

The Home Economist: Slogans that say save prompt us to spend

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

For this holiday season and beyond, Fort Lauderdale advertising agency Backus Turner International helped buoy sales for Discovery Cruise Line with the slogan: Not One Cent More. The phrase promotes the idea that the advertised price is the amount you'll pay, with no taxes, surcharges or huge bar bills to surprise you later.

"People are saying 'Wow, this company is telling us the truth,' " says Roberta Backus, Backus Turner CEO. "It's all-inclusive, all the way."

At least during this mildly-merry economic time of year, the cruises are selling. What vacationer wouldn't want a trip that includes safeguards from going overboard financially? But as the festive days of vacationing, shopping -- and therefore advertising -- engulf our attention, one researcher from the University of Miami is saying that the money-saving slogans singing "value" will actually cause us to fork over to retailers twice as much cash.

"Slogans that suggest saving money make people spend more in general," says Juliano Laran, a professor of marketing at the University of Miami who conducted the research. "People think slogans are there to make them do something they might not want to do. So they react by doing the opposite."

Laran says his findings indicate that advertising messages actually carry an undercurrent that makes us feel coerced. And because we prefer to remain in control of our own decisions, we react with a rebellious shrug, doing instead the reverse. So if a company tells us to save money, we react by spending more of it. That means the slogans designed for these economic times -- the ones suggesting we shop frugally -- are subconsciously sabotaging our efforts to do just that.

"For retailers, slogans associated with saving money work really well," says Laran.

He says that the slogan for Discovery Line Cruises -- and its customers' positive response -- illustrates his point. The undertone is about staying within budget. But what happened is that people booked cruises.

"When I'm trying to save money I don't go spending it on cruises," he says. "It's not that slogans don't work. It's that they produce the opposite behavior. They threaten your freedom."

A strong assertion, perhaps, when discussing whether or not to take a holiday cruise. But it's an idea based on two shopping standards long-held by psychologists and marketing experts. First, luxury brand names subconsciously reset our minds so they're thinking about high quality and top prices, while bargain brands have the opposite effect. Basically reading the words "The Home Depot" will instantly put us into do-it-yourself-and-save mindsets.

Secondly, we do not like sales tactics that are overly persuasive. In fact, we'll walk away from a perfectly good product at a perfectly good price -- even if it's exactly what we were shopping for in the first place -- if we believe a person or a company is coming on too strong.

With those ideas in mind, Laran brought more than 1,000 subjects into a lab throughout 2009 and conducted a series of studies. In one experiment, he told subjects they were participating in a memorization task before dividing them into four groups. The first group was asked to remember the brand names of companies who advertise their economic edge, such as Wal-Mart. The second group was asked to remember slogans from those dollar-conscious companies. The third group was assigned neutral brands that consumers don't automatically equate with financial savings, such as Publix. Then the fourth group was asked to learn slogans of those cost-neutral companies. Afterward, participants were told it was time to go shopping. The people who had been exposed to the money-saving slogan reported being ready to spend about \$100 more than everyone else. And even though the work was done in the midst of a recession, Laran says the results would have been the same a decade ago.

"People's brains don't change," he says. "This is cognitive. We've learned that marketing is there to persuade us and then we react against things that are too persuasive."

Backus -- who disputes the findings -- offers another explanation: perhaps people are more willing to spend when they believe the savings are worthwhile. If Vaseline is on sale two-for-one, why not buy four, she asks, and get double the number of tubs for free? Basically, getting more for your money is enticing, and people want to participate in those opportunities.

"You rebel against something that's distasteful," she says. "But if it appeals to you, you respond to it."

Meanwhile fellow slogan-composer Andrew Keller, the CEO of Crispin Porter + Bogusky in Bolder, Co., points out that people will answer in a lab much differently than they'll act in a store.

"They'll tell you what represents their ideal selves," he says. "What they say there is questionable." Advertising, he explains, will often define lines. Maybe we're so focused on holiday shopping that we aren't thinking about budgeting. Once the slogan appears, it makes us uncomfortable, leaving us thinking about whether we're mindful or frivolous shoppers. And we'll settle on one side of the line.

"The introduction of that thought generates behavior on both sides of the equation," says Keller. Regardless, it's hard to hide from the fact that slogans are designed to persuade us, says Kelly Goldsmith, an assistant professor of marketing at the Kellogg School of Management at Northwestern University. And even though we may show both ourselves and our corporate courtiers that we'll spend as we please, thank-you-very-much, we shouldn't let our egos drive us off course any more than we should let marketers steer us there.

"At the end of the day, rebelling for the sake of rebelling is stupid," says Goldsmith. "It's important to think back about what our goals are as opposed to anything else."

*This is one of an occasional series of columns by Miamian **Brett Graff**, a former U.S. government economist who writes about how economic forces are affecting real people.*