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Bachelor of Business Administration (BBA) | Semester 4 | UK4DSEMGT204

Advertisement and Sales Promotion

Course Code: UK4DSEMGT204 • Module 2 Notes

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Consumer Behaviour and Advertising Market Research

Course Code: UK4DSEMGT204 • Major Elective • Semester IV • DegreeLive Academic Publications

1. Consumer Decision-Making and Advertising Influence Models

The primary objective of marketing communications is to guide prospective buyers through sequential psychological stages leading from initial brand unawareness to active product trial, purchase, and brand loyalty. Understanding consumer cognitive and emotional processing enables advertisers to craft targeted messages that resonate with specific mindset states.

The Classic AIDA Framework

Formulated by E. St. Elmo Lewis in 1898, the **AIDA Model** traces the sequential response hierarchy experienced by a consumer exposed to commercial messaging:

- **Attention (A):** The advertisement must first break through perceptual clutter using striking visual contrasts, bold headlines, or intriguing sound effects to capture cognitive awareness.
- **Interest (I):** Once attention is secured, the message must engage the prospect's self-interest by highlighting product features that solve an active consumer problem or address an unmet desire.
- **Desire (D):** The communication shifts from intellectual comprehension to emotional craving, demonstrating how brand ownership elevates the consumer's social status, lifestyle, or comfort.
- **Action (A):** The final behavioral catalyst, providing clear friction-free calls-to-action (CTA), store locators, website URLs, discount redemption codes, or immediate purchasing links.

The DAGMAR Model (Defining Advertising Goals for Measured Advertising Results)

Developed by Russell Colley in 1961 for the Association of National Advertisers, the **DAGMAR Model** established that advertising effectiveness must be measured strictly against communication goals rather than sales results, because sales are influenced by multiple marketing mix variables (pricing, packaging, distribution availability, and competitive actions) beyond advertising control. Colley defined an advertising goal as a specific communication task to be accomplished among a defined audience to a given degree in a given period of time.

The DAGMAR communication process operates across four hierarchical stages: **Unawareness → Awareness → Comprehension → Conviction → Action (ACCA)**. A rigorous DAGMAR objective is formulated with mathematical precision: *"To increase brand awareness of our new electric vehicle from 15% to 45% among urban professionals aged 25–40 in Tier-1 cities within six months."*

The Lavidge-Steiner Hierarchy of Effects Model

Robert Lavidge and Gary Steiner expanded response theory into a seven-stage behavioral progression mapped directly across three human psychological domains:

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1. **Cognitive Domain (Thinking):** Awareness and Knowledge (disseminating factual attributes, technical specifications, and brand identity);
2. **Affective Domain (Feeling):** Liking, Preference, and Conviction (cultivating emotional resonance, positive brand attitudes, and psychological intent to choose); and
3. **Conative Domain (Doing):** Purchase (prompting behavioral commitment, store visitation, and monetary transaction).

The FCB Grid (Foote, Cone & Belding Model)

Developed by Richard Vaughn, the **FCB Grid** maps consumer decision-making across two dimensions: **Involvement** (High vs Low) and **Thinking vs Feeling** (Cognitive vs Emotional), creating four distinct advertising quadrants:

Quadrant & Trait	Consumer Psychological Flow	Product Categories	Optimal Advertising Strategy
Q1: High Involvement / Thinking (The Informative)	Learn → Feel → Do	Automobiles, residential real estate, personal computers.	Long copy, factual rational appeals, detailed performance charts.
Q2: High Involvement / Feeling (The Affective)	Feel → Learn → Do	Designer jewelry, luxury perfumes, haute couture fashion.	Emotional dramatization, aesthetic imagery, prestige lifestyle themes.
Q3: Low Involvement / Thinking (The Habitual)	Do → Learn → Feel	Detergents, paper towels, gasoline, household bleach.	Repetitive reminder ads, brand jingles, point-of-purchase coupons.
Q4: Low Involvement / Feeling (The Self-Satisfaction)	Do → Feel → Learn	Confectionery, soft drinks, beer, movie theater tickets.	Sensory pleasure imagery, social group imagery, instant gratification.

