generate warmth. On the other hand, a relationship experience in which the involvement, depth of feeling, and physiological arousal were extremely high would be too intense to be warm. Warmth is thus positioned as moderate in terms of involvement, depth of feeling, and physiological arousal. It is short-term in duration—capable of being created or changed in seconds or minutes rather than hours or days. A notable aspect of the definition is the suggestion that the direct or vicarious experience of a love, family, or friendship relationship is involved. Further, this relationship involves emotions such as love, pride, acceptance, joy, sentimentality, tenderness, or happiness.

In the advertising context, warmth can be experienced vicariously when one or more characters in a commercial are experiencing warmth. For example, a happy dinner scene in a Löwenbräu commercial that features a proud father and a son who just passed his bar exam shows feelings of warmth in both characters. The viewer could become involved enough to share the emotional experience vicariously with one or perhaps both. An advertisement could also involve a relationship between the audience member and a character in the commercial. The commercial character might be the object of pride or love. For example, an audience member might be proud of an elderly person seen accomplishing a difficult task or an athlete winning an Olympic gold medal. Finally, a viewer might be reminded of a prior warm experience by a commercial and be stimulated to relive it. For example, a Christmas scene could recall warm family moments.

Humor in Advertising

Humor is obviously not a feeling by itself, but it can evoke feelings such as surgency, energy, cheer, joy, and happiness. The potential then exists for the feelings engendered by this humor to become associated with the brand, thereby affecting the attitude toward the brand and perhaps its image/beliefs as well. Humorous ads form almost 25 percent of prime-time TV ads in the U.S.[61] As noted previously, humor appeals—because of the feelings of amusement and pleasure they evoke—can potentially affect information processing in a variety of ways, such as attracting attention, improving memory of the brand name, creating a good mood, and distracting the audience from counterarguing.

However, while humor can assist ads in some ways (such as gaining attention and creating likability), it can hurt the effectiveness of the ad in other ways (such as possibly interfering with copy-point communication), so it must be used with great care. According to a recent comprehensive review of studies on ads using humor, Marc Weinberger and Charles Gulas conclude that using humor in ads usually increases attention to the ad and the liking of the ad but does not appear to add to (and may sometimes hurt) message comprehension and ad persuasion. Further, ads that use "related" humor do better than ads that use "unrelated humor," and humor appears to work best for low-involvement and feeling-oriented products.[62]

In recent years, as the amount of advertising clutter has increased dramatically, the ability of humorous ads to gain attention has become even more valuable. Advertising testing results have confirmed that humorous ads have higher recall.[63] Cliff Freeman, who was part of the creative team for Little Caesar's "Pizza, Pizza"

campaign and Wendy's "Where's the Beef" campaign, says "Humor is a great way to bound out of the starting gate. When you make people laugh and they feel good after seeing the commercial, they like the association with the product."[64] Some research has shown, however, that humor works only when it seen as coming from a brand that is already liked; Amitava Chattopadhyay and Kunal Basu found that if consumers have a negative prior evaluation of the sponsoring brand, a humorous ad can actually be less effective, not more so, than a nonhumorous ad.[65]

On the negative side, one of the difficulties in working with humor is that what strikes one person as humorous, another will simply consider silly and irritating. Thus, it is particularly important with humor to have a good concept of the target audience. Further, the tendency for humor to irritate undoubtedly will increase with repetition. Since feeling advertising requires repetition to build associations, the tendency for some in the audience to become irritated is enhanced. The use of many executions for the same campaign will reduce the problem. The pizza chain Little Caesar's, which has been running humorous ads from 1987 to 1993, has run more than thirty-five different ads in these years. Similarly, the Eveready Energizer bunny campaign has had a huge number of variations.[66]

Another problem is that humor, although often very successful in attracting attention to and creating liking for the ad, can sometimes hurt the comprehension of the main intended copy point. For instance, the Joe Isuzu ads for Isuzu cars led to high recall for that dishonest car salesman but not about the reasons why Isuzu cars were allegedly superior.[67] However, if communicated, that copy point may be accepted more easily (perhaps because the humor distracts the consumer from generating counterarguments). It has also been found that the use of humor can enhance the appeal of an endorser who has to make an otherwise dull appeal.[68]

Even a casual observer of humor in advertising will note that there are very different types. For example, some humorous advertising is very warm, such as a charming old couple teasing one another. Other humor efforts are very sophisticated and clever, such as a series in which James Garner bantered with Mariette Hartley about Polaroid. Then there is the heavy slapstick commercials such as those for Dorito Corn Chips, in which characters are knocked over by the sound of a loud crunch. Consider also the boisterous, silly commercials for Miller Lite Beer.

Psycholinguists such as Victor Raskin have developed theories that help explain why some kinds of ads are humorous and others are not. Humor can be created through the use of puns, understatement, jokes, ludicrous executional elements, satire, irony, and so on. The essence of humor is usually the creation of a text and story that can be interpreted at two levels that are opposite to each other (such as one "real" and the other "unreal") and the use of a punchline to switch you from one of these two contrasting ways to another. Dana Alden and Wayne Hoyer, who use Raskin's framework, found that ads that employed a contrast between the two levels of "everyday life" and the "unexpected (but still possible)" were more successful than those employing a contrast between "everyday life" and the "impossible." Recall our earlier point that humor "related" to the product is better than "unrelated" humor. Some authors have developed a taxonomy of humorous message ads.[69] Clearly, each of these approaches will involve different sets of feelings.

The use of humor is definitely culture-bound: tastes for different kinds of humor vary across cultures, and the acceptability of humor as an advertising creative approach also varies. British ads, for instance, use more humor than do U.S. ads, although in both countries it was used most with low-involvement/feeling products and least with high involvement/feeling and thinking products.[70] In addition, British humor does not always play well in the United States. A U.S. campaign for Kronenbourg beer that used a heavy dose of British humor was disliked by the managers of the French parent firm.[71] The campaign would have been killed had it not been so successful. Sales increased 22.5 percent during the year, while sales for total imported beers were up only 14 percent. One radio spot (featuring John Cleese of the Monty Python group) described the brew's slogan "better, not bitter" as the "current No.1 advertising disaster" and that the beer is a "terrific beer that doesn't taste as if it had a dead rat in it."[72] Later spots begged the audience to try the beer, as "it is the leading bottle of beer in the whole of Europe—it's not going to kill you."[73]

Fear and Anxiety in Advertising

Fear or anxiety about some threat, a very different type of feeling than warmth or humor, has been used in a variety of advertising contexts.[74] Such ads have even been humorously called "slice-of-death" ads, to contrast them with the usual format called "slice-of-life" (see Chapter 12). The most obvious are those involving a product designed to protect a person from loss of property (Allstate or Liberty Mutual automobile or home insurance, American Express travelers checks, First Alert Smoke Alarms) or health (NAPA auto parts, Prestone antifreeze, Mercedes and Volvo ads, Michelin tire campaigns). Public service advertising for seat belts and against smoking, AIDS, and drug abuse have all focused on the fear of losing one's life.

There are also more subtle fears associated with social and psychological motivations—the loss of friends, status, or job or a sense of failure to be a good parent or homemaker. Such fears are relevant to personal-care products (mouthwash, toothpaste) and homemaking products (foods and appliances). Some psychologists feel that ads using such appeals are more effective today than in years past because people today are more afraid of external threats than they used to be—the level of anxiety is higher.[75]

Fear appeals engender the emotional response of fear as well as related feelings such as fright, disgust, and discomfort. However, one well-accepted view of fear appeals, the *parallel response model* of the psychologist Howard Leventhal, suggests that a cognitive response, the belief that harm is likely to occur, is evoked in addition to the emotional response.[76] Both responses need to be considered in attempting to predict the reaction of audience members. The audience reaction preferred by the advertiser is to have the audience comply with the communication and change attitudes or behavior accordingly. But the audience may instead engage in defensive processes such as to deny vulnerability, counterargue, become irritated at something in the ad, or ignore it.

For the preferred "comply" reaction to occur, the fear needs to be at just the

right level. According to a model by psychologist Robert Thayer, fear increases tension, which stimulates feelings of being active and energetic—up to a threshold point, after which the tension creates dysfunctional feelings of jitteriness and anxiety.[77] Thus, if the level of fear in the ad is too low, the emotional response will not be forthcoming and the ad will not be successful at creating attention and interest in the basic problem. For instance, antidrug ads seem to have changed attitudes among casual users or nonusers, but had almost no effect among hard-core users. If the level of fear is too high, the audience member will attempt to activate some defense mechanism to avoid facing the problem. Analyses of antidrug advertising has found, for instance, that viewers seeing strong fear appeals often tend to tune out the message or deny that it is relevant to them.[78]

Clearly, the level needs to be sensitive to the target audience. Strong fear appeals for campaigns such as antismoking should probably be directed at teens who do not now smoke. If they were directed at smokers already concerned, a strong appeal may result in an avoidance strategy. For low-involvement products such as mouthwash, the problem may be to generate a strong enough appeal to break through the perceptual filter. It is helpful to test the ads in advance to make sure the level of fear being depicted is not too high and that it is still likable (and yet gets people to do what you want them to do). It should also be noted that some studies have not found support for this idea that too much fear can backfire, but have instead have found that more fear is even better. It is never clear, obviously, whether these studies actually tested really high levels of fear.[79]

Equally important to the fear level is to provide an acceptable solution to the problem, one that the audience member feels that he or she is capable of pursuing. Without some reassurance that the solution is feasible, the audience member will tend to "turn off" the message. Thus, there needs to be a cognitive element in addition to the fear-arousing emotional element.

According to a recent theory called *protection motivation theory*, a fear ad needs four elements to be successful: the ad must convince the target that (1) the depicted threat is very likely, (2) that it will have severe consequences, (3) that the advocated behavioral change or action will lead to a removal of the threat, and (4) that the target consumer can if fact carry out the advocated behavior. For example, an antidrug ad aimed at teenagers must show that drug consumption will very likely lead to addiction; that such addiction will create severe biological, financial, and social consequences, possibly even death; that it is possible to not take drugs, even when faced with peer pressure; and that the target consumer has that capability to fight peer pressure. The "threat is likely and strong" information should precede the "here's how you can cope with it" information.[80]

Several pointers have been suggested with respect to tactical ways to make fear or anxiety ads more effective. One is to depict as the object or target of the threat not the person seeing the ad, but instead some family member or friend close to the ad viewer. For imagine, imagine you were advertising Prestone antifreeze or NAPA auto parts with the threat that any other brand might get your car to break down in some dangerous situation. You could show a male driver of the car in that threatened situation, since men presumably buy most auto parts. But the ad might be more effective if the man sees an ad in which you show his spouse

or young child instead being in that threatened situation (which is what Prestone actually used).[81] It also helps to use real people, instead of dummies or drawings.

Another pointer is to be aware that fear appeals often have the effect of communicating need for that category rather than than brand. For instance, someone seeing an American Express travelers check ad might decide that yes, travelers checks need to be bought before going on vacation, but the need to buy American Express travelers checks in particular might be less clearly felt. This implies that fear appeals are probably less useful for brands that are not product category leaders, for they might simply create demand for the category leader with higher awareness and distribution levels. Another implication is that it is important to show how your brand in particular is better in getting rid of the depicted threat.

Figure 9–7 shows the use of fear and anxiety in the computer industry by Intel, to get personal computer buyers to buy Pentium-class computers instead of those with the 486 chip.

SUMMARY . . . .

In addition to communicating information, advertising can generate feelings such as warmth, happiness, and fear. Such feelings can become associated with the brand and can influence attitudes and behavior toward the brand in four ways.

First, ads that put people in positive moods can increase the number of positive thoughts about the brand and reduce the number of negative thoughts. This can enhance brand attitudes. People in positive ad-induced moods also tend to do less thinking about the intrinsic quality of the brand, and tend to form brand attitudes based more on ad likability (the peripheral route of attitude formation).

Second, transformational advertising transforms the use experience by associating feelings with it. It makes the experience richer, warmer, more exciting, and/or more enjoyable. For transformational advertising to work, it must be positive and ring true and the associations (between the feelings and the use experience and between the brand and the use experience) must be created and maintained with heavy repetition.

Third, research has shown that a positive attitude toward the advertisement itself can affect the brand over and above any communication effect. Ads can be liked for one (or both) of two basic reasons: they are enjoyable, and they are informative and useful. When a feeling-based ad leads to a more positive attitude toward the ad, it can lead to more positive brand attitudes, and also to more positive thoughts about brand attributes.

Fourth, classical conditioning provides another way in which feeling responses become associated with the brand. The feeling response (UR) is associated with the commercial (US). The commercial is then associated with the brand (CS). Finally, exposure to the brand even without the commercial stimulates the same feeling response (CR). The strength of the association between the feeling and the brand or brand use will depend on several factors, such as the number of repetitions, the time since the last exposure, and how close the brand is linked to the commercial.

There are many feelings and combinations of feelings that have potential rel-

386-based PCs   486-based F
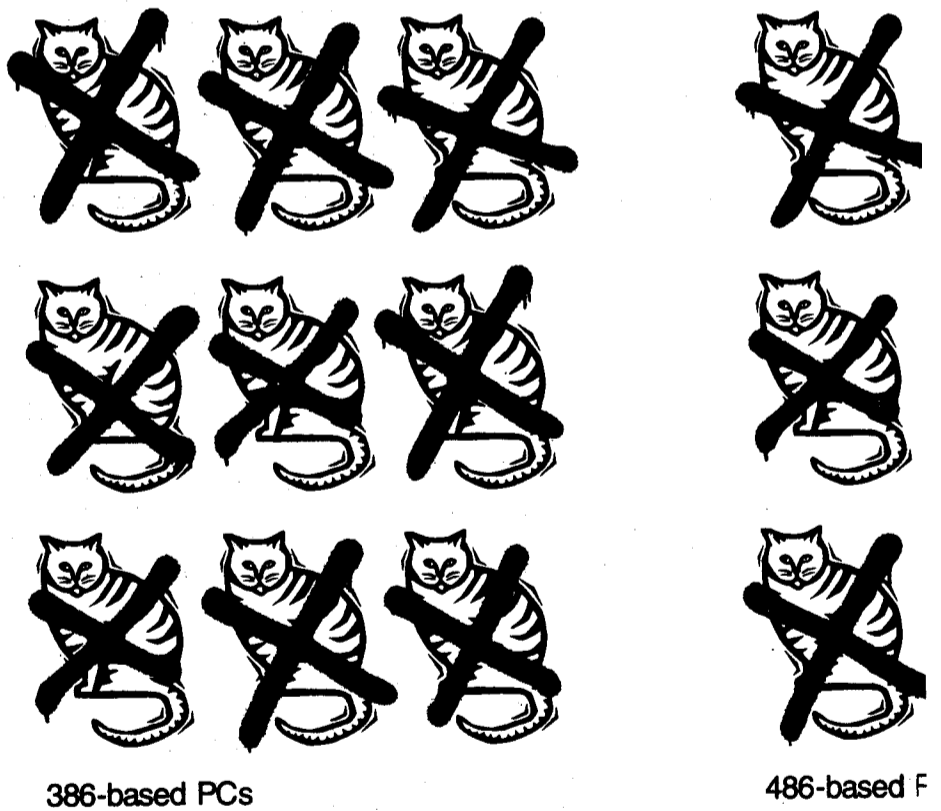
Let's say compu

Some computers have nine lives left. Others don't. That's why if you're buying a PC today, you should only be considering Pentium™ processor-based PCs.

The reason is simple. A more powerf PC lasts longer, since it will still have plenty of horsepower when tomorrow's applications come along. And most new Pentium processor-based systems also include the latest PC technology — like

Figure 9-7. Evoking anxiety: Intel.

Courtesy of Intel Corporation.
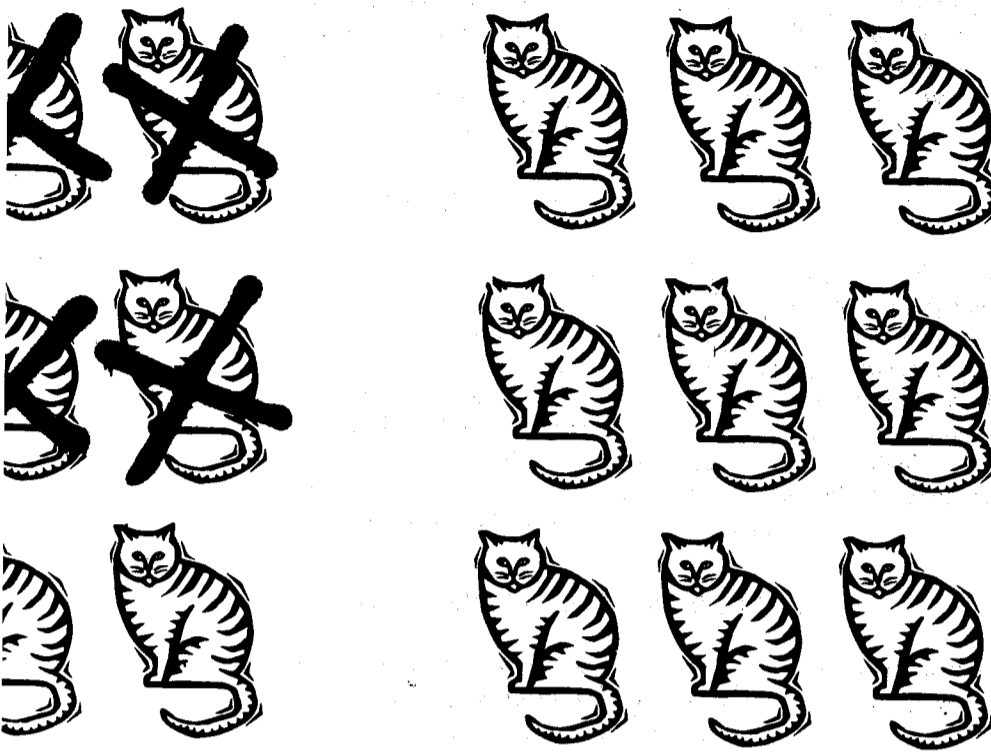
Pentium™ processor-based PCs

rs have nine lives.

PCI local bus for high-speed graphics and Plug and Play technology for easy expansion in the years to come.

That, plus the fact that these PCs are now so affordable, makes this a great time to buy a Pentium processor-based PC. Especially when you'll be getting a system that performs so well. Today. And several lives from now. For more information call 1-800-626-6788, Ext. 213.

intel.

Figure 9–7.   (continued)

evance to advertising, including warmth, humor, and fear or anxiety. Warmth is precipitated by experiencing directly or vicariously a love, family, or friendship relationship. A fear appeal in a context such as insurance advertising creates an emotional response and also a cognitive awareness of a problem. The ad should attempt to generate the optimal level of emotional response and provide a feasible solution to the problem. With humor, care is needed to ensure that some people are not irritated instead of entertained, especially after several repetitions.

Regardless of the specific type of feeling being evoked, advertisers must be careful to make the evoked feeling "ring true." It must also be used in situations in which it is more effective, such as when the evoked feeling is appropriate to the product category's character ("thinking" versus "feeling" benefits), and during the appropriate stage of the product life cycle (with mature brands, now less involving to consumers, being the most appropriate).

DISCUSSION QUESTIONS

1. Identify a feeling television commercial or print advertisement. Analyze exactly how it works. What feelings might be engendered by it? How will those feelings help the brand? Did the ad do well in creating an association between the brand and the feelings? How would you change the ad?

2. Analyze Figure 9–4. How would you change the model? What characteristics of the ad will affect the feeling response? To what extent is it important to have cognitive empathy—that is, the audience understanding the characters or literal believability?

3. What characteristics of the audience will be relevant in predicting the feeling response of the ad? What characteristics of the context in which the exposure is embedded will affect the emotional response?

4. Using an example of an actual commercial, explain to a friend how classical conditioning works.

5. What implications for advertising do you see for the classical conditioning experiments that were reported? What problems do you see in applying them to the "real" world? Do the first two indicate that you do not need many repetitions?

6. What are some ads that you liked? Why? What makes an ad well liked?

7. Under what circumstances will an ad be effective even if it is disliked?

8. What is *transformational advertising*? How does it work? What are some examples? When should it be used? "If Marlboro ever left Marlboro Country (stopped the Marlboro Country campaign), someone else could move right in." Comment.

9. A transformational ad must "ring true." Must it have literal believability? You should not use transformation advertising for avoidance products such as oven cleaners. Do you agree?

10. What is warmth in advertising? Must a social relationship be involved? Can a sunset generate a feeling of warmth? Give some examples of warm advertising. How did the "warmth" help? Would a warm ad be more effective if it followed a

humorous ad, a warm ad, or an irritating ad? Why? What would you predict would be the response to a warm ad over repetition?

11. How does humor work in advertising? Give some examples. What about fear? What other feelings can you identify as being present in advertising?

12. The chapter discusses of believability, both literal and verisimilitude. What is *verisimilitude*? Give some examples from current advertising. In your example, what emotional response is likely?

13. Classify products such as cars, jewelry, cigarettes, food, candy, house furnishings, and motorcycles as to whether they should use thinking or feeling advertising. Within each class divide them into high- and low-involvement products.

14. There is a saying in the advertising business, "When you have nothing to say, sing it," meaning that feeling-based advertising is most appropriate for brands that have no real point of difference over the competition. Does the research reviewed in this chapter support this saying?

NOTES. . . . .

1. Patricia A. Stout and Roland T. Rust, "Emotional Feelings and Evaluative Dimensions of Advertising: Are They Related?" *Journal of Advertising*, 22 no. 1 (March 1993), 61–71.
2. Stuart J. Agres, "Cognitive and Emotional Elements in Persuasion and Advertising." Working paper, The Marschalk Company, undated.
3. Michael L. Ray and Rajeev Batra, "Emotion and Persuasion in Advertising: What We Do and Don't Know About Affect," in Richard P. Bagozzi and Alice M. Tybout, eds., *Advances in Consumer Research*, vol. 10 (Ann Arbor, MI: Association for Consumer Research, 1983), pp. 543–547.
4. Chris T. Allen, Karen A. Machleit, and Susan S. Kleine, "A Comparison of Attitudes and Emotions as Predictors of Behavior at Diverse Levels of Behavioral Experience," *Journal of Consumer Research*, 18 (March 1992), 493–504.
5. *Advertising Age*, August 7, 1989, p. 58.
6. *Adweek's Marketing Week*, November 13, 1989, pp. 2–3.
7. *The New York Times*, January 26, 1990, Business section.
8. Cliff Scott, David M. Klein, Jennings Bryant, "Consumer Response to Humor in Advertising: A Series of Field Studies Using Behavioral Observation," *Journal of Consumer Research*, 16 (March 1990), 498–501.
9. "Kodak's next Photo-CD sales trick: Infomercial," *Advertising Age*, March 8, 1993, p. 3.
10. Richard Vaughn, "How Advertising Works: A Planning Model Revisited," *Journal of Advertising Research*, 26, no. 1 (Feb./Mar. 1986), 57–66, and Brian T. Ratchford, "New Insights About the FCB Grid," *Journal of Advertising Research*, 27, no. 4 (1987), 24–38.
11. Rajeev Batra and Olli T. Ahtola, "Measuring the Hedonic and Utilitarian Sources of Consumer Attitudes," *Marketing Letters*, 2, no. 2 (1990), 159–170; Ayn E. Crowley, Eric R. Spangenberg, and Kevin R. Hughes, "Measuring the Hedonic Dimensions of Attitudes Toward Product Categories," *Marketing Letters*, 3, no. 3 (1992), 239–249.
12. John R. Rossiter, Larry Percy, and Robert J. Donovan, "A Better Advertising Planning Grid," *Journal of Advertising Research* (Oct./Nov. 1991), 11–21; Larry Percy and John R. Rossiter, "A Model of Brand Awareness and Brand Attitude Strategies," *Psychology and Marketing*, 9, no. 4, (July/August 1992), 263–274.
13. "Beer Companies Shift Their Focus to, of All Things, Taste," *The New York Times*, Oct 15, 1992, p. C19; "Appliance Ads Get 'Warm, Fuzzy,' " *Advertising Age*, May 3, 1993, p. 44.
14. J. S. Johar and M. Joseph Sirgy, "Value-Expressive Versus Utilitarian Advertising Appeals: When and How to Use Which Appeal," *Journal of Advertising*, 20, no. 3 (September 1991), 23–34.

