promotes between-category product differentiation without increasing price responsiveness. In contrast, when there is within-category product differentiation in the export market, generic advertising can alter market shares and increase price elasticity (Richards, Van Ispelen, and Kagan 1997).

If the influence of attribute-based generic advertising in differentiated markets is neutral at best, then it is curious that there is consistent evidence that generic advertising can influence primary demand (Forker and Ward 1993; Williams 1999). We expect that generic advertising may have its primary impact through suggesting novel usage situations for the product. In other words, generic advertising should not be used to influence beliefs about product performance, but beliefs about product appropriateness. In immature commodity markets, this would be awareness advertising, whereas in mature markets this would be usage situation (e.g., suggested recipes) advertising.

Future Research

The most compelling finding in the four experiments is that generic advertising decreases the weight assigned to non-advertised attribute information in a brand judgment, whereas brand advertising increases the weight assigned to advertised attribute information in a brand judgment. We hypothesize that the different responses to generic and brand advertising are a function of the type of information that is being provided. Generic advertising provides information at the category level and category level information is often organized in list or feature form. The
information is non-integrated, and hence, should be sensitive to the interference effects associated with recalling information from lists. Brand advertising provides information at the exemplar level. Exemplar information has meaning because it is configural. The information that defines an exemplar is integrated. Thus, our results suggest that it may be the non-integrated and integrated characteristics of categories and brands that are responsible for suppression and salience effects (cf. Anderson, Green, and McCulloch 2000).

There may be other reasons category and brand level information may impact judgments in different ways. For example, it may be that generic advertising influences consumer perceptions about the stability or certainty of attribute values. Mellers (1986) finds that increasing the perceived variance of values on one attribute reduces its weight and, as a consequence, increases the weight on a second attribute. In our studies, mentioning the differentiating attribute in the generic ad may have encouraged people to perceive the non-differentiated attribute values as being relatively less stable and, thus, less important in the brand judgment. Likewise, mentioning the non-differentiating attribute in the generic ad may have encouraged people to perceive the differentiated attribute values as being relatively less stable and, thus, less important in the brand judgment. Thus, Mellers (1986) work might be used to argue that our results are not an example of suppression and decreased accessibility, but an example of the consumer’s certainty about the attribute values.

Conclusion

The data reported in this manuscript highlight a number of interesting issues related to how generic advertising impacts primary demand and brand choice. It is important to recognize
that generic advertising can independently influence product differentiation and price responsiveness. We find that the generic advertising of a product attribute decreases access to information about non-advertised product attributes. As a consequence, generic advertising can increase or decrease brand differentiation. The ability of generic advertising to decrease access to information about non-advertised attributes also results in an increased importance of price. As a consequence, generic advertising leads to increased responsiveness to changes in price. We leave it to future researchers to examine potential remedies for these effects of generic advertising.
REFERENCES


Armbruster, Walter J. and John P. Nichols (2001), “Commodity Promotion Policy,” working paper, Texas A&M University, University College Station, TX 77843-2124.


Blisard, William N., T. Sun, and James R. Blaylock (1991), "Effects of Advertising on the


Porter, Michael (1976), “Intrabranch Choice, Media Mix, and Market Performance,” American
Economic Review, 66 (May), 398-406.


