Reseaching brand images: The nature and activation of brand representations in memory

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Introduction

'That cross-trainer you're wearing - one look at the distinctive swoosh on the side tells everyone who's got you branded. That coffee travel mug you're carrying - ah, you're a Starbucks woman! Your T-shirt with the distinctive Champion "C" on the sleeve, the blue jeans with the prominent Levi's rivets, the watch with the hey-this-certifies-I-made-it icon on the face, your fountain pen with the maker's symbol crafted into the end ... You're branded, branded, branded, branded' (Peter 1997, p. 83).

Branding has developed in the past decades from an initial awareness of the benefits of merely owning brands to attempts to financially value brands. Looking at the United States at the end of the 19th century, company owners-entrepreneurs and high-level managers created the first large wave of successful national branded consumer products, people like K. C. Gillette, H. J. Heinz, and A. G. Candler (owner of Coca-Cola in those early days). Later, during the first third of the 20th century, the market leadership of manufacturer branded products was firmly established, and new ones were brought into being. Between the World Wars, formal brand managers were introduced at Procter & Gamble and a few other firms, but were not widely copied. Nowadays, a large majority of consumer goods firms have installed formal brand managers. This historical analysis of the evaluation of brand management in the United States (by Low and Fullerton 1994) shows an increasing awareness of the profitability of owning and maintaining strategic benefits from brands, reflected in an increasing importance of the role of the brand manager. Some of the most well known brands in the world are worth a fortune. A comprehensive study by Interbrand and Citibank, conducted in 2000, concluded that the then 114 year old brand Coca-Cola was the most valuable brand on earth, worth an estimated 72.5 billion dollars. Second most valuable brand was the 24-year-old brand Microsoft, estimated to be worth $70.2 billion. In the top 10 of valuable brands, all kinds of industries are represented, like, for example, Nokia (38.5 $b), Ford (36.4 $b), Disney (33.5 $b), and McDonald's (27.8 $b) (Finfacts 2000).

Brands obtain value because of the fact that a well-known brand may yield brand loyal customers and therewith future profit. Based on this expected future profit, the brand in itself obtains a value that is even beyond the future sales revenues. Unfortunately, creating and launching a new brand is very costly, with only few new brands being successful. Therefore, it might be wise for an entrepreneur to buy an existing brand rather than create a new one. Buying an existing and well-known brand is a safer bet, as it allows one to estimate in advance whether the brand will yield future profit by its current market position. With the growing recognition of this notion over recent years, prices for purchasing brand ownership have risen.
Companies nowadays buy other brand owning companies for several times their profits, wherein the difference between the balance sheet valuations and the prices paid by predators is attributed to the added value of brands, or brand equity. For example, Murdoch put millions of pounds of ‘goodwill’ on the balance account after buying ‘Time’s newspaper’, and Nestlé paid almost thrice the exchange quotation when taking over Rowntree in 1988. Fed by events like these, awareness grew even further that brands might be the most valuable asset of a company.

This value of brands, referred to as ‘brand equity’, has become a major focus of research on brands. In order to know what number should be included on the balance sheet, the core question becomes how to calculate the value of a brand (Feldwick 1996; Van Woerden and De Boer 1994). One of the complications in the establishment of the value of a brand is that it is not a fixed quantity. It fluctuates firstly over time. For example, the value of a brand may increase as the brand grows (like Microsoft), or decrease because of negative incidents that occur (remember the incident with Omo Power). It also fluctuates when its perceived user profile changes (like the Dutch ‘gabbers’ wearing Australian sport-suits only), and even over legal ownership. As Feldwick (1996, p. 89) states: ‘Many brand names, removed from the management, the skills, the culture and the support that they normally enjoy, would rapidly lose their customer base. A brand - essentially, the right to a particular name or identity - has a value that fluctuates according to who uses it’. Besides these fluctuation factors, the value of brands also varies substantially over product classes. According to Riezebos (1994), a number of factors can contribute to the ‘added’ value of a brand: (1) factors that are characteristic for the product class in itself and (2) factors characterizing brands within a product class. With respect to the first group, factors can contribute to the degree of brand added value and/or to the actualization of brand added value. With respect to the second group, factors influencing added value to brands within a product class are either brand intrinsic or extrinsic. Intrinsic refers to characteristics of a specific branded product, the unique features that differentiate it from competitors. Extrinsic refers to factors differentiating a brand from competitors by its immaterial and favorable associations. With all these different levels of contributing factors, it becomes hard to define exactly what brand equity is. A number of authors have tried to define brand equity. Although there is agreement on the basic notion that brand equity is the value added by the brand to the product, there are a lot of variations in definitions. Franzen (1998) gathered about 20 definitions from different authors, and concludes that there is some consensus in the definition of the term. He distinguishes two levels of brand equity, composed of three components:

1. Consumer brand equity:
   - Psychological brand equity: the presence of a brand in the psyche of consumers.
   - Behavioral brand equity: the influence of psychological brand equity on purchase behavior.

