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Nostalgia's Impact on Consumer Likes & Dislikes / Needs & Wants



ABSTRACT

Nostalgia is a powerful emotion, especially when it comes to affecting consumers' decision-making. Feeling a wistful longing for the past or powerful attachment to memories and emotions can drive a consumer to deeply desire a product, to willingly spend more money, even if the product may be of lower quality, and to ignore aspects of a product that go against their typical purchase decision. In this report we will analyze exactly how nostalgia specifically, and emotion generally, can elicit or catalyze these consumer behaviors, how to effectively utilize the powerful emotion when it comes to marketing and branding, and how consumer insight organizations like Curion are able to test whether or not your product has that "nostalgia factor."

INTRODUCTION

There is an increasing trend for companies to harness the power of emotional connection with consumers to enhance the power and value of their brands. Ample data supports the fact that leveraging this powerful motivator can greatly increase revenue, brand loyalty, repeat purchases, and consumer recommendation. Emotion is at the core of customer brand loyalty and profitability. Cofounder and CEO of consumer intelligence firm, Motista, Scott Magids and co-authors of "The New Science of Customer Emotions" identify ten key emotional motivators, such as standing out, confidence, wellbeing, and freedom, that define the strength of consumers' emotional connections with brands. A strong emotional connection with a brand occurs when consumers' values and motivations align with the brand, and when the brand helps them satisfy important needs. "Strongly connected" consumers are three times as valuable over their customer lifetime than even "highly satisfied" consumers (Magids et al.). Not only this, but they also become enthusiastic evangelists for brands and can be targeted with personalized advertising or messages designed to resonate with their emotional motivators. Think of Apple, The Beatles, Coca-Cola, or BMW – the ultimate driving machine!

Physiological, psychological, and marketing research indicates that our decisions, including purchase decisions, are driven primarily by emotion. Emotional associations are critical to decision making and product choice; they are the best single predictor of product liking, significantly improve the prediction of product choice, and enhance consumer connections to products and brands, creating loyalty and increasing lifetime customer worth.

One of the strongest and perhaps most abstract emotional connections driving consumer choices is *nostalgia*. Nostalgia plays a key role in consumer decision-making, to the extent that it can trump factors that typically sway consumers one way or the other. Psychological and physiological research on memory has demonstrated that contexts such as brands or products can trigger vivid memories and associations that are tied to their original experiences. Products or brands



related to fond childhood memories, favorite friends, relatives, and locations or music from our formative years can trigger powerful positive emotions that are associated with them – this is nostalgia (Speer). These products can help people relive the emotions and experiences of simpler joyful times, and these emotions become connected to the products; Gerber baby food, Oreo cookies, American muscle cars, Levi jeans, Coppertone sunscreen, Campbells chicken soup, or scratchy LP records are examples. Many companies have realized and are capitalizing on this Nostalgia Marketing (Friedman). Nostalgia, and other emotional cues, can also be built into product development. An understanding of sensory cues that drive nostalgia can be engineered into products to elicit the warm positive responses related to our past experiences.

NOSTALGIA'S ROLE IN CONSUMER DECISION-MAKING

> ***"Studies on autobiographical memory — the memory system that tracks episodes of our lives — have shown that when we are reminded of episodes from our past, we re-experience the emotions tied to the original episodes."***
>
> – Chidinma Nnamani

Anything that harkens us back to simpler, better times is very powerful

Despite our differences – many things ring true across the board for all people: we are creatures of habit driven by emotion. One emotion that has a complex effect on human behavior, especially when making decisions, is nostalgia. Though nostalgia is abstract and hard to analyze, it is extremely powerful and influential over decisions, particularly regarding purchases and human consumerism.

Many things can trigger nostalgia – a song, a smell, an image. For example, many people have a sunscreen brand that they remain loyal to summer after summer; that brand with a signature smell that brings memories to the surface: memories of family trips in the summer, the beach, playing

at the pool as a child, water parks, lighthearted and fun times. There is a scientific explanation for why the sense of smell evokes such strong feelings. "Anatomically, the nose directly connects with the olfactory lobe in the limbic system – that area of the brain considered the seat of the emotions. The olfactory lobe is actually part and parcel of the limbic system" (MacLean). Therefore, one of the most powerful impacts upon the emotions is through the sense of smell. In a universal phenomenon called olfactory-evoked recall, "an odor can bring back a memory from the past" (Hirsch). This emotional tie to the past is a huge factor in why consumers remain loyal to the same products time and time again.