TABLE 1
RESULTS OF EXPERIMENT 1

<table>
<thead>
<tr>
<th>Paired Similarity Ratings</th>
<th>Differentiating Ad</th>
<th>Control Ad</th>
<th>Non-Differentiating Ad</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Brands</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orange Juice</td>
<td>3.34&lt;sup&gt;a&lt;/sup&gt;</td>
<td>4.78&lt;sup&gt;&lt;/sup&gt;</td>
<td>6.34&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td>Cheese</td>
<td>3.79&lt;sup&gt;a&lt;/sup&gt;</td>
<td>4.79&lt;sup&gt;&lt;/sup&gt;</td>
<td>5.96&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td>Pork</td>
<td>4.70&lt;sup&gt;a&lt;/sup&gt;</td>
<td>5.30&lt;sup&gt;&lt;/sup&gt;</td>
<td>6.32&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td>Beef</td>
<td>4.23&lt;sup&gt;a&lt;/sup&gt;</td>
<td>5.25&lt;sup&gt;&lt;/sup&gt;</td>
<td>5.93&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td>Average</td>
<td>3.96&lt;sup&gt;a&lt;/sup&gt;</td>
<td>5.02&lt;sup&gt;&lt;/sup&gt;</td>
<td>6.13&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td>Premium vs. Non-Premium</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orange Juice</td>
<td>2.35&lt;sup&gt;a&lt;/sup&gt;</td>
<td>4.01&lt;sup&gt;&lt;/sup&gt;</td>
<td>5.58&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td>Cheese</td>
<td>2.62&lt;sup&gt;a&lt;/sup&gt;</td>
<td>4.04&lt;sup&gt;&lt;/sup&gt;</td>
<td>5.47&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td>Pork</td>
<td>3.21&lt;sup&gt;a&lt;/sup&gt;</td>
<td>4.64&lt;sup&gt;&lt;/sup&gt;</td>
<td>6.08&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td>Beef</td>
<td>3.11&lt;sup&gt;a&lt;/sup&gt;</td>
<td>4.85&lt;sup&gt;&lt;/sup&gt;</td>
<td>5.91&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td>Average</td>
<td>2.79&lt;sup&gt;a&lt;/sup&gt;</td>
<td>4.38&lt;sup&gt;&lt;/sup&gt;</td>
<td>5.73&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td>Rated Similarity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All Brands</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orange Juice</td>
<td>2.63&lt;sup&gt;a&lt;/sup&gt;</td>
<td>4.94&lt;sup&gt;&lt;/sup&gt;</td>
<td>6.89&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td>Cheese</td>
<td>2.96&lt;sup&gt;a&lt;/sup&gt;</td>
<td>5.04&lt;sup&gt;&lt;/sup&gt;</td>
<td>6.78&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td>Pork</td>
<td>3.90&lt;sup&gt;a&lt;/sup&gt;</td>
<td>4.84&lt;sup&gt;&lt;/sup&gt;</td>
<td>6.90&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td>Beef</td>
