Branding and Advertising

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Introduction:

Branding & Advertising

In 2002, at the Copenhagen Business School, the Center for Marketing Communication organized the First International Conference on Research in Advertising. The purpose of the conference was to create a forum, where people concerned with advertising research in the academic world could meet and exchange views, and where they could meet with practitioners experienced with advertising research in the commercial world.

Up until then, advertising researchers had had to rely upon general consumer behaviour, marketing, communication, economic psychology, and similar conferences for presenting their research and having professional feed-back on their work. This rarely created interesting discussion on research topics with colleagues working in similar lines. There may have been many reasons for this state of affairs. One being the low esteem associated with advertising research by other researchers in communication and related areas. Another being the almost unbreakable wall that existed between what went on in commercial studies of media, advertising effects, advertising budgeting, etc. on the one hand, and academicians' attempts to gain insight to how advertising works, how it should be characterised, and how its role in society should be appreciated.

The Copenhagen event and the present publication demonstrates an obvious need for a forum of the kind where people in different locations can get together, and exchange views on important advertising related issues.

The material in the present publication represents chapters that have been developed from presentations at the Copenhagen meeting, together with a few other, relevant contributions from researchers in the area. The title of the book, "Branding and Advertising", was not decided upon prior to the planning of the conference, but as the

material came in and was organized it became evident that this would be the proper denominator for the material presented here.
In general, advertising and advertising research may be viewed as covering problems relating to

- Determination of the advertising budget
- Choice of media group
- Development of advertising message
- Timing of the campaign.

There are contributions in the present book, relating to practically all of these issues, but almost all the contributions are concerned with branding issues, or at least have an undertone of this. Advertising may work in many other contexts than for specific branding purposes. Future conferences on the topic may bring more of those into light. Research on public advertising, and on advertising in social aid organisations, and very specific advertising topics, such as advertising for recruiting and for real estate, may be just a few such examples.

The material in the present book is organized in four sections. The first section is titled “Branding and Communication”. Here, the issues on brand equity, brand personality, corporate brand character, and brand architecture, are central topics. Some of these are seen in the light of consumer behaviour brands, others relating to the mutual funds industry, e-commerce, branding in Eastern Europe, and studies of the content of corporate brand advertising.

The second major section is concerned with advertising effects. Here, papers are presenting different models applied to single-source data, with the purpose of demonstrating advertising effects, studies of recall and attention in different kinds of contexts, advertising effects, and effects of political advertising.

In the third section focus is changed to media and target groups. Here, concern is with new forms of advertising, advertising to children, and structuring the content of particularly television advertising.

Finally, in the fourth section an important issue is brought up, which we think will become a major topic in future research. Emotional processes, low-involvement effects, central and peripheral advertising, and different kinds of memory for advertising are looked upon.

Throughout the book, the contributions demonstrate a concern for a number of very varied topics, relating to the functioning of advertising. They also demonstrate the lack of a total, integrated theory in the area. The traditional effect hierarchy thinking is reduced to one out of several possible advertising effect models. The need for workable tools for classifying different kinds of advertising is demonstrated, and the need for seeing how advertising may function very differently, depending upon such things as involvement, fast moving consumer goods versus durables and services, new introductions versus ongoing competitive advertising, developing new media and the changing nature of existing ones, etc.

An undertone present in most of the presentations reflects the need for understanding also the role of advertising in a more societal context. In resent years, advertising has undergone dramatic changes. Some talk about the "end of advertising as we know it". Other concerns themselves with emergence of still more and different media in which advertising appear. We are living in a world where the role of advertising is changing dramatically. The need for a forum where this can come up for debate is evident, and the need for a forum for people to meet who are concerned with these issues is obvious. At the time of writing these introductory remarks to "Branding and Advertising" the Second International Conference on Research in Advertising has already been held in Amsterdam in June 2003. The variety of contributions presented here, the number of researchers attending, and the variety of issues taken up, confirm the relevance of the present, introductory remarks.