Nostalgia brings your mind back to an idealized time that was safer, simpler and more comfortable, so the brain is naturally wired to choose products that evoke those feelings and memories. Memories of being balanced and stable; memories that for a brief moment can cut through the entropy, the chaos of adult life, and bring us a feeling of peace and comfort.

Though smell might be one of the strongest triggers of nostalgia – the other senses are heavily involved too. Think about that favorite childhood dish that your mind wanders back to every once and while, driving you to go to the grocery store and recreate that perfectly familiar flavor.

Nostalgia helps keep production companies in business as they remake the similar movies or franchises over and over. It's what keeps bringing low rise jeans, claw clips, and boy bands back in style. It's what leads food companies to re-embrace their original, now-retro packaging. One thing that won't change, especially in the current climate of the world, is the consumers' reach for things that are comfortable, familiar, and calming to them. The music of our late teens, which many or most of us retain a strong attraction to, a few bars send a surge of emotions related to our youth that is difficult to ignore. The most successful companies know this, and they draw on people's feelings of nostalgia at every level of consumer engagement.



WHAT DOES NOSTALGIA TRUMP?

1. Unhealthy ingredients

The power of nostalgia is strong – strong enough to influence those under its spell to pay more than they normally would – and a lot of the time for products that we now know are less healthy and not good for us (Lasaleta et.al.). For example, there has been a strong shift towards healthier, natural, and "clean" products in the last 10+ years with TV and the internet explaining how products with specific additives and chemicals can cause cancer or other diseases. And yet products that don't explicitly claim to be clean or organic, and indeed are actively not so healthy, have a strong influence on our behavior. Nostalgic cravings for the foods of our youth have a strong emotional pull on us that can overcome the pull of health and wellness. Processed foods such as packet Mac & Cheese, Cheff Boyardee, KFC or soft drinks are examples. In the words of Emily Baron Cadloff, "Food is a link to the people and places around us. It's a link to our childhoods, our neighborhoods growing up, our families." Curion's and other's research has shown that this trend has only increased during the pandemic as consumers long for the safer more predictable times of their youth (Creswell).

But this is not all bad news for new brands. Through careful testing and development, it is possible to develop products and brands with the best of both worlds. Vacation sunscreen is a good example of a truly competitive new brand that has been able to embody the same nostalgic essence of an older sunscreen, while also being explicitly clean or organic.'

They have leveraged modern desires for clean and skincare-focused products and our nostalgia for simpler times, more specifically paying homage to beach movies from the 80s. Perhaps the most important aspect of their product appeals to the sense of smell: "[Vacation's] signature sunscreen scent was developed in conjunction with the much celebrated ARQUISTE Parfumeur. It immerses the wearer inba a nostalgic mix of coconut, banana, pool water, pool toy and swimsuit lycra for optimal poolside lounging." They also complement their products with retro packaging, website design, and QR codes on the packaging that connect the consumer to the summer pop and disco playlist on Poolside FM – a cofounder of Vacation sunscreen. One investor in the company wrote, "The world they're building around the Vacation products has that same feeling of being a sort of escapist fantasy" (Regensdorf). It's no longer an escape from reality to the virtual; it's an escape from the virtual to a vacation, i.e. nostalgia for simpler, carefree, safer times.

In order for a product to be successful, it must first delight the consumer. Smell, packaging, and ease of use are good examples of what the consumer is paying attention to first. Once they are delighted, then a company can appeal to them through an ecofriendly mission or all natural ingredients. Nostalgia is without a doubt a delighting factor. It may be a bittersweet or perhaps

even melancholy emotion, but consumers often feel these wistful emotions in a positive way. This positive and reminiscent ambience is a delighting factor that can quickly trump non-nostalgic brands, no matter the difference in ingredients or quality.