<td>3.48&lt;sup&gt;a&lt;/sup&gt;</td>
<td>5.85&lt;sup&gt;&lt;/sup&gt;</td>
<td>7.30&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td>Average</td>
<td>3.19&lt;sup&gt;a&lt;/sup&gt;</td>
<td>5.17&lt;sup&gt;&lt;/sup&gt;</td>
<td>6.96&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td>Differentiating Attribute</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orange Juice</td>
<td>2.42&lt;sup&gt;a&lt;/sup&gt;</td>
<td>3.55&lt;sup&gt;&lt;/sup&gt;</td>
<td></td>
</tr>
<tr>
<td>Cheese</td>
<td>2.77&lt;sup&gt;a&lt;/sup&gt;</td>
<td>3.65&lt;sup&gt;&lt;/sup&gt;</td>
<td></td>
</tr>
<tr>
<td>Pork</td>
<td>3.80&lt;sup&gt;&lt;/sup&gt;</td>
<td>4.37&lt;sup&gt;&lt;/sup&gt;</td>
<td></td>
</tr>
<tr>
<td>Beef</td>
<td>6.76&lt;sup&gt;b&lt;/sup&gt;</td>
<td>4.35&lt;sup&gt;&lt;/sup&gt;</td>
<td></td>
</tr>
<tr>
<td>Average</td>
<td>3.83&lt;sup&gt;&lt;/sup&gt;</td>
<td>3.97&lt;sup&gt;&lt;/sup&gt;</td>
<td></td>
</tr>
<tr>
<td>Non-differentiating Attribute</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orange Juice</td>
<td>7.05&lt;sup&gt;&lt;/sup&gt;</td>
<td>7.48&lt;sup&gt;&lt;/sup&gt;</td>
<td></td>
</tr>
<tr>
<td>Cheese</td>
<td>5.74&lt;sup&gt;&lt;/sup&gt;</td>
<td>6.93&lt;sup&gt;b&lt;/sup&gt;</td>
<td></td>
</tr>
<tr>
<td>Pork</td>
<td>5.42&lt;sup&gt;&lt;/sup&gt;</td>
<td>6.90&lt;sup&gt;b&lt;/sup&gt;</td>
<td></td>
</tr>
<tr>
<td>Beef</td>
<td>5.25&lt;sup&gt;&lt;/sup&gt;</td>
<td>6.87&lt;sup&gt;b&lt;/sup&gt;</td>
<td></td>
</tr>
<tr>
<td>Average</td>
<td>5.84&lt;sup&gt;&lt;/sup&gt;</td>
<td>7.05&lt;sup&gt;b&lt;/sup&gt;</td>
<td></td>
</tr>
<tr>
<td>Share of Premium Brand</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orange Juice</td>
<td>0.96&lt;sup&gt;b&lt;/sup&gt;</td>
<td>0.61&lt;sup&gt;&lt;/sup&gt;</td>
<td>0.18&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td>Cheese</td>
<td>0.96&lt;sup&gt;b&lt;/sup&gt;</td>
<td>0.70&lt;sup&gt;&lt;/sup&gt;</td>
<td>0.11&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td>Pork</td>
<td>0.75&lt;sup&gt;&lt;/sup&gt;</td>
<td>0.84&lt;sup&gt;&lt;/sup&gt;</td>
<td>0.14&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td>Beef</td>
<td>0.86&lt;sup&gt;b&lt;/sup&gt;</td>
<td>0.45&lt;sup&gt;&lt;/sup&gt;</td>
<td>0.26&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td>Average</td>
<td>0.89&lt;sup&gt;b&lt;/sup&gt;</td>
<td>0.65&lt;sup&gt;&lt;/sup&gt;</td>
<td>0.17&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