The book "Branding and Advertising" is a product of contributions from a number of people. The editors only represent the final organizers of the publication. Many thanks should be given to research assistants Jens Halling, Lotte Yssing Hansen, Jeanette Rasmussen, Pernille Christiansen, and Morten Hallum Hansen, for their invaluable contributions in organizing and finalising the programme and the material for the book. Also thanks to our colleagues at the Marketing department at the Copenhagen Business School: Jens Carsten Nielsen, Lars Grønholdt, and many others.

Much appreciation should be given also to our colleagues at ASCoR, the Amsterdam School of Communications Research at the University of Amsterdam for their interest in the programme, and for

their willingness to carry on the idea of organizing advertising research conferences. Our thanks goes to all our Dutch colleagues, but a special, warm appreciation should be expressed towards Peter Neijens for his contribution to the present book and his future related work.
Finally, we should thank “Dansk Erhvervslivs Pris for Afsætningsøkonomisk Forskning”, “Foreningen til Unge Handelsmænds Uddannelse” and special funds at the Copenhagen Business School, making the organisation of the conference and particularly the publication of this book possible.

Copenhagen, August 2003

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1

Advertising and Brand Equity

LARRY PERCY

Advertising and Brand Equity

To understand the relationships between advertising and brand equity, it pays to first understand just what we mean by a 'brand.' The original meaning of the word 'brand' seems to derive from an Old Norse word *brandr*, which meant 'to burn' (Interbrand Group, 1992). Yet in the etymology of the word, this idea of branding as a "permanent mark deliberately made with hot iron" now takes second place to "goods of particular name or trade mark" (Oxford English Dictionary, 1990). But does this really describe what we understand as a brand? The American Marketing Association describes a brand as a "name, term, sign, symbol, or design, or a combination of them intended to identify the goods and services of one seller or group of sellers and differentiate them from those of competitors." The AMA definition reminds us of the *reason* for a brand: to enable a person to identify one alternative from a competitor. All of this is true, but a brand must be a *label* in the true sense of that word: something "attached to an object to give information about it" (Oxford English Dictionary, 1990). But how is that information communicated?

The Nature of Brands

When we think of brands, we usually think of products we buy: Coke, Cadbury, Ford, Hoover, Persil, and Mars. But just about anything can be 'branded.' Products, services, corporations, retail stores, cities, organizations, even individuals can be seen as 'brands.' Remember, a brand name is meant to embody information about something, information that represents an added value, differentiating it in a marked way from alternatives. A brand name is meant to trigger in memory positive associations with that brand. Politicians, hospitals, entertainers, football clubs, corporations, all want their name, their *brand*, to mean something very specific to their market. It is how they wish to be seen, and how they wish to be distinguished from competitive alternatives.

Brand Attitude

A brand does provide *information*. But what kind of information does a brand provide, and where does it come from? Think about some brands you know. What comes to mind when you think about them? No doubt a great deal more than the fact that it is a particular product. Perhaps you were thinking about how much you like it, that it is well known, or that it is 'one of the best.' All of these thoughts reflect what we call *brand attitude*. A brand name represents everything a person knows about a particular product and what it means to them. It provides a convenient summary of their feelings, knowledge and experience with the brand. It means they do not need to spend a great deal of time 'researching' a product each time they are considering a purchase. A person's evaluation of a product is immediately reconstructed from memory, cued by the brand name. But again, where does that brand attitude come from?

Brand Equity

The effect of a positive brand attitude leads to something marketers call *brand equity*. What exactly is brand equity? Most marketers would agree that it is that 'something' attached to a brand that adds value over and above the objective characteristics of the product or service. Whatever that 'something' is, it is embodied in people's attitudes towards that brand. It is dynamic, and subject to change over time. It attaches itself to the brand name, providing a current summary of people's feelings, knowledge and experience with that product or service.