2. Financial-economic brand equity:
   - The influence of the consumer-equity on the financial-economic performance of the brand on the market, reflected in the degree of distribution, sales, market share, price premium and the profits it generates.
The definition of brand equity is set by the purpose of application. Brand equity can be discussed from the perspective of the investor, the manufacturer, the retailer, or the consumer. Clearly, brand names add value to each of these groups. However, value of the brand can only exist to the investor, the manufacturer and the retailer when the brand yields value to the consumer. It is of primary importance to understand how brand value stems from brand-related knowledge in the mind of the consumer and how this knowledge translates into choice behavior. This research is concerned with this category of brand equity: consumer brand equity.

It has become a widely spread and accepted notion that brands exist in the memory of consumers, not merely on the desks of manufacturers and marketers. The consumer probably plays the most important role with respect to brand equity: without a consumer, a brand would not exist. One of the main goals of a brand manager is to create and maintain a positive brand image. A positive and favorable brand image will be attractive to consumers, and thus will yield future profit. How the consumer perceives the brand, what the evaluation of its image is and consequently what the consumer’s intention to purchase the brand is, all make up essential information for a brand manager. Exploring the content of consumer memory can provide a brand manager with the information on which he/she can direct marketing plans. Thorough brand image research is therefore essential to brand managers.

**Consumer brand equity**

‘[...] the equity of a brand is driven by brand image, a consumer concept. [...] consumer behavior is, at root, driven by perceptions of a brand. While behavioral measures of purchase describe the existence of equity, they fail to reveal what is in the hearts and minds of consumers that is actually driving equity’

(Biel 1992, p. RC-7).

Before continuing on consumer brand equity and its measurement, a core question needs to be addressed: what exactly is a brand? Hankinson and Cowking (1995) gathered and examined some of the more frequently used definitions of brands in both the academic literature and marketing press. They conclude that brand definitions relate to at least six perspectives: visual, perceptual, positioning, added value, image, and personality. *Visual definitions* focus on the name and visual aspects of the brand. An example of a visual definition of a brand is ‘the product or service of a particular supplier which is differentiated by its name and presentation’ (Murphy 1990, cited by Hankinson and Cowking 1995). Visual definitions are particularly suitable for legal purposes like registration and protection against imitators. *Perceptual definitions* focus on constituent parts of the brand. For example, Doyle, Weinberg and Simmonds (1974, cited by Hankinson and Cowking 1995) state that ‘each brand consists of a specific blend of three sorts of inter-related appeals: an appeal to the sense, an appeal to reason and an appeal to the emotion’. Such a definition is appropriate in the context of strategy formation, because
it allows a systematic examination of each of these constituent parts of the brand. The brand’s strengths and weaknesses can be identified according to these parts and where necessary be adjusted to better meet consumer needs. *Positioning definitions* refer primarily to the communication of brands through advertising. Brands are conceptualized as holistic impressions that need to be positioned in a unique place in consumers’ minds, relative to competitive brands. No emphasis is made on the constituent parts of the impression, the emphasis in these definitions is on the brand name and the slogan or pay-off that encapsulates what the brand offers (‘Gillette, the best a man can get’). *Added-value definitions* are set in the context of successful brands and focus on the brand’s added values as the distinguished features, opposing other brands or unbranded products. Hankinson and Cowking cite De Chernatony to illustrate an added-value definition: ‘a brand is an identifiable product, service, person or place, augmented in such a way that the buyer or user perceives relevant unique added values which match their needs most closely’. These types of definitions highlight the unique nature of a brand, an important aspect in the development of competitive strategy. According to *image definitions* brands are assumed to form an image in consumer’s minds, composed of feelings, ideas, and attitudes about the brand. Image definitions come in a variety of guises: some definitions focus on the congruity between self-image and the brand’s image, others on the symbolic features of the brand. Finally, in *personality definitions*, brands are described in human personality terminology, and as human communicators. This inventory of definitions shows that numerous definitions have been proposed, reflecting a lack of consensus. The diversity in brand definitions reflects the different interest groups dealing with brands. Each user group defines a brand along the lines most suitable. A juridical department of a company will be concerned with the legal protection of a brand and therefore focus on the visual aspects of a brand. Marketing departments will be more interested in definitions that relate to the positioning of brands and to the added value of the brand. Market researchers need to analyze brands and the consumer’s perception of them, and will therefore be more interested in definitions on the perceptual constituent parts, on image and on personalities of brands. In this thesis, a definition of brand is stated from the latter consumer or market research perspective. This thesis is primarily concerned with the memory representation of brands and so with consumer perceptions, and hence no explicit attention is paid to topics like positioning or juridical practices.