2. STP Strategies: Segmentation, Targeting, and Brand Positioning

Market fragmentation renders mass marketing inefficient; modern advertising campaigns rest upon the strategic triad of **Segmentation, Targeting, and Positioning (STP)**.

Market Segmentation Dimensions for Advertising Campaigns

- **Demographic Segmentation:** Grouping consumers by age cohorts (Gen Z, Millennials, Baby Boomers), gender, income tiers, educational attainment, and marital status.
- **Geographic and Geodemographic Segmentation:** Urban metropolitan, semi-urban, rural clusters, regional climatic zones, and localized PIN-code clusters.
- **Psychographic Segmentation:** Partitioning audiences based on social class, lifestyles, personal values, and psychological orientations (e.g. VALS framework: Innovators, Thinkers, Achievers, Experiencers).

- **Behavioral Segmentation:** Segmenting by purchase occasion, user status (first-time vs regular), usage rate (heavy 20% consuming 80% volume), brand loyalty stages, and benefits sought (convenience, dental whitening, cavity protection).

Brand Positioning Architecture and Perceptual Mapping

Formulated by Al Ries and Jack Trout, positioning is not what you do to a product; positioning is what you do to the mind of the prospect. It represents the distinct, favorable place a brand occupies in the consumer's mental hierarchy relative to competitor offerings. Advertisers utilize **Perceptual Maps** — two-dimensional grids plotting competitor brands across key consumer evaluative attributes (e.g., Price vs Quality, or Traditional vs Contemporary) — to identify unserved market gaps and establish defensible market positioning.

Common positioning strategies include: (1) **Attribute / Feature Positioning:** Highlighting a unique technological component (e.g., Apple M-series silicon chips); (2) **Benefit Positioning:** Focusing on transformative consumer outcomes (e.g., Volvo on passenger safety); (3) **Price-Quality Positioning:** Occupying premium luxury status (Rolex) or unbeatable value leadership (IKEA); (4) **Competitor Positioning:** Directly positioning against the market leader (Avis: "We're number two, so we try harder"); and (5) **Cultural Symbol Positioning:** Aligning the brand with national heritage and cultural pride (Amul: "The Taste of India").

3. Advertising Market Research: Methodologies and Copy Testing

Advertising research provides empirical diagnostic data to reduce market uncertainty, evaluate creative concepts before capital expenditure, and verify campaign return on investment.

Qualitative Research Methodologies

- **Focus Group Discussions (FGDs):** Moderated discussions with 6 to 10 representative consumers exploring visceral emotional reactions to preliminary storyboards, brand concepts, and cultural cues.
- **Projective Techniques:** Psychological indirect questioning techniques (sentence completion, cartoon tests, brand personification exercises) that bypass conscious rational defenses to uncover latent, unspoken consumer motives.
- **In-Depth Ethnographic Interviews:** Observing and interviewing consumers within their natural home or workplace settings to unearth authentic product usage rituals and friction points.

Quantitative Copy Testing and Message Verification

Copy testing evaluates the effectiveness of advertising copy across three sequential stages of the campaign lifecycle:

1. **Pre-Testing (Concept & Copy Testing):** Conducted before finalizing media production:
    - **Consumer Jury Test:** Exposing alternative print layouts or animatics to a representative panel of consumers who rank executions on attention value and believability;

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- **Portfolio Tests:** Placing dummy test advertisements within a folder containing control ads and measuring spontaneous recall after browsing;
- **Physiological Tests:** Utilizing biometric laboratory apparatus including Galvanic Skin Response (GSR) measuring emotional arousal, Pupilometrics tracking pupil dilation, and Eye-Tracking Cameras mapping visual heatmaps to verify whether consumers look at the brand logo and headline.