2. Higher prices

When a product evokes feelings of nostalgia, or other powerful positive emotions, whether it's through taste, smell, appearance, etc., the consumer often perceives the product as being higher quality. They often feel that the brand understands them and therefore cares about them, and that they should spend more money on their products.

A good example of consumers paying more for products that evoke nostalgia is Coca-Cola. A consumer is willing to spend an extra 50 cents to a dollar for a real Coca-Cola as opposed to a generic brand cola soda. Coca-Cola is a company that has truly mastered their craft. They are nostalgic while also being a modern company that makes efforts to be sustainable and inclusive. They have a taste and an image that cannot be replicated. Their product goes hand in hand with nostalgic memories of Christmas, Santa Claus, Baseball, Movie Theaters, etc. It's not just about having a cola soda, it's about the specific Coke brand. One researcher warmly explained the brand specificity of nostalgia: "Thus, a penchant for eating ice cream that has persisted since one was a child would in no sense be considered nostalgic, even though it harks back to earlier times. But a fond recollection of eating Junket – the vanilla-flavored rennet custard that one's mother used to cook on the stove before the days of prepackaged pudding which no longer appears on the grocer's shelves or in one's consumption-oriented time budgets — would qualify as a truly nostalgic sentiment" (Holbrook).

Coke learnt about the power of nostalgia the hard way by attempting a slight change to the formula to improve the flavor and reinvigorate the brand, which was becoming stale. The launch of "New Coke" was met with vigorous and protracted protests from its loyal customers. They demanded "The Real Thing" so much so that the announcement of the return of "old" Coca-Cola happened shortly after. A similar lesson was learned after a brief attempt at a color change to their iconic red can ("The Story of One").

When it comes to branding for food and beverages, if a product evokes a positive emotional response alongside that, the consumer will more than likely pay the extra cents for it. It's not the experience of eating ice cream or driving a car that fulfills the nostalgic longing, it's that specific brand, packaging, smell, and flavor that the consumer seeks out to connect again with the



past. However, this cannot always be taken for granted. We found that during the Covid-induced product shortages of 2020, consumers were forced to choose alternatives to their usual products at the store. Many found that they liked this experience and stated that they would be more willing to try alternatives in the future. This was offset by the emotional exhaustion of 2021/2022 as many consumers returned to brands associated with simpler, happier times – a nostalgia for their old go-to's (Internal Curion research).

3. Product Performance

There's something about the idea of a product having been used for decades that gives it an inherent sense of "high quality." Consumers often think that because a product has withstood the test of time, it must be better than the numerous new competitive products offered in the market today. Because of this, many consumers will spend more on products that appeal to their emotional nostalgia (Journal of Consumer Research).

An example of consumers purchasing less effective products simply because they appeal to their sense of nostalgia lies within the car industry. A Jeep Wrangler is the perfect representation of the rugged outdoors, the cowboy image, and the wild west, but it's not the greatest car in terms of performance or handling for the road. Consumers nostalgic for those images and ideas are more likely to gravitate to the car. They feel the aesthetic and evocative nature of the brand connects

with them at a personal level. It becomes an extension of themselves because it represents ideas, feelings, and things that they care about and/or desire. The Chrysler PT Cruiser was another example. The retro 1930s style car was based on pure nostalgia and initially sold like hotcakes.

It doesn't matter the quality, the effectiveness, or the list of ingredients, if a product delights the consumer's sense of nostalgia, they are much more likely to purchase the product based on that feeling of delight than for any other reason. However, the decision to buy the product is only the first step in engaging and satisfying a consumer. A company's product then must follow through on the consumer's expectations to maintain brand loyalty.



IN THE END, AN INTEGRATED APPROACH IS KEY

"The most sophisticated firms are making emotional connection part of a broad strategy that involves every function of the value chain, from product development and marketing to sale and service."

