

Consumer Response to Underdog Branding

THE PROBLEM

Consumers generally prefer associating themselves with winners. Consider the legions of loyal fans for sports teams like the New York Yankees or Los Angeles Lakers. This desire to improve one's social status by associating with a winner is sometimes referred to as "basking in reflected glory". However, consumers do not always prefer the winner or top-dog, they often have a strong affinity to identify with an underdog.

In marketing campaigns, many brands have attempted to leverage consumer's identification with underdogs. Consider the example of Nantucket Nectars' founders, who portray themselves as two juice guys with "a blender and a dream." Or, Clif Bar's product packaging that tells the story of its founder living in a garage while perfecting his energy bar recipe. Even very successful brands leverage their humble beginnings by using a narrative of their history to help build brand biographies. Tech giants Apple, Microsoft, and HP each proclaim that they were started in a garage. In doing so, managers hope to construct a brand image that can leverage their underdog status for competitive advantage.

As companies work to develop brand positioning, managers may ask, "Do consumers actually respond to underdog brands?" In a series of studies, Paharia and colleagues found that consumers do in fact identify with underdog brand biographies. Moreover, they examined what makes the underdog perspective powerful, observed which consumers are most susceptible to the approach, and identified limitations of underdog positioning.

FINDINGS

In one experiment, Paharia presented consumers with the brand biographies of two premium chocolate bars. One was presented as an underdog brand, the other as a brand owned by a major chocolate distributor. Consumers were given a chance to take home one of the two bars. Overall, consumers were more likely to choose the underdog brand (71%) than the top-dog brand (29%). Two factors further increased the likelihood of choosing the underdog brand: the receiver of the chosen bar (the consumer or their friend) and pre-choice information. When consumers chose for themselves, they were more likely to identify with the underdog brand and therefore chose the underdog chocolate (81%). Of the consumers choosing for themselves, those exposed to an underdog story prior to their choice were even more likely to choose the underdog brand (89%) (see the figure).



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Paharia's research interests include emerging or tentative preferences, consumer choice processes, biases, research on judgment and decision making, consumer behavior, signaling through brands, social media, political consumption, moral psychology, and digital marketing.

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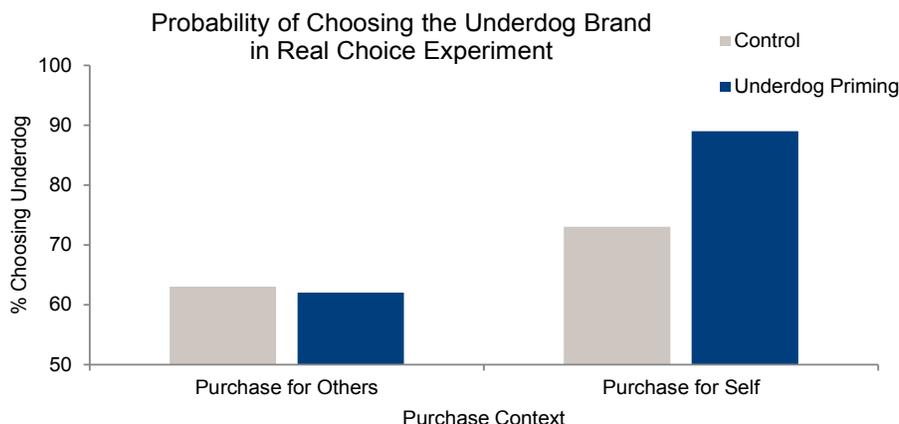
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Paharia and colleagues continued by identifying some limitations of the underdog effect. For instance, the effect only occurs when the brand is portrayed as facing external hardships and when it demonstrates the will to overcome these hardships. Paharia and colleagues also demonstrated that the underdog effect was greater in individuals that identified themselves as underdogs, further affirming that identification with the underdog brand is an important factor.



IMPLICATIONS & CONCLUSIONS

Paharia’s research shows how an underdog narrative can be a powerful tool. Small brands, and large brands with underdog histories, stand to benefit by highlighting their current or past underdog status. Consumers who see themselves as underdogs are most likely to respond to this approach and provide brands an opportunity to build a loyal customer base. Conversely, the research cautions that if consumers do not perceive the brand to have both internal determination and the willingness to battle external disadvantages the strategy may not work. It also warns that the approach may not work for consumers who see themselves as top-dogs or for consumers in cultures that lack strong individualistic attitudes. For example, Paharia and colleagues found a greater underdog effect in American consumers than their collectivist Singaporean counterparts.

For marketing managers, Paharia’s research emphasizes the importance of developing a brand’s history. This can be done through a narrative that tells the story of how a brand has developed from humble roots to its current standing. She suggests that brand biographies, such as underdog stories, offer companies a route to maintaining an enduring image while also enabling consumers to personally relate to their stories.

Source: Paharia, N., Keinan, A., Avery, J., and Schor, J. (2011). The Underdog Effect: The Marketing of Disadvantage through Brand Biography, *Journal of Consumer Research*, 37, 777-790.

This Brief, based on the work of Neeru Paharia et al., was composed by Chris Hydock in collaboration with Neeru Paharia.

Key Points

- Many brands have adopted a strategy to portray themselves as underdogs.
- Although people often prefer to identify with winners, research suggests underdog positioning is effective.
- There are constraints to the effectiveness of underdog marketing, e.g., consumers must perceive the brand as thriving to exceed in the face of external hardships.

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