2. **Concurrent Testing:** Conducted while the campaign is actively running across live media:
   - **Coincidental Telephone Surveys:** Calling households during broadcast hours to ascertain current program viewing and commercial recall;
   - **Digital Click-Through and Heatmap Tracking:** Analyzing live digital banner interactions, bounce rates, and session dwell times.
3. **Post-Testing (Campaign Auditing):** Evaluating overall market impact post-campaign:
   - **The Starch Readership Test:** Post-publication print audit classifying magazine readers into three distinct recognition tiers: *Non-Readers*, *Associated Readers* (saw ad and noted brand name), and *Read Most* (read 50% or more of written body copy);
   - **Day-After Recall (DAR) Tests (Burke Test):** Interviewing television viewers 24 hours after a commercial airs to measure spontaneous and aided brand recall, key message comprehension, and brand attitude shifts;
   - **Pre-and-Post Brand Equity Surveys:** Quantifying net percentage shifts in brand awareness, purchase intent, and brand perception scores across treatment and control consumer panels.

4. Mining Consumer Insights and Translating into Creative Themes

A **Consumer Insight** is a profound, non-obvious realization regarding consumer attitudes, hidden motivations, or unmet emotional needs that unlocks new ways of connecting a brand with its audience. An insight is not a mere descriptive demographic data point; it is the *underlying human 'why'* behind observed behavior.

Transforming raw consumer insights into resonant creative themes requires mining cultural tensions and universal human dilemmas. For instance, discovering that young mothers experience acute guilt over balancing career demands with maternal nutrition allowed packaged health-food brands to position their products not as mere convenient snacks, but as guilt-free acts of proactive maternal care. Strategic creative execution builds an emotional bridge connecting the consumer's emotional reality with the functional utility of the brand.

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5. Advanced Cognitive Models: Elaboration Likelihood and Cognitive Dissonance

The Elaboration Likelihood Model (ELM) of Persuasion

Developed by Richard Petty and John Cacioppo, the **Elaboration Likelihood Model (ELM)** explains how consumers process commercial persuasive messages under varying conditions of cognitive motivation and analytical capability. The model maps persuasion along two distinct psychological routes:

- **The Central Route to Persuasion:** Operates when consumer **involvement, motivation, and cognitive ability are high** (e.g., purchasing a high-end luxury car, specialized health insurance, or B2B enterprise software). The consumer actively scrutinizes message arguments, evaluates factual claims, examines technical data, and assesses competitive proof points. Persuasion achieved via the central route results in enduring, resilient, deeply rooted attitude changes that reliably predict long-term buying behavior. Advertisers targeting the central route must deploy rational, informative, evidence-backed copy.
- **The Peripheral Route to Persuasion:** Operates when consumer **involvement or processing ability is low** (e.g., buying chewing gum, soft drinks, or household cleaning supplies). Rather than engaging in extensive cognitive elaboration, the consumer relies on superficial **peripheral cues** — the physical attractiveness or status of a celebrity endorser, humorous animation, catchy musical jingles, or visually pleasing scenic backdrops. Persuasion achieved via the peripheral route is relatively fragile, temporary, and vulnerable to competitive counter-advertising, requiring continuous, high-frequency media repetition to sustain top-of-mind brand awareness.

Cognitive Dissonance Theory in Post-Purchase Advertising

Formulated by social psychologist Leon Festinger, **Cognitive Dissonance Theory** asserts that individuals experience acute psychological discomfort when holding contradictory cognitions, beliefs, or behaviors. In high-involvement, expensive consumer purchases (automobiles, designer jewelry, residential real estate), buyers frequently experience post-purchase cognitive dissonance — colloquially known as "buyer's remorse" — questioning whether they made the right choice, overpaid, or forewent a superior competitor alternative.

Modern advertisers strategically deploy **Post-Purchase Advertising** to combat buyer dissonance. Television commercials and personalized post-sale digital communications highlight award recognitions, crash safety ratings, and positive peer customer testimonials, reassuring recent buyers that their purchase was a wise, rational, and prestigious decision. Reducing post-purchase dissonance prevents product returns, encourages positive word-of-mouth advocacy, and fosters long-term brand loyalty.

