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THE HOME ECONOMIST: Supermarket psychology

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Brett Graff is a reporter & former U.S. government covering the economic forces affecting real people.

To help South Florida shoppers stock up for their Fourth of July barbecues, Publix supermarkets — and most likely grocers around the country — will prepare displays grouping together holiday favorites.

Some stores may cap aisles with marshmallows, chocolate and graham crackers so customers can buy S'more ingredients in seconds. While other locations could pair together chips and beer or ice cream and chocolate sauce. The different merchandising combinations will depend, says Publix media and community relations manager Kimberly Reynolds, on the sale items featured in weekly circulars.

“Our goal is to make shopping in our stores more convenient and enjoyable for our customers,” Reynolds says.

In addition to convenience, those combinations will have a subliminal effect that causes us to think products were perfectly paired together in the same way a sommelier selects a meal's wine or engineers code computer software, according to new research. In addition to our faith in displays, the research says we shoppers believe that our everyday brands design and test products — such as chips and salsa or toothpaste and toothbrushes — so they work best with the complimentary product of the same brand. Whether that's true — brand spokespeople swear it's fact while consumer experts laugh heartily — it's a bias that can in many cases cost us money this summer when throwing that big barbeque and stocking both the fridge and the bar.

“The more complimentary products a brand has the more you get hijacked by that brand to pay their prices,” says Ryan Rahinel, a researcher at the University of Minnesota who decided to study this effect after finding himself crossing the border to Canada so his over-the-counter skin therapy products were manufactured by the same company.

“This notion that things are tested together is over-generalized. We know it's true in some categories — such as with printers and ink. But the margarita mix probably isn't made anywhere near the tequila of the same brand.”

Rahinel and his team performed a series of experiments, first dividing subjects into four groups and serving each one a combination of chips and salsa from make-believe brands, Festivities and Party Time. While two groups ate one brand of chips dipped into another's salsa, the two groups that sampled both chips and salsa from the same brand reported much having higher levels of enjoyment. Even though all four groups were actually just served the exact same Tostitos chips and Tostitos salsa.

“We were able to create out of thin air that there is this idea that brand combination creates enjoyment,” Rahinel says.

They also in the lab backed our supermarket's decision to display complimentary products using

spreadable cheese and cracker snacks. By simply snipping the plastic and separating the two, they lowered their tasters' level of satisfaction.

Sounds unfounded, but beliefs are actually critical components to our enjoyment, says Joseph Redden, an assistant professor of marketing at University of Minnesota who coauthored the study.

"There's a top down process," Redden says. "You may like orange juice but if I gave you a glass, you'd enjoy it much less if I told you I spit in it first — even if that wasn't true. With the chips and the salsa, it's not a trick because if you consume brands together you will enjoy them more."

Tostitos, for its part, says its products actually are in fact designed to match. Frito-Lay spokesperson Chris Kuehenmeister points to its new Cantina line as proof. The thin and crispy tortilla chips are designed to pair with the brand's chipotle restaurant style salsa, while its thicker, traditional chip was baked especially for the brand's roasted garlic chunky salsa.

"I hope people enjoy them together," Kuehenmeister says. "We're trying to create the best flavor experience."

But the researchers say the experience involves actually knowing that brands match and when serving guests this summer — when most of us dump chips into the bowl, put buns and burgers on a platter and ice cream in dishes — it's lost entirely. What you likely have instead is a table topped with full-priced items — not a comparable store brand or sale selection — even if you stop at the supermarket's display. Stores know we buy more chips and beer when they're paired together, says Pat Fitzpatrick, president of Atlanta Retail Consulting.

"It increases sales because you don't forget them," Fitzpatrick says. "There's a lot of psychology to placement of items in the market."

That's why when considering displayed items, you should also check out the larger selection from the aisle, says Andrea Woroch, a consumer expert who contributes to couponsherpa.com. Because even if those hamburger buns are on sale it might not be the best sale. And don't forget to look not only at prices but also at price-per-unit, which is more telling, she says.

"There are so many tactics making a consumer think you need this product to go with that product," Woroch says. "You see it online also — when the site shows you 'people who bought this also bought..' But it's a marketing tactic and nothing more."

*This is a monthly column by Miamian **Brett Graff**, a former U.S. government economist who writes about how economic forces are affecting real people.*

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