Think about chocolate for a minute. Basically, chocolate is chocolate. Or is it? Are some *brands* better than others? Why? What about washing-up powder? They all get the job done, and use the same basic ingredients. Or do you think some do a better job than others? What about toothpaste, or vodka, or underwear? Where do the differences among brands in these product categories come from? How much of the difference is 'real' versus perceived? Why do you prefer one brand over another, especially if when looked at with a coldly objective eye, there is very little, if any, actual difference in the products?

Measuring Brand Equity

Brand equity is a result of brand attitude, and this is what provides the key to its understanding. In many ways, building and ensuring a continuing positive brand attitude is what strategic brand management is all about, because it does lead to strong brand equity.

The most important thing to understand when you are trying to measure brand equity is that what is needed is a measure of *understanding,* not a measure of the results or consequences of a brand's equity. Too often, when people 'measure' brand equity, they are really only tracking summary measures of what is going on in the market as a result of the brand's equity. What is needed is a measure of the *components* that lead to brand equity, and this means measures of how the market forms current attitudes towards the brand. If we are to really understand a brand's equity, we must understand how it is constructed. It is this understanding that ensures an effective positioning in our marketing communications, and the ability to adjust that positioning over time as needed to continue building and sustaining positive brand equity.

We measure brand attitude using an Expectancy-Value model (considered by most researchers in consumer behaviour to be the best model of attitude). Basically, this model states that a person's attitude towards something, a brand or product in our case, is the sum of everything they know about it weighted by how important those beliefs are to them. Obviously, we are not able to study 'everything' about a brand or product, but we can and should consider everything critical to the *benefit positioning* of the brand. If we are to understand the current equity of a brand, it is necessary to 'deconstruct' its positioning in order to access the strengths and weaknesses of the belief structure that sustains people's attitudes towards it.

It should now be clear that to a large extent a brand is not a tangible thing at all, but rather the sum of what someone knows, thinks, and feels about a particular product. In a very real sense, brands only exist in the minds of consumers, but that does not make them any less real. And to a very real extent, brands and the equity attached to them exist as a result of marketing communication, and especially *advertising*. It is advertising (when successful) that positions a brand in the consumer's mind, nurtures salience, and builds positive brand attitude that leads to a strong brand equity.

Brand Positioning

At its most general, a brand position is a 'supercommunication' effect that tells the consumer what the brand is, who it is for, and what it offers. This reflects the relationship between brand positioning and the two core communication effects of brand awareness and brand attitude. It's easy to understand that one must have strong awareness if a brand is to be considered when the 'need' for that type of product (however the *consumer* defines it) occurs. Strong brand awareness (for almost any brand) must be generated and sustained with marketing communication. It is marketing communication, and advertising in particular, that builds and maintains *brand salience*. It is not enough for a brand to be recognized if it is to be successful. A brand must occupy a 'salient' position within the consumer's consideration set. In fact, the strength of a brand's salience is one indicator of the brand's equity. (A useful measure of this is the ratio of top-of-mind recall to total recall among competitive brands in a category.)

Brand attitude, however, is not quite so easy to deal with. Who exactly *is* the target audience? Is everyone looking for the same thing; or the same things all the time? What is important, and to whom? How are brands seen to deliver on the things important to the target audience? Answers to these questions are critical if we are to positively effect brand attitude.

The role of benefits in effective positioning in communication is of course essential. But benefits must be considered in relationship to brand attitude, which in its turn is the link to purchase motive. Consumers hold what we might think of as an overall summary judgement about a brand, following the Expectancy-Value notion of attitude: ‘Hush Puppies makes great shoes’ is an *attitude* about Hush Puppies that connects the brand in the consumer’s mind with what is the likely purchase motive, sensory gratification (i.e. they buy Hush Puppies to *enjoy* them). This brand attitude, however, which we might think of as a ‘superbelief,’ doesn’t just spring from nowhere, but is the result of one or more beliefs about the *specific benefits* the brand is thought by the consumer to offer in support of that overall attitude. Effective communication strategy requires an understanding of what that belief structure is, and how it builds brand attitude.