15. For tests of portions of this model, see Rajeev Batra and Michael L. Ray, "Affective Responses Mediating Acceptance of Advertising," *Journal of Consumer Research*, 13 (1986), 234–249; Morris Holbrook and Rajeev Batra, "Assessing the Role of Emotions as Mediators of Consumer Responses to Advertising," *Journal of Consumer Research*, 14 (December 1987), 404–419; Marian Chapman Burke and Julie A. Edell, "The Impact of Feelings on Ad-Based Affect and Cognition," *Journal of Marketing Research*, 26 (February 1989), 69–83; Rajeev Batra and Douglas M. Stayman, "The Role of Mood in Advertising Effectiveness," *Journal of Consumer Research*, 17 (September 1990), 203–214; and Scott MacKenzie, Richard Lutz, and George Belch, "The Role of Attitude Toward the Ad as a Mediator of Advertising Effectiveness: A Test of Competing Explanations," *Journal of Marketing Research*, 23 (May 1986), 130–143.

16. Barbara E. Kahn and Alice M. Isen, "The Influence of Positive Affect on Variety Seeking among Safe, Enjoyable Products," *Journal of Consumer Research*, 20 (September 1993), 257–270.

17. Deborah J. MacInnis and C. Whan Park, "The Differential Role of Characteristics of Music on High- and Low-Involvement Consumers' Processing of Ads," *Journal of Consumer Research*, 18 (September 1991), 161–173.

18. Douglas M. Stayman and Rajeev Batra, "Encoding and Retrieval of Ad Affect in Memory," *Journal of Marketing Research*, 28 (May 1991), 232–239.

19. William D. Wells, "How Advertising Works," Unpublished paper, 1980, and Christopher P. Puto and William D. Wells, "Informational and Transformational Advertising: The Differential Effects of Time," in Thomas C. Kinnear, ed., *Advances in Consumer Research*, vol. 11 (Ann Arbor, MI: Association for Consumer Research, 1983), pp. 638–643.

20. Puto and Wells, p. 638.

21. John Deighton, Daniel Romer, and Josh McQueen, "Using Drama to Persuade," *Journal of Consumer Research*, 16 (December 1989), 335–343.

22. Hans Baumgartner, Mita Sujan, and James R. Bettman, "Autobiographical Memories, Affect, and Consumer Information Processing," *Journal of Consumer Psychology*, 1, no. 1 (1992), 53–82.

23. Linda M. Scott, "Understanding Jingles and Needledrop: A Rhetorical Approach to Music in Advertising," *Journal of Consumer Research*, 17 (September 1990), 223–236.

24. Steven J. Hoch and Young-Won Ha, "Consumer Learning and the Ambiguity of Product Experience," *Journal of Consumer Research*, 13 (October 1986), 221–233.

25. Puto and Wells.

26. David A. Aaker and Douglas M. Stayman, "What Mediates the Emotional Response to Advertising? The Case of Warmth," in Pat Caferata and Alice Tybout, eds., *Proceedings of the 1985 Advertising and Consumer Psychology Conference*, Chicago, 1986.

27. Patricia Stout and John D. Leckenby, "The Nature of Emotional Response to Advertising: A Further Examination," *Journal of Advertising*, 17, no. 4 (1988), 53–57.

28. John Deighton, Daniel Romer, and Josh McQueen, "Using Drama to Persuade," *Journal of Consumer Research*, 16 (December 1989), 335–343.

29. Joan Meyers-Levy and Durairaj Maheswaran, "When Timing Matters: The Influence of Temporal Distance on Consumers' Affective and Persuasive Responses," *Journal of Consumer Research*, 19 (December 1992), 424–433.

30. Terence A. Shimp, "Attitude Toward the Ad as a Mediator of Consumer Brand Choice," *Journal of Advertising*, 10, no. 2 (1981), 9–15, and Thomas A. Madden, Chris T. Allen, and Jacqueline L. Twible, "Attitude Toward the Ad: An Assessment of Diverse Measurement Indices Under Different Processing 'Sets,'" *Journal of Marketing Research*, 28 (August 1988), 242–252.

31. Andrew A. Mitchell and Jerry C. Olson, "Are Product Attribute Beliefs the Only Mediator of Advertising Effects on Brand Attitude?" *Journal of Marketing Research*, 18 (August 1982), 318–332. See also Meryl Paula Gardner, "Does Attitude Toward the Ad Affect Brand Attitude Under a Brand Evaluation 'Set'?" *Journal of Marketing Research*, 22 (May 1985), 192–198, and Richard J. Lutz, Scott B. MacKenzie, and George Belch, "Attitude To-

ward the Ad as a Mediator of Advertising Effectiveness: Determinants and Consequences," in Richard Bagozzi and Alice Tybout, eds., *Advances in Consumer Research*, vol. 10 (Ann Arbor, MI: Association for Consumer Research, 1983), pp. 532–539; the article by Shimp is referenced above.

32. Russell I. Haley and Allan L. Baldinger, "The ARF Copy Research Validity Project," *Journal of Advertising Research*, 31 (April/May 1991), 11–31.

33. Gabriel Biehal, Debra Stephens, and Eleanora Curlo, "Attitude Toward the Ad and Brand Choice," *Journal of Advertising*, 21, no. 3 (September 1992), 19–36.

34. See Amitava Chattopadhyay and Prakash Nedungadi, "Does Attitude toward the Ad Endure? The Moderating Effects of Attention and Delay," *Journal of Consumer Research*, 19 (June 1992), 26–33, and Darrel D. Muehling and Russell N. Laczniak, "Advertising's Immediate and Brand Attitudes: Considerations Across Message-Involvement Levels," *Journal of Advertising*, 17, no. 4 (1988), 23–34.

35. "Does Commercial Liking Matter?" *Topline*, McCollum-Spielman Worldwide, no. 36 (February 1992).

36. Steven P. Brown and Douglas M. Stayman, "Antecedents and Consequences of Attitude Toward the Ad: A Meta-Analysis," *Journal of Consumer Research*, 19 (June 1992), 34–51.

37. Robert E. Smith, "Integrating Information from Advertising and Trial: Processes and Effects on Consumer Response to Product Information," *Journal of Marketing Research*, 30 (May 1993), 204–219.

38. Scott MacKenzie, Richard Lutz, and George Belch, "The Role of Attitude Toward the Ad as a Mediator of Advertising Effectiveness: A Test of Competing Explanations," *Journal of Marketing Research*, 23 (May 1986), 130–143.

39. For a review, see Pamela M. Homer, "The Mediating Role of Attitude Toward the Ad: Some Additional Evidence," *Journal of Marketing Research*, 27 (February 1990), 78–85.

40. Scott B. MacKenzie and Richard J. Lutz, "An Empirical Examination of the Structural Antecedents of Attitude Toward the Ad in an Advertising Pretesting Context," *Journal of Marketing*, 53 (April 1989), 48–65.

41. Paul W. Mimiard, Sunil Bhatla, and Randall L. Rose, "On the Formation and Relationship of Ad and Brand Attitudes: An Experimental and Causal Analysis," *Journal of Marketing Research*, 27 (August 1990), 290–303.

42. William F. Greene, "What Drives Commercial Liking?" *Journal of Advertising Research*, 32, no. 2 (March/April 1992), 65–68.

43. Ibid.

44. David A. Aaker and Donald E. Bruzzone, "What Causes Irritation in Television Advertising?" *Journal of Marketing*, 45 (Summer 1985), 47–57.

45. Darrel D. Muehling and Michelle McCann, "Attitude Toward the Ad: A Review," *Journal of Current Issues and Research in Advertising*," 15, no. 2 (Fall 1993), 25–58.

46. Michael L. Ray and Rajeev Batra, "Emotion and Persuasion in Advertising: What We Do and Don't Know About Affect," in Richard P. Bagozzi and Alice M. Tybout, eds., *Advances in Consumer Research*, vol. 10 (Ann Arbor, MI: Association for Consumer Research, 1983), pp. 543–547.

47. Alvin J. Silk and Terrence G. Vavra, "The Influence of Advertising's Affective Qualitities on Consumer Responses," in G. D. Hughes and M. L. Ray, eds., *Consumer Information Processing* (Chapel Hill: University of North Carolina Press, 1974), pp. 157–186.

48. Chris Janiszewski and Luk Warlop, "The Influence of Classical Conditioning Procedures on Subsequent Attention to the Conditioned Brand," *Journal of Consumer Research*, 20 (September 1993), 171–189.

49. Gerald J. Gorn, "The Effects of Music in Advertising on Choice Behavior: A Classical Conditioning Approach," *Journal of Marketing*, 1 (Winter 1982), 94–101.

50. Chris T. Allen and Thomas J. Madden, "A Closer Look at Classical Conditioning," *Journal of Consumer Research*, 12 (December 1985), 311–315, and James J. Kellaris and Anthony D. Cox, "The Effects of Background Music in Advertising: A Reassessment," *Journal of Consumer Research*, 16 (June 1989), 113–118.

51. Calvin Bierley, Frances K. McSweeney, and Renee Vannieukerk, "Classical Conditioning of Preferences for Stimuli," *Journal of Consumer Research*, 12 (December 1985), 316–323.

52. Werner Kroeber-Riel, "Emotional Product Differentiation by Classical Conditioning," in Thomas C. Kinnear, ed., *Advances in Consumer Research*, vol. 11 (Ann Arbor, MI: Association for Consumer Research, 1983), pp. 538–543.

53. Terence A. Shimp, Elnora W. Stuart, and Randall W. Engle, "A Program of Classical Conditioning Experiments Testing Variations in the Conditioned Stimulus and Context," *Journal of Consumer Research*, 18 (June 1991), 1–12.

54. Terence A. Shimp, "Neo-Pavlovian Conditioning and Its Implications for Consumer Theory and Research," in T. S. Robertson and H. H. Kassarjian, eds., *Handbook of Consumer Behavior* (Englewood Cliffs, NJ: Prentice-Hall, 1991).

55. Robert Plutchik, "A General Psychoevolutionary Theory of Emotion," in Robert Plutchik and Henry Kellerman, eds., *Emotion: Theory, Research, and Experience* (New York: Academic Press, 1980), p. 18.

56. Rajeev Batra and Morris B. Holbrook, "Developing a Typology of Affective Responses to Advertising," *Psychology and Marketing*, 7 (Spring 1990), 11–25; Marian C. Burke and Julie A. Edell, "The Impact of Feelings on Ad-Based Affect and Cognition," *Journal of Marketing Research*, 26 (February 1989), 69–83; and Morris B. Holbrook and Rajeev Batra, "Assessing the Role of Emotions as Mediators of Consumer Responses to Advertising," *Journal of Consumer Research*, 14 (December 1987), 404–420.

57. David A. Aaker and Donald E. Bruzzone, "Viewer Perceptions of Prime-Time Television Advertising," *Journal of Advertising Research* (October 1981), 15–23.

58. William D. Wells, Clark Leavitt, and Maureen McConville, "A Reaction Profile for TV Commercials," *Journal of Advertising Research* (December 1971), 11–15.

59. Mary Jane Schlinger, "A Profile of Responses to Commercials," *Journal of Advertising Research*, 19, no. 2 (1979), 37–46.

60. David A. Aaker, Douglas M. Stayman, and Michael R. Hagerty, "Warmth in Advertising: Measurement, Impact, and Sequence Effects," *Journal of Consumer Research*, 12 (March 1986), 365–381.

61. Marc G. Weinberger and Charles S. Gulas, "The Impact of Humor in Advertising: A Review," *Journal of Advertising*, 21, no. 4 (December 1992), 35–59.

62. Marc G. Weinberger and Charles S. Gulas, cited earlier.

63. *The New York Times*, August 19, 1990, p. F5.

64. *The New York Times*, November 2, 1993, p. B3.

65. Amitava Chattopadhyay and Kunal Basu, "Hunmor in Advertising: The Moderating Role of Prior Brand Evaluation," *Journal of Marketing Research*, 27 (November 1990), 466–476.

66. *The New York Times*, November 2, 1993, p. B3.

67. *The New York Times*, November 2, 1993, p. B3.

68. For a review of the relevant literature on humor, see Brian Sternthal and C. Samuel Craig, "Humor in Advertising," *Journal of Marketing*, 37 (October 1973), 12–18; and Dana L. Alden and Wayne D. Hoyer, "An Examination of Cognitive Factors Related to Humourousness in Television Advertising," *Journal of Advertising*, 1993, 22(2), 29–37.

69. Paul Surgi Speck, "The Humorous Message Taxonomy: A Framework for the Study of Humorous Ads," *Journal of Current Issues and Research in Advertising* (1990), 1–44.

70. Marc G. Weinberger and Harlan E. Spotts, "Humor in U. S. vs. U. K. Commercials: A Comparison," *Journal of Advertising*, 18, no. 2 (1989), 39–44.

71. "Dry Humor Is Building a Thirst for Kronenbourg," *Business Week*, March 11, 1985, p. 120.

72. Ibid.

73. Ibid.

74. Michael L. Ray and William L. Wilkie, "Fear: The Potential of an Appeal Neglected by Marketing," *Journal of Marketing*, 32 (January 1970), 54–62.

75. "Marketers Exploit People's Fears of Everything," *The Wall Street Journal*, November 15, 1993, p. B1.

76. T. John Rosen, Nathaniel S. Terry, and Howard Leventhal, "The Role of Esteem and Coping in Response to a Threat Communication," *Journal of Research in Personality*, 16 (Spring 1983), 90–110.

77. Tony L. Henthorne, Michael S. LaTour, and Rajan Natarajan, "Fear Appeals in Print Advertising: An Analysis of Arousal and Ad Response," *Journal of Advertising*, 22, no. 2 (June 1993), 59–69.

78. "Speaking Softly of Life's Dangers," *The New York Times*, February 16, 1990, p. C1.

79. James T. Strong and Khalid M. Dubas, "The Optimal Level of Fear In Advertising: An Empirical Study," *Journal of Current Issues and Research in Advertising*, 15, no. 2 (Fall 1993), 93–99.

80. Ronald W. Rogers, "Cognitive and Physiological Processes in Fear Appeals and Attitude Change: A Revised Theory of Protection Motivation." in J. Cacioppo and R. Petty, eds., *Social Psychophysiology* (New York: Guildford, 1983); John F. Tanner, James B. Hunt, and David R. Eppright, "The Protection Motivation Model: A Normative Model of Fear Appeals," *Journal of Marketing*, 55 (July 1991), 36–45.

81. "Buy Our Brands Or You Die," *Ad Week's Marketing Week*, December 18, 1989, pp. 36–37.

10 BRAND EQUITY, IMAGE, AND PERSONALITY

Modern goods are recognized as essentially
psychological things which are symbolic of personal
attributes and goals and of social patterns and
strivings . . . all commercial objects have a symbolic
character, and making a purchase involves an
assessment—implicit or explicit—of this symbolism,
to decide whether or not it fits.
(Sidney Levy, in *Symbols for Sale*)

We hold that every advertisement must be
considered as a contribution to the complex symbol
which is the brand image, as part of the long term
investment in the reputation of the brand.
(David Ogilvy, in *Confessions of an Advertising Man*)

Much of the growth of the giant consumer product corporations in the
1980s was achieved by a strategy of acquiring valuable brand names
of other companies, often at huge prices that vastly exceeded the valuation
of the plants and machinery (the so-called "hard assets") that went with these
acquisitions. As examples, think of the acquisitions by Philip Morris of Kraft
and Jacobs Suchard, or by Nestlé of Rowntree, or by Grand Metropolitan's
purchase of Pillsbury. In each case, the price paid exceeded the "book value" of the
physical and financial net worth of the firm. What was being acquired was the
goodwill of brand name that the acquiring company felt it could continue to milk
for years to come.

Not surprisingly, companies have become very interested in using advertis-
ing and other elements of the marketing mix to build up this equity in their brands.
They realize that good advertising doesn't simply "make a sale" of a product or ser-
vice. As the quote above from Ogilvy points out, every ad also helps make a brand
what it is in the minds of the consumer. This imagery, or personality, of a brand
then partly determines the price premium that their brands can command from
consumers. And, it is this imagery, plus the distribution and other resources of the
brand, that determines the value of the brand as an asset that is bought and sold
among companies.

When a brand lacks such equity, a consumer would much rather buy a cheaper-priced store or private-labeled brand instead of it, or a cheaper national-brand competitor. Various surveys of consumers, such as those by Roper or DDB Needham, have shown declining brand loyalty to national brands in recent years. Some of this has been caused by the sheer proliferation of brands and the increasing functional parity among them. As a result, private- or store-label brands have rapidly grown their share of many product category sales (often to 15 to 20 percent).

The marketers of big brands have recently begun to "fight back," in part by putting more money into equity-building advertising. When a brand does have strong equity, it has a strong competitive advantage, one that can last for decades. Some of the strongest brands of decades ago are still the market leaders today, such as Kodak film, Wrigley's chewing gum, Campbell soup, Ivory soap, Gillette razors and blades, Nabisco crackers, and Coca-Cola.[2]

This chapter is about creating such equity-building advertising. Thus far, we have discussed how advertising can make consumers more favorable to the brand by communicating information regarding product attributes or benefits (Chapter 8) or by associating certain highly valued feelings with the brand (Chapter 9). Here, we will try to understand exactly what determines a brand's equity and see how advertising can be used to build such equity. We will focus especially on how advertising can be used in the development of a *personality* for the brand.

This chapter is divided into five major sections. First, we discuss the meaning of brand equity. We then look at one part of brand equity, the personality and other associations of the brand. Third, we discuss reasons why such brand personality associations matter, both to the consumer and to the marketer. Fourth, we discuss the types of advertising situations when brand personality associations are more likely to be important in consumer brand-selection decisions. In the final section, we discuss how brand personality associations can be created or enhanced through advertising—how they can be researched, targeted, and executed.

BRAND EQUITY . . . .

A brand can have high *equity,* or value as a tradeable asset, for many reasons. According to David Aaker, brands have equity because they have high awareness; many loyal consumers; a high reputation for perceived quality; proprietary brand assets such as access to scarce distribution channels or to patents; or the kind of brand associations (such as personality associations) on which we will focus this chapter.[3] A schematic version of David Aaker's brand equity framework appears in Figure 10–1. As can be seen in the figure, this equity of the brand is "captured" in the name and symbol of the brand.

Consumers prefer high-equity brands because they find it easier to interpret what benefits the brand offers, feel more confident of it, and get more satisfaction from using it. Because of such consumer preference, the brand can charge a higher price, command more loyalty, and run more efficient marketing programs (e.g., it can spend less on retailer incentives, and it costs less to launch brand extensions). The brand can therefore command a higher asset value.
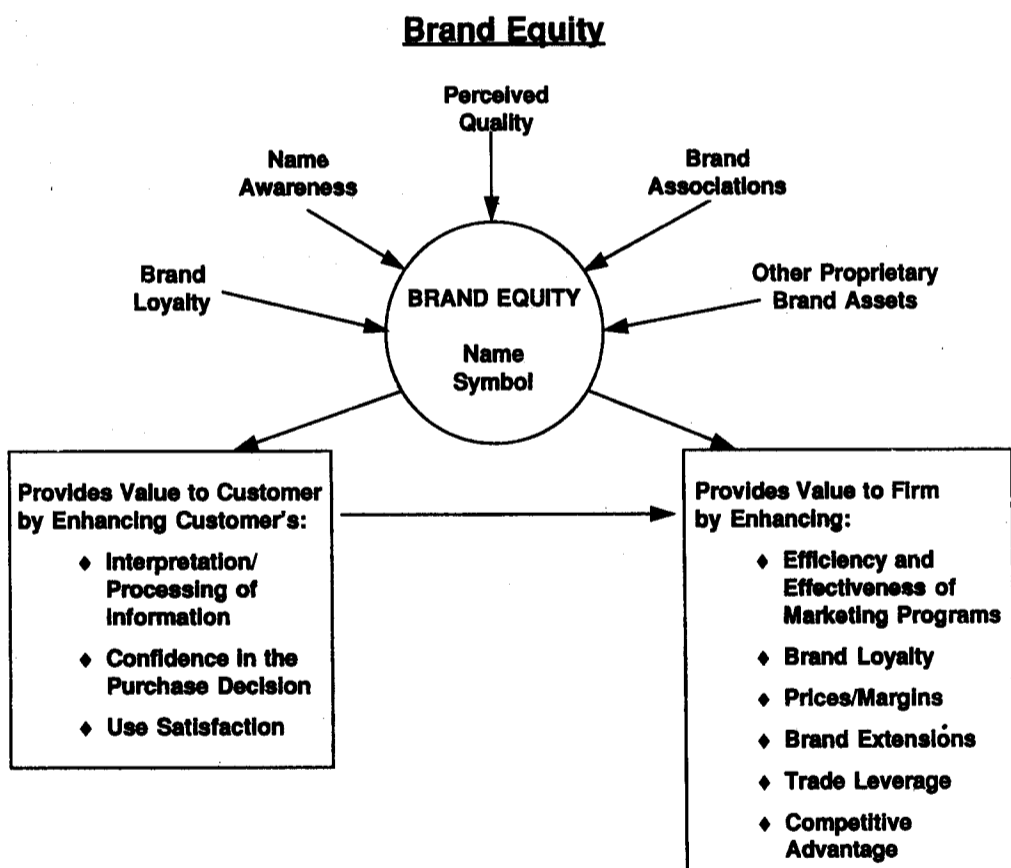
Brand Equity

Figure 10-1.   Brand equity: an overview.

From David A. Aaker, Managing Brand Equity *(New York: Free Press, 1991), p. 17. Reproduced by permission.*

Notice that Aaker's framework defines a brand has having equity not only with consumers (through high awareness and strong associations), but also with the distribution trade and in terms of patented technology or other proprietary assets. For example, one reason why Coca-Cola is often ranked as the world's top brand[4] is its incredible worldwide distribution (the company states it wants to be "within an arm's reach of desire" anywhere).

If you focus only on the brand's relationship with its customers, however, Kevin Keller has argued that a brand has equity if the knowledge that the customer has about the brand—in terms of greater familiarity with it, and more favorable, strong, congruent, unique, and leverageable associations with it—leads to greater consumer preference.[5] Keller's framework appears in Figure 10–2. Note that these
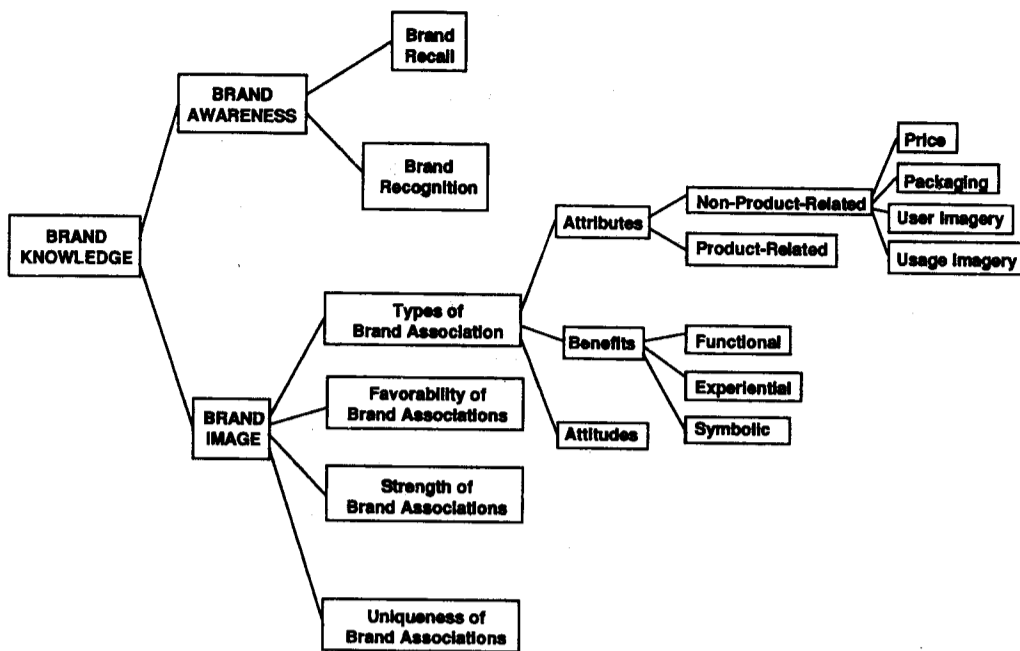
Dimensions of Brand Knowledge

Figure 10–2.   Consumer knowledge about a brand.