<sup>a</sup> Cell mean less than control group mean at p < .05 significance.
<sup>b</sup> Cell mean greater than control group mean at p < .05 significance.
FIGURE 1

ADVERTISING FRAMEWORKS

1A. Brand Advertising:
Brand Advertising → Brand Beliefs (+) → Within-Category Brand Differentiation (+) → Advertised Brand’s Price Elasticity (-)

1B. Accepted View of Generic Advertising:
Category Advertising → Category Beliefs (+) → Across-Category Differentiation (+) → Advertised Category Price Elasticity (-)

1C. Potential Brand Level Impact of Generic Advertising:
Category Ad: Differentiating Attribute → Brand Beliefs → Within-Category Differentiation (+) → Premium Brand Share (+) Non-Premium Brand Share (-)

Category Ad: Non-Differentiating Attribute → Brand Beliefs → Within-Category Differentiation (-) → Premium Brand Share (-) Non-Premium Brand Share (+)
FIGURE 2
POTENTIAL BRAND LEVEL EFFECTS OF GENERIC ADVERTISING
WITH ILLUSTRATIONS

Attribute Performance ➔ Within Category Brand Differentiation
Category Advertising ➔ 2B
Attribute Importance ➔ 2C/D Price Responsiveness

2A. Baseline Condition

<table>
<thead>
<tr>
<th>Brand</th>
<th>W_T</th>
<th>S_T</th>
<th>W_N</th>
<th>S_N</th>
<th>W_P</th>
<th>S_P</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium</td>
<td>.3</td>
<td>8</td>
<td>.3</td>
<td>6</td>
<td>.4</td>
<td>8</td>
<td>7.4</td>
</tr>
<tr>
<td>Premium</td>
<td>.3</td>
<td>8</td>
<td>.3</td>
<td>6</td>
<td>.4</td>
<td>7</td>
<td>7.0</td>
</tr>
<tr>
<td>Premium</td>
<td>.3</td>
<td>8</td>
<td>.3</td>
<td>6</td>
<td>.4</td>
<td>6</td>
<td>6.6</td>
</tr>
<tr>
<td>Non-premium</td>
<td>.3</td>
<td>2</td>
<td>.3</td>
<td>4</td>
<td>.4</td>
<td>4</td>
<td>3.4</td>
</tr>
<tr>
<td>Non-premium</td>
<td>.3</td>
<td>2</td>
<td>.3</td>
<td>4</td>
<td>.4</td>
<td>3</td>
<td>3.0</td>
</tr>
<tr>
<td>Non-premium</td>
<td>.3</td>
<td>2</td>
<td>.3</td>
<td>4</td>
<td>.4</td>
<td>2</td>
<td>2.6</td>
</tr>
</tbody>
</table>

2B. Illustration of Change in Perceived Attribute Performance - Differentiating Generic Ad

<table>
<thead>
<tr>
<th>Brand</th>
<th>W_T</th>
<th>S_T</th>
<th>W_N</th>
<th>S_N</th>
<th>W_P</th>
<th>S_P</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium</td>
<td>.3</td>
<td>8</td>
<td>.3</td>
<td>6</td>
<td>.4</td>
<td>8</td>
<td>7.4</td>
</tr>
<tr>
<td>Premium</td>
<td>.3</td>
<td>8</td>
<td>.3</td>
<td>6</td>
<td>.4</td>
<td>7</td>
<td>7.0</td>
</tr>
<tr>
<td>Premium</td>
<td>.3</td>
<td>8</td>
<td>.3</td>
<td>6</td>
<td>.4</td>
<td>6</td>
<td>6.6</td>
</tr>
<tr>
<td>Non-premium</td>
<td>.3</td>
<td>2</td>
<td>.3</td>
<td>4</td>
<td>.4</td>
<td>4</td>
<td>3.4</td>
</tr>
<tr>
<td>Non-premium</td>
<td>.3</td>
<td>2</td>
<td>.3</td>
<td>4</td>
<td>.4</td>
<td>3</td>
<td>3.0</td>
</tr>
<tr>
<td>Non-premium</td>
<td>.3</td>
<td>2</td>
<td>.3</td>
<td>4</td>
<td>.4</td>
<td>2</td>
<td>2.6</td>
</tr>
</tbody>
</table>

2C. Salience Model Illustration of Weight Change - Differentiating Generic Ad

<table>
<thead>
<tr>
<th>Brand</th>
<th>W_T</th>
<th>S_T</th>
<th>W_N</th>
<th>S_N</th>
<th>W_P</th>
<th>S_P</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium</td>
<td>.3</td>
<td>8</td>
<td>.3</td>
<td>6</td>
<td>.4</td>
<td>8</td>
<td>7.4</td>
</tr>
<tr>
<td>Premium</td>
<td>.3</td>
<td>8</td>
<td>.3</td>
<td>6</td>
<td>.4</td>
<td>7</td>
<td>7.0</td>
</tr>
<tr>
<td>Premium</td>
<td>.3</td>
<td>8</td>
<td>.3</td>
<td>6</td>
<td>.4</td>
<td>6</td>
<td>6.6</td>
</tr>
<tr>
<td>Non-premium</td>
<td>.3</td>
<td>2</td>
<td>.3</td>
<td>4</td>
<td>.4</td>
<td>4</td>
<td>3.4</td>
</tr>
<tr>
<td>Non-premium</td>
<td>.3</td>
<td>2</td>
<td>.3</td>
<td>4</td>
<td>.4</td>
<td>3</td>
<td>3.0</td>
</tr>
<tr>
<td>Non-premium</td>
<td>.3</td>
<td>2</td>
<td>.3</td>
<td>4</td>
<td>.4</td>
<td>2</td>
<td>2.6</td>
</tr>
</tbody>
</table>