– Magids, Zorfas, and Leemon

There are two phases to consumer engagement with a product. First, the consumer may ask themselves, What will this product do for me? How is it different and/or better than the other comparable products? How do I feel about this product? This first phase is highly dependent upon a brand's packaging, claims, and communication with the consumer. If they decide to purchase the product, then they enter the second phase of consumer engagement, which is delivery and satisfaction. Does the product achieve what the consumer hoped it would? Does the product make their lives better? If the consumer does not feel like the product delivered in a way that was promised, the brand risks consumer alienation. It is very important to have a coherent and holistic approach. A brand must advertise in a way that feels real, true, and trustworthy. Aligning nostalgia with expectations is something that is extremely important and beneficial; if a consumer feels warm nostalgic feelings in phase 1 of engaging with a product, the second phase of usage must not negate the initial warm feelings. Otherwise, the consumer might feel betrayed or manipulated.

CAN CURION TEST A PRODUCT'S "NOSTALGIA FACTOR

"Nostalgic campaigns remind your customers of those episodes that once made them feel good. As they relive the experience, they are likely to also extend those feelings of warmth to your brand for taking them back in time. That's a win-win for everyone."

– Chidinma Nnamani

As discussed above, evoking feelings of nostalgia is only one piece of a complex puzzle to reach successful consumer engagement. Nostalgia is most effective when aligned with a company's values. Chidinma Nnamani warns "Be sure to choose trends that align with your business values — one of the pitfalls of revisiting the past as a marketing strategy is that it could easily backfire if done incorrectly. For example, it would be best to avoid recalling memories that could trigger controversy or lead to highly polarizing conversations" (Nnamani). Beware, cynicism and regret are the flip sides of the nostalgia coin. Achieving a cohesive product journey starts with



understanding your consumers, their wants and needs. Curion is perfectly positioned to test not only the "nostalgia factor" of a product based on consumer research, but also the overarching effects of the nostalgia factor on a company as a whole, where there is room for more connection, where there is risk of negative association, and more.

With the market more consumer-driven or consumer-centric than ever, it's high time brands pay attention to consumer emotions. A study by Magids et.al. found: "Our research across hundreds of brands in dozens of categories shows that it's possible to rigorously measure and strategically target the feelings that drive customer's behavior. We call them 'emotional motivators.' They provide a better gauge of customers' future value to a firm than any other metric, including brand awareness and customer satisfaction, and can be an important new source of growth and profitability" (Magids). Customers feel emotionally connected when a brand or at least a product aligns with their motivations and deep desires. It's interesting because often consumers are not even conscious of their deepest desires; therefore, it's up to researchers to help consumers uncover their true emotional motivators when it comes to purchasing a specific product or supporting a specific brand. To make the puzzle even more complicated and harder to solve, "emotional connections with products are neither uniform nor constant; they vary by industry, brand, touchpoint, and the customer's position in the decision journey." It's important work though, figuring out true emotional motivators for your target consumers, because a fully connected consumer is "52% more valuable, on average, than those who are just highly satisfied" with a brand.

Understanding your consumers' deep emotional motivators can create a roadmap or framework for future development and better alignment within a brand, ultimately reaching higher revenue and brand loyalty. Finding the emotional territory for your product and brand that resonates with consumers leads to the creation of more effective communications, concepts, and claims, as well as better products and packaging that deliver on this emotional promise. The bottom line is, there are opportunities for growth through emotional connection at all levels and phases of the customer experience; it's no longer purely a tool for the brand positioning and advertising teams alone. By making emotional connection a key performance indicator, a company can see major improvements in loyalty, initial exploration, and repeat purchase.



CONCLUSION

Nostalgia is a powerful driver when properly understood, leveraged, and incorporated within the entire consumer product journey. It creates strong positive associations for products and brands that can override intellectual decisions; it can lead to increase consumer value and brand loyalty. Consumers' emotions are volatile and powerful motivators – it's up to a brand to gather emotional insights to fully connect with their consumers.

Findings suggest that emotional research should be a routine part of communications, concept, packaging, and product development. To define the "nostalgia factor" of a product or brand and the opportunities and risks that the factor carries with it, companies must uncover their consumers' emotional motivators, their needs and wants. Often the consumer doesn't even know exactly what emotions lead them to make a purchase decision. Thankfully today, researchers at consumer insights companies, like Curion, have the tools, data, and science to pinpoint the powerful emotional drivers underlying product choice that ultimately lead to consumer purchase and loyalty.

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