Adapted from Kevin Lane Keller, "Conceptualizing, Measuring, and Managing Customer-Based Brand Equity," Journal of Marketing, 57, no. 1 (1993), p. 7. Published by the American Marketing Association.

associations can be about the brand's attributes, or benefits (functional, experiential, and symbolic), or attitudes toward it.

Both of these frameworks point out that one of advertising's tasks in increasing a brand's equity is to increase consumers' awareness of it and familiarity with it. Since we have discussed strategies and tactics to build awareness and familiarity at various other points in this book (e.g., Chapters 7), we will not focus on that here. But we do need to spend much more time on the nature of the *associations* that advertising creates with the brand. These associations are what most people think of when they talk about a brand's *image*. Remember that a brand is not a physical entity but instead what the consumer thinks and feels and visualizes when he or she sees the brand's symbol or name.

Stronger brands have more "shape and substance": they evoke richer, stronger, and more consistent favorable meanings and associations. Further detail on these associated meanings has been offered by Alex Biel (see Figure 10–3).[6] He points out these associations can be "hard," dealing with tangible/functional attributes, such as speed, price, and so on. In addition, they could be "soft," such as Apple computer being youthful, Prudential Insurance being stable, and so on. They
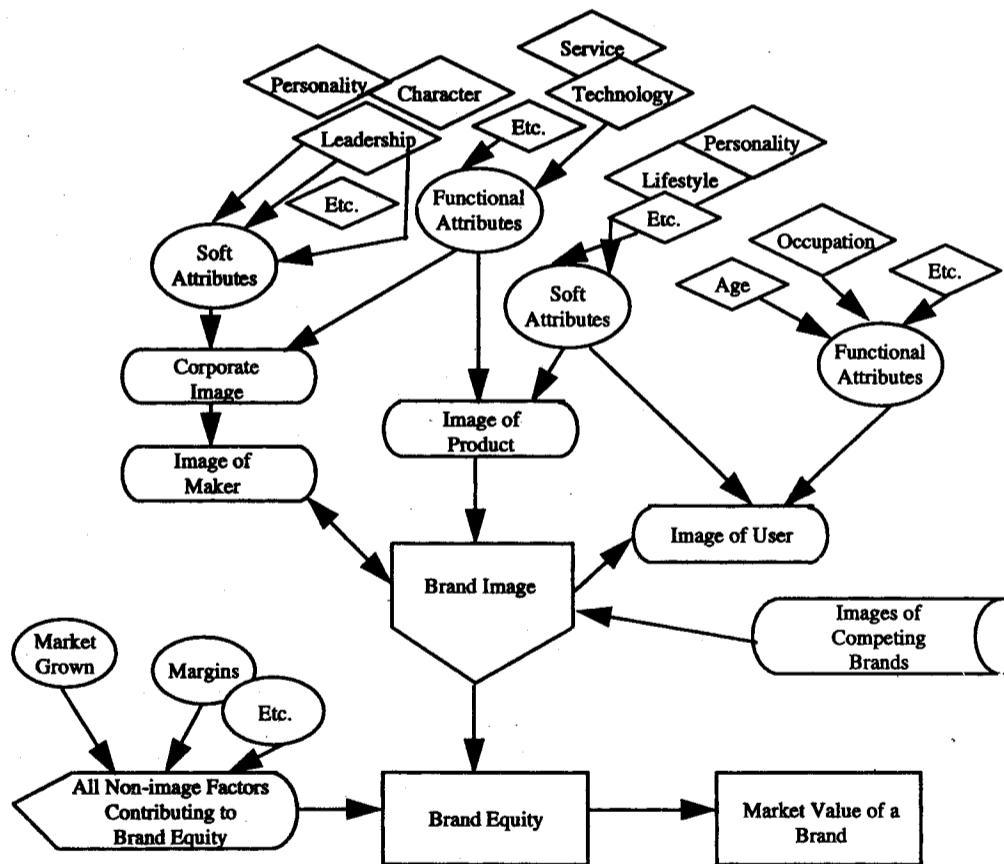
Figure 10–3.   Types of Brand Associations.

*Modified from Alex Beil, "Converting Image into Equity," Journal of Advertising Research (November/
December 1992), p. RC-9. © 1992 by the Advertising Research Foundation.*

could be derived from the image of the maker (corporate image), of the product itself, or of the user. In the arena of global marketing, some of them may arise from the associations with the "country-of-origin" (see Chapter 20). For example, Coca-Cola, Levi's, and Marlboro may owe some of their worldwide success to the fact that they are seen as icons of core American values and lifestyles.

Combined, these associations lead to a brand having an imputed "personality," one that advertising helps create. It is to these "brand personality associations" that we now turn.

BRAND PERSONALITY ASSOCIATIONS . . . .

Joseph Plummer, former research director of Young & Rubicam, indicates that there are three components to a brand image: attributes, consequences, and

brand personality.[7] It is perhaps more inclusive to think of a brand's image as encompassing *all* the associations that a consumer has for that brand: all the thoughts, feelings, and imagery—even colors, sounds and smells—that are mentally linked to that brand in the consumer's memory. Thus, McDonald's could be linked to a character such as Ronald McDonald, an image of a "typical user" as being a young teenager or a small child (rather than a middle-aged adult), a feeling of having fun, a product characteristic such as service, a colored symbol such as yellow golden arches, a lifestyle such as harried and being into "junk food," an object such as a car, or an activity such as going to a movie theater next to McDonald's, and the smell of french fries.

In previous chapters we have discussed at length how advertising can influence some of these associations: those with attributes or benefits (Chapter 8) and those with feelings (Chapter 9). Here we will turn to those associations within the overall brand image that are typically called *brand personality*, which include (but are not limited to) associations with particular characters, symbols, endorsers, lifestyles, and types of users. Together, such brand personality associations create a composite image of a brand that is not very different from the image that we have of other people: they make us think of a brand as if it were a person. Just as a person will have certain characteristics that define his or her personality, so can a brand. And, just as we "relate" to other people, consumers "have relationships" to brands: a consumer might relate very intensely to one brand (such as Harley-Davidson owners tattooing the motorcycle's logo on their bodies), while another brand (such as an upscale retailer) might be perceived as telling that consumer "you're not in my class."[8]

When we think of a person, what do we think of? First, of course, there are the obvious demographic descriptors: gender (male or female), age (young or old), and income or social class (poor, middle class, or rich). Similarly, a brand can often be thought of as masculine or feminine, modern or old-fashioned, and everyday blue-collar or elegantly upper-class.[9] Such a characterization is often made not just of particular brands but of certain product categories or segments of them: thus, wine could be thought of as more upper class than beer, regardless of the specific wine in question (although there will, of course, be gradations among wines themselves on this dimension). In thinking about the personalities of retail stores, for instance, one is quite likely to find the differences in perceived social class as dominating: a Saks Fifth Avenue or Neiman-Marcus, for instance, has a markedly more upscale store personality than a Walmart or a K Mart. Apart from the quality and high prices of the merchandise, such a store personality is also created through layout and architecture, symbols and colors used in advertising and design elements, and the quality and character and uniforms of the sales personnel.[10] Indeed, it is these elements that serve to "tangibilize" the image or personality of any service business, such as a store like Target, an airline like United, or an overnight delivery service like Federal Express.

Brand personality, just like human personality, goes beyond demographic descriptors, however. People typically characterize each other on hundreds of personality trait adjectives. Thus we may describe someone as being warm, stupid, mean-spirited, aggressive, and so on. Psychologists who have studied personality

descriptions typically subscribe to a "trait" approach to studying and measuring human personality and believe that every person can be calibrated on the extent to which he or she possesses certain traits (such as being aggressive, warm, etc.). This approach is widely attributed to the psychologists Gordon Allport, H. J. Eysenck, and Raymond Cattell, who developed it from the late 1930s to the early 1960s. While people could potentially be measured on infinite trait adjectives, personality researchers have reduced the various adjectives to "the big five" basic underlying dimensions or factors:

1. **Extraversion/Introversion** (example adjectives: adventurous–cautious, sociable–reclusive).
2. **Agreeableness** (examples: good-natured–irritable;gentle–headstrong).
3. **Conscientiousness** (examples: responsible–undependable; tidy–careless).
4. **Emotional stability** (composed–excitable; calm–anxious).
5. **Culture** (artistically sensitive–insensitive; intellectual–unreflective; refined–crude; imaginative–simple).[11]

Similarly, a brand could be characterized as adventurous, headstrong, undependable, excitable, and somewhat crude. In very recent research, Jennifer Aaker has developed an inventory of forty-five brand personality descriptors, which comprehensively cover five brand personality factors she uncovered, called "Sincerity," "Excitement," "Competence," "Sophistication," and "Ruggedness."[12]

As will be elaborated on shortly, a brand could acquire such a personality profile through advertising-created associations with certain types of users (the kinds of people depicted as using it) or the kinds of people used to endorse it in the advertising. Of course, other sources of such associations might be more important than advertising, including direct observations of typical users, the packaging, culturally ingrained stereotypes, word-of-mouth, and news media reports or publicity. Indeed, these avenues should be considered in tandem with advertising as ways of developing or enhancing brand personalities (developing group or peer norms are discussed in the next chapter).

In addition to being characterized on these personality traits, brand personalities—like human personalities—imply associated feelings. Thus, just as we can think of someone (or some brand) as being adventurous and excitable, we are likely also to associate with this person (or brand) feelings of surgency, excitement, or fun (for example, Pepsi). Alternatively, the act of buying or consuming some other brand might carry with it associated feelings of security and calmness (such as eating Ritz Crackers) or back-slapping folksiness (such as Bartles and Jaymes wine coolers). Eating Pepperidge Farm cookies or drinking Campbell's soup is likely to evoke warm, "homey" feelings because of the years of consistent advertising that used such imagery.

Further, a brand's personality also creates an association of that brand with certain important life values. A *value* has been defined by M. Rokeach as a "centrally held, enduring belief which guides actions and judgments across specific situations and beyond immediate goals to more ultimate end-states of existence."[13] Examples of values are the pursuit of an exciting life, the search for self-respect,

the need to be intellectual, the desire for self-expression, and so on.[14] Individuals differ in the extent to which they hold different values as central to their lives: while one person may highly value the pursuit of fun and excitement, another may be more concerned with self-expression or security. A brand that acquires a distinctive personality may get strongly associated with a certain value and strongly attract people who attach great importance to that value. For example, Pontiac cars have positioned themselves as "building excitement," and are likely to attract that value segment. The value preferences of a key target segment ought to be researched and used in the development of a personality for a brand: if young adults who are heavy consumers of beer rank "fun and excitement" as their highest value, then the development of a "party animal" brand personality for Bud Light beer (using the celebrated spokesanimal Spuds Mackenzie) seems a logical advertising strategy.

Finally, what often matters more than the specific personality attributed to a brand is the question of whether a brand has any clear personality at all. The associations with a brand need not only to be positive and rich, but they also need to be clear and consistent, in order to be strong and distinctive. A brand that over the years acquires a distinctive, well-known personality becomes like an "old friend"; consumers feel familiar and comfortable with it, it offers a sense of security and reassurance, and most consumers would rather pick it up rather than a newer brand from which they feel more psychologically distant. One of the reasons that market-leading brands tend to stay that way (for example, Tide detergent) is that they acquire this "good friend" personality. However, such a personality can also become a liability, if the brand slowly becomes perceived as being old fashioned and out of step with the times, and consumers (at least a sizable segment of them) begin to prefer a more contemporary, new and different brand. It becomes vital in such situations to "contemporize" and "freshen" the brand personality over the years.

For example, research on Betty Crocker, involving more than 3,000 women, found that in general, Betty Crocker was viewed as a company that is

Honest and dependable.
Friendly and concerned about consumers.
A specialist in baked goods.

but

Out of date.
Old and traditional.
A manufacturer of "old standby" products.
Not particularly contemporary or innovative.

The conclusion was that the Betty Crocker image needed to be strengthened to become more modern and innovative and less old and stodgy.[15] As a result of such research, the depicted face of Betty Crocker, the fictional advice-giving spokeswoman for General Mills, has been changed six times over the past sixty years.[16]

Figure 10–4 shows how Betty Crocker looked in 1936, 1955, 1965, 1968, 1972, 1980, and 1989.

This concept of brand personality, of a "brand as a person," is used by various advertising agencies and marketing client companies. It has proved especially valuable in studies of corporate image.[17]

WHY ARE BRAND PERSONALITY ASSOCIATIONS IMPORTANT? . . . .

This question can be answered from two perspectives: that of the advertiser and that of the consumer.

Importance to Marketers

For the advertiser, the development and reinforcement of a personality for a brand serves to differentiate the brand from competition. At a time when many brands are at or near parity in terms of technology (or are perceived to be so by consumers), the only difference between brands is often the personality that is associated with them. By creating a favorable and liked brand personality, a marketer can set his brand apart, which often enables the marketer to gain market share and/or to charge a higher price (or, at minimum, to avoid losing share to competitive brands that charge lower prices or run frequent consumer or trade promotions). Further, a brand personality is often unique and nonpreemptible: while competitors can match your brand's features and price, they usually cannot duplicate your brand personality (and, if they try to do so, they may simply end up giving your brand free advertising).

There are other, longer-term advantages to building a distinctive brand personality. If advertising is not simply to be a short-term expense but a longer-term investment, a brand's advertising should not merely lead to immediate sales but should also lead to the long-term enhancement of the brand's "equity" or "goodwill." As discussed in the chapter-opening discussion of brand equity, companies that create advertising that enhance such brand equity treat the value of a brand (or brand name) as an asset, much like a bank deposit. Advertising that creates or reinforces a brand's personality serves to increase the asset value of that brand; advertising that lacks such character serves to depreciate this asset value.

Why care about this hard-to-quantify asset value? There are several reasons. First, of course, is the fact that the brand acquires a higher sale price if it is ever sold to another company. This was discussed at the beginning of the chapter. In some countries, such as Britain, the asset value of a brand can also be included on the firm's balance sheet, so it also has major financial implications (on debt-equity ratios, depreciation and amortization, taxation, etc.).

Second, a brand's asset value can command such high prices because of what it gives the company that owns it: access to a distribution network, with shelf facings in the stores; high consumer awareness and loyalty, leading to a stream of repurchases (and therefore income) in the years to come; and economies in terms of marketing expenses, especially in the costs of launching new brands. If a com-

Figure 10-4.   Updating a brand's personality: Betty Crocker.
Used with the permission of General Mills, Inc.

pany owns a well-known brand name, it can leverage it by using that same name on a new product, instead of having to create an entirely new brand name from scratch.

Brand Extensions

Such *brand extensions*, bearing an already-known brand name, do not require the huge budgets (reportedly in excess of $100 million) otherwise required to launch a new brand name. Companies use line extensions not only to reduce the costs of launch, but also to boost acceptance and trial, because a well-known name on the new product should presumably reduce the level of risk to the consumer—and to the retail trade.

Over 90 percent of new packaged goods launched in the United States are such brand extensions—but most of them still fail anyway.[18] One reason is that the new product might not "fit" very well with some of the associations of the "mother brand." Thus, Clorox, identified with bleach, did not work as a brand name on the new Clorox detergent extension, because consumers thought it might be "too strong" and damage clothes.

Another reason is that even if the old brand name "fits" well, it may lack the leverage or distinctiveness to be a competitive strength: the line-extension may simply be seen as a "me-too" entry by consumers. The irony is that when brand names have unique and strong, highly leverageable, associations (such as Hershey's with chocolate), it may reduce the "fit" of that name with other concepts (Hershey's strawberry syrup, for example, may "fit" less well).[19] Companies must also be concerned that the line extension does not hurt the associations of the original brand (what would Hershey's strawberry syrup do to Hershey's original "chocolateyness"?).

Importance to Consumers

Brand personality is important to the *consumer* for a rather different set of reasons. Knowingly or unknowingly, consumers regard their possessions as part of themselves; people acquire or reinforce their sense of self—their identities—in part through the goods they buy and what these material goods symbolize, both to themselves and to others they come into contact with and care about. Brands encapsulate social meaning (such as masculinity, or intelligence, or sophistication), so by acquiring specific brands we also acquire for ourselves the meanings that they symbolize. The process by which brands acquire symbolic meaning and serve to "transfer" it to consumers has been explained by the cultural anthropologist Grant McCracken[20] and is discussed further in the next chapter.

As a consequence of these symbolic associations that brands have, what is "me" depends, in part, on what is "mine." We define who we are not only by our physical bodies and our occupations, but also by our possessions (such as the brand of watch we wear). That is why a loss of material possessions—such as in a robbery or a natural disaster—leaves us feeling as if a "part of us" is gone. Of course, the extent to which we "invest our selves" in products and brands varies:

more, for example, in automobiles and clothing, less (perhaps) in the brand of paper towel we buy.[21]

It is also plausible to suggest that as traditional institutions in society—such as the family, and religion—decline in importance, more and more individuals in society define their self-worth in terms of material possessions and their symbolic associations, their "social value." Further, in such an "outer-directed" society our sense of belonging to peer and other groups can depend significantly on a sense (and display) of shared brand ownership. We use our possessions not only to define ourselves as individuals, but also to define which groups we belong to—and do not belong to.

As part of this *self-defining* process, consumers select those brands that have a brand personality that is congruent with their own self-concept. That is, a consumer who does not think of himself as "flashy" is likely to feel uncomfortable in a car that is extremely attention grabbing and different from the norm; there is a lack of congruency in such a situation.[22] In one study, it was found that automobile consumers sought out cars whose product image was similar to their own image, on various personality attributes (such as exciting/dull).[23] Importantly, there is some evidence that the type of congruency that is important in such brand choice is not that between a brand's personality and a consumer's actual personality but rather that between a brand's personality and a consumer's "ideal" or "aspirational" personality, although the evidence on this is not unequivocal.[24]

WHEN ARE BRAND PERSONALITY ASSOCIATIONS MORE IMPORTANT? . . . .

It was mentioned earlier that, to the extent that consumers select brands because of the congruity between their self-image and the brand's personality, this self-definition rationale would be stronger in some product categories than in others. Specifically, we said that consumers are more likely to "invest their sense of self" in product categories such as automobiles and clothing than in paper towels. As would make sense intuitively, researchers have argued that such image congruence is of greater importance in those situations in which the product is "socially conspicuous," which certainly characterizes automobiles and clothing.[25]

This makes sense because our sense of self is supposed to grow out of the reactions of significant others; the symbolic aspects of brand and product choice should thus matter more when others can see us choose or use them. Put another way, brand personality should be a more important determinant of brand choice in situations in which the *social signaling value* of that brand or product category is greater. This also applies when different consumption occasions for the same product are involved: drinking a beer at home by oneself is not socially conspicuous, but drinking a beer at home in front of guests—and drinking beer in a bar—are certainly more "socially conspicuous" situations, in which self-definition and brand personality become more important.

Another factor contributing to this signaling value, in addition to social conspicuousness, is the relative scarcity of the product category—luxury goods, being relatively more scarce, tell people more about the user's affluence and/or taste

than do products that are more commonly available. A fur coat would not be as socially symbolic if everyone in sight were wearing one.

A third factor that research has shown as relevant is the extent to which the good is "ambiguous" regarding its inherent quality level.[26] If a consumer is not enough of an expert in a product or service category to clearly determine for himself or herself that the brand is of superior quality, then the consumer is more likely to rely on the image created through advertising to make that determination (and is more likely to believe what the advertising says). Brand personality is more likely to sway consumer purchases in such instances. Thus, ambiguous purchasing occasions may arise in the purchase of high-tech products, sensory (food, drink, fragrance) products, and consumer service situations. Brand personality (sometimes created through the transformational advertising discussed in the last chapter) is more likely to be important in such situations.

Finally, while we have only discussed differences in product categories until now, it has also been found that certain types of individuals are also more susceptible to brand personality symbolism. These are individuals who are always more conscious of how they appear to other people, how they are being evaluated by others, and who are constantly modifying their own personalities to appear more likable to others. Psychologists call such people *high self-monitors* and have shown that such people are more sensitive to imagery advertising appeals than are *low self-monitors*.[27]

IMPLEMENTING A BRAND PERSONALITY STRATEGY . . . .

There are three steps to implementing a brand personality strategy through advertising: researching the symbolic associations that currently exist with the product category and competitive brands; deciding which brand personality is going to be of greatest value with the target consumer segment; and executing the desired brand personality strategy (creating, enhancing, or modifying the brand's personality associations). These are discussed in the paragraphs that follow.

Researching Brand Personality Associations

There are various ways to learn about the brand personalities that consumers associate with the different brands in a product category, as well as with the product category itself. Some are more direct and quantitative, whereas others are more indirect and qualitative.

Among the quantitative techniques available, perhaps the simplest is to use have consumers rate a brand, and/or users of that brand, on various personality adjectives. Thus, a consumer might rate Pepsi, and/or a user of Pepsi, as being relatively high on scales for the adjectives of being competitive, aggressive, and so on. Different brands in a product category could then be "profiled" (compared) on these personality adjective scales.

In one study conducted by Young & Rubicam, respondents were asked to indicate which of a set of fifty personality-related words and phrases they would use

to describe each of a set of brands.[28] A total of 39 percent said that Holiday Inn was "cheerful," whereas only 6 percent said that Bird's Eye was "cheerful." Holiday Inn was also described as friendly, ordinary, practical, modern, reliable, and honest, while Oil of Olay was described as gentle, sophisticated, mature, exotic, mysterious, and down-to-earth.

While easy to do, this method of buying scales and adjectives suffers from at least two disadvantages: the list of specific personality scales used might be incomplete (or some of them might be irrelevant), and consumers may be unable or unwilling to give their true opinions about a brand's personality through such "direct" elicitation techniques. The qualitative, projective techniques which we will discuss next attempt to get over this second limitation. The hope is that they will be more able to get at some of these "unconscious" (or difficult-to-articulate) personality perceptions that a consumer may have about a brand. For example, if a reason for using designer jeans is that consumers feel more socially accepted when they wear them because others wear them too, this is less likely to emerge in direct methods—where a logical, functional rationalization may be provided instead—but may well appear in these qualitative methods.

One way to obtain qualitative insight into the personality associations with the typical users of the product is to use *photo sorts*. Consumers are given photographs of individuals, are asked to pick which ones they think use particular brands, and then are asked to describe these individuals. In a twist on this technique, conducted when instant coffee was somewhat new, two groups of consumers were shown a seven-item shopping list. Maxwell House drip-grind coffee appeared on one group's list, and Nescafé instant coffee was on the companion list. Consumers were asked to describe the type of housewife who would use each type of list. The profiles of the two women were very different. The instant coffee buyer was perceived as being lazy, a bad homemaker, and slovenly, whereas the woman buying the drip-grind coffee was industrious, a good homemaker, and orderly.[29]

Another of these qualitative methods is the use of free associations: the subject is given a stimulus word (such as the brand name or advertising slogan) and then asked to provide the first set of words that come to mind. For example, years ago, Bell Telephone found that its slogan "The system is the solution" triggered negative "big brother is watching you" reactions among some people. Such a test for McDonald's yielded strong associations with Big Macs, golden arches, Ronald McDonald, and the notions of everywhere, familiar, greasy, clean, cheap, kids, and so on. Since such free-association tasks can yield a huge number of associations, consumers can be then asked (for each key association) how well it fits the brand (on a scale of "fits extremely well" to "fits not well at all"). Coders can then rate such free associations on their favorableness, uniqueness, frequency (implying strength), consistency and cohesiveness, and so on.