Within the overall positioning that results from this understanding, one we must determine what the benefit emphasis and focus should be (cf. Percy, Rossiter, and Elliott, 2001). To begin with, it is important to remember that purchase motive is really the *underlying* basis of benefit. Purchase motives are, after all, the fundamental ‘energizers’ of buyer behavior. These same motives also energize the usage of products. Motive-based positioning requires a *correct* answer to the question of why consumers in the category are *really* buying particular *brands*. Unfortunately, most benefits tend to be motivationally ambiguous.

One must also be careful to distinguish between motives that drive product category decisions rather than brand decisions. People may buy (say) active casual footwear because they are comfortable (a negative motive), but buy particular brands for more ‘style’ related reasons (a positive motive). This is an absolutely critical distinction. Benefits like comfort or low price relate to negative motives, and are unlikely to drive *specific brand* purchases. Yet, someone may be looking for a good price in the category, but *not* at the expense of ‘style.’ The reason this is such an important point is that positive motives suggest marketing communication where the execution itself actually becomes the product benefit. Here more than ever a truly unique execution is required where the brand owns the ‘feeling’ created by the advertisers for the brand. You can’t ‘prove’ you have a more ‘stylish’ or popular shoe, but you can make people *believe* you do.

I-D-U Benefit Emphasis

The benefits a brand emphasizes in marketing communication should be selected according to three major considerations: Importance, Delivery, and Uniqueness (cf. Rossiter and Percy, 1997). *Importance* refers to the relevance of the benefit to the underlying motivation. A benefit assumes importance *only if* it is instrumental in helping meet the consumer’s purchase motivation. *Delivery* refers to a brand’s perceived ability to provide the benefit. *Uniqueness* refers to a brand’s perceived ability to deliver on the benefit relatively better than other brands. What we are looking for are one or two benefits, relevant to the underlying motive, that can produce a perceived difference between alternative brands. These benefits should then be emphasized in the brand’s marketing communication.

A note in passing. We are talking about *perceived* delivery and uniqueness. Just because a brand may not now be perceived to provide benefits that could optimize purchase against important motives does not mean this perception cannot be created (unless, of course, it stretches the consumer’s understanding of the brand, which is one reason we need to fully understand current brand equity).

Benefit Focus

The overall positioning of a brand basically chooses a location for the brand in the consumer’s mind. The I-D-U analysis helps one decide which benefit(s) to emphasize. After that, one must decide what aspect of the benefit to concentrate on in the execution of marketing communications.

Up to now we have used the term ‘benefit’ in a rather general way. We have considered a benefit as any potential positive or negative reinforcer for a brand, in line with our definition of brand attitude as representing the overall delivery on the underlying motivation. Since a ‘reinforcer’ is anything that tends to increase a response, benefits as we have been talking about them underlie and help increase brand attitude. Now we will distinguish more sharply between attributes, benefits, and emotions, as discussed by Rossiter and Percy (2001).

If we think about the underlying motive as 'why the consumer wants the brand,' we may consider that

- *Attributes* are 'what the product has'
- *Benefits* are 'what the consumer wants,' and
- *Emotions* are 'what the consumer feels.'

A brand, for example may offer attributes that the consumer may or may not think of as a benefit. Benefits, in their turn may have various emotional consequences or antecedents, depending upon the underlying motive.

All marketing communication presents or implies a 'benefit' as either an attribute, benefit, or emotion as defined above. The key to *effective* communication is using the appropriate benefit *focus*. At this point it must seem we are overly complicating things, but this really is a powerful way of 'fine-tuning' a positioning, and not nearly as confusing as it may appear.

When the benefit focus is not consistent with the underlying purchase motivation, the logic of the message breaks down, and the effectiveness of the communication breaks down. To effectively position a brand, it is necessary to understand what brand attitudes link the brand to the purchase motivation in the consumer's mind, the proper benefit to emphasize, and how to focus the consumer's attention on that benefit. Approaching positioning in this way will have a significantly positive effect on building and sustaining brand equity, and in its turn on the success of the brand.

