Brand Logo Salience As a Signal of Brand Status

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In this paper, we seek to demonstrate that the visual salience of a brand logo can signal to consumers that the brand is of lower status. We combine real world evidence of existing brands with experimental evidence, and show that these inferences are mediated by brand credibility.

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EXTENDED ABSTRACT
In our work we seek to address an interesting contradiction in the literature. Although research has consistently demonstrated the positive effects of visual attention on consumer behavior (i.e. Chandon, Hutchinson, Bradlow, & Young, 2009), there is some research that suggests that subtlety is associated with higher status brands and products (i.e. Berger & Ward, 2010). Our work investigates why brands might utilize subtle logos, despite benefits that attention-grabbing qualities (such as color or brightness) might confer. More specifically, we propose that the use of a subtle logo is a signal that high status brands employ as a sign of quality (i.e. the product should speak for itself), wherein the costs associated with decreased visibility and attention are recouped through quality inferences.

The benefits of visual saliency are well-documented. Researchers have revealed a visual saliency bias (Mormann, et al., 2012), which is the finding that low-level properties associated with salience can positively affect consumer preferences and choice. For example, adjusting the brightness of a product increases the likelihood that it will be chosen in a choice task.

Despite this finding, there are reasons to suggest that consumers may draw positive inferences from non-conspicuous attributes. For example, researchers have consistently (Jacobs et al., 1991) found that people associate the color black with expensiveness and power, despite the attention-grabbing qualities of color (Wolf & Horowitz, 2004; Frey, Honey, & König, 2008). Similarly, researchers have revealed a negative relationship between the extent to which a logo or brand is displayed and the price or status of a brand or product (Berger & Ward, 2010; Han, Nunes, & Dreze, 2010).

We believe these findings are best interpreted within a signaling framework (Kirmani & Rao, 2000). Brands often use a variety of marketing signals to represent quality, at varying costs. For example, a firm may offer a product warranty, which may incur costs to the brand at a later point in time, but is viable for firms with high quality (i.e. Boulding & Kirmani, 1993). A key implication of this interpretation of marketing signals is that only brands that are of higher quality should engage in such signaling, as they are expected to recover (or avoid) the financial penalties sustained as a result of the strategy.

We regard logo subtlety to be another costly signal, wherein the subtle logo may reduce visibility and attention in the marketplace. For high status brands, this penalty should be recovered in the form of increased status perceptions (the product is good enough to speak for itself, apparently); for low status brands, this penalty will not be recovered, as such signals set unreasonably high expectations for products (that will likely not be fulfilled), and they will also lose out on the benefits of increased attention. We thus designed a study to test whether existing brands already adhere to such principles, and then designed original logos to test how manipulated salience affects status perceptions.

In our first study, we asked a sample of participants to gauge the conspicuousness of 14 logos from a consulting firm's 2014 list of top global companies. Critically, seven of these brands were categorized as luxury, and participants estimated seven other randomly selected non-luxury brands. As expected, we found that the average conspicuousness of the luxury brands was lower ($M = 4.71, SD = 1.13$) than the non-luxury brands ($M = 5.39, SD = .96, t(57) = 5.90, p < .001$). This provides evidence that luxury brands do tend to use less salient logos than non-luxury brands.

In our second set of experiments aimed to show that logo salience would reduce brand status perceptions. We presented participants with two similar logos that differed in salience via color (Study 2a) or brightness (Study 2b). As expected, both studies revealed a significant main effect of conspicuousness on perceived status of the brand, ($F(1, 136) = 15.62, p < .001, d = .67$) and ($F(1, 90) = 9.14, p = .055, d = .40$), such that the black and white indicated higher status than the color logo ($M_{B&W} = 4.32, SD_{B&W} = 1.28; M_{COLOR} = 3.48, SD_{COLOR} = 1.22$) and the dark logo indicated higher status than the bright logo ($M_{DARK} = 4.70, SD_{DARK} = 1.55; M_{BRIGHT} = 4.07, SD_{BRIGHT} = 1.57$). Controlling for liking did not eliminate these effects, indicating that salient logos can signal lower brand status.

Lastly, we intended to show that the status inferences demonstrated in the previous two studies would be mediated by reduced credibility. If, as we predict, salient logos signal a reliance on eye-catching logos, then branding devices that utilize such techniques should be seen as less credible. Thus, we ran a variant with two pre-tested logos (equal in liking and familiarity, but different in salience), and asked participants to evaluate both the status of the brand and a measure of brand credibility (Kirmani, 1997). Consistent with our predictions, a mediation analysis using the macro PROCESS (Hayes, 2012) confirmed that this effect was indeed driven by brand credibility, such that the salient logo negatively affected credibility, which in turn affected perceived brand status. There was a significant indirect effect of conspicuousness on brand status (ab = -1.01; LCLI = -1.50, ULCI = -.55), but the direct effect was not significant (p = .734), indicating that credibility fully mediated the negative effect of conspicuousness on status perceptions.

Thus, across four studies we demonstrated that luxury brands tend to utilize less conspicuous logos, that a less conspicuous logo leads consumers to infer that the brand is of higher status, and that this effect is mediated by brand credibility. Our work has implications not just for new firms seeking to design a logo to fit their image, but also brands looking to update their logo.

REFERENCES