A variant of word association is sentence completion. The respondent is asked to complete a partial sentence: "People like the Mazda Miata because . . . ," or "Burger King is . . . ," and so on. Again, the respondent is encouraged to respond with the first thought that comes to mind.[30]

Another approach is to have consumers interpret a scene presented visually in which the product or brand is playing a role. For example, a consumer could be

given one of two scenes: a break after a day hike on the mountains or a small evening barbecue with close friends. In each, the beer served was either Coors or Löwenbräu. Consumers were asked to project themselves into the scene and indicate on a five-point scale the extent to which they feel "warm," "friendly," "healthy," and "wholesome." The study was designed to test whether the advertising of Coors and Löwenbräu had established associations with the use context— Coors with hiking, wholesome, and health and Löwenbräu with a barbecue-type setting, friends, and warmth. The results showed that Coors was evaluated higher in the mountain setting and Löwenbräu in the barbecue setting, as expected, but that the other associations were not sensitive to the setting. For example, in the hiking context, Coors was higher on the "warm" and "friendly" dimensions as well as on "healthy" and "wholesome."[31]

Other projective techniques are also used. Ernest Dichter, the father of motivational research, routinely used a *psychodrama technique* where he asked people to act out a product. "You are Ivory soap. How old are you? Are you masculine or feminine? What type of personality do you have? What magazines do you read?"[32] McCann-Erickson has respondents draw figures of typical brand users.[33] In one case, they asked fifty people to draw figures of two brands of cake mix, Pillsbury and Duncan Hines. Pillsbury users were consistently portrayed as apron-clad, grandmotherly types. In contrast, Duncan Hines' purchasers were shown as slender, contemporary women.

Finally, another frequently used qualitative approach is to ask consumers to relate brands to other kinds of objects such as animals, cars, people, magazines, trees, movies, or books. For example, if this brand were a car, what type of car might it be? In one study, Young & Rubicam found that Oil of Olay was associated with mink, France, secretary, silk, swimming, and *Vogue* magazine. Kentucky Fried Chicken, in contrast, was associated with Puerto Rico, a zebra (recall the stripes on a KFC bucket!), a housewife dressed in denim, camping, and *TV Guide*. Clearly, the result of such techniques is a rich description of the product that suggests associations to develop and ones to avoid.

While the techniques above relate to a deeper understanding of the brand's *values* (i.e., associations), companies often seek a financially oriented measure of the brand's equity, or *value*. This may be needed either when the brand is being sold as an asset, or if a marketplace value of it is sought for balance-sheet valuation purposes, or simply because tracking it over time helps give managers a longer-term incentive and helps measure the success of marketing programs.

Many measures exist for these purposes, and are beyond the scope of this chapter.[34] One measure is the kind of royalty or licensing revenue that would accrue to the brand if it were licensed to another company. Another is the market price of the brand as an asset if it were to be sold. One developed by London's Interbrand Group involves judgments about the brand's degree of market leadership, and so on, which are then used to estimate a "price-earnings" ratio to be applied to the forecasted stream of net earnings attributable to the brand for the next several years. Obviously, it is very hard to decide exactly what constitutes the earnings attritibutable to the brand itself, since very often the brand is inseparable from related assets like factories, distribution access, sales offices, and so forth.

Some of the more realistic of these techniques test the extent to which a consumer is willing to "trade-off" the tested brand (either "as is" or reinforced with the marketing program being tested, such as a new ad campaign or new package) against competitive brands, at stated prices, to estimate the "price premium" the tested brand commands.[35] For instance, a conjoint analysis test (see Chapter 8) might test the extra value of a stated attribute or feature configuration with and without the brand nasme being valued. This "price premium per unit" can then be applied to the forecasted sales unit volume to get at the "dollar premium" of the brand alone.

Targeting a Brand Personality

The personality scale ratings or associations obtained through the methods just described can next be compared to the target consumer's ratings of his or her own personality, both actual and aspired-to, and inferences can be drawn on which aspects of a brand's personality need to be reinforced or changed through advertising. Clearly, this process of selecting a *target* brand personality requires a good sense of judgment, for one must choose a personality that corresponds to the "ideal" personality for a brand in that category, given the relevant use setting and context and keeping in mind the personality strengths and weaknesses of competitive brands.

It also goes without saying that the targeted personality must be consistent with the functional or psychological benefit that the brand is promising: if a bank is advertising good service, the personality must obviously be one of friendly, but efficient, service. Nike has very successfully associated the emotions of competition, determination, achievement, fun, and winning with its brand, figuring that its target market of real and aspiring athletes identifies most with them.[36] Calvin Klein has successfully identified the core value of "sexiness" as being essential for its lines of fragrances and intimate clothing and has attempted to create such associations through its black-and-white, often sexually suggestive ads.

In this judgmental process it is often useful first to identify the demographics of the target segment: are they women, or teenagers, or blue-collar men? One can then use research (and commonsense observation) to see what life values and personality traits to which the target segment is likely to aspire. For instance, research has shown that women are more likely than men to identify warm relationships with others and a sense of belonging as their most important value, whereas men are more likely to value a sense of accomplishment and fun-enjoyment-excitement.[37] Fun-enjoyment-excitement are also typically valued more by younger consumers, while security as a value increases with age.[38] Teenagers have always identified with rebelliousness and anti-establishment values, a value to which Pepsi has very successfully catered in attracting the teen market that forms an important portion of the heavy-users segment of the soft-drink market.

One can typically (through custom or syndicated research) profile one's target segment in terms of desired values and then try to develop a brand personality that will appeal most to the target segment—and create competitive differentiation. For example, Merrill Lynch tried to create a personality of being aggressive

and independent in its financial recommendations ("a breed apart") to try to appeal to the target segment that did above-average stock trading, which, research showed, tended to be made up of independent-minded "Achievers."[39] Absolut vodka tried to develop a hip, contemporary, witty, and intelligent personality, knowing those were values to which its target market of affluent, college-educated trendsetters responded.[40] (See the Absolut vodka ad in Figure 10–9).

In targeting this brand personality, it is extremely important to be aware of social trends—how certain values become more or less important with time—and aware of how brands can acquire personalities that seem contemporary to one generation but old-fashioned and inappropriate to later, succeeding, generations. For instance, Cadillac's luxury image is very appealing to a cohort of older Americans but appears somehow less interesting and less exciting to a generation of younger (but also affluent) consumers, who would rather spend their luxury dollars buying BMWs. It is extremely important that advertisers track, over time, both the imagery that surrounds their brands as well as the possibly changing appeal of that imagery.

Executing a Brand Personality Strategy

Once a brand personality has been researched and targeted, advertising must be developed that creates, reinforces, or changes that target personality. While the following discussion is limited to the role of advertising in such brand personality development, it is extremely important to note that every element of the marketing and communication mix plays a role—especially corporate reputation and image, the brand name, brand packaging and iconography, pricing, sales promotions, and distribution. (For instance, the iced tea brand Arizona iced tea has a strong "desert-strength refreshment" image, created by the associations evoked by its name and southwestern-themed packaging.) Further, the extent to which a brand personality gets successfully created depends significantly on the extent to which these different forces operate synergistically. Expensive-looking advertising is not going to work if the product is priced at $1.99 and is distributed through every cheap neighborhood store.

Key advertising elements that contribute to a brand's personality are the following:

Endorser
The choice of an endorser is often crucial, because the personality of the endorser can get transferred to the brand with enough repetition. Anthropologist Grant McCracken has argued convicingly that endorsers can possess very strong symbolic properties, which then get transferred to the brand they endorse.[41] (This use of endorsers is discussed further in Chapter 12.) For example, Bill Cosby has done much to give Jell-O its warm personality, while Bruce Willis contributed substantially to the "party animal" image of Seagram wine coolers. David Ogilvy created a very strong image for Hathaway shirts by using a spokesperson wearing an eye patch (Figure 10–5). Nike athletic shoes has gained tremendous personality definition by its use of basketball star Michael Jordan, tennis star Andre Agassi, and so
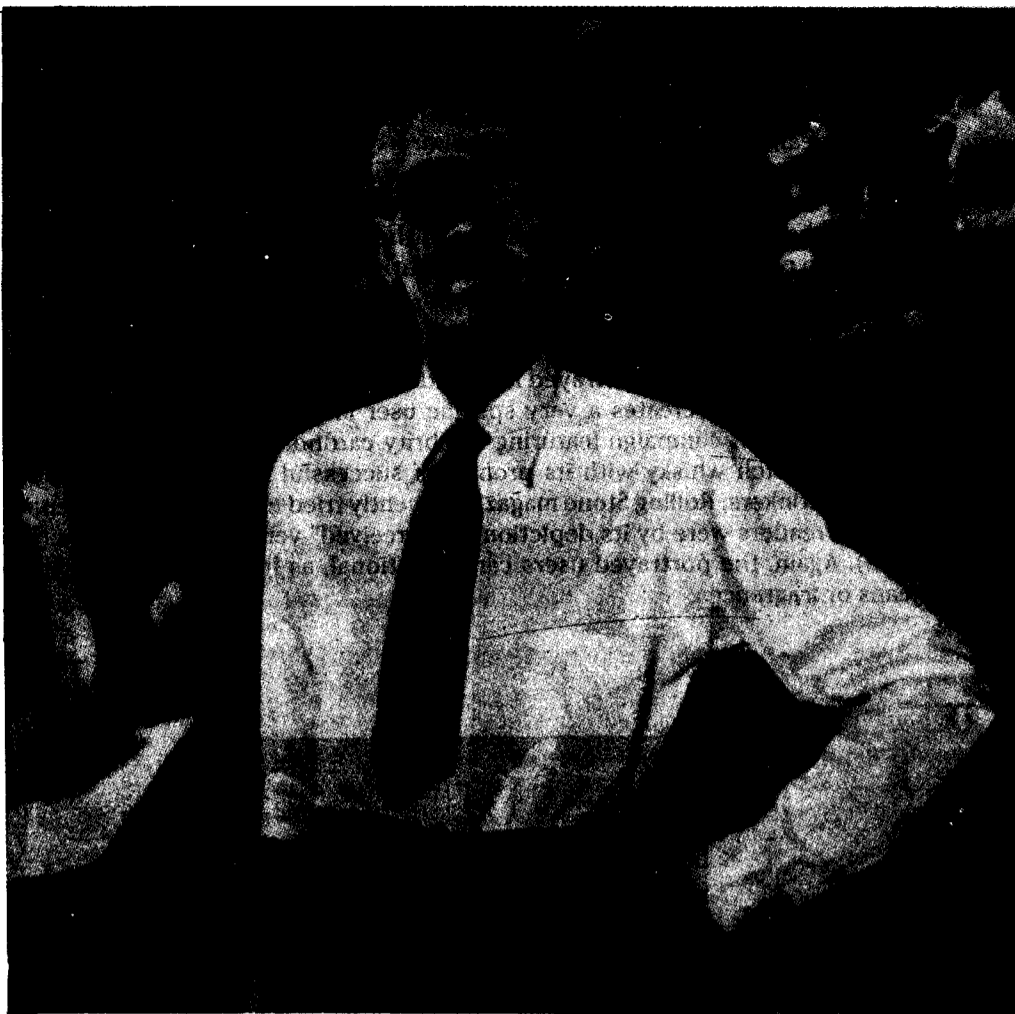
The man in the Hathaway shirt

AMERICAN MEN are beginning to realize that it is ridiculous to buy good suits and then spoil the effect by wearing an ordinary, mass-produced shirt. Hence the growing popularity of HATHAWAY shirts, which are in a class by themselves.

HATHAWAY shirts wear infinitely longer—a matter of years. They make you look younger and more distinguished, because of the subtle way HATHAWAY cut collars. The whole shirt is tailored more generously, and is therefore more comfortable. The tails are longer, and stay in your trousers. The buttons are mother-of-pearl. Even the stitching has an ante-bellum elegance about it.

Above all, HATHAWAY make their shirts of remarkable fabrics, collected from the four corners of the earth—Viyella and Aertex from England, woolen taffeta from Scotland, Sea Island cotton from the West Indies, hand-woven madras from India, broadcloth from Manchester, linen batiste from Paris, hand-blocked silks from England, exclusive cottons from the best weavers in America. You will get a great deal of quiet satisfaction out of wearing shirts which are in such impeccable taste.

HATHAWAY shirts are made by a small company of dedicated craftsmen in the little town of Waterville, Maine. They have been at it, man and boy, for one hundred and fifteen years.

At better stores everywhere, or write C. F. HATHAWAY, Waterville, Maine, for the name of your nearest store. In New York, telephone MU 9-4157. Prices from $5.50 to $25.00.

Figure 10-5. Brand personality via a sophisticated, mysterious endorser: Hathaway shirts.

Courtesy of C. F. Hathaway, Inc.

on. (See the Reading on Nike at the end of this Part of the book.) The endorser need not be real, or even human: the Marlboro cowboys; or the spokesdog Spuds Mackenzie, who gave Bud Light beer the personality of fun-loving abandon that made it so appealing to its heavy-drinking young male target segment (Figure 10–6). Where the characters are not real, the casting becomes vital: the people chosen to play a role need to be exactly right.

User Imagery

The kind of brand user portrayed in the ad can also be very important. The American Express card creates a very specific user image, for instance, in its photographic portrait campaign featuring celebrity cardholders (Figure 10–7), as does Dewar's Scotch whisky with its profiles of successful (but not necessarily well-known) drinkers. Rolling Stone magazine recently tried to change the perception of who its readers were by its depiction of "perceived" versus "real" readers (Figure 10–8). Again, the portrayed users can be fictional, as in the case of Calvin Klein jeans or fragrances.
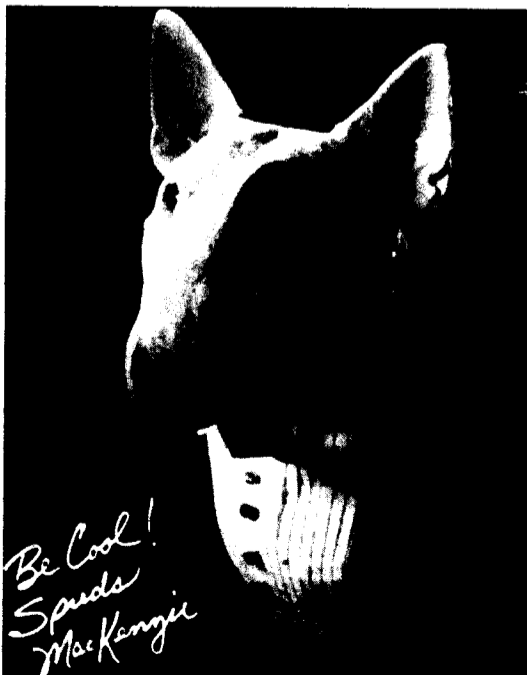

Figure 10–6. Brand personality via a "party animal": Spuds MacKenzie for Bud Light Beer.

Courtesy of Anheuser-Busch, Inc.

Ella Fitzgerald. Cardmember since 1961.

*Membership-
has its privileges.*℠

Don't leave home without it.
Call 1-800-THE CARD to apply.

Figure 10–7. **Brand personality via upscale user imagery: American Express.**
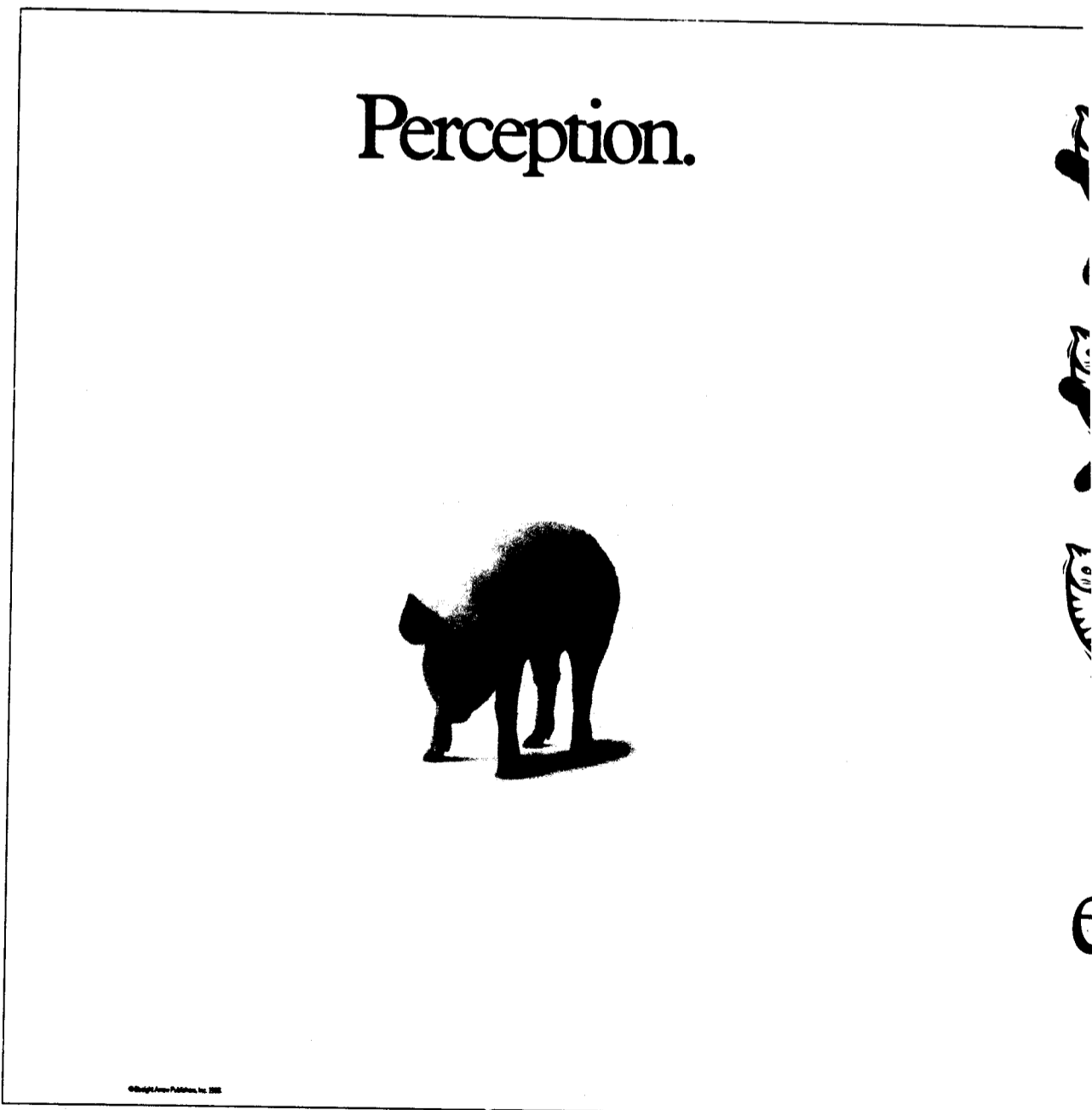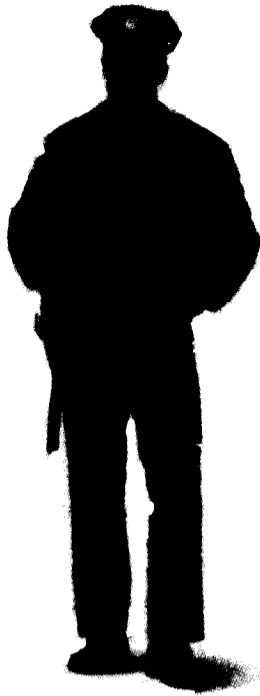*Courtesy of American Express.*

Perception.

Figure 10–8.   Brand personality via depiction of "actual" users: *Rolling Stone* maga-
zine.

Reality.

To a new generation of Rolling Stone readers, pigs live on farms. You'll find the cops living in Beverly Hills or on Hill Street, now heralded instead of hated. If you're looking for an 18 to 34 year old market that is taking active part instead of active protest, you'll have a riot in the pages of Rolling Stone.

Rolling Stone

Figure 10–8.   **(continued)**

Executional Elements

Elements such as the choice (in broadcast ads) of music, visual direction, pace and nature of editing, color schemes used, and (in print ads) of color, layout, typography can all contribute substantially to a brand's personality. Some campaigns that have used the choice of executional elements to convey a personality of intelligence and wit include the recent print campaign for Absolut vodka (Figure 10–9), the TV campaigns for Honda cars (Figure 10–10), and the long-running bucolic black-and white campaign for Jack Daniels whisky (Figure 10–11).

Symbols

A very useful executional element is the use of an idiosyncratic brand symbol, such as Wells Fargo's stagecoach, McDonald's golden arches, Merrill Lynch's bull, or Prudential's rock. The best synbols have very appropriate associations, such as the trustworthiness and reliability imagery of Wells Fargo's stagecoach. If your brand doesn't have such a symbol, consider creating one, to give it identity and personality. Examples here include the Jolly Green Giant, Charlie the Tuna, the Keebler elves, the Pillsbury doughboy, the controversial "Joe Camel" character for Camel cigarettes, and so on.

Consistency

In addition to the content of the advertising, one other basic advertising principle is very important in executing a brand personality strategy. It is the principle of predictability and consistency. Just as in any positioning strategy, a brand personality can only develop successfully if the important symbolic aspects of the brand—such as those just described—remain consistent over time. Brands that change these elements risk diluting their personalities, or end up having no brand personality at all. Finally, decisions about other marketing elements—especially pricing, promotions, distribution, and line extensions—must always support and reinforce a brand's basic personality, not reduce its character. More and more companies are giving specific managers the explicit responsibility to guard the brand's associations, for it is those that constitute the essence of the brand in question.

SUMMARY . . . .

Building brand equity has become increasingly important to companies. Brand equity is derived from many things, including a reputation for quality and high brand awareness, but a key element is the associations that are evoked in the consumer by the brand name, symbol, and packaging. These associations can be "hard" or functional, as well as "soft" or symbolic. Together, these give the brand a "personality."

Thus, just as people have individual personalities, brands too can develop personality-like associations—if the advertising for these brands identifies and develops a consistent image that is reinforced over time. Through such a personality, brands can be seen as young or old, masculine or feminine, aggressive or introverted, or sophisticated or blue collar and in a variety of different ways. Just as with people, the brands we know can come to symbolize certain important life values and certain associated emotional characteristics.
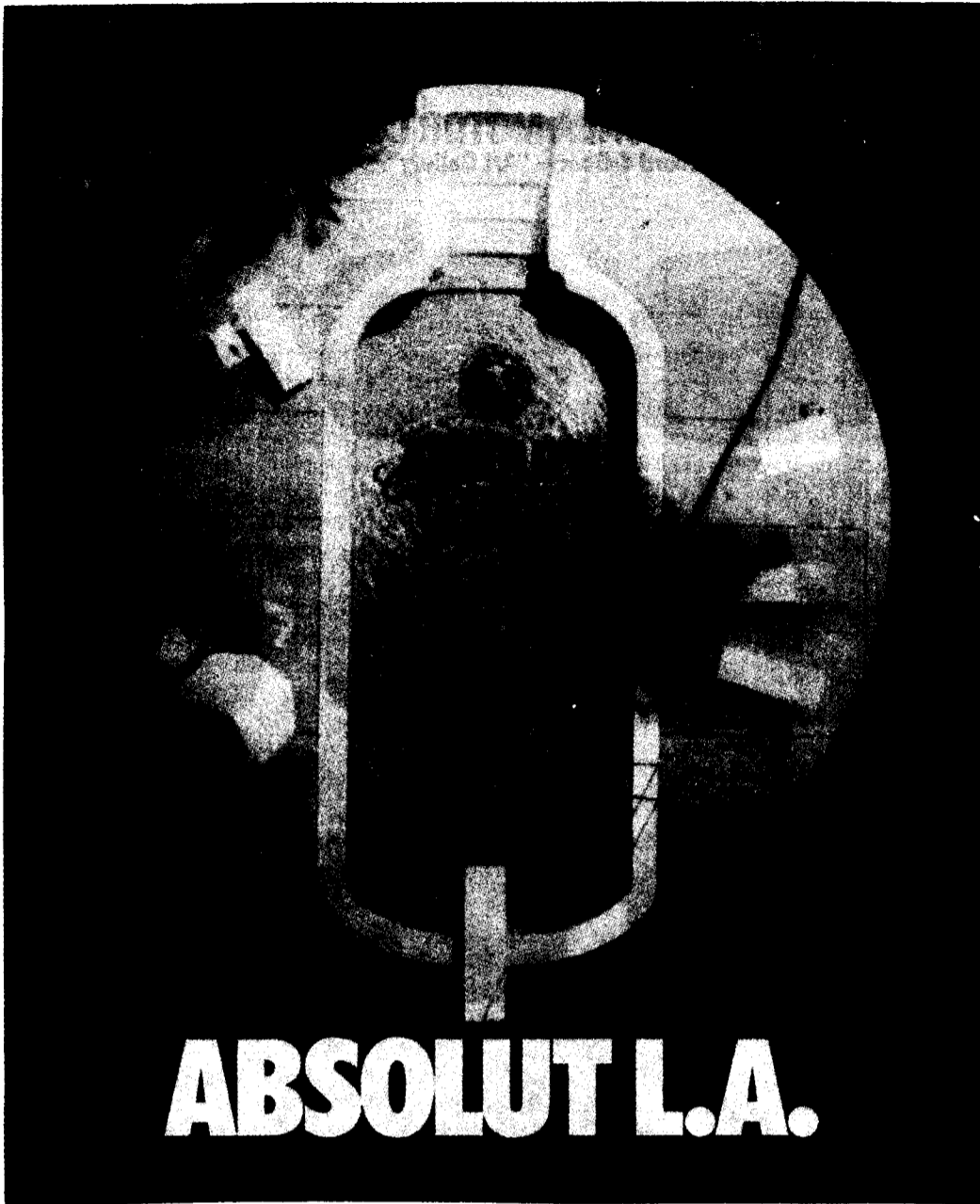
Figure 10-9.   Brand personality via intelligent, witty ads: Absolut Vodka.
Courtesy of Carillon Importers, Ltd.