Brand Attitude Strategy

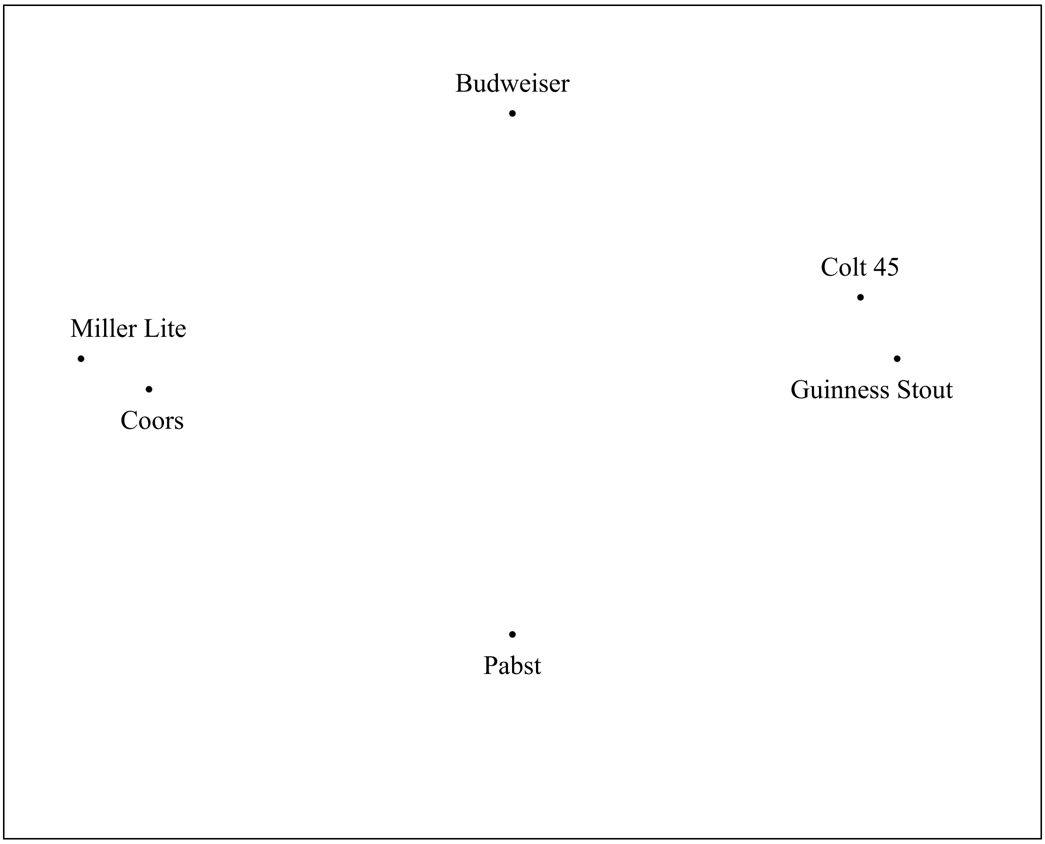
Proper positioning encourages a strong link between category need and the brand and it builds positive brand attitude. And as we have seen, it is this positive brand attitude that builds and sustains brand equity. As Rossiter and Percy (1997) define it, effective brand attitude strategy is a function of the level of involvement in the purchase decision (as defined by the level of risk, either psychological or fiscal) and the underlying motivation driving behaviour in the category (negative vs. positive). These two dimensions define the four quadrants of the brand attitude strategy components of their planning grid: low involvement/informational, low involvement/transformational, high involvement/informational, and high involvement/transformational (where informational strategies reflect negative motives and transformational strategies reflect positive motives). Picking the correct brand attitude strategy, as defined by the Rossiter-Percy Grid, is essential for effective marketing communication (Rossiter, Percy and Donovan, 1991).

This is especially true for advertising built upon transformational strategies. When dealing with positive motives (such as sensory gratification or social approval) the key to an effective execution is *emotional authenticity*. It must 'ring true' to the receiver. While brand equity is more likely to be a function of attributes or benefits when dealing with informational strategies, with transformational strategies brand equity will be strongly influenced by the emotional component of the brand benefit structure.

