

**PACKAGE, BRAND, OR PRICE AS DIFFERENTIATOR?
A FUNCTIONAL MAGNETIC RESONANCE IMAGING STUDY**

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ABSTRACT

A large part of the daily business of marketing executives is dedicated to fighting commoditization. That is, the process of trying to differentiate their firm's products in a marketplace where competitors offer essentially products with identical core attributes, e.g., in terms of quality. Prior research and managerial practice, however, lack insight about which aspects of differentiation resonate in acceptance and purchase among consumers. Moreover, consumers' affective and cognitive processes when deciding between a standard offering and a differentiated one are not yet well understood. Should the product packing be re-designed? Should sales offer products at lower prices than the competition? Or, does a strong brand drive product success in a commoditized marketplace? By combining self-reports and brain data from functional magnetic resonance imaging (fMRI), this study assesses relevant affective and cognitive processes while consumer are confronted with three distinct differentiation aspects: packaging design, brand, and price. Empirical evidence suggests that differentiation via packaging design has a significantly larger impact on areas of the brain related to value anticipation and actual choice than brand differentiation. Important implications for research and marketing management are discussed.