Figure 10–10.   Brand personality via intelligent, witty ads: Honda cars.
Courtesy of Honda of America, Inc.
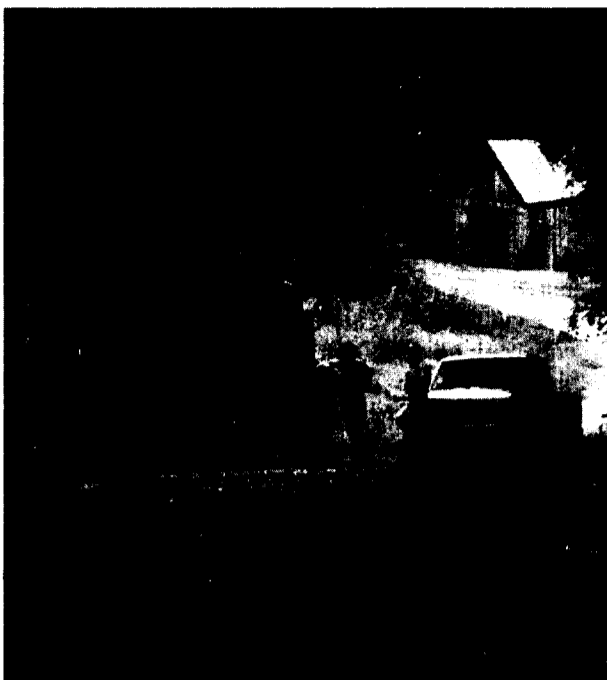
Come vist us some day in Lynchburg (It's especially pretty right now.)

LEAVES ARE FALLING ON ANOTHER year
here in Lynchburg, Tennessee, home of
Jack Daniel's Tennessee Whiskey.

We've been busier than ever this year making
Jack Daniel's for friends all over the world. And,
so say our barrelmen, the pace won't
slacken till Christmas. But no matter
how much whiskey we take from the
barrel, we can promise you this: every
drop is aged and mellowed to the
oldtime rareness you like. Just as it
was last year here in Lynchburg.
And every day of every year
since 1866.

SMOOTH SIPPIN'
TENNESSEE WHISKEY

Tennessee Whiskey • 40-43% alcohol by volume (80-86 proof) • Distilled and Bottled by
Jack Daniel Distillery. Lem Motlow, Proprietor, Route 1, Lynchburg (Pop 361). Tennessee 37352
Placed in the National Register of Historic Places by the United States Government.

Figure 10–11.   Brand personality via executional elements.
Courtesy of Jack Daniel Distillery.

Brand personalities matter because consumers are attracted to brands that possesses personalities with which they themselves identify, or seek. Consumers often use their choice of brands to tell themselves, and other people they care about, what kinds of individuals they really are (or want to be seen as). To the companies that market these brands, a brand with a strong brand personality represents brand equity that can be capitalized on in marketing efforts (such as launching brand extensions much more economically than would otherwise be the case), and also represents brand goodwill that has intrinsic financial value.

While a brand personality can always add a defining character to a brand, it is especially important in leading to sales and market share in product categories that are expensive, purchased or consumed in socially conspicuous situations, and help a consumer calibrate product quality in otherwise ambiguous situations. Certain people, called high self-monitors, are especially swayed by a brand's personality.

Implementing a brand personality situation first calls for defining the target consumer segment and understanding what kind of brand personality to which they are most likely to be responsive, and how they currently rate different brands on different personality characteristics. A variety of quantitative and qualitative techniques can be used at this stage. Once a target personality has been defined for the brand, the appropriate personality can be created through the choice of an endorser or spokescharacter, portrayal of matching user lifestyles and imagery, the use of appropriate executional elements and actors, and so on. It is important that the personality sought be maintained both over time and across different elements of the communication and marketing mix.

DISCUSSION QUESTIONS

1. Select ten brands with which you are familiar, and describe the brand personality associations you think each has. Then analyze just how the advertising and other marketing mix elements for these brands have contributed to the development of a brand personality.

2. List five product or service categories in which you think consumers select brands based in large measure on their brand personality. Then think through what, if anything, these categories have in common and relate your thoughts to the research presented in the chapter on when brand personality becomes more important.

3. Select any one product or service category, and analyze the brand personality of the different competitors in it. Identify the specific elements of the advertising that have contributed to the development of this personality over time. For brands where you fail to find a clear or distinct brand personality, ask yourself why none has developed thus far.

4. Suppose you were a new entrant into the market you analyzed in question 3. How might you select a target brand personality for your new brand?

5. How might you create advertising to develop that brand personality?

6. Discuss the pros and cons of the different research techniques used to study the brand personalities of competing brands. Select one that you prefer and explain why.

7. Identify a target segment of consumers that you have some interest marketing to, and discuss the kinds of brand personalities they might be most responsive to.

8. Certain brand personality dimensions were listed in the chapter, based on the research of trait personality psychologists. Expand this list to a more comprehensive one that is more applicable in marketing contexts, using your intuition and observations about brand marketing strategies.

9. What is meant by an *ambiguous* product category? Why is this concept important in planning and working with a brand's personality?

10. In addition to advertising, what other elements of the communication and marketing mix can contribute to a brand's personality? Discuss three cases in which a brand appears to have successfully integrated these elements in developing and enhancing a brand personality and three cases in which it has not.

11. Can you think of brands where the brand personality appeals to one age cohort or generation, but not to another? Does this matter to these brands' long-term sales potentials? If it is a problem, why did it emerge? What can be done now to eliminate this problem?

NOTES . . . .

1. *The Economist*, September 7, 1991, p. 67.
2. "What's in a Name?" *Business Week*, July 8, 1991, p. 66.
3. See David Aaker, *Managing Brand Equity* (New York: Free Press, 1991).
4. Stewart Owen, "The Landor ImagePower Survey: A Global Assessment of Brand Strength," in David A. Aaker and Alexander L. Biel, eds., *Brand Equity and Advertising* (Hillsdale, NJ: Erlbaum, 1993), pp. 11–30.
5. Kevin L. Keller, "Conceptualizing, Measuring, and Managing Customer-Based Brand Equity," *Journal of Marketing*, 57 (January 1993), 1–22.
6. Alexander L. Biel, "Converting Image into Equity," in David A. Aaker and Alexander L. Biel, eds., *Brand Equity and Advertising*, (Hillsdale, NJ: Erlbaum, 1993), pp. 67–82.
7. Joseph T. Plummer, "Brand Personality: A Strategic Concept for Multinational Advertising." Paper presented to the AMA 1985 Winter Marketing Educators Conference, Phoenix, Arizona, February 1985.
8. See Max Blackston, "Beyond Brand Personality: Building Brand Relationships," in David A. Aaker and Alexander L. Biel, eds., *Brand Equity and Advertising* (Hillsdale, NJ: Erlbaum, 1993), pp. 113–124.
9. Sidney J. Levy, "Symbols for Sale," *Harvard Business Review* (July/August 1959), 117–124.
10. Pierre Martineau, "The Personality of the Retail Store," *Harvard Business Review* (January/February 1958), 47–55.
11. For a fuller discussion, see Walter Mischel, *Introduction to Personality* (New York: Holt, Rinehart and Winston, 1986), on which this discussion is based.
12. Jennifer L. Aaker, "Measuring Brand Personality." Working Paper, Graduate School of Business, Stanford University Graduate School of Business, October 1994.
13. M. Rokeach, *The Nature of Human Values* (New York: Free Press, 1975); Donald E. Vinson, Jerome E. Scott, and Lawrence M. Lamont, "The Role of Values in Marketing and Consumer Behavior," *Journal of Marketing* (April 1977), 44–50.
14. Sharon E. Beatty, Lynn R. Kahle, Pamela Homer, and Shekhar Misra, "Alternative Measurement Approaches to Consumer Values: The List of Values and the Rokeach Value Survey," *Psychology and Marketing*, 2, no. 3 (1985), 181–200.

15. Keith Reinhard, "How We Make Advertising." Paper presented to the Federal Trade Commission, May 11, 1979, pp. 22–25.
16. Hal Morgan, *Symbols of America* (New York: Penguin Books, 1987), p. 126.
17. Aaron Spector, "Basic Dimensions of Corporate Image," *Journal of Marketing*, 25, no. 6 (October 1961), pp. 47–51.
18. "What's in a Name?" *Business Week*, July 8, 1991, p. 66.
19. Edward M. Tauber, "Fit and Leverage in Brand Extensions," in David A. Aaker and Alexander L. Biel, eds., in *Brand Equity and Advertising* (Hillsdale, NJ: Erlbaum, 1993), pp. 313–318.
20. Grant McCracken, *Culture and Consumption* (Bloomington: Indiana University Press, 1988), chap 5.
21. For a wonderful exposition of this concept, see Russell W. Belk, "Possessions and the Extended Self," *Journal of Consumer Research*, 15, no. 2 (September 1988), 139–168.
22. M. Joseph Sirgy, "Self-Concept in Consumer Behavior: A Critical Review," *Journal of Consumer Research*, 9 (December 1982), 287–300.
23. A. E. Birdwell, "A Study of Influence of Image Congruency on Consumer Choice," *Journal of Business*, 41 (January 1968), 76–88.
24. Sirgy, "Self-Concept in Consumer Behavior," p. 288.
25. Ibid., p. 295.
26. John Deighton, "The Interaction of Advertising and Evidence," *Journal of Consumer Research*, 11 (December 1984), 763–770, and Stephen J. Hoch and Young-Won Ha, "Consumer Learning: Advertising and the Ambiguity of Product Experience," *Journal of Consumer Research*, 13 (September 1986), 221–233.
27. Mark Snyder and Kenneth G. DeBono, "Appeals to Image and Claims about Quality," *Journal of Personality and Social Psychology*, 49, no. 3 (1985), 586–597.
28. Joseph T. Plummer, "How Personality Makes a Difference," *Journal of Advertising Research*, 24 (December 1984/January 1985), 27–31.
29. Mason Haire, "Projective Techniques in Marketing Research," *Journal of Marketing* (April 1950), 649–656.
30. Joseph S. Newman, *Motivation Research and Marketing Management* (Boston: Harvard University Press, 1957), p. 143.
31. David A. Aaker and Douglas M. Stayman, "Implementing the Concept of Transformational Advertising," *Psychology and Marketing*, forthcoming.
32. Rena Bartos, "Ernest Dichter: Motive Interpreter," *Journal of Advertising Research* (February/March 1986), 15–20.
33. Annetta Miller and Dody Tsiantar, "Psyching out Consumers," *Newsweek*, February 27, 1989, pp. 46–47.
34. See, for example, *Financial World*, September 1, 1992; John Murphy, ed., *Brand Valuation: Establishing a True and Fair View* (London: The Interbrand Group, 1989); and Patrick Barwise et al., *Accounting for Brands* (London: London Business School and the Institute for Chartered Accountants, 1989).
35. See the article by Max Blackston in *Brandweek*, June 28, 1993, p. 22.
36. See "High Performance Marketing: An Interview with Nike's Phil Knight," *Harvard Business Review* (July–August 1992), 90–101.
37. Lynn R. Kahle, ed., *Social Values and Social Change: Adaptation to Life in America* (New York, Praeger, 1983), p. 75.
38. Ibid, pp. 82–91. See also Lynn R. Kahle, Basil Poulos, and Ajay Sukhdial, "Changes in Social Values in the United States During the Past Decade," *Journal of Advertising Research* (February/March 1988), 35–44.
39. *Advertising Age*, November 9, 1981, p. 82.
40. See the Darden Graduate Business School (University of Virginia) case UVA-M-366, *Absolut Vodka*, for details.
41. Grant McCracken, "Who is the Celebrity Endorser? Cultural Foundations of the Endorsement Process," *Journal of Consumer Research*, 16 (December 1989), 310–321.

11 GROUP INFLUENCE AND WORD-OF-MOUTH ADVERTISING

What we shall call opinion leadership, if we may call
it leadership at all, is leadership at its simplest. . . . It
is not leadership on the high level of a Churchill, nor
of a local politico, nor even a social elite. It is quite
the opposite extreme; it is almost invisible, certainly
inconspicuous form of leadership at the person-to-
person level of ordinary, intimate, informal,
everyday contact.
(Katz and Lazarsfeld, 1955)

You can't explain much in 60 seconds, but when you
show Michael Jordan, you don't have to. People
already know a lot about him. It's that simple.
(Phil Knight, CEO of Nike)

Paramount Pictures' movie "Forrest Gump" generated over $100 million in revenue in three weeks, one of the fastest climbs in history. Although advertising played a role, word-of-mouth advertising was much more important in this case.[1] Worth-of-mouth advertising is a form of personal influence in which information is passed along or diffused through a social system from one person to the next. It is particularly interesting because, unlike regular advertising in mass media, word-of-mouth advertising is not directly paid for by the advertiser nor under his or her direct control. In many product markets, however, it is very important and the advertiser should and can attempt to influence the extent and nature of diffusion and word-of-mouth advertising. This chapter also addresses this important subject. We begin with some background ideas on reference group influence.

THE CONCEPT OF REFERENCE GROUPS . . . .

V. Parker Lessig and C. Whan Park define a reference group as actual or imaginary institutions, individuals or groups having significant relevance on the target individual's evaluations, aspirations, or behavior.[2] Such reference groups could be those (1) used as standards of comparison for self-appraisal (the "Jones's' " we try to keep up with), (2) those considered to be informative experts, or (3) those used as a source of norms, standards, and attitudes (such as athletes like Michael Jordan). They need not be the groups in which the individual participates, although they sometimes are, but can be large social groupings—social class, ethnic group, subculture, and so on—that the individual is a member of, aspires to being a member of, or otherwise exerts influence on the individual.

The important feature of the reference group concept is that an individual does not have to be a member of the group for the influence to occur. Thus, a student's behaviors and lifestyle can be heavily determined by emulation of the people in a group to which he or she aspires to belong. An occasional jogger (a so-called "weekend athlete") might aspire to belong to a group of serious athletes and might place tremendous weight on the fact that a Michael Jordan or a Bo Jackson endorses Nike running shoes. The key point is that the relationship between the target individual and the reference group should be motivationally and psychologically significant.[3]

Various studies have demonstrated that such reference groups do in fact have an impact on consumer behavior. Martin Fishbein has extended the basic evaluative belief attitude models reviewed in Chapter 8 to include an explicit measure of this type of personal influence, referred to as the *subjective norms* associated with the choice object.[4] In this *extended behavioral intention model,* total behavioral intentions toward buying a brand can be thought of as based on both the target consumer's own attitude toward buying it as well as a subjective norm. The consumer's *own* attitude is based on an assessment of the consumer's importance ratings of the attributes of the product, weighted by the consumer's perception of the extent to which the brand adequately possesses those attributes (as discussed in Chapter 8). In a similar fashion, the subjective norm is expected to be based on the consumer's beliefs about what the reference group is expected

to like, weighted by the consumer's motivation to comply with that perceived expectation from the reference group. Michael Ryan has shown that while this formulation is theoretically elegant there are several difficulties in applying it in practice.[5]

NATURE OF REFERENCE GROUP INFLUENCES ON BRAND CHOICE. . . . .

One way to think of different kinds of reference group influence is to make a distinction between influences that are (1) external and explicit and (2) internal and implicit. By *external*, we mean the likelihood that decision making involves explicit social interactions such as a situation in which two or more people (for example, a husband, wife, and children) are involved. The consumer might seek to include friends and neighbors in the decision-making process or otherwise refer to the product in the course of conversations and social interactions. An industrial buyer might seek advice or information from associates. This is often called *word-of-mouth advertising* to distinguish this kind of communication from *mass communication advertising.*

Internal personal influence refers to the likelihood that decision making is affected by mental processes that involve people or groups. Thus, for example, many products are purchased as gifts for someone else where no interaction takes place with the intended recipient. Others are purchased primarily for their symbolic role. They may symbolize a particular social class position or status. Still others, particularly in the clothing and fashion industry, are heavily influenced by the decision maker's judgment of "what other people might think" or "how I will look to the Jones's" and so on. Many products are purchased so as to be "first with the latest thing." In all these instances, personal influence is operating but may involve little or no explicit social interaction or specific conversation between the consumer and someone else.

Another key distinction often made by researchers is that between reference group influence that is (1) informational and (2) normative.[6] *Informational reference group effects* pertains to situations in which low-knowledge consumers seek information from other people—friends, or salespeople, or media personalities—that they consider experts in the product category. Our discussion of the expertise and credibility of endorsers in Chapter 12 pertains to such situations. The second kind of influence, *normative influence,* refers to situations in which consumers identify with a group to enhance their self-image and ego or comply with a group's norms to gain rewards or to avoid punishments.

Why do reference groups have such influence, informative or normative? There are several explanations. For one, individual consumers are placed in various social roles throughout their lives.[7] Some of these roles are ones we voluntarily seek out and acquire (e.g., that of a successful businessperson); others are ascribed to us by society (e.g., age and sex roles). When consumers "play" a role, they use consumer goods to symbolize that role and to perform adequately in it. For example, someone playing the role of an athlete has to own (and show others that he/she owns) the right sports equipment, a gourmet cook has to own a food

processor, a "hip" teenager may have to have purple-colored punky hair; and a new parent may proudly display a "child in car" bumper sticker on the family car. Since we are not all brought up knowing how to perform these roles, we look to others—to reference groups, actual or depicted in media—to learn how that role is played. When we are uncertain about what to do in a social situation, we turn to others for guidance. Media stereotypes, direct contact and instruction, and advertising are all important here, and advertising can use this influence to link the brand in question to the successful performance of a certain role. For instance, Nike can imply in its ads that a serious athlete always wears Nike running shoes. As consumers actually acquire that role, they are likely to deviate from the media-depicted stereotype and modify it in ways that individualize themselves. Further, not all consumers accept the stereotypic role description to begin with, so advertising needs to use role depiction with care (for example, sex roles for men and women are changing rapidly in our times, and depicting what the "right" role is for women society is obviously fraught with considerable danger).

A second explanation for the importance of reference groups in our social lives is that we are members of several different groups (political, religious, ethnic, occupational, etc.), and we use consumer goods to help us define what groups we belong to and differentiate ourselves from the groups we don't belong to. This group influence may owe its power to the fact that if we don't do what the group does it may reject us (for example, a "nerdy" appearance may lead to rejection from a "hip" teenage group). Alternatively, it may be because we identify deeply with the group (for example, a consumer may drive an imported car because he identifies strongly with the "smart and sophisticated" crowd). Finally, the influence may simply be internalized and subconscious, to the extent that the group's values become considered "personal" values—for example, a strongly proenvironmental shopper may not even consider himself part of a proenvironmental group, though those values in essence define what that group is.

Whatever the nature of the influence, the essential point is that every group has its norms or standards and values, and the kinds of consumer goods and services that group members do and do not form a key part of these norms (for example, the kinds of clothes we wear, the types of food we buy, the liquor we drink). These norms are communicated within the group through role models-members of the group who have greater than average influence either because they are seen as experts, or because they are seen as powerful or especially attractive, or because they are very similar to the average group member. What advertising can do is to communicate that purchase and consumption of the consumer good or service being advertised is an integral part of the norms of a group that the target consumer seeks to belong to and to communicate this through an explicit or implicit endorsement from (or association with) a role model. For example, in the soft drink-industry, susceptible teenagers—who are target consumers because they are the heavy users—are told that to "belong" with other teenagers, they should drink Pepsi or Coke (as the case may be), and this message is communicated by showing Michael Jackson drinking Pepsi, George Michael drinking Coke, and so on.

FACTORS INFLUENCING THE DEGREE OF GROUP INFLUENCE. . . . .

It is well known that the degree to which such social influence processes operate is affected by the nature of the product, service, or idea in question, as well as the characteristics of the consumer and of the decision-making process. An advertiser considering the use of advertising to create social or group influence needs to evaluate the extent to which these factors increase the role of social and group influences in a particular situation.

Individual Differences in Susceptibility

Consumers differ with respect to the extent of their susceptibility to social and group influence.[8] Some people are simply more "persuadable" than others, more extroverted, more likely to engage in social interactions, and more affected in their decisions by the opinions of friends, neighbors, role models, and so on. This heterogeneity can be found within any particular market target. Research by William Bearden, Richard Netemeyer, and Jesse Teel has shown that there is a difference between susceptibility to informational reference group influence and that to normative influence. It has been found by C. Whan Park and Parker Lessig[9] that younger consumers are more susceptible to reference group influence. This could be because they tend to have lower product category knowledge (and thus reduced self-confidence in brand choice), or have more social contacts and greater social visibility, or are undergoing more intense identity-seeking and socialization processes.

Decision-Making Unit

The purchase of a package of gum, a breath mint, or numerous other types of consumer products, particularly in the "impulse" category, is predominantly an individual-oriented decision. The decision-making unit (DMU) tends to be one individual, and such purchases are unlikely to involve a group decision. In contrast, many major family purchase decisions, such as that of a home or an automobile or a vacation spot, are group decisions. Such family decision making obviously involves personal influence, and the advertiser should make a determination of the existing and potential uses of the product in the consumption system of the family and the likely relative influence of various family members. Does the wife tend to carry most weight in choosing a brand for this product? The husband? Are children likely to be a significant influence? Similarly, a large number of industrial product decisions are group decisions, in which the person who finally uses is usually not the one who places the order or even the one who influences or finally approves the decision. At least two, and often several, people will be involved, and it is a better understanding of this group decision-making process that advertisers in these product categories must acquire.

An implicit personal influence process takes place in many other purchase

decisions. Many purchases that appear to be made for the self are in fact being made with some other individual or reference group in mind. Thus, the homemaker, for example, in buying provisions for the household, is often more concerned with what others in the household will want, use, and eat than with his or her own personal consumption. The distinction between the "consumer" and the "customer" in each situation must be clearly understood. The consumer of men's socks is in the majority of cases men. The customer for men's socks, however, is often a woman. All products given as gifts fall into this category, and it is of fundamental importance to assess the nature of the thing being advertised from this viewpoint.

Nature of the Product Category

Are there certain kinds of product categories in which reference group influence is likely to be stronger? Although there are no definitive conclusions, researchers have found that personal influence will be more likely to operate in situations in which large rather than small amounts of money are involved, when the decision *is riskier*, when the product is not easily testable, and when the consumer *is more involved* in the choice.[10] Thus, consumers are likely to seek out and acquire information of all kinds, including the advice and opinion of friends, family, and experts, where the financial and emotional investment is high. Where risk and high involvement are present, personal influence will also be likely to occur at the decision and postdecision stages of the process. Thus a salesperson plays a more important role with some products than with others, and the opinion of friends may be actively sought out after the decision has been made. These conditions are most likely for products such as large appliances, television sets, home computers, automobiles, and furniture.

Another key attribute of product categories high in reference group influence is that they are generally "socially conspicuous." The product must be conspicuous in the most obvious sense that it can be seen and identified by others, and it must be conspicuous in the sense of standing out and being noticed. No matter how visible a product is, if virtually everyone owns it, it is not conspicuous in the second sense. Thus such conspicuousness has two aspects: relative scarcity (such as the purchase of luxury goods) and public visibility, where ownership or consumption can be seen by others.[11] Such product categories, where the reference group can see what the consumer has bought or is consuming, are sometimes nicknamed *badge products* or *wardrobe products*, for obvious reasons. Examples are clothing, footwear, automobiles, watches, and jewelry. William Bearden and Michael Etzel[12] report on a study in which consumer perceptions of reference group influence on product and brand decisions were examined. A panel made up of 645 members and a follow-up study of 151 respondents classified products such as golf clubs, automobiles, trash compactors, blankets and mattresses. In general, respondents correctly classified products into categories such as luxury or necessity and public or private and the associated degrees of potential group influence.