One of the best examples we can offer of this idea of the importance of emotional authenticity in the execution of transformational advertising to effectively build a strong positive brand attitude is advertising for beer in the U.S. market. In the US. market, not only is beer brand equity *directly* related to the advertising execution, so is the taste of beer! In a fascinating study conducted by the author (along with John Rossiter), beer drinkers were asked to taste and evaluate a number of beers ranging from lower-calorie Miller Lite to premium beers like Budweiser, all the way through malt liquors and Guinness Stout. Represented were beers marketed as 'regular beers' (Pabst) vs. premium beers (Budweiser), and 'lighter' beers (Miller Lite, Coors) vs. 'stronger' beers (Colt 45 Malt Liquor, Guinness Stout). These two dimensions represented the dominant marketing dimensions in the U.S. beer market.

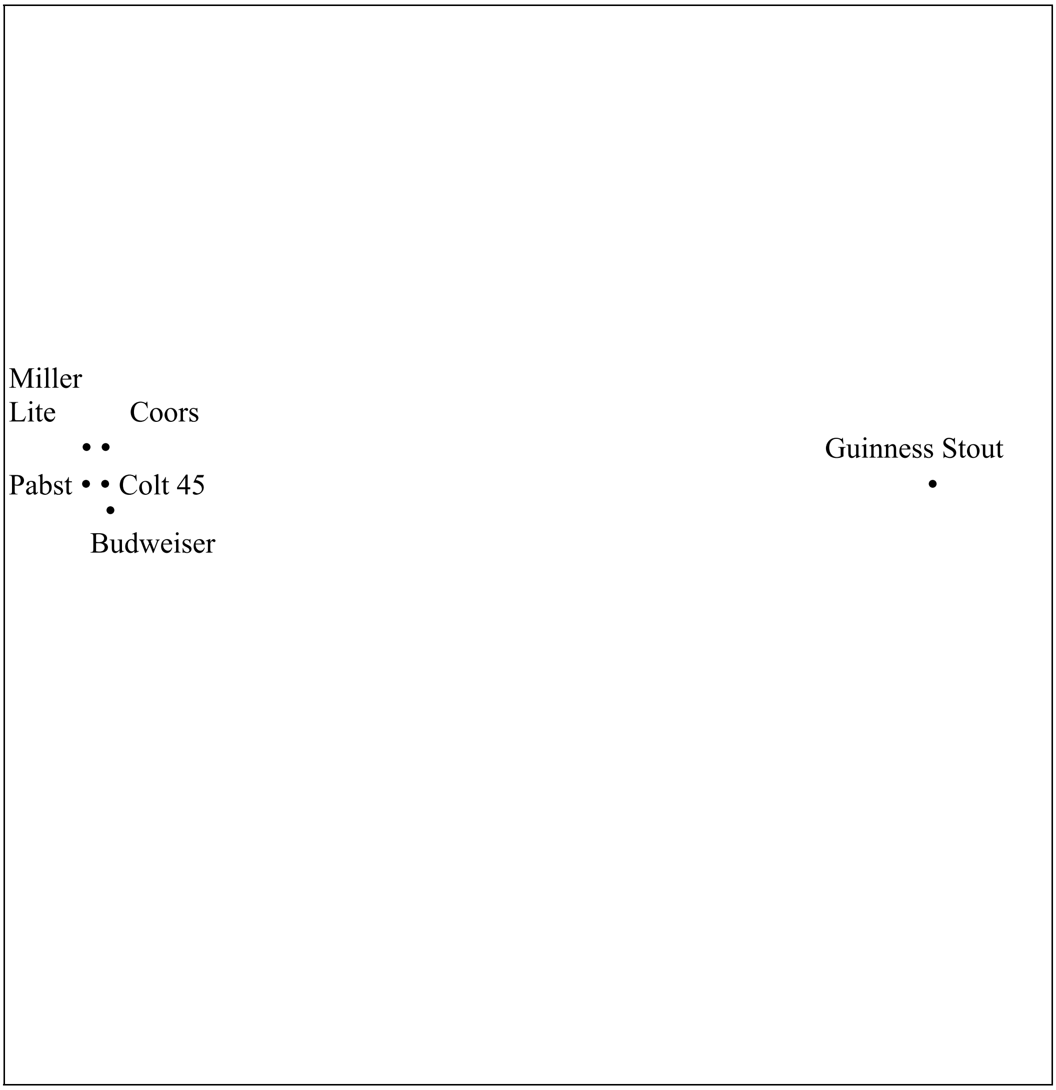
In a tightly controlled experiment, subjects tasted the beers presented randomly in clear glass containers, and rinsed their mouths with distilled water and unleavened wafers between tastings. When the results of these taste tests were evaluated and analyzed, the 'lighter' beers were separated from the 'stronger' beers, and the 'regular' beer from the 'premium' beer (as we see in Figure 1:1). The tastes of these beers were positioned exactly as their advertising presented them.