Whatever their juridical, marketing, or academic definition, the fact is that brands are part of the everyday life of a consumer. Consumers may use brands for different reasons. According to Franzen and Hoogerbrugge (1996), a brand can serve one or more of three functions to its user: an identification function, a guarantee function and a symbolic/expressive function. The identification function serves to recognize a brand amongst its competitors, to quickly identify products and product characteristics, and to simplify the decision process. The brand serves as a structuring device in perception and memory. The guarantee function serves to guarantee a continuous supply. The brand provides a guarantee to the consumer that it will be the same as before, same in quality, composition, service et cetera. For example, when looking for soft drinks on holiday in a foreign country, Coca-Cola is
an attractive alternative to other unknown brands, because it is familiar. In addition to these functional guarantees, a brand serves an emotional guarantee function in that it reduces feelings of purchase risk when peers accept purchasing the brand. The third function, the symbolic or expressive function, exists in the interaction with members of a person's social community. Using brands serves as non-verbal communication. Serving as an extension of one's personality, a brand can be used as an expressive mean. Using the brand can also serve a social-adaptive mean by being accepted into the social community. Finally, a brand can serve an impressive symbolic function by the attribution of symbolic brand features to one's self image (see also Van Woerden and De Boer 1994).

Consumer brand equity refers to the psychological dimension of brand equity. It concerns the way a brand is represented in the mind of a (potential) consumer, the way brand-related knowledge is retrieved from memory and how this leads to behavior. The content of consumer memory is of primary interest. In contemporary literature on brands, this content of consumer knowledge is assumed to be a collection of associations. Having associations with a brand is a requisite for a brand in order to have a degree of awareness, or saliency, in the consumer's mind. If a consumer would not have any associations with the brand it would not be a brand at all to the consumer. Brand associations held in consumer memory have an effect on the evaluation of a brand and as such contribute to the value of the brand (e.g. Franzen 1998; Keller 1998; Krishnan 1996). Brand associations stored in memory drive amongst others perceptions of new brand information, brand preferences and behavior related to all aspects of a brand (choice of brand, purchase, advertisement attitude, sales promotion et cetera). Generally stated, positive brand associations can yield a favorable brand attitude, which in turn can lead to (repetitive) purchase of the brand. In this way, a degree of brand loyalty is established: some consumers will be highly loyal to a brand, where others will be switching brands constantly. Activated brand associations are effective when they direct or influence behavior, be it purchase behavior, new information processing or even responding to research tools provided by market researchers. Specific behavior will manifest itself depending on the amount and nature of activated brand associations. The collection of brand associations is mostly addressed to as brand image. One could state again that there are many definitions of brand image (see Patterson 1999). The term brand image is so often applied within a wide diversity of investigations that it has become a generic term with ambiguous meanings. There seems to be no unifying definition. In this dissertation the term brand image is abandoned as referring to the storage of brand associations in memory, primarily due to its ambiguous meanings. Instead, I will refer to brand representation, a definition of which is provided in paragraph 2.5.3. As will be elaborated upon later, the term brand image will be maintained for a temporary and moment-specific result of the activation of brand representations.
Researching brand representations in memory

Focusing on consumer brand equity sets the frame of reference for this thesis. It is taken that consumers play a leading role in establishing brand equity by acting upon a brand through the manifestation of behavior. Behavior results from the activation of specific associations as the size and nature of the collection of activated brand associations direct the evaluation of the brand by the consumer. The result of this evaluation directs behavior. If we want to know how consumer brand equity is formed, we need to investigate the nature and content of memory with respect to the brand, and the way it is retrieved from memory. Whenever a brand manager needs information on how his/her brand is represented in consumers' memory, he/she will turn to market researchers. Nowadays, lots of market research agencies create and apply measurement methods to establish the memory representation of brands. In order to be distinctive, each agency bases his method on a specific definition of brand image held by the agency. To exaggerate, one could state that there are as many definition of brand image as there are brand image measurement methods. As each agency's definition of a brand representation is unique, the way of measurement also differs between agencies. In order to establish brand representations in memory, the measurement method aims at activating and establishing the relevant associations. However, what is supposed relevant depends on definition. For example, where one agency could consider the brand's associations with human personalities as the most relevant to describe the memory representation of the brand, another could focus more on the brand's tangible attributes. Hence with each individual method, a method-specific result can be obtained. The question then is: what is the way of going about it? How should brand representations in memory ideally be measured?