Nature of the Consumption or Purchasing Situation

The *situation* for which the purchase is made is another factor that has been intensively studied and shown to affect product attitudes and choice. Personal influence is often the major distinguishing characteristic between one situation and the next. Purchasing beer or wine to drink by oneself can differ from purchasing these products for an important social occasion (as in a bar or in a party at home with guests). Clearly, one's sensitivity to what the reference group feels is likely to be much greater in the first situation. The advertiser must appreciate that his or her product may be locked into a particular situational use for which personal influence will operate to a greater or lesser degree.

INFORMATIONAL INFLUENCE: WORD-OF-MOUTH AND DIFFUSION PROCESSES . . . .

Chapter 12 later in this book will explore the ways in which endorsers can serve as credible experts in convincing consumers that an advertised brand is worth buying, which is one way in which reference groups can have an informational influence. Another way in which informational influences operate is through the operation of *word-of-mouth processes*, in which a potential consumer relies on the opinion of another to decide on brand adoption; adoption through such mechanisms is part of what has been called the *diffusion process*. Diffusion and personal influence are important topics for an advertiser for several reasons.[13] First, great advertising campaigns and many apparently worthwhile products have floundered because of a failure to stimulate diffusion and word-of-mouth communication to support the product or service advertised. Some campaigns, on the other hand, have achieved great success, primarily because of the word-of-mouth communication that they stimulated. Second, there are significant reasons why, in many product categories, the relative influence of face-to-face communications greatly surpasses the influence of advertising in stimulating or determining brand choice. Third, segmentation strategies must take into account the fact that a target segment may have an important influence on the attitudes and behaviors of other groups not included within it. Next, we discuss several characteristics that increase the likelihood of success of word-of-mouth communications.

Motivational Characteristics

What motivates people to talk to others about a product or ad campaign? Ernest Dichter[14] argued that for talking to take place, there must exist some material interest: there must be satisfaction or reward associated with the behavior. In other words, a speaker will choose products, listeners, and words that are most likely to serve basic needs and goals. In a study of product talking and listening behavior, he found that talking motivations tended to fall into four categories, each associated with various kinds of involvement.

The first is *product involvement*. People have a tendency to want to talk about

distinctly pleasurable or unpleasurable things. Talk can serve to relive the pleasure the speaker has obtained and dissipate the excitement aroused by the use of a product or the experience of having shopped for and purchased it. Talk can confirm ownership of it for the speaker in many subtle ways.

The second is *self-involvement*. The speaker essentially seeks confirmation of the wisdom of the decision from his or her peers and as a way to reduce dissonance. Self-confirmation behavior is engaged in to gain attention, show connoisseurship, and enhance feelings of being first with something, having inside information, suggesting status, spreading the gospel, seeking confirmation of one's own judgment, and asserting superiority. The point is that a product or advertising object can be the central focus of conversations engaged in for these kinds of goals and motivations.

The third is *other involvement* in which the major motivation is the need and intent to help other persons and share with and enjoy the benefits of the product. Products can serve to express sentiments of neighborliness, care, friendship, and love. The fourth motivation for speaking about products is called *message involvement* and derives from the nature of advertising itself. Advertising, for many reasons, can stimulate word-of-mouth communications and often itself becomes the focus of such conversations.

Opinion Leadership

Who are the kinds of people who have the most impact on others in such informational and word-of-mouth processes? The concept of the opinion leader is relevant here, and it has been a central focus for much empirical research in sociology and marketing.[15] It is interesting to recall that Katz and Lazarsfeld first defined the concept as "leadership at its simplest," "almost invisible," at the "person-to-person level of ordinary, intimate, informal, everyday contact."[16]

In their pioneering study, four types of opinion leaders were identified: marketing, fashion, movie, and public affairs leaders. Marketing opinion leaders were found to be married women with comparatively large families, gregarious, and not concentrated at any particular social-status level. In contrast to the influence of immediate family members (for example, husband and child), the authors stressed the importance of extrafamilial influence in many consumer product situations.

Since the publication of this study, a great deal of other research attention has been devoted to the concept of opinion leadership, both in marketing and in other disciplines. John Myers,[17] for example, found in the case of the adoption of new frozen-food products, in which the new products were given to "positive" and "negative" opinion leaders; that group opinions toward the new products tended to follow those of the opinion leader in both positive and negative cases.

One of the first questions that needs to be asked is whether opinion leadership is a general or a specific phenomenon. It is not at all clear that an opinion leader in one product class (e.g., fashionable clothes) also tends to be an opinion leader in another (e.g., personal computer equipment). From an advertiser's viewpoint, another important question is the degree to which opinion leaders are differentially responsive to advertising appeals. Without the establishment of this

fact, many of the basic postulates of a two-step flow of mass communications break down. It is ultimately a question of the connection, or lack of connection, between the formal mass media channel and the informal channels of interpersonal communication and influence. Do individuals play different roles in introducing advertising communications into a social network?

In an important book on the subject, Everett Rogers[18] argued that at the time of introduction of an innovation, the population can be divided into five groups (segments) made up of *innovators, opinion leaders, early majority, late majority,* and *laggards.* He further argued that the distribution of these groups approximated a normal curve: the early and late majority groups would tend to be much larger than those at the tails, innovators and laggards. Second, he redefined the process of diffusion and adoption as involving five stages: *awareness, interest, evaluation, trial,* and *adoption.* The argument is that all people go through this process on the way to adoption (or rejection) of an innovation. Mass media and impersonal sources of influence tend to be most important at the early stages of awareness and interest, and word-of-mouth and personal influence tend to be most important in the later stages of evaluation, trial, and adoption.

Researchers have focused attention on the degree to which the five types of market segments exist during new product introductions. The results are mixed and depend heavily on the nature of the new product and the competitive and other conditions at the time of entry. The concept of *innovator* has received particular attention. It is useful to consider the innovator concept for several reasons. First, it can be a useful segmentation variable. An advertiser may want to reach an innovator if a new product is involved simply because innovators may represent the most attractive segment, especially at the onset. Second, an innovator may, by example, influence others. Noninnovators tend to wait until innovators have acted. Therefore, it is reasonable to look first at the innovator segment. Finally, much research has gone into describing innovators in marketing. Since there is evidence of an overlap between innovators and opinion leaders, this research should also be relevant to those who would attempt to identify opinion leaders.

Motivations for Listening to Opinion Leaders

Thus far we have talked about the nature of the people who are at the sending end of the word-of-mouth communications. But what about the listeners—who are they more likely to be? Motivations for listening also require that the listener receive some satisfaction or reward from the interaction. Dichter[19] found two conditions particularly important: (1) that the person who recommends something is interested in the listener and his or her well-being and (2) that the speaker's experience with and knowledge about the product are convincing. Obviously, basic questions of the trust the listener-receiver has in the speaker-sender are involved and the credibility of the source of the communications. Seven kinds of sources were found to be particularly important and potentially successful in their influence attempts: commercial authorities, celebrities, connoisseurs, sharers of interest, intimates, people of goodwill, and bearers of tangible evidence. A discussion of the dimensions of source credibility will be found in Chapter 12.

Recent Studies and Models of Diffusion of Innovations

In some recent research, Gatignon and Robertson[20] point out that advertising can have its greatest influence on product and brand diffusion when the level of cognitive processing is low, whereas personal influence will be greatest when there is a large amount of cognitive activity. Personal influence and mass media are complementary and personal influence is more important under conditions of information-seeking and less important under conditions of information-giving.

One important determinant of the speed of diffusion (for example, how quickly a new product is accepted by a market segment) is the compatibility of the innovation with the norms and values of the social system. And, the more homogenous the social system, the faster will be the diffusion rate and the higher will be the maximum penetration. There has been a new surge of interest in building formal models of new product diffusion.[21] Interesting questions that have received significant research attention are whether it is advantageous to preannounce a new product, and whether it is an advantage to be first in the market with a new product, so-called pioneering advantage. Jehoshua Eliashberg and Thomas Robertson[22] found that firms preannounce in about 50 percent of the cases. They present an interesting model of conditions under which the firm should or should not preannounce. In general, it depends on competitive and consumer behavior conditions. For example, if market share is low or if there are high customer switching costs, they it is worthwhile to preannounce. And, it is generally true that there are advantages to being the pioneer in a market such as the potential for erecting barriers to later entrants, building consumer preference and loyalty for your brand, and so on.

Vijay Mahajan, Eitan Muller, and Rajendra Srivastava[23] in an imaginative extension of the classic Bass and Rogers models, show that the five adopter categories defined by Rogers (Innovators, Early Adopters, Early Majority, Late Majority, and Laggards) can be derived from a knowledge of the inflection points in the Bass model. Rogers proposed, based on basic statistical parameters of the normal distribution that the typical innovation would have the following population distribution in each category:

Innovators	2.5%
Early Adopters	13.5%
Early Majority	34.0%
Late Majority	34.0%
Laggards	16.0%

Mahajan and others studied the timing and size of these categories for eleven consumer durable products based on modifications of the Bass model. As expected, there were significant differences in timing and category size across each of the products, but also a high degree of correspondence with the original normal distribution based on Rogers model. Table 11-1 shows the data for the eleven products and five diffusion categories.

Note in Table 11-1 that the size of the Innovators and Early Adopters groups

Table 11–1. Time and Size of Adopter Categories for Consumer Durable Products.

	Adopter category									
	Innovators % Adopters	Early adopters Years	% Adopters	Early majority Years	% Adopters	Late majority Years	% Adopters	Laggard Years	Adopters
	2.6	3.1	9.5	4.7	32.1		32.1		
	1.8	4.8	10.9	7.0	32.0	7.8			
	2.9	3.1	11.5	3.7	31.4				
	7.1	4.8	14.6	4.2	30.6				
	1.7	4.9	15.0	4.1	30.5				
	1.7	4.6	15.6	3.5	30.3	3.3			
	2.5	2.9	15.6	1.9	30.0				
		6.6	18.1	3.8	29.7				
	7.4	5.6	19.2	5.0	29.1				
		2.6	16.9	5.3	28.1				
	0.3	14.5	29.0	6.0	29.1	6.0	29.1		

provided by the normal distribution are in the range of the sizes for the same two groups given by the Bass model. However, the classification based on the Bass model tends to generate a lower percentage of adopters in the Early Majority and Late Majority groups and a higher percentage in the Laggard group. In a related study of personal computer adoptions, the authors found that there were significant differences among the adopter categories in demographic characteristics (age, education, income, and occupation), usage, expertise, magazine reading habits, and advertising focus. Such differences add further weight to the argument that people do differ with respect to their propensity to adopt new products and react differently to innovations of various kinds.

Implementing an Informational Influence Strategy

If informational influence is desired, the most straightforward strategy implication is that the advertiser can attempt to single out the crucial innovator and opinion leadership segments and target promotion and advertising messages to them, using the appropriate credible sources as endorsers. This strategy has not been followed as often as it might seem. Because of the costs of attempting to identify innovators in many product or market situations and the inherent spillover effects of mass media like television, it is often more efficient to segment on the basis of other criteria such as age, income, education, and so on.

There are, however, many ways in which advertising can be designed so as to appeal to innovators and/or otherwise enhance the diffusion and personal influence process. It is possible to *simulate* directly personal influence in the content of the advertisement itself. This is effectively used in "slice-of-life" advertising, which shows a group of people discussing the product. Normally, one of the individuals takes the role of spokesperson for the product and demonstrates or persuades the other or others to use it. Thomas Robertson[24] has argued that the advertiser can essentially seek to "simulate," "stimulate," "monitor," or "retard" personal influence. Concerning simulation, for example, advertising can be used as a replacement for personal influence. An advertising message can show people similar to the viewer who are buying and using the product and, in this sense, act as a "personal influence."

Advertisements can stimulate either information giving or information receiving. The giver of information is most likely to be a recent purchaser. He or she is likely to be in dissonance, and advertising information or direct-mail programs should supply information that can readily be passed along to others. A seeker of information is most likely to be someone considering a purchase. Advertising here should encourage themes like "Ask the man who owns one" to stimulate personal influence. A good example is the advertisement for Advil pain reliever shown in Figure 11–1.

Media can also be chosen to encourage or, in one way or another, take advantage of the flow of personal influence. In some cases, it may be appropriate to single out opinion leaders and, through selective magazines or journals (for example, *Engineering News, Golf Digest*) or through direct-mail campaigns, appeal to them directly. This type of strategy is particularly appropriate in industrial mar-
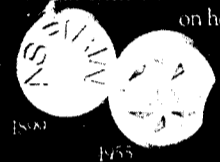
Figure 11-1.   Stimulating personal influence: Advil.
Courtesy of Whitehall Laboratories.

keting. Direct mail possibly can make the communication more personal and give the recipient a feeling that she or he is part of a select group.

A wide variety of other sales and promotional devices have been used to stimulate word-of-mouth activity and to take advantage of personal influence.[25] Block parties are often used to promote china and silverware sales. In-store demonstrations give the consumer an opportunity to use the product without buying it. House-to-house sampling puts the product physically into the hands of both leaders and nonleaders and can result in source- or recipient-initiated conversations about it. The Ford Motor Company used a number of programs in introducing the Mustang. Disc jockeys, college newspaper editors, and airline stewardesses were loaned Mustangs on the theory that they were likely to influence other people. Upon evaluation, the airline stewardess program was felt to have been unsuccessful since stewardesses were not looked upon as a source of information about automobiles. The other programs were considered successful. Automobile companies, in general, attempt to stimulate adoption and interpersonal information flows through the medium of rental cars. It is a way in which the consumer or potential consumer has the opportunity to use the product without actually purchasing it.

NORMATIVE INFLUENCE: HOW ADS CAN GIVE BRANDS CULTURAL MEANING . . . .

As discussed earlier in this chapter, reference groups can influence consumers not only through the provision of information perceived to be "expert," but also through the provision of norms—standards, values, attitudes, and the like—that are influential with those who belong to, aspire to, or identify with this reference group. As with informational influence, this normative influence of reference groups is also stronger in some situations, and is particularly important and relevant with new products. In many cases, the mere fact that the product is new and other people do not yet have it is the crucial motivation for buying. New products that are significant breakthroughs at the time of their introduction such as television sets, hand-held calculators, home computers, CD players, and so on, are particularly likely to be affected by normative influence.

However, even established products and brands vary in the degree to which normative influence operates, and this variation is due (as discussed earlier in the chapter) to differences in social visibility and conspicuousness. Staples such as salt, sugar, and pepper are not likely to be affected, whereas clothing items, particularly in the area of fashion, will be. Radios are socially very important among teenagers. Furniture and automobiles serve important social as well as functional needs and are much affected by normative influence. It might be argued that whenever the nature of the perceived risk in a product category is primarily functional, a high level of such perceived risk is accompanied by high informational interpersonal influence. In contrast, if the perceived risk is high in a social sense—when there exists uncertainty about how the consumer should act or dress or consume in a socially visible way—the nature of the reference group is likely to be normative.

While the preceding discussion may give the idea that normative reference group influence applies mainly to considerations of socially visible status, this is far from the case. We are talking here not merely of status but of every aspect of what a consumer thinks of as his or her "true self."[26] Perhaps the more inclusive way to conceptualize what is going on here is to think of the *cultural* aspects of the product or brand.

Culture has been defined by the consumer anthropologist Grant McCracken as the "lens" through which all phenomena are seen. It determines how these phenomena will be apprehended and assimilated. Culture is also the "blueprint" of human activity. It determines the coordinates of social activity and productive activity, specifying the behaviors and objects that issue from both. As a lens, culture determines how the world is seen. As a blueprint, it determines how the world will be fashioned by human effort. In short, culture constitutes the world by supplying it with meaning.[27]

According to McCracken, this "meaning" can be characterized in terms of two concepts: cultural categories and cultural principles. *Cultural categories* are the distinctions with which a culture divides up the world—for example, the distinction between leisure and work time or the distinctions of class, status, gender, age, and occupation. These distinctions are made concrete, among other things, through material objects: food and clothing, for instance, can be used to set apart different levels of class and status, or gender and age. The kind of food and clothing that is considered acceptable for one may not be considered acceptable for another, and these differences in acceptability help define these different levels or classes of class and status, or gender and age. *Cultural principles* are the ideas with which this category creation is performed. For example, the clothing differences that are used to show the discrimination between men and women, or between high social classes and low, may do so by communicating the supposed "delicacy" of women and the supposed "strength" of men, the "refinement" of a high social class and the "vulgarity" of a lower one. "Goods are both the creations and the creators of this culturally constituted world," according to McCracken. The science of studying the kinds of cultural symbolism and signs implicit in goods is called *semiotics*.

Where does advertising come into all this? Well, advertising can be used to "transfer" a particular kind of cultural meaning from the outside world to a brand. Later, when the consumer buys the brand, that same meaning is then transferred from the brand to the consumer, through possession, and so on.

How is meaning transferred to a brand? An ad can bring together the brand and some other widely accepted symbol of a particular kind of cultural meaning, in such a way that the ad's viewer or reader sees an essential similarity between the two, so that that particular kind of cultural meaning now becomes a part of the brand. The cultural meaning that is desired to be communicated to the brand (e.g., gender, age, social class, ethnicity), for instance, may be currently associated (in people's minds) with certain kinds of people, places, activities, objects, times of day, and so on, and the ad may cleverly associate them with the brand, using the appropriate tone, pace, camera direction, voice-overs, and so on.

For example, a detergent ad that shows the backyard of a suburban country

home, in a weekend afternoon in the summer, with a barbecue going on, then cuts to a family member embracing a small daughter—whose clothes have just been washed by that detergent—while the mother watches with pride, can be interpreted as taking the "family warmth" meaning of the embrace and transferring it to the product, so that when a mother buys and uses it she feels more like a warm, caring mother.[28] Or, think of the transference of masculinity from the cultural symbol of the lone cowboy out on the range in sunset to Marlboro cigarettes and how that masculinity is then felt by every smoker of Marlboro.

From an advertising planning perspective, the planner needs to think about what kind of cultural meaning currently exists for the product category and the brand, then think about what kind of competitively unique cultural meaning is sought for the brand, and then, finally, think about how that desired cultural meaning can be linked to it. Is the product or brand used already, or to be used, as a symbol of social-class position, aspiration, or mobility? Should all social classes or genders or age groups use the product (for example, Coca-Cola) or should its use be largely confined to one social category? Is the product bound to a particular ethnic group such as kosher foods, or does the ethnic background of the consumer play little or no role? Does or should ownership signify membership in a particular subculture, such as teenage punkers (which may exclude it from the more general market)? Finally, the family *life cycle* should be considered.[29] Is the product suitable to the "empty nest" family, the young couple just starting out, or some other stage of the family life?

SUMMARY . . . .

Advertising can take advantage of reference group effects by associating the brand with certain social or reference groups. The important point about reference group effects is that the individual does not have to be a member of the group for influence to occur. In other words, the influence can occur either internally (implicitly) or externally (explicitly), and in the internal case explicit social interaction need not necessarily take place. Another key distinction is between informational influence and normative influence. Informational influence refers to situation in which consumers who don't know much about the product seek information from friends, salespeople, or media personalities. Normative influence refers to situations in which consumers identify with a group to enhance self-image and ego, or comply with a group's norms to gain rewards or avoid punishments.

The major factors that influence the degree of group influence are (1) individual differences in susceptibility, (2) the type of the decision-making unit, (3) the nature of the product category, and (4) the kind of consumption or purchasing situation involved.

Word-of-mouth and diffusion are informational influence processes in which a potential consumer relies on the opinion of others to decide on trying and/or adopting the product. Great advertising campaigns and many otherwise worthwhile products have floundered because of a failure to stimulate diffusion and word-of-mouth communication. And, the reverse is true. Some campaigns have achieved great success because of the effectiveness of diffusion and word-of-

mouth. The major factors that determine the rate of diffusion and determine the success or failure of word-of-mouth are motivational characteristics of the audience (including involvement in the product being advertised, self-involvement, and other-involvement) and characteristics of the product or innovation.

Opinion leadership is very important in understanding adoption processes. The basic idea is that certain individuals, called opinion leaders, serve to influence the attitudes and behaviors (such as buying or not buying) of others around them. The concept has been elaborated and the process of diffusion and adoption extended in many ways such as in studies of the motivations for listening to opinion leaders. From a strategies perspective, the advertiser can simulate, stimulate, monitor, or retard reference group influence.

Advertising can give brands cultural meaning through normative influence. Although products take on meaning in the absence of advertising, advertising can create, reinforce, and extend such meanings in a wide variety of ways. McCracken states that meaning can be characterized by either cultural categories or cultural principles. Cultural categories are made concrete through material objects such as food and clothing. Cultural principles are the ideas with which the category creation is performed, for example clothing differences to distinguish men and women. Advertising can be used to transfer a particular kind of cultural meaning to a brand. The advertising planner needs to think about what kinds of cultural meaning currently exists for the product category and brand, and about how a desired cultural meaning can be linked to it.

DISCUSSION QUESTIONS . . . .

1. Identify a "reference group" to which you relate or to which you have related in the past. Trace the situations and instances in which you have been influenced by it and whether the influence was implicit or explicit.

2. What is the difference between informative and normative reference group influence? Which is likely to play a greater role in brand choice?

3. Analyze your own motivations for sending and receiving information regarding purchasing behavior and television commercials. Compare these with the ideas of Dichter given in the chapter.

4. Design an advertisement specifically directed to stimulate a diffusion process. What are its characteristics? Why did you choose particular elements and components?

5. Find a case example of a successful and unsuccessful new product introduction. Analyze the advertising campaigns in each case from the viewpoint of the concepts and ideas given in the chapter.

6. Identify the "opinion leaders" in your class. What are their characteristics? What, if any, influence might they have on buying behavior of other class members?

NOTES. . . . .

1. *Advertising Age*, August 1, 1994, p. 1.
2. V. Parker Lessig and C. Whan Park, "Promotional Perspectives of Reference Group Influence: Advertising Implications," *Journal of Advertising*, 7 (1978), 41–47.
3. For an excellent review of the literature on reference group effects, see William O. Bearden and Michael J. Etzel, "Reference Group Influence on Product and Brand Purchase Decisions," *Journal of Consumer Research*, 9 (September 1982), 183–194.
4. Martin Fishbein, "Attitude and the Prediction of Behavior," in Martin Fishbein, ed., *Readings in Attitude Theory and Measurement* (New York: Wiley, 1967), pp. 477–492.
5. Michael J. Ryan, "Behavioral Intention Formation: The Interdependency of Attitudinal and Social Influence Variables," *Journal of Consumer Research*, 9 (December 1982), 263–278.
6. William O. Bearden, Richard G. Netemeyer, and Jesse E. Teel, "Measurement of Consumer Susceptibility to Interpersonal Influence," *Journal of Consumer Research*, 15 (March 1989), 473–481.
7. Robert B. Settle and Pamela L. Alreck, *Why They Buy* (New York: Wiley, 1989), chap. 7.
8. William Bearden, Richard Netemeyer, and Jesse Teel, "Measurement of Consumer Susceptibility to Interpersonal Influence."
9. C. Whan Park and Parker V. Lessig, "Students and Housewives: Differences in Susceptibility to Reference Group Influence," *Journal of Consumer Research*, 4 (September 1977), 102–110.
10. Thomas S. Robertson, *Innovative Behavior and Communication* (New York: Holt, Rinehart and Winston, 1971).
11. William Bearden and Michael Etzel, "Reference Group Influence on Product and Brand Purchase Decisions."
12. ibid.
13. For articles on diffusion research and opinion leadership, see Hubert Gatignon and Thomas S. Robertson, "A Propositional Inventory of New Diffusion Research," *Journal of Consumer Research*, 11 (March 1985), 849–867, and Dorothy Leonard-Barton, "Experts as Negative Opinion Leaders in Diffusion of a Technological Innovation," *Journal of Consumer Research*, 11 (March 1985), 914–926.
14. Ernest Dichter, "How Word-of-Mouth Advertising Works," *Harvard Business Review*, 44 (November/December 1966), 147–166.
15. The earliest and best known follow-up studies to Katz and Lazarsfeld's *Personal Influence* (see note 18) were done on physician drug adoptions. See Herbert Menzel and Elihu Katz, "Social Relations and Innovations in the Medical Professions: The Epidemiology of a New Drug," *Public Opinion Quarterly*, 19 (Winter 1956), 337–352. For a fully developed treatment of the two-step flow model, see Elihu Katz, "The Two-Step Flow of Communication: An Up-to-Date Report on an Hypothesis," *Public Opinion Quarterly*, 21 (Spring 1957), 61–78.
16. Elihu Katz and Paul F. Lazarsfeld, *Personal Influence* (New York: Free Press, 1955), p. 138.
17. John G. Myers, "Patterns of Interpersonal Influence in the Adoptions of New Products," in Raymond M. Haas, ed., *Proceedings of the American Marketing Association* (Chicago: American Marketing Association, 1966), pp. 750–757.
18. Everett M. Rogers, *Diffusion of Innovations* (New York: Free Press, 1962).
19. Dichter, "How Word-of-Mouth Advertising Works."
20. Hubert Gatignon and Thomas S. Robertson, "A Propositional Inventory for New Diffusion Research," *Journal of Consumer Research*, 11 (March 1985), 849–867, and Hubert Gatignon and Thomas S. Robertson, "Innovative Decision Processes," in Thomas S. Robertson and Harold H. Kassarjian, eds., *Handbook of Consumer Behavior* (Englewood Cliffs, NJ: Prentice Hall, 1991), pp. 316–348.
21. Vijay Mahajan, Eitan Muller, and Frank M. Bass, "New Product Diffusion Models in Mar-

keting: A Review and Directions for Research," *Journal of Marketing*, 54 (January 1990), 1-26.

