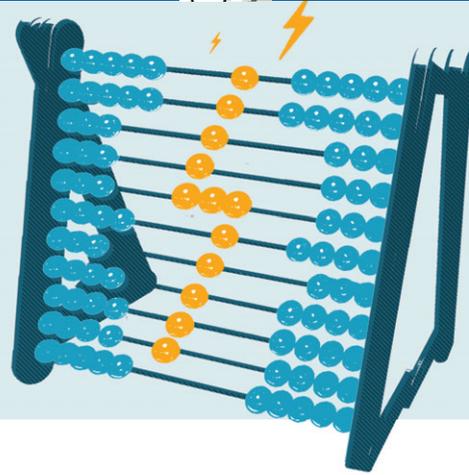


Research Watch

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A Shocking Way to Solve Problems

Research subjects who received electrical stimulation in the anterior temporal lobes of the brain were three times as likely as others to come up with the fresh insight needed to solve a difficult, unfamiliar math problem, according to **Richard Chi** and **Allan Snyder**, of the University of Sydney. The researchers envision a future when brief, noninvasive brain stimulation can be used to help people solve problems that have evaded traditional cognitive approaches.



MARKETING by Marco Bertini, John Gourville, and Elie Ofek

The Best Way to Name Your Product 2.0

When managers at the golf equipment company Callaway launched the successor to its Big Bertha driver, in 1995, they faced a challenge: What should they call it? They settled on Great Big Bertha, which was followed two years later by Biggest Big Bertha. It's a clever progression—but is it the right way to name next-generation products?

Although there's ample research to guide marketers in naming new products, little of it has addressed follow-on offerings, even though these make up the bulk of new products in industries ranging from automobiles to digital cameras.

Companies have two basic strategies to choose from. They can stick with a name, as Cadillac did during the 45-year run of its Coupe de Ville—often adding a sequential indicator, as Callaway did with its Berthas. We call this brand-name continuation. Or they can come up with a new name for the next version, as Nintendo did with its N64, GameCube, and Wii gaming platforms. We call this brand-name change.

Which strategy works best? It depends. In laboratory and field studies involving hundreds of subjects, we found that when consumers see a brand-name continuation, they expect improvements to existing features. When they see a brand-name change, they expect fundamentally new features, and they perceive the product as riskier

When customers see a brand-name change, they expect radically new features.

(likelier to fail or more prone to compatibility problems with previous products) but potentially more rewarding (higher in quality, more satisfying to use). These findings suggest three questions that managers choosing next-generation names should explore:

What is the target market's attitude toward risk and reward? Consumers' risk tolerance varies widely from one demographic to another. Young people typically accept risk in exchange for greater reward; for example, they often prefer an entirely new video game despite the higher likelihood of glitches. The Wii was Nintendo's fifth home video game console; its name change signaled a dramatic departure from previous generations. Microsoft Office caters to business users who care more about consistency than novelty, so it uses brand-name continuation to highlight its reliability.

What are the consequences if things go wrong? Consumers' perceptions of risk depend in part on the setting. Error is less acceptable in business and

social contexts than in private. Whereas Honda wisely stuck with Accord for each iteration of its family sedan, Gillette gave new razors their own names (Sensor, Fusion). In addition, the possibility of error is more easily tolerated when backups are available. In one lab experiment we conducted, subjects asked to select a new camera for a vacation typically chose a next-generation model with a new name when a family member would also be taking a camera; otherwise they opted for a (presumably) more reliable same-name camera.

What is the competitive landscape? Your relative strength in the market also matters. In the mid- to late 1990s, AMD's K5 and K6 microprocessors trailed Intel's Pentium series in sales. So in 1999 AMD gave a new name, Athlon, to its next-generation processor, which did much better in the marketplace than its predecessors had.

Names set expectations. Above all, make sure your product delivers on them. Because it had a new name, Microsoft's Vista operating system primed consumers to expect dramatically new capabilities that the software did not actually have. The company thus mismanaged expectations. Callaway's brand-name continuation pointed to steady but not radical improvements—a perfect message for golfers, who don't want surprises to ruin their games. ▣

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