2D. Suppression Model Illustration of Weight Change - Differentiating Generic Ad

<table>
<thead>
<tr>
<th>Brand</th>
<th>W_T</th>
<th>S_T</th>
<th>W_N</th>
<th>S_N</th>
<th>W_P</th>
<th>S_P</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium</td>
<td>.3</td>
<td>8</td>
<td>.3</td>
<td>6</td>
<td>.4</td>
<td>8</td>
<td>7.4</td>
</tr>
<tr>
<td>Premium</td>
<td>.3</td>
<td>8</td>
<td>.3</td>
<td>6</td>
<td>.4</td>
<td>7</td>
<td>7.0</td>
</tr>
<tr>
<td>Premium</td>
<td>.3</td>
<td>8</td>
<td>.3</td>
<td>6</td>
<td>.4</td>
<td>6</td>
<td>6.6</td>
</tr>
<tr>
<td>Non-premium</td>
<td>.3</td>
<td>2</td>
<td>.3</td>
<td>4</td>
<td>.4</td>
<td>4</td>
<td>3.4</td>
</tr>
<tr>
<td>Non-premium</td>
<td>.3</td>
<td>2</td>
<td>.3</td>
<td>4</td>
<td>.4</td>
<td>3</td>
<td>3.0</td>
</tr>
<tr>
<td>Non-premium</td>
<td>.3</td>
<td>2</td>
<td>.3</td>
<td>4</td>
<td>.4</td>
<td>2</td>
<td>2.6</td>
</tr>
</tbody>
</table>

Note. -- W_T, W_N, and W_P are weight for taste, nutrition, and price attributes. S_T, S_N, and S_P are scale values for taste, price, and nutrition.
FIGURE 3

SAMPLE STIMULI

Great Juicy Taste—Worth The Wait.
The Florida Temple is long on sweet, juicy deliciousness but has a short season. So get down to your supermarket now while the getting is good and the taste is great.

Florida. A Temple’s Most Natural State.

*Florida Department of Citrus © 1989

Why did your mom always tell you to drink orange juice?
The reasons just keep piling up.

It’s a quite a reading list. Over 250 studies... including well over 100 on vitamin C intake... all point to one general conclusion. The conclusion and message is... orange juice can play an important role in maintaining and sustaining health.

In fact, leading scientists have found orange juice to be rich in antioxidants, which are growth-promoting substances in the body that help keep cholesterol low and lower the risk of heart disease. They’re also rich in vitamin C, which is essential for the normal functioning of the blood vessels, brain, kidneys, and respiratory system.

And just one glass of orange juice more than doubles the proportion of a person's daily allowance of vitamin C. Other studies indicate a strong relationship between drinking orange juice and a lower risk of heart disease. Orange juice also has been shown to lower the risk of certain types of cancer, and its contents are a rich source of nutrients that help maintain a healthy immune system.

So, why not try a glass of orange juice today? It’s a healthy choice and a delicious way to start your day.
FIGURE 4
RESULTS OF EXPERIMENT 2

Differentiating Ad Condition:
Premium Brands

Non-differentiating Ad Condition:
Premium Brands

Differentiating Ad Condition:
Non-premium Brands

Non-differentiating Ad Condition:
Non-premium Brands
FIGURE 5
RESULTS OF EXPERIMENT 3

Nutrition Judgments

Taste Judgments

Purchase Likelihood

Differentiating (Taste)
Non-differentiating (Nutrition)
Control

Purchase Likelihood

Differentiating (Taste)
Non-differentiating (Nutrition)
Control
FIGURE 6

RESULTS OF BRAND ADVERTISING CONDITION IN EXPERIMENT 4

Price Judgments

- Differentiating (Taste)
- Non-differentiating (Nutrition)
- Control