22. Jehoshua Eliashberg and Thomas S. Robertson, "New Product Preannouncing Behavior: A Market Signaling Study," *Journal of Marketing Research*, 25, no. 3 (August 1988), 282-292.

23. Vijay Mahajan, Eitan Muller, and Rajendra K. Srivastava, "Determination of Adopter Categories by Using Innovation Diffusion Models," *Journal of Marketing Research*, 27 (February 1990), 37-50.

24. Robertson, *Innovative Behavior and Communication*, pp. 210-223.

25. Mancuso, for example, reports on a study in which high school students selected for their opinion leadership potential were given the new product (a new rock-and-roll record) and encouraged to use and develop positive opinions for the record among fellow classmates. See Joseph R. Mancuso, "Why Not Create Opinion Leaders for New Product Introductions?" *Journal of Marketing*, 33 (July 1969), 20-25.

26. Russell W. Belk, "Possessions and the Extended Self," *Journal of Consumer Research*, 15 (September 1988), 131-168.

27. Grant McCracken, *Culture and Consumption* (Bloomington: Indiana University Press, 1988), chap. 5.

28. Grant McCracken, "Advertising from a Cultural Point of View: One Approach to the Gain Ad." Paper presented at the Annual Conference of the Association for Consumer Research, New York, September 1990.

29. William D. Wells and G. Gubar, "Life Cycle Concept in Marketing Research," *Journal of Marketing Research*, 3 (November 1966), 355-363.

CASES FOR PART

SEVEN-UP* . . . .

The 7-Up soft drink was introduced under the name of Bib-Label Lithiated Lemon-Lime Soda in 1929, two weeks prior to the stock market crash. It was promoted as a product "for home and hospital use." Consumers used the product primarily as a mixer and as a cure for hangovers. Demand for the product was modest during the 1930s, primarily because 7-Up faced competition from about 600 other lemon-flavored soft drinks.

In 1942, the Chicago office of J. Walter Thompson was hired as the agency for 7-Up. At that time the name was changed to 7-Up. Sales for 7-Up showed impressive growth over the next two decades, and Seven-Up emerged as the third largest producer of soft drinks behind Coca-Cola and Pepsi.

In the 1960s, sales of the soft drink category grew dramatically. The post–World War II baby boom had caused a significant increase in the 14- to 24-year-old age category, and this category comprised a disproportionate number of the heavy users of soft drinks. However, as Exhibit 1 shows, Seven-Up failed to keep up with industry growth. For example, while industry dollar sales grew 8 percent between 1964 and 1965, Seven-Up experienced no growth in sales. Seven-Up also lagged the industry in 1966 and 1967. Part of the problem appeared to be the introduction of lemon-lime–flavored drinks by competitors. Coca-Cola introduced Sprite and Fresca, PepsiCo marketed Teem, Royal Crown promoted Upper-10, and Canada Dry introduced Wink. Seven-Up management also was concerned that 7-Up was being viewed by consumers as a mixer. This was a concern because the demand for mixers was much smaller than the demand for soft drinks.

EXHIBIT 1   Percentage Change in Dollar Sales from Previous Years

	1965	1966	1967
Industry	8	13	11
7-Up	0	6	4

To determine how 7-Up might compete effectively, the Seven-Up Company and J. Walter Thompson conducted research. One question posed to consumers

involved naming all the soft drinks they could think of. People named Coke, Pepsi, RC, Tab, Diet Rite. 7-Up was mentioned infrequently. Yet when people were later asked what 7-Up was. almost all respondents knew it was a soft drink. Apparently, people knew what 7-Up was, but had little top-of-mind awareness of the brand when cued with the stimulus soft drink.

Research was also conducted to determine the characteristics people associated with Coke, Pepsi, and 7-Up. People were presented with an attribute and asked whether or not each brand had that attribute. The percentage of those respondents who believed Coke, Pepsi and 7-Up had the attribute inquired about is shown in Exhibit 2.

On the basis of this information, a decision had to be made regarding how to promote 7-Up. One possibility was to emphasize attributes such as 7-Up's value in mixing and for indigestion. This approach would capitalize on the fact that consumers believed 7-Up had these attributes. Another possibility was to stress those attributes consumers associated with Coke and Pepsi, but not 7-Up. This strategy seemed appealing because it would place 7-Up in the mainstream with other soft drinks. Whether one of these strategies or some other one was chosen, it was important that recognition be made of the fact that Seven-Up had relatively limited resources. Coca-Cola was spending about $30 million to advertise this brand, PepsiCo was spending about $20 million, and Seven-Up was allocating approximately $12 million to advertising.

EXHIBIT 2   Consumer's Perception of Soft Drink Brand Attributes

Attribute	% INDICATING BRAND HAS ATTRIBUTE		
	7-Up	Coke	Pepsi
Good for mixing	66	18	4
Good for indigestion	60	17	8
Thirst quenching	60	20	28
Good tasting	58	62	59
Good for snacks	39	62	61
Good for meals	32	47	44
For active, vital people	3£	60	66
A drink my friends like	30	55	53
A good buy	28	38	50

CANADA PACKERS: TENDERFLAKE* . . . .

In December 1979, Mr. Brian Burton, brand manager for Canada Packers' Tenderflake lard was writing the annual marketing plan for the fiscal year ending in March 1981. He had been assigned to Tenderflake one year earlier, and his first action had been to initiate a basic attitude and usage study on Tenderflake and its competi-

* K. G. Hardy et al., *Canadian Marketing: Cases and Concepts* (Boston: Allyn & Bacon, Inc., 1978).

tors. With these data in hand, Mr. Burton was considering possible changes in brand strategy.

Background

Canada Packers Limited was incorporated in 1927 as a meat-packing company. The company had diversified into a wide variety of products, one of which was Tenderflake lard. Lard is a pork by-product produced by every major meat-packing company in Canada because it offers an opportunity to utilize raw materials fully.

Until 1970, Canada Packer's lard had been distributed in the same manner as the company's meat products. Canada Packers had divided the country into five regions, each of which had been serviced by a separate and autonomous plant. Each plant manager had set prices for his products and had operated a sales force that called on grocery stores in that region. The company had not advertised lard extensively because personal service and low price had been considered the important factors in selling to food wholesalers and supermarkets.

In 1969 top management at Canada Packers had felt that the company's packaged-goods lines were not reaching their profit potential under this decentralized approach. In 1970, they established the Grocery Products Division, and by 1973, this division marketed the company's lines of shortening, margarine, lard, canned meats, cheese, soap, pet food, peanut butter, and salted nuts. Each product had been assigned to a brand manager whose responsibility was to develop strategy and monitor the performance of the brand.

Tenderflake Brand History

Tenderflake lard had never been advertised, but it benefited from the high awareness and reputation of the Tenderflake name, the Maple Leaf family brand name, and the Canada Packers corporate name. Tenderflake lard had achieved sales of 25 million pounds in fiscal 1979, which represented 65 percent of the total lard market. This dominant share had been achieved by Canada Packers' aggressive pricing, which few competitors could match. As a result the brand had generated pretax profits of only 1 cent a pound in fiscal 1978, 1.6 cents a pound in fiscal 1979, and would be fortunate to break even in fiscal 1980.

Tenderflake was distributed across Canada by the 65-person Grocery Products sales force. Each salesperson had a territory that included large and medium-sized grocery outlets and a few wholesalers who serviced the very small grocery stores. Chain retail outlets took a markup of 16 percent on their selling price. In 1979 a standard co-op advertising program was offered to retail outlets whereby Canada Packers put 1 percent of the invoice value of a customer's purchase into a fund used for advertising. Standard volume discounts amounted to another 1 percent variable cost for the brand.

The Market

Mr. Burton knew that shortening and lard were used interchangeably. Company executives estimated that 84 million pounds of lard and shortening would be sold in

fiscal 1981. The combined sales of lard and shortening had been declining at about 2 percent per year.

Of the 84 million pounds of lard and shortening to be sold to consumers in fiscal 1981, approximately 60 percent would be shortening. Crisco would sell 55 percent of the shortening poundage, and Tenderflake would sell 65 percent of the lard poundage.

Shortening is white and odorless because it is made from vegetable oil or from a mixture of animal and vegetable fat. Tenderflake is white and odorless (which is not true of all lards) because Canada Packers employed a superior refining process that completely removed all odor and color from the lard. Regardless of color or odor, lard tends to produce a flakier pie crust than shortening because lard creates more layers of pastry, and most experts agreed that lard is easier to use. Major industrial consumers in the quality pastry area specified lard regardless of price.

The price of shortening appeared to influence the sales of lard. Mr. Burton had noted that whenever the price of lard was less than 7 cents below the price per pound of shortening, consumers tended to switch from lard to shortening. Retail prices of lard and shortening had traditionally fluctuated with the price of raw materials. Only Crisco had maintained stable prices and growth in sales and profits despite the general market decline. The prices of competitive products as of December 1979 were as shown in Exhibit 1.

Competition

Crisco shortening was marketed by Procter & Gamble, and it was the only major advertised brand of lard or shortening. Mr. Burton estimated that Procter & Gamble spent approximately $550,000 per year in advertising Crisco. Campaigns had stressed that Crisco was all vegetable, that the product was dependable, and that it was desirable for deep frying and pastry making. Crisco was promoted by the Procter & Gamble sales force, which sold a wide line of paper, food and soap products to grocery outlets and a few wholesalers. Procter & Gamble's only trade in-

EXHIBIT 1   Prices of Competitive Products,
December 1979

	Retail price per pound
Lards	
Tenderflake	$0.45
Burns	0.44
Schneider	0.44
Swifts	0.45
Shortenings	
Crisco	0.56
Average of cheaper shortenings	0.50
Average of all shortenings	0.53

centive on Crisco was a co-op advertising plan that paid 18 cents on every 36-pound case. Crisco followed a premium price strategy that appeared to produce a profit of 8 cents per pound on the product. Exhibit 2 shows the estimated cost structures of Crisco and Tenderflake as of December 1979.

Crisco and Tenderflake both were packaged in 1-pound and 3-pound containers. Approximately 5 percent of Tenderflake's sales came from the 3-pound container, the majority of these coming from western Canada, while 39 percent of Crisco's sales came from the 3-pound size. Mr. Burton believed that Crisco had higher sales on the 3-pound size because it was priced at a lower cost per pound than the 1-pound size. Because of the low margins and higher per pound packaging cost on the larger size, Canada Packers sold the 3-pound size at a slight premium to the 1-pound package, and Mr. Burton believed that the higher price was responsible for the low proportion of sales in the 3-pound size.

EXHIBIT 2   Estimated Cost Structure of Crisco and Tenderflake

	Crisco per pound	Tenderflake per pound
Retail price	$0.56	$0.45
Less: Retail margin	0.09	0.07
Factory price	0.47	0.38
Cost of good sold	0.31	0.31
Gross margin	0.16	0.07
Expenses (including sales force, general administration, freight, distribution, trade allowances, co-op advertising, and volume discounts, but excluding media advertising)	0.06	0.06
Media advertising	0.02	
Profit	0.08	0.01

Consumers

Mr. Burton's first action as a brand manager of Tenderflake had been to commission a consumer study to determine the usage of lard and competing products, a profile of the consumer, and the consumer's attitude toward lard and its competition. A well-known market research company had conducted interviews with a representative sample of 1,647 women across Canada, and this research had been the basis of the "Fats and Oils Study,"[1] that Mr. Burton had received in March 1979.

Women were asked about the time of year when they baked, and this led to the development of the baking seasonality index.

Spring	132
Summer	100
Fall	161
Winter	196

---

[1] Lard, shortening, cooking oil, butter, and margarine are defined as fats and oils.

The report indicated that lard and shortening were used mainly for baking. Lard was used primarily for pastries, while shortening was used more for cakes and cookies. Exhibit 3 shows how consumers use various fats and oils; Exhibit 4 gives specific data on lard and shortening users.

The attitude toward the product itself seemed to be largely rooted in the usage role of lard and the tradition of passing this role from one generation to the next. Exhibit 5 shows the data on consumer perceptions of lard as a specific product, perceptions of brands, and reasons for using or not using lard.

Crisco and Tenderflake showed uniform strength across the country, but smaller brands of lard and shortening demonstrated some regional strength (Exhibit 6).

In addition to the fats and oils study, Mr. Burton had employed a commercial research firm to conduct several focused group interviews in order to obtain "soft" or qualitative data on Tenderflake and its competitors. Typically, 10 to 15 women gathered and talked freely about baking and oil products under the leadership of a skilled psychologist. Little attempt was made to generalize from these interviews because the samples were small and were not selected randomly. However, the technique produced ideas for marketing strategy and could be verified by the fats and oils study.

EXHIBIT 3   Consumer Use of Fats and Oils[a] (percent)

	Salad cooking oil	Butter	Margarine	Shortening	Lard
Pan frying	43	6	21	13	13
Deep-fat frying	24	1	2	14	11
Salad dressing	25	—	—	—	—
Baking cakes	8	8	20	24	4
Baking cookies	3	10	24	27	13
Baking pastries	1	2	3	49	62
Spreading	—	84	53	—	—
Total ever used	90	89	85	78	58

Users of Lard and Shortening by Application (percent)

			DUAL USERS	
Total (1.565)[b]	Lard only (287)	Shortening Only (609)	Use of Lard (669)	Use of shortening (669)
Pastries	60.6	49.0	61.9	28.0
Cakes	4.9	14.6	4.0	23.1
Cookies	15.0	15.9	12.6	26.0
Pan frying	11.5	10.1	10.6	10.7
Deep-fat frying	8.0	10.3	12.3	11.9

[a] Tables may not sum to 100% because of multiple mentions.
[b] Number of women responding.

EXHIBIT 4 Average Pounds of Lard and Shortening Used per Week

	Total users	REGION				
		Maritimes	Quebec	Ontario	Prairies	British Columbia
Lard	0.42	0.45	0.65	0.35	0.42	0.25
Shortening	0.49	0.91	0.60	0.40	0.32	0.37

	LANGUAGE	
	French Quebec	Remainder of Canada
Lard	0.70	0.37
Shortening	0.62	0.45

	CITY SIZE			
	500,000 and over	100,000–499,999	10,000–99,999	Under 10,000
Lard	0.35	0.35	0.40	0.52
Shortening	0.35	0.45	0.47	0.64

	FAMILY SIZE		
	2	3–4	5 and over
Lard	0.35	0.34	0.57
Shortening	0.33	0.44	0.70

	INCOME			
	Under $4,000	$4,000–6,999	$7,000–9,999	$10,000 and over
Lard	0.57	0.52	0.35	0.27
Shortening	0.59	0.59	0.44	0.36

	AGE			
	Under 35	35–44	45–54	55 and over
Lard	0.42	0.44	0.39	0.43
Shortening	0.51	0.58	0.45	0.41

	HEAVINESS OF USE					
	Total users	Heavy	Heavy medium	Medium light	Light	Non-respondents
Lard						
Users	(956)[a]	(174)	(206)	(209)	(354)	(13)
Usage per week (lb)	0.42	1.41	0.40	0.25	0.05	
Percent consumption	100%	62%	21%	13%	4%	
Shortening						
Users	(1,278)[a]	(300)	(271)	(295)	(364)	(48)
Usage per week (lb)		1–2	1½	1	1	

[a] Number of women responding.

EXHIBIT 5   Perceptions of Brands of Lard[a] (percent)

		Total users (956)
All brands are equally good		55
One brand is better		42
Tenderflake/Maple Leaf	21	
Burns	3	
Schneider	3	
Crisco[a]	8	
Miscellaneous	7	

Volunteered Reasons for Preferring a Particular Brand of Lard (percent)

	Crisco (79)	Tenderflake/ Maple Leaf (199)	Burns (32)
Baking end benefits			
Flaky/better pastry dough	32	34	38
Excellent for pies/cookies/doughnuts	13	13	6
Good/better tasting/baked product	11	13	3
Product benefits			
Easier to handle/blend	14	11	3
Less greasy/not greasy	11	6	—
Better texture	5	11	9
Smells better	4	5	3
Other reasons			
Good result	20	18	34
Always used it.	5	18	9
Cheap	4	6	3
Miscellaneous	18	20	22

Perceptions of Lard and Shortening by Users (percent)

Perceived product performance	Lard users said	Shortening users said
Best for pie shells		
Lard	62	25
Shortening	30	68
No difference	8	7
Total	100	100
Produces flakiest pastry		
Lard	54	24
Shortening	38	69
No difference	8	7
Total	100	100
Best for frying		
Lard	38	20
Shortening	35	60
No difference	27	20
Total	100	100
Cheapest		
Lard	74	62

Perceptions of Lard and Shortening by Users (percent) (continued)

Perceived product performance	Lard users said	Shortening users said
Cheapest (continued)		
Shortening	6	14
No difference	20	24
Total	100	100
Most tolerant		
Lard	31	9
Shortening	46	71
No difference	23	20
Total	100	100

Volunteered Reasons for Not Using Lard (percent)

	Total Nonusers (691)
Prefer other product	
Prefer/use shortening/Crisco	26
Prefer/use oil/margarine/butter	12
Health reasons	
Too much fat/animal fat	12
Not good for heart/liver	11
Difficult for digestion/too heavy	6
Too greasy	6
Do not eat fried things/grease	2
Dislike product	
Do not like taste	7
Do not like it	6
Other reasons	
Never tried it	9
Don't see need for it	4
Don't get good results	2
Miscellaneous responses	12

[a] Tables may not add to 100% because of multiple mentions.

The focused group interviews suggested that flakiness and fear of failure were the key areas of consumer concern. For pastries, lard was perceived as a better product than shortening among lard users, and Tenderflake seemed to have a premium-quality image. Among women who used only shortening, there was a strong perception that lard was an oily, cheaper product.

Attack by Crisco

Early in 1979 Crisco aired the television advertisement shown in Exhibit 7. The commercial clearly attacked lard's major product advantage, and Mr. Burton felt that Tenderflake, as the major lard producer, might lose market share to Crisco. He

saw this as the same type of approach directed at lard that Procter & Gamble had used previously to pull Crisco ahead of the cheaper shortenings. By December 1979, Mr. Burton had developed several options, and he was about to take action.

EXHIBIT 6   Brand of Shortening Bought Last[a] (percent)

		REGION				
Brand	Total (1,278)	Maritimes (122)	Quebec (345)	Ontario (487)	Prairies (193)	British Columbia (131)
Crisco	52	38	64	47	42	64
Fluffo	12	24	1	15	19	7
Domestic	8	10	9	7	6	6
Others	8	20	2	6	13	11
Don't remember	20	8	24	25	20	12

Brand of Lard Last Bought

						British Columbia
Brand	Total (859)	Maritimes (48)	Quebec (176)	Ontario (308)	Prairies (235)	(92)
Tenderflake	52	69	49	60	51	36
Burns	13	2	2	7	23	30
Swift	7	—	5	5	6	22
Schneider	5	—	1	12	1	—
Crisco	11	4	39	3	4	2
Miscellaneous	18	27	22	14	23	7

[a] Tables may not add to 100% because of multiple mentions or rounding.

Options

Mr. Burton saw an opportunity to raise the price of Tenderflake and to begin advertising. The reasoning was that advertising could help to ensure the stability of Tenderflake volume while improving the gross margin in order to cover advertising and profit. Further decisions would be to define target audiences, brand positioning, and copy strategy for Tenderflake. Mr. Burton thought that the fats and oils study suggested a number of opportunities. In Mr. Burton's judgment an advertising budget of $350,000 probably would receive management approval provided it was well conceived and promised a financial payout.

The sales manager had pointed out that the chain store buyers saw the main competition as other lards and that raising the price of Tenderflake would permit cheaper lards to erode Tenderflake's market share. He strongly advised that Tenderflake maintain its price position with other lards rather than "chasing after Crisco."

EXHIBIT 7   Crisco TV Advertisement

Product: Crisco
Length: 30 seconds
Monitored: Toronto
                December 1978

Frame 1:   Scene: *Young man and ↳ oman in kitchen*
            Woman 1:   John, you never have seconds of my pie.
            Man: Marie, this pie crust is so flaky.

Frame 2:   Scene: *Close-up of Crisco can on table.*
            Woman 1:   OK, Marie, how'd you make your pie crust?
            Woman 2:   With Crisco.
            Woman 1:   But isn't it lard cheaper?

Frame 3:   Scene: *Close-up of ingredients being blended in a bowl. Crisco can in background.*
            Woman 2:   Maybe . . . but Crisco's worth the difference. It's softer than lard, so blending's easier.

Frame 4:   Scene: *Close-up of ingredients being blended in a bowl. Crisco can in background.*
            Woman 2:   Even the bottom crust has such delicate flakes they blow away.

Frame 5:   Scene: *Two women talking in the kitchen*
            Woman 2:   And Crisco's one hundred percent pure vegetable
            Man: Mmmm . . . really flaky

Frame 6:   Scene: *Woman 1 and man in another kitchen*
            Woman 1:   Seconds, John?
            Man: Mmmm.

            Announcer: Use all-vegetable Crisco instead of lard. You'll think it's worth the difference.

The most difficult task would be to estimate the probable results of whatever marketing strategy Mr. Burton chose. However, senior marketing managers at Canada Packers would expect the annual marketing plan for Tenderflake to show sales and profit projections for the next five years.

READING . . . .

HIGH-PERFORMANCE MARKETING: AN INTERVIEW WITH NIKE'S PHIL KNIGHT. . . . .

Geraldine E. Willigan

Nike is a champion brand builder. Its advertising slogans—"Bo Knows," "Just Do It," "There Is No Finish Line"—have moved beyond advertising into popular expression. Its athletic footwear and clothing have become a piece of Americana. Its brand name is as well-known around the world as IBM and Coke.

So it may come as a surprise that Nike, the consummate marketer, came to understand the importance of marketing late in its life: after it hit the $1 billion revenue mark. After more than a decade of meteoric growth, Nike misjudged the aerobics market, outgrew its own capacity to manage, and made a disastrous move into casual shoes. All of those problems forced the company into a period of intense self-examination. Ultimately, says founder, chairman, and CEO Phil Knight, the company realized that the way forward was to expand its focus from the design and manufacture of the product, where Nike had always excelled, to the consumer and the brand.

Nike's roots go back to a company called Blue Ribbon Sports, which Knight, a former runner at the University of Oregon, and Bill Bowerman, Knight's former track coach, created in 1962. Blue Ribbon Sports started out distributing running shoes for a Japanese company, then shifted to designing its own shoes and outsourcing them from Asia. Blue Ribbon Sports's performance-oriented product innovations and mastery of low-cost production translated into shoes athletes wanted to wear and could afford. Knight and Bowerman's track connections got the shoes onto the feet of real runners. And then jogging emerged as a new national pastime.

