

Warning of potential side effects of a product can increase its sales

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Drug ads often warn of serious side effects, from nausea and bleeding to blindness, even death. New research suggests that, rather than scaring consumers away, these warnings can improve consumers' opinions and increase product sales when there is a delay between seeing the ad and deciding to buy or consume the product.

"Messages that warn consumers about potentially harmful side effects—presumably with the intent to nudge them to act more cautiously—can ironically backfire," says psychological scientist Ziv Carmon of INSEAD in Singapore.

Working with Yael Steinhart of Tel Aviv University and Yaacov Trope at New York University, Carmon has been exploring how adding a warning of potential side effects affects consumer decision making. Their new findings are published in the September 2013 issue of *Psychological Science*, a journal of the Association for Psychological Science.

"We were struck by just how detailed, clear, and scary many warnings had become with regard to potential negative side-effects of products," says Carmon. "It then occurred to us that such warnings might perversely boost rather than detract from the appeal of the risky product."

Carmon and colleagues tested their hypothesis in four experiments. In one experiment, for example, <u>smokers</u> saw an ad for a brand of cigarettes: one version of the ad included a warning that smoking causes



<u>lung cancer</u>, <u>heart disease</u>, and <u>emphysema</u>, while another version did not include the warning.

Predictably, participants who had the opportunity to purchase the cigarettes soon after seeing the ad bought less if the ad they saw included the warning.

In contrast, participants who were given the opportunity to purchase the cigarettes a few days later bought more if the ad included the warning. The same outcome emerged when the researchers ran a similar experiment with ads for <u>artificial sweeteners</u>.

According to Carmon and his colleagues, the warnings backfired because the psychological distance created by the delay between exposure to the ad and the customer decision made the side effects seem abstract—participants came to see the warning as an indication of the firm's honesty and trustworthiness.

In fact, participants evaluated drugs for erectile dysfunction and hair loss that had potentially serious <u>side effects</u> more favorably, and as more trustworthy, when they were told the products weren't on the shelves yet.

While conventional wisdom suggests that explicit warnings about dangerous side effect will make people think twice before taking medical risks, these findings suggests otherwise. The researchers believe that their findings are important because these kinds of warnings are so ubiquitous, accompanying many different products or services beyond medications, including medical procedures, financial investments, and sporting activities.

Given how frequently we are exposed to such warnings, Carmon hopes to bring greater attention to their potential to backfire.



"This effect may fly under the radar since people who try to protect the public—regulatory agencies, for example—tend to test the impact of a warning shortly after consumers are exposed to it," says Carmon. "By doing so, they miss out on this worrisome delayed outcome."

More information: pss.sagepub.com/content/24/9/1842.abstract

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