Figure 1:1 Perceptual Mapping of Beer Taste Evaluations When Brands are Known



However, a matched set of beer drinkers went through the same exercise, but they tasted the beers blind, not knowing what beers they were tasting. When taste evaluations were analyzed, with the exception of Guinness Stout (which is clearly in Figure 1:2). The brand equity and taste of these beers was wholly defined by their advertising.

Figure 1:2 Perceptual Mapping of Beer Taste Evaluations When Brands are Blind



Summary

Advertising and brand equity are related in the strongest possible way, as we have shown. Without marketing communication in general, and advertising in particular, there would be little likelihood of any brand awareness, and less of brand salience; the managed development of brand attitude almost impossible. And without both brand awareness and brand attitude there would be no brand equity. It is advertising, effectively positioned to build and nurture a positive brand attitude that leads to the building and maintaining of brand equity.

2

Brands are just like real people!

The development of SWOCC's Brand Personality Scale

EDITH G. SMIT, EMILIE VAN DEN BERGE & GIEP FRANZEN

Introduction

When Kodak is sincere, then IBM can be competent, Marlboro cool and Revlon a little sophisticated. Just like humans, brands can be plain and closed or show their faces and have opinions of their own. Examples are Diesel, Absolut, but also ABN AMRO and Ben. What these brands "say" and "do" have a distinctive style and signature that can be described in terms of personality traits. Brands as human beings: an attractive metaphor. Sometimes they are even positioned as a person, for instance Ben and Ilse. The expectation is that the stronger and more powerful the personality is, the more bonding there can be between brands and consumers. Compare it with the people you know: those with outspoken opinions are interesting. Dull people –in your own perception, of course- are less interesting.

Brand personality is not new, and sometimes confused with related brand concepts: brand identity, brand image, brand values, brand loyalty, and user image. Another complicating factor is the measurement of brand personality. In the Netherlands a lot of different approaches and scales are used by practitioners to measure brand personality. A lot of different views and ditto measurement approaches are proposed in the literature.

SWOCC started a brand personality project in 2000, in which the concept was explored theoretically and empirically. The theoretical part resulted in a SWOCC-publication by Marieke van den Berg (2001). The empirical part was published in 2002 by Emilie van den Berge. In this conference paper, we will focus on the development of our measurement scale for brand personality. First, we will briefly introduce the concept. Then we sketch the research program as well as the results. Finally, we will give some examples of results for individual brands.