By 1978, the year Blue Ribbon Sports changed its corporate name to Nike, Jon Anderson had won the Boston Marathon wearing Nike shoes, Jimmy Conners had won Wimbledon and the U.S. Open wearing Nike shoes, Henry Rono had set four track and field records in Nikes, and members of the Boston Celtics and Los Angeles Lakers basketball teams were wearing them. Sales and profits were doubling every year.

Then in the mid-1980s, Nike lost its footing, and the company was forced to make a subtle but important shift. Instead of putting the product on center stage, it put the consumer in the spotlight and the brand under a microscope—in short, it learned to be marketing oriented. Since then, Nike has resumed its domination of the athletic shoe industry. It commands 29% of the market, and sales for fiscal 1991 topped $3 billion.

Here Phil Knight explains how Nike discovered the importance of marketing and what difference that discovery has made. This interview was conducted at Nike, Inc.'s Beaverton, Oregon offices by HBR associate editor Geraldine E. Willigan.

HBR: *Nike transformed the athletic shoe industry with technological innovations, but today many people know the company by its flashy ads and sports celebrities. Is Nike a technology company or a marketing company?*

Phil Knight: I'd answer that question very differently today than I would have ten years ago. For years, we thought of ourselves as a production-oriented company, meaning we put all our emphasis on designing and manufacturing the product. But now we understand that the

most important thing we do is market the product. We've come around to saying that Nike is a marketing-oriented company, and the product is our most important marketing tool. What I mean is that marketing knits the whole organization together. The design elements and functional characteristics of the product itself are just part of the overall marketing process.

We used to think that everything started in the lab. Now we realize that everything spins off the consumer. And while technology is still important, the consumer has to lead innovation. We have to innovate for a specific reason, and that reason comes from the market. Otherwise, we'll end up making museum pieces.

What made you think the product was everything?

Our success. In the early days, anybody with a glue pot and a pair of scissors could get into the shoe business, so the way to stay ahead was through product innovation. We happened to be great at it. Bill Bowerman, my former track coach at the University of Oregon and cofounder of the company that became Nike, had always customized off-the-shelf shoes for his runners. Over the years, he and some other employees came up with lots of great ideas that we incorporated. One of Bowerman's more legendary innovations is the Waffle outsole, which he discovered by pouring rubber into a waffle iron. The Waffle Trainer later became the best-selling training shoe in the United States.

We were also good at keeping our manufacturing costs down. The big, established players like Puma and adidas were still manufacturing in high-wage European countries. But we knew that wages were lower in Asia, and we knew how to get around in that environment, so we funneled all our most promising managers there to supervise production.

Didn't you do any marketing?

Not formally. We just tried to get our shoes on the feet of runners. And we were able to get a lot of great ones under contract—people like Steve Prefontaine and Alberto Salazar—because we spent a lot of time at track events and had relationships with runners, but mostly because we were doing interesting things with our shoes. Naturally, we thought the world stopped and started in the lab and everything revolved around the product.

When did your thinking change?

When the formulas that got Nike up to $1 billion in sales—being good at innovation and production and being able to sign great athletes—stopped working and we faced a series of problems. For one thing, Reebok came out of nowhere to dominate the aerobics market, which we completely miscalculated. We made an aerobics shoe that was functionally superior to Reebok's, but we missed the styling. Reebok's shoe was sleek and attractive, while ours was sturdy and clunky. We also decided against using garment leather, as Reebok had done, because it wasn't durable. By the time we developed a leather that was both strong and soft, Reebok had established a brand, won a huge chunk of sales, and gained the momentum to go right by us.

We were also having management problems at that time because we really hadn't adjusted to being a big company. And on top of that, we made a disastrous move into casual shoes.

What was the problem with casual shoes?

Practically the same as what happened in aerobics, and at about the same time. We went into casual shoes in the early 1980s when we saw that the running shoe business, which was about one-third of our revenues at the time, was slowing down. We knew that a lot of people were buying our shoes and wearing them to the grocery store and for walking to and from work. Since we happened to be good at shoes, we thought we could be successful with casual

shoes. But we got our brains beat out: We came out with a functional shoe we thought the world needed, but it was funny looking and the buying public didn't want it.

By the mid-1980s, the financial signals were coming through loud and clear. Nike had been profitable throughout the 1970s. Then all of a sudden in fiscal year 1985, the company was in the red for two quarters. In fiscal 1987, sales dropped by $200 million and profits headed south again. We were forced to fire 280 people that year—our second layoff ever and a very painful one because it wasn't just an adjustment and trimming of fat. We lost some very good people that year.

How did you know that marketing would solve the problems?

We reasoned it out. The problems forced us to take a hard look at what we were doing, what was going wrong, what we were good at, and where we wanted to go. When we did that, we came to see that focusing solely on the product was a great way for a brand to start, but it just wasn't enough. We had to fill in the blanks. We had to learn to do well all the things involved in getting to the consumer, starting with understanding who the consumer is and what the brand represents.

Didn't Nike understand the consumer right from the start?

In the early days, when we were just a running shoe company and almost all our employees were runners, we understood the consumer very well. There is no shoe school, so where do you recruit people for a company that develops and markets running shoes? The running track. It made sense, and it worked. We and the consumer were one and the same.

When we started making shoes for basketball, tennis, and football, we did essentially the same thing we had done in running. We got to know the players at the top of the game and did everything we could to understand what they needed, both from a technological and a design perspective. Our engineers and designers spent a lot of time talking to the athletes about what they needed both functionally and aesthetically.

It was effective—to a point. But we were missing something. Despite great products and great ad campaigns, sales just stayed flat.

Where did your understanding fall short?

We were missing an immense group. We understood our "core consumers," the athletes who were performing at the highest level of the sport. We saw them as being at the top of a pyramid, with weekend jocks in the middle of the pyramid, and everybody else who wore athletic shoes at the bottom. Even though about 60% of our product is bought by people who don't use it for the actual sport, everything we did was aimed at the top. We said, if we get the people at the top, we'll get the others because they'll know that the shoe can perform.

But that was an oversimplification. Sure, it's important to get the top of the pyramid, but you've also got to speak to the people all the way down. Just take something simple like the color of the shoe. We used to say we don't care what the color is. If a top player like Michael Jordan liked some kind of yellow or orange jobbie, that's what we made—even if nobody else really wanted yellow and orange. One of our great racing shoes, the Sock Racer, failed for exactly that reason: we made it bright bumble-bee yellow, and it turned everybody off.

What's different now?

Whether you're talking about the core consumer or the person on the street, the principle is the same: you have to come up with what the consumer wants, and you need a vehicle to understand it. To understand the rest of the pyramid, we do a lot of work at the grass-roots level. We go to amateur sports events and spent time at gyms and tennis courts talking to people.

We make sure that the product is the same functionally whether it's for Michael Jordan or Joe American Public. We don't just say Michael Jordan is going to wear it so therefore Joe American Public is going to wear it. We have people who tell us what colors are going to be *in* for 1993, for instance, and we incorporate them.

Beyond that, we do some fairly typical kinds of market research, but lots of it—spending time in stores and watching what happens across the counter, getting reports from dealers, doing focus groups, tracking responses to our ads. We just sort of factor all that information into the computer between the ears and come up with conclusions.

What did you learn from the casual shoe failure?

Understanding the consumer is just part of good marketing. You also have to understand the brand. That's really the lesson we learned from casual shoes. That whole experience forced us to define what the Nike brand really meant, and it taught us the importance of focus. Without focus, the whole brand is at risk. Just because you have the best athletes in the world and a stripe everybody recognizes doesn't mean you can take that trademark to the ends of the earth. The ends of the earth might be right off that ledge!

Ultimately, we determined that we wanted Nike to be the world's best sports and fitness company and the Nike brand to represent sports and fitness activities. Once you say that, you have focus, and you can automatically rule out certain options. You don't end up doing loafers and wingtips and sponsoring the next Rolling Stones world tour. And you don't do casual shoes under that brand.

Can you expand a brand without losing focus?

To a point. A brand is something that has a clear-cut identity among consumers, which a company creates by sending out a clear, consistent message over a period of years until it achieves a critical mass of marketing. The thing is, once you hit the critical mass, you can't push it much further. Otherwise the meaning gets fuzzy and confused, and before long, the brand is on the way out.

Look at the Nike brand. From the start, everybody understood that Nike was a running shoe company, and the brand stood for excellence in track and field. It was a very clear message, and Nike was very successful. But casual shoes sent a different message. People got confused, and Nike began to lose its magic. Retailers were unenthusiastic, athletes were looking at the alternatives, and sales slowed. So not only was the casual shoe effort a failure, but it was diluting our trademark and hurting us in running.

How, then, has Nike been able to grow so much?

By breaking things into digestible chunks and creating separate brands or sub-brands to represent them. If you have something that's working, you can try to expand it, but first you have to ask, does this expansion dilute the big effort? Have I taken the thing too far? When you come to the conclusion that you have—through conversations with athletes, your own judgment, what's happening in retail stores or focus groups—then you have to create another category.

How did you make that discovery?

Accidentally. I can't say we had a really smart strategy going forward. We had a strategy, and when it didn't work, we went back and regrouped until finally we hit on something. What we hit on in the mid-1980s was the Air Jordan basketball shoe. Its success showed us that slicing things up into digestible chunks was the wave of the future.

The Air Jordan project was the result of a concerted effort to shake things up. With sales stagnating, we knew we had to do more than produce another great Nike running shoe. So we created a whole new segment within Nike focused on basketball, and we borrowed the air-cushion technology we had used in running shoes to make an air-cushioned basketball shoe.

Basketball, unlike casual shoes, was all about performance, so it fit under the Nike umbrella. And the shoe itself was terrific. It was so colorful that the NBA banned it—which was great! We actually welcome the kind of publicity that pits us against the establishment, as long as we know we're on the right side of the issue. Michael Jordan wore the shoes despite being threatened with fines, and, of course, he played like no one has ever played before. It was everything you could ask for, and sales just took off.

Have you continued to slice up the Nike umbrella since then?

We've created lots of new categories under the Nike brand, everything from cross-training and water sports to outdoors and walking. But what's interesting is that we've sliced up some of the categories themselves.

Take basketball. Air Jordan had two great years, and then it fell on its face. So we started asking ourselves, are we trying to stretch Air Jordan too far? Is Air Jordan 70% of basketball? Or is it 25% of basketball? As we thought about it, we realized that there are different styles of playing basketball. Not every great player has the style of Michael Jordan, and if we tried to make Air Jordan appeal to everyone, it would lose its meaning. We had to slice up basketball itself.

Two new segments came out of that: Force, which is represented by David Robinson and Charles Barkley, and Flight, represented by Scottie Pippin. Force shoes are more stable and better suited to the aggressive, muscular styles of David Robinson and Charles Barkley. Flight shoes, on the other hand, are more flexible and lighter in weight, so they work better for a quick, high-flying style like Scottie Pippin's.

Whenever someone talks about Nike basketball, they think of Air Jordan. But we actually have those three distinct segments, Air Jordan, Flight, and Force, each with its own brand—or sub-brand, really. Each has great athletes representing it, a complete product line, shoes and clothes that are tied together. Instead of one big glop, we have the number one, the number two, and the number four brands of basketball shoes.

What other categories have you sliced up?

Tennis is another good example. We have a very focused category that has been built around the personalities of John McEnroe and Andre Agassi. We created the Challenge Court Collection—very young, very anti-country club, very rebellious—and we became the number one selling tennis category in the world. Nevertheless, we were ignoring 75% of the tennis players out there because most tennis players are a little more conservative than John and Andre. They didn't want those flashy outfits. That loud style isn't even suitable for John anymore. So instead of diluting what Challenge Court stood for, we created a second category within the tennis framework called Supreme Court, which is more toned down. Each of those categories stands for something distinct.

Have you exhausted the list of things that fit under the Nike umbrella?

Actually, we're now pushing the limits of the Nike brand by going into fitness. The core consumer in fitness is a little different from the core consumer in sports. Fitness activities tend to be individual pursuits—things like hiking, bicycling, weight-lifting, and wind surfing. And even within the fitness category, there are important differences. We found that men do fitness activities because they want to be stronger or live longer or get their heart rate or blood pressure down. Their objectives are rather limited. But women do it as sort of a self-actualization thing, as part of the whole package of what they're about.

I'm confident that the brand can encompass both the performance-oriented message and the fitness message over the next year and a half, but we'll have to be careful after that. Given enough time, the messages will probably diverge, and we'll be in danger of blurring Nike's identity. But it won't be the same as casual shoes because this time we'll see it coming and we'll deal with it.

Is Nike's concept of brand building confined to sports and fitness?

The lessons we've learned about brand identity and focus can take us in many directions. The key is to create separate umbrellas for things that aren't part of the Nike brand. Knowing what happened in casual shoes, you probably wouldn't think we'd have anything to do with dress shoes. But in 1988, we acquired Cole-Haan, a maker of dress shoes and accessories. Cole-Haan is part of Nike, Inc., but it's completely separate from the Nike brand.

Actually, we think of Cole-Haan as half a brand because only sophisticated consumers know what it is; it hasn't yet achieved critical mass. That's were we're applying our marketing skill. We bought the brand knowing its potential, and we've simply turned up the marketing volume. We could have created a brand and got it up to $60 million in sales, which is where Cole-Haan was when we bought it, but it would have taken millions of dollars and a minimum of five years. We're further ahead this way. In the four years we've owned Cole-Haan, it's repaid the purchase price and is now at $150 million in sales.

We've been talking about brand building. Isn't TV advertising a big part of that?

Today it's a very important part. In fact, when people talk about Nike, the TV ads are practically all they want to talk about. But we became a billion dollar company without television. For years, we just got the shoes out there on the athletes and ran a limited number of print ads in specialized magazines like *Runner's World*. We didn't complete the advertising spectrum until 1987, when we used TV for the first time.

Our first TV campaign was for Visible Air, which was a line of shoes with transparent material along the midsole so consumers could see the air-cushioning technology. Having gone through the painful experience of laying people off and cutting overhead in the mid-1980s, we wanted the message about our new line of shoes to hit with a punch, and that really dictated TV advertising.

The Visible Air launch was a critical moment for a couple of reasons. Until then, we really didn't know if we could be a big company and still have people work closely together. Visible Air was a hugely complex product whose components were made in three different countries, and nobody knew if it would come together. Production, marketing, and sales were all fighting with each other, and we were using TV advertising for the first time. There was tension all the way around.

We launched the product with the Revolution campaign, using the Beatles song. We wanted to communicate not just a radical departure in shoes but a revolution in the way Americans felt about fitness, exercise, and wellness. The ads were a tremendous hit, and Nike Air became the standard for the industry immediately thereafter.

Did TV change the character or image your company projected?

Not really, because our basic beliefs about advertising didn't change. We've always believed that to succeed with the consumer, you have to wake him up. He's not going to walk in and buy the same stuff he always has or listen to the same thing he's always heard. There are 50 different competitors in the athletic shoe business. If you do the same thing you've done before or that somebody else is doing, you won't last more than one or two seasons.

And from the beginning, we've tried to create an emotional tie with the consumer. Why do people get married—or do anything? Because of emotional ties. That's what builds long-term relationships with the consumer, and that's what our campaigns are about. That approach distinguishes us from a lot of other companies, including Reebok. Their campaigns aren't always bad—their Air-Out Jordan campaign last year worked well—but it's very transaction oriented. Our advertising tries to link consumers to the Nike brand through the emotions of sports and fitness. We show competition, determination, achievement, fun, and even the spiritual rewards of participating in those activities.

How do you wake up the consumer?

By doing new things. Innovation is part of our heritage, but it also happens to be good marketing. You can probably trace it back to the 1960s, when we were selling $100,000 a year instead of $1 billion. We saw the company as having a great competitive advantage because he had a great product at a great price. And it worked a little bit. But what really made things pop was when we innovated with the product. That's when we said, "aha!"

We'd have a hard time stopping innovation in the product area, but we've consciously tried to be innovative in all areas of the business, and right now that means advertising. We need a way of making sure people hear our message through all the clutter. In 24 words or less, that means innovative advertising—but innovative in a way that captures the athletes' true nature. Bo Jackson and Michael Jordan stand for different things. Characterizing them accurately and tying them to products the athletes really use can be very powerful.

Of course, trying to wake people up can be risky, especially since we generally don't pre-test our ads. We test the concepts beforehand, but we believe that the only way to know if an ad works is to run it and gauge the response. So we get nervous when we're ready to go to press, and then we wait and see if the phone rings. If the phone rings, that's usually good. Although some of the calls will be negative, complaints tend to be in the great minority. Besides, we're always prepared for some criticism because somebody will be offended no matter what we do. We don't let that hold us back. Our basic philosophy is the same throughout the business: take a chance and learn from it.

Nike's advertising has been so successful that it's hard to think of it as being risky. What are some of the risks?

The Hare Jordan, Air Jordan commercial that aired during the 1992 Super Bowl represented a big risk from both a financial and a marketing standpoint. It showed Michael Jordan teaming up on the basketball court with Bugs Bunny. We invested in six months' worth of drawings and a million dollars in production costs to show Michael Jordan, probably the most visible representative of Nike, paired with a cartoon character. It could have been too silly or just plain dumb. But we got thousands of positive responses, and *USA Today* ranked it the best Super Bowl ad. The only criticism we got was from the National Stutterers Association for using Porky Pig at the end.

Humor is always a risky business. Take our advertising to women. We produced some ads in 1987 that we thought were very funny but many women found insulting. They were too hard edged. We got so many complaints that we spent three or four years trying to understand what motivates women to participate in sports and fitness. We did numerous focus groups and spent hundreds of hours on tennis courts, in gyms, and at aerobics studios listening to women.

Those efforts paid off in our recent Dialogue campaign, which is a print campaign that is very personal. The text and images try to empathize and inspire. One ad explores a woman's relationship with her mother; another touches on the emotions of a girl in physical education class. Even there it was risky to use such an intimate voice in the ads, but it worked. The newest ads broke in February, and within eight weeks we had received more than 50,000 calls on our "800" number praising the ads and asking for reprints.

But things don't always come together. The campaign to launch the Air 180 running shoe comes to mind. The advertising agency was working with seven directors from around the world and trying to translate words into all those different languages. In the end, we used no words, just images of various kinds. One ad showed a spaceship zooming in on a Waffle Trainer outsole. Another showed cartoon characters bouncing on the shoe to demonstrate the cushioning. When we looked at the ad a month before its Super Bowl launch, it seemed fragmented and almost goofy. Some people thought we could fine-tune it, but others, including me, didn't want to use it at all. It was neither animal nor vegetable. So we ran a Nike general purpose ad, which was safe but somewhat boring. If the competition had had

terrific ads, we'd have been hurt quite a bit. We used the Air 180 ads later that spring, but they didn't have the impact we were after.

How do Nike's TV ads create emotional ties with the buying public?

You have to be creative, but what really matters in the long run is that the message means something. That's why you have to start with a good product. You can't create an emotional tie to a bad product because it's not honest. It doesn't have any meaning, and people will find that out eventually. You have to convey what the company is really all about, what it is that Nike is really trying to do.

That's something Wieden & Kennedy, our advertising agency, is very good at. Lots of people say Nike is successful because our ad agency is do good, but isn't it funny that the agency had been around for 20 years and nobody had ever heard of it? It's not just that they're creative. What makes Wieden & Kennedy successful with Nike is that they take the time to grind it out. They spent countless hours trying to figure out what the product is, what the message is, what the theme is, what the athletes are all about, what emotion is involved. They try to extract something that's meaningful, an honest message that is true to who we are. And we're very open to that way of working, so the chemistry is good.

People at Nike believe in the power of emotion because we feel it ourselves. A while ago there was a book published about Nike, and one person who reviewed it said he was amazed that a group of intelligent, talented people could exert so much passion, imagination, and sweat over pieces of plastic and rubber. To me, its amazing that anyone would think it's amazing. I can't say I would be that passionate about cigarettes and beer, but that's why I'm not doing cigarettes and beer.

What's the advantage of using famous athletes in your advertising?

It saves us a lot of time. Sports is at the heart of American culture, so a lot of emotion already exists around it. Emotions are always hard to explain, but there's something inspirational about watching athletes push the limits of performance. You can't explain much in 60 seconds, but when you show Michael Jordan, you don't have to. People already know a lot about him. It's that simple.

The trick is to get athletes who not only can win but can stir up emotion. We want someone the public is going to love or hate, not just the leading scorer. Jack Nicklaus was a better golfer than Arnold Palmer, but Palmer was the better endorsement because of his personality.

To create a lasting emotional tie with consumers, we use the athletes repeatedly throughout their careers and present them as whole people. So consumers feel that they know them. It's not just Charles Barkley saying buy Nike shoes, it's seeing who Charles Barkley is—and knowing that he's going to punch you in the nose. We take the time to understand our athletes, and we have to build long-term relationships with them. Those relationships go beyond any financial transactions. John McEnroe and Joan Benoit wear our shoes everyday, but it's not the contract. We like them and they like us. We win their hearts as well as their feet.

Admittedly, it's a little harder to get the public to identify with athletes in the area of fitness. When you're selling football shoes, you know what your emotion is and who your guys are. When you're selling shoes for hiking and aerobics, it's a different deal. There are no Super Bowl winners, so there are no obvious personalities to represent the activity, which leads to an entirely different type of advertising. We still convey emotion, but we do it on a much more personal level.

What if a Nike athlete does something illegal or socially unacceptable?

There's always a chance that somebody will get into drugs or do something like Mike Tyson did. But if you do your scouting well, you can avoid a lot of those situations. Three or four years ago we were recruiting two very exciting college basketball players, but before

we signed them we checked with our network of college coaches. We learned that one of them had a cocaine problem and the other could only play good offensive ball with his back to the basket. Needless to say, we didn't sign either of them, and both of them were a bust in the NBA.

Is social responsibility part of being a marketing-oriented company?

I've always believed that businesses should be good citizens, which has nothing to do with marketing. But the thing I was missing until recently is the issue of visibility—and that is tied to marketing. It's not enough to do good things. You have to let people know what you're doing. And that means having good relations with the press. When it comes to the product, America gets its opinions from advertising. When it comes to Nike as a whole, America gets its opinions from the press.

Our industry, and Nike in particular, gets a lot more press than many others because it's more fun to talk about us than about a company that makes widgets. On the one hand, we don't mind the attention; we like getting our name in the press. But on the other hand, the company usually gets treated in a superficial, lighthearted way, which is not what we're all about. Nike is not about going to a ball game. It's a business. People don't always realize that we take things seriously. So we're learning to explain ourselves better.

We can't make rules that keep drug dealers from wearing our stuff, and we can't solve the problems of the inner city, but we sponsor a lot of sports clinics for youths. And we're underwriting a series called *Ghostwriting* that the Children's Television Workshop is developing to teach kids how to read and write. We're doing it because we think it's the right thing to do, but we also want the visibility.

Is the shift to being marketing oriented an industrywide trend?

We can see now that the entire industry has gone through a major shift. But I'm happy to say that we pretty much led the charge by being first to understand the importance of the brand and the consumer. If we hadn't made that discovery, someone else would have, and we might have been out of business.

SIDEBARS . . . .

INSPIRED DESIGN: HOW NIKE PUTS EMOTION IN ITS SHOES . . . .

Tinker Hatfield

Five years ago, I left my job as Nike's corporate architect to design Nike athletic shoes. The switch was easier than you might think. I learned long ago that a building is not purely functional; it means something to people and evokes an emotional response. It's the same with Nike shoes. A Huarache running shoe or an Air Jordan basketball shoe is not just a combination of price and performance. It has feelings and images associated with it that make people like it better than something else, even when they can't explain why. That gray area, the stuff that no one can really articulate, has to do with the shoe's design.

Inspiration for a design can come from anywhere—from a cartoon, a poster, the environment. But the design process almost always involves the athletes who use our product. Sometimes an athlete tells me what he or she wants in a shoe, but often it's a matter of incorporating the athlete's personality.

Take Bo Jackson. When I was designing the first cross-training shoe for Bo, I watched him

play sports, I read about him, I absorbed everything I could about him. Bo reminded me of a cartoon character. Not a goofy one, but a powerful one. His muscles are·big, his face is big—he's larger than life. To me, he was like Mighty Mouse. So we designed a shoe called the Air Trainer that embodied characteristics of Bo Jackson and Mighty Mouse. Whenever you see Mighty Mouse, he's