In this thesis, it is acknowledged that the establishment of whatever builds brand representations in memory is a highly complex matter. Most of the available methods in the marketplace have been developed in order to enhance and improve research. However, more and more research agencies have entered the market of market research. And as a drawback, the accompanying growing number of available methods caused more diffusion than clarity on the matter to the customers, being the marketers. As agencies have a need for distinctiveness, especially in a stressed market, this may result in methods becoming more and more fancy instead of more realistically connecting with the consumer's world of thought. Although the aim is to explore consumers' memory, the definitions and assumptions that underlie methods may imperceptibly take over the leading role in research, especially if these methods seem intuitively attractive and appealing. Implicit reliance on such method assumptions may lead to the possibly false conviction that the method yields reliable results. And with that comes the thread that the complexity of the subject under study becomes masked by the sexiness or fanciness of certain methods that are offered.

This dissertation starts from scratch in exploring brand representations in memory. Three general questions will be addressed. The first question is: 'what underlies the representation of a brand in memory?'. Second question is: 'how is a brand representation stored in memory?'. The third question in this research addresses
the actual, empirical establishment of brand representations and states: 'what is the influential role of activation cues and of context on the activation and establishment of the representation of a brand?'. With respect to the first question, brands have been topic of study for many years in the marketing discipline. As a result, a lot of information has been obtained on the brand-related content of memory, on the constituents of a brand representation. As stated before, research on this topic is generally covered by the term brand image in the literature. From an exhaustive review of the literature on brand image, an inventory is made of the constituents of a brand representation. This Inventory of Brand Representation Attributes (IBRA) will serve as starting-point for empirical research on brand representations in memory. With respect to the second question, this dissertation addresses the memory representation of brands, and therefore it should address theories, developments and issues involved in memory research. A number of memory theories are discussed, some of which are frequently applied in brand research. These theories can be divided into network and feature list theories. From this overview, an argument is made in favor of frame theory, a theory applicable to the memory representation of brands. Brand representations in memory will be defined from a frame theoretic view on knowledge representation in memory, incorporating the IBRA. These first two questions provide a theoretical answer to the general question of how a brand is represented in memory. Once a satisfying answer to this question is provided, the interesting next step is to access this memory content. When the content of a brand representation needs to be established, measurement comes in. Measuring memory content yields the activation of it. Therefore we need to know how stored knowledge can be activated. From a brief overview of the present practice of measurement in brand image research a treatise on influential factors on the activation of stored brand related knowledge is put forward. These factors include activation cues and context.

Answering these three general theoretical questions paves the way for empirical studies on the memory representation of brands. A new research methodology has been developed, which combines a qualitative gathering of consumers' responses with quantitative analyses. This methodology establishes brand evaluative consumer responses by presenting a wide range of cues. This methodology, called Informed Association, is set against the approved method of Free Association, to show the differential effect on results of providing cues for association activation. Secondly, by placing both methods within different evaluative contexts, the differential effect on results of context is explored. Thirdly, it is researched to what extent brands within a similar product category are similar or differ from each other with respect to the structure of their brand representation. Differences in representation structures between brands will be argued to have implications for the comparison of brands using standardized measurements. Finally, in order to relate the establishment of brand representations to the financial consequences of these representations (i.e. consumer behavior), the empirically obtained brand evaluations are related to measures of attitude and purchase intention in order to see to what extent scores on these variables can be predicted from brand evaluations.
Dissertation outline

Chapter 1 to 3 sets the theoretical frame of reference. Chapter 1 deals with the components of a brand representation. Chapter 2 provides an overview of memory models in order to set a cognitive psychological basis for studying brand representations in memory. Chapter 3 discusses the state of the art of present brand research, and addresses influential factors in the measurement of brand representations. Chapters 4 to 7 describe the empirical part of the study. Chapter 4 introduces both the Free Association and the Informed Association methodologies, and describes its first application on the representation of the beer brands Heineken and Grolsch. Chapter 5 describes the research questions and methods applied for the second study in which the representations of twelve brands are explored. Chapter 6 and 7 describe the results of this study. Finally, the concluding chapter 8 summarizes the research questions and results, and in a discussion the implications of the findings for the practice of brand measurement and management are addressed.