Brand personality in theory

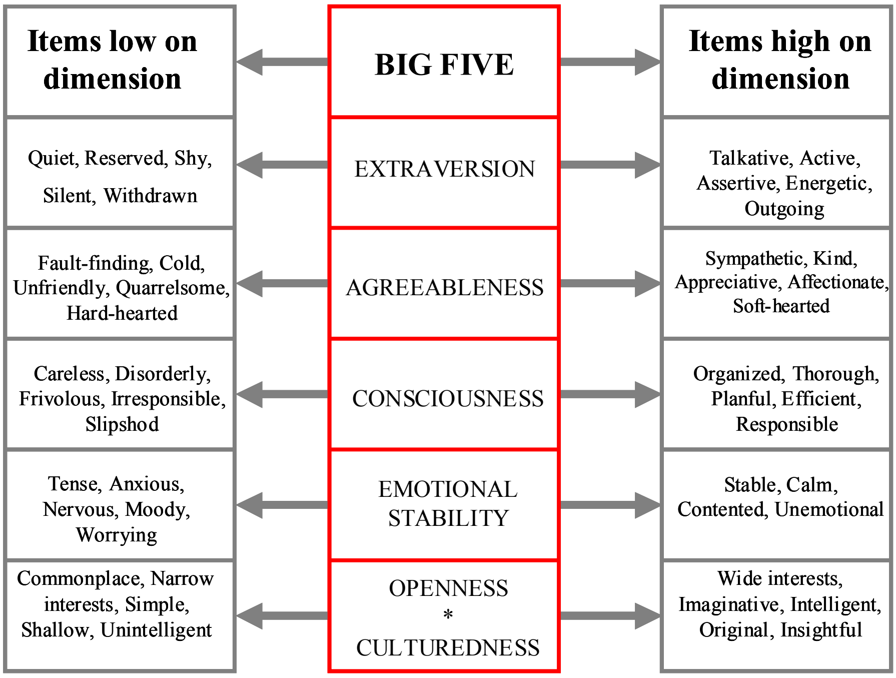
The term brand personality has been borrowed from theories on human personality. Humans are unique and have their own unique personality. Since Aristotle, personality has been studied in many different ways: from a psychoanalytic viewpoint, within behaviorism, from an existential point of view, using the psycho lexical approach and within cognitive psychology (to name only a few different approaches). Exempting differences, the basic view is that personality has something to do with the way people –or better *persons*- differ from each other. Personality is 'the thing' that makes someone a person; it's the part of an individual that most of the time is consistent and durable. Most of the time, because we interact constantly with persons and objects and differ in different situations (Lippa, 1994).

Several attempts have been made to categorize people on the basis of their personalities. Within personality psychology this resulted in the famous "Big Five" (Caprara, Barbaranelli & Guido, 2001; Digman, 1990; Goldberg, 1990; Lippa, 1994; McCrae & John, 1992): Extraversion, Agreeability, Consciousness, Emotional Stability and Openness/Culturedness (see Figure 2:1).

A person scoring high on Extraversion could be described as someone who likes to talk (a lot), is active and assertive, energetic and outgoing – instead of quite, shy and silent. Someone scoring low on Agreeableness is described as cold, unfriendly, quarrelsome, while a conscious person is thought to be organized, thorough, efficient and responsible.

Not only persons (consumers) are categorized, brands are as well. Brand managers do so in terms of brand and product strategies or brand identities. Consumers do so too, in terms of images they have from brands, experiences and feelings.

Figure 2:1 The 'Big Five' dimensions of human personality



One of many ways to categorize certain brand attributes is brand personality. Brand personality characteristics are derived directly from people associated with the brand or persons' own characteristics, and more indirectly via product-related attributes, brand name, logo, communication style, prices and distribution. All resulting in brand personality (Bauer, Mäder & Keller, 2001; Fournier, 1998; Timmerman, 2001).

Brand personality, however, has been poorly conceptualized (e.g. Caprara et al., 2001; Patterson, 1999; Van den Berg, 2001). In his literature reviews on brand research until the nineties, Patterson (1999) concluded "Our understanding of brand image has been hampered by poor conceptual development. Although it has been the focus of branding research since 1950s, there continues to be a large degree of confusion about what brand image actually means. In particular, most authors have failed to highlight the distinction between the concepts of brand image, brand personality and user image and, as a consequence, these three concepts have tended to be used interchangeably". A few examples of brand personality definitions:

- "An attitude of mind and tone of voice and set of values" (King, 1973, in Lippa, 1994);