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6. Celebrity Endorsements and the McCracken Meaning Transfer Model

Celebrity endorsement is a pervasive strategy deployed to slice through media clutter, capture immediate attention, and confer instant brand credibility. The effectiveness of celebrity endorsements is analyzed through two classical academic frameworks:

The TEARS Model of Celebrity Evaluation (Terence Shimp)

Evaluates the commercial viability of a celebrity endorser across five interrelated psychological dimensions:

1. **Trustworthiness (T):** The consumer's perception of the celebrity's honesty, integrity, and authentic belief in the product;
2. **Expertise (E):** The perceived knowledge, professional mastery, or athletic competence the celebrity possesses relevant to the product category (e.g., an Olympic athlete endorsing running shoes);
3. **Attractiveness (A):** Physical beauty, charismatic presence, or lifestyle allure that consumers aspire to emulate;
4. **Respect (R):** The public admiration and esteem the celebrity commands for their personal character, philanthropic achievements, or vocational accomplishments; and
5. **Similarity (S):** The degree to which the target audience perceives the celebrity as sharing common cultural backgrounds, values, or life challenges.

Grant McCracken's Meaning Transfer Model

Anthropologist Grant McCracken demonstrated that celebrity endorsement operates as a **three-stage cultural meaning transfer process**:

- **Stage 1: Culture to Celebrity:** Through their public roles, cinematic performances, and athletic achievements, celebrities accumulate rich cultural meanings, lifestyle archetypes, and personality traits (e.g., rugged rebellion, sophisticated elegance, intellectual wit).
- **Stage 2: Celebrity to Product:** When the celebrity is paired with a brand in an advertising campaign, the cultural meanings residing in the persona are transferred onto the physical product. The brand becomes infused with the celebrity's aura.
- **Stage 3: Product to Consumer:** In the final consumption stage, the consumer purchases and uses the product, symbolically internalizing the cultural meanings associated with the celebrity and constructing their own personal self-identity.

Risks and Pitfalls of Celebrity Endorsements

Despite significant advantages, celebrity endorsements carry severe commercial risks: (1) **Celebrity Scandals:** Moral indiscretions, legal entanglements, or political controversies involving the endorser immediately tarnish corporate brand equity; (2) **The Vampire Effect:** A charismatic, overpowering celebrity overshadows the product, leaving consumers recalling the celebrity while completely forgetting the brand name; (3) **Over-Endorsement Fatigue:** When a celebrity endorses a dozen

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competing brands across diverse categories, consumers discount their authenticity, viewing the endorsement as a mercenary commercial transaction; and (4) **Legal Liabilities:** Under Section 21 of the Consumer Protection Act 2019, celebrity endorsers who endorse deceptive products without conducting reasonable due diligence face statutory bans up to three years and substantial financial penalties.

Comparative Methodology Matrix: Qualitative vs Quantitative Advertising Research

Research Dimension	Qualitative Advertising Research	Quantitative Advertising Research
Core Objective	Explore underlying motives, emotional triggers, cultural nuances.	Quantify awareness, measure recall percentages, test statistically.
Sample Size & Design	Small sample (20–50 respondents); purposive sampling.	Large sample (500–5,000 respondents); random representative sampling.
Data Collection Tools	Focus group discussions, projective tests, in-depth interviews.	Structured surveys, eye-tracking biometric monitors, panel audits.
Nature of Findings	Deep psychological narratives, thematic insights, exploratory ideas.	Empirical metrics, percentage shifts, statistical confidence intervals.
Campaign Phase	Ideation, creative brief authoring, concept exploration.	Pre-testing finished animatics, live tracking, post-campaign audits.

7. Neuromarketing and Advanced Biometric Research

Traditional self-reported consumer surveys suffer from inherent social desirability biases and cognitive rationalization — consumers often cannot or will not articulate their authentic subconscious feelings. **Neuromarketing** applies neuroscience technologies to directly observe consumer involuntary cognitive and emotional reactions to commercial stimuli:

- **Electroencephalography (EEG):** Measures electrical activity along the human scalp via high-density electrode caps, tracking brainwave frequencies (theta, alpha, beta) at millisecond precision to evaluate cognitive workload, attention capture, and emotional valence (approach vs withdrawal behavior).
- **Functional Magnetic Resonance Imaging (fMRI):** Uses blood-oxygen-level-dependent (BOLD) imaging to track blood flow within deep brain structures. Activation in the *nucleus accumbens* (pleasure and reward center) signals strong purchase intent, while activation in the *insula* (pain center) indicates consumer price aversion.
- **Facial Action Coding System (FACS):** Algorithmic computer vision analyzing microscopic involuntary contractions of 43 individual facial muscles (action units), accurately classifying real-time emotional states into universal emotions: joy, surprise, contempt, disgust, fear, anger, and sadness.

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- **Galvanic Skin Response (GSR) / Skin Conductance:** Measures microscopic changes in sweat gland activity on the palms, providing a direct, unfiltered indicator of physiological arousal and emotional excitement triggered by a commercial.

Subliminal Advertising and Perceptual Thresholds

Perception operates across biological sensory thresholds: the **Absolute Threshold** (minimum stimulus intensity detectable 50% of the time) and the **Differential Threshold** or **Just Noticeable Difference (JND)** governed by **Weber's Law** (the stronger the initial stimulus, the greater the additional change required for it to be perceived). **Subliminal Advertising** involves transmitting commercial images or messages below the conscious threshold of human awareness (e.g. flashing single-frame messages in movies). While popularized by James Vicary's fraudulent 1957 theater experiment, scientific evidence shows subliminal messages have negligible power to override conscious buyer will. Nonetheless, subliminal commercial transmission is statutorily banned across global and Indian broadcasting codes as deceptive.

8. Brand Equity Architecture: The Aaker and Keller Frameworks

Brand equity represents the commercial value that derives from consumer perception of the brand name of a particular product or service, rather than from the product or service itself. Two foundational models dominate modern advertising scholarship:

David Aaker's Brand Equity Model

David Aaker conceptualized brand equity as a set of five categories of brand assets and liabilities linked to a brand's name and symbol that add to or subtract from the value provided by a product or service:

1. **Brand Loyalty:** The ultimate asset; reduces marketing costs because retaining loyal customers is significantly cheaper than acquiring new prospects, providing trade leverage and barrier against competitive price wars.
2. **Brand Awareness:** The anchor to which other associations are attached, progressing from brand recognition to top-of-mind brand recall and cemetery brand status.
3. **Perceived Quality:** The consumer's subjective evaluation of overall product excellence relative to intended purpose, directly driving price premiums.
4. **Brand Associations:** The cognitive mental linkages connecting the brand to lifestyle symbols, celebrity endorsers, emotional feelings, and product attributes that establish positioning.
5. **Other Proprietary Brand Assets:** Registered trademarks, patents, channel relationships, and proprietary technologies that defend competitive advantage.

Kevin Lane Keller's Customer-Based Brand Equity (CBBE) Pyramid

Kevin Lane Keller established the **CBBE Model**, conceptualizing brand equity as a sequential four-step pyramid constructed from bottom to top:

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- **Step 1: Brand Identity (Salience):** Who are you? Establishing deep, broad brand awareness across consumption occasions.
- **Step 2: Brand Meaning (Performance and Imagery):** What are you? Defining functional performance attributes (reliability, serviceability, efficiency) and abstract symbolic imagery (heritage, contemporary fashion).
- **Step 3: Brand Responses (Judgments and Feelings):** What about you? Guiding consumer rational judgments (quality, credibility, superiority) and visceral emotional feelings (warmth, fun, excitement, social approval).
- **Step 4: Brand Relationships (Resonance):** What about you and me? Achieving the pinnacle of brand resonance — intense psychological bonding, high attitudinal attachment, community belonging, and active brand advocacy.

9. Cross-Cultural Advertising: The Standardization vs Adaptation Debate

As multinational corporations expand across international borders, advertising strategists face the fundamental dilemma of **Global Standardization versus Local Cultural Adaptation**:

The Standardization School (The Global Village)

Pioneered by Theodore Levitt in his seminal thesis *The Globalization of Markets*, proponents argue that modern telecommunications and global travel have homogenized consumer desires worldwide. Standardized global campaigns utilize identical brand names, positioning, visual assets, and translated voice-overs across dozens of countries (e.g., Apple, Coca-Cola, Nike). The primary strategic advantages include massive economies of scale in creative production, streamlined global brand equity, and elimination of duplicated agency retainers.

The Adaptation School (Cultural Localization)

Conversely, cross-cultural researchers demonstrate that deeply rooted cultural values, linguistic idioms, religious taboos, and regulatory frameworks require localized campaigns. Applying **Geert Hofstede's Cultural Dimensions**:

- **Individualism vs Collectivism:** Western advertisements celebrate individual personal autonomy, rebellion, and personal achievement; Indian, East Asian, and Middle Eastern advertisements emphasize extended family harmony, social respect for elders, and collective celebration.
- **High vs Low Context Communication (Edward T. Hall):** Low-context cultures (Germany, United States) demand explicit, direct, unambiguous factual copy. High-context cultures (India, Japan, Arab nations) rely on indirect visual symbolism, subtle cultural metaphors, unspoken atmospheric moods, and emotional resonance.
- **Cultural Taboos and Regulatory Restrictions:** Advertisements must respect local religious sensitivities: beef imagery is strictly prohibited in India; alcohol advertising is forbidden in Islamic nations; and depictions of gender roles are heavily scrutinized in conservative societies.

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Response Hierarchy Models: Comprehensive Comparative Synthesis

Stage / Domain	AIDA Model (Lewis 1898)	DAGMAR Model (Colley 1961)	Lavidge-Steiner Model (1961)	Innovation Adoption Model (Rogers 1962)
Cognitive Domain (Think)	Attention	Awareness → Comprehension	Awareness → Knowledge	Awareness
Affective Domain (Feel)	Interest → Desire	Conviction	Liking → Preference → Conviction	Interest → Evaluation
Behavioral Domain (Do)	Action	Action	Purchase	Trial → Adoption

Regulation of Advertising Targeting Children

Because children lack mature cognitive defenses against commercial persuasion, advertising directed toward minors is subject to stringent ethical and statutory constraints. Under developmental psychology (Jean Piaget's framework), children under eight years of age cannot distinguish between commercial advertising intent and regular entertainment programming. In India, the **Food Safety and Standards Authority of India (FSSAI)** prohibits advertising of High Fat, Sugar, and Salt (HFSS) foods in and around school campuses. Furthermore, the **ASCI Guidelines for Advertising to Children** prohibit advertisements that exploit natural child credulity, encourage dangerous physical activities, promote feelings of inferiority among non-purchasers, or deploy direct appeals that pressure parents into commercial purchases ("pester power").

Perceptual Mapping and Multidimensional Scaling (MDS)

To mathematically quantify brand positioning relative to competitor offerings, advertising researchers deploy **Multidimensional Scaling (MDS)** and correspondence analysis to generate empirical **Perceptual Maps**. The mathematical methodology operates as follows:

1. **Attribute Discovery:** A qualitative sample of consumers identifies salient evaluative dimensions governing product choice (e.g., in the automotive market: Fuel Efficiency vs Engine Performance, and Traditional Styling vs Modern Avant-Garde Design).
2. **Similarity and Preference Rating:** A representative consumer panel rates pairs of competitor brands on semantic differential scales (e.g., 1 to 7 from "Very Similar" to "Completely Dissimilar").
3. **Spatial Coordinate Mapping:** Algorithmic MDS programs plot brand positions as spatial coordinates within multidimensional geometric space, where physical distance inversely correlates with perceived similarity.
4. **Strategic Gap Identification:** Strategists inspect the perceptual terrain to discover "open white spaces" — clusters of consumer ideal points with zero competitor presence. Positioning an advertising campaign in an unserved quadrant allows a challenger brand to establish dominant top-of-mind recall without engaging in costly direct competitive attrition.

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Consumer Attribution Theory in Advertising Claim Evaluation

When consumers encounter advertising claims, they subconsciously apply **Attribution Theory (Fritz Heider)** to evaluate whether the brand claims are genuine. Consumers attribute statements to either *Internal Reality* (the product truly possesses superior performance) or *External Persuasion* (the company is merely making claims to extract commercial profit). Advertisers deploy two-sided messaging (acknowledging a minor product limitation while emphasizing a major benefit, as in cough syrups: "Tastes awful, but it works") to enhance advertiser credibility, prompting consumers to attribute positive claims to authentic product superiority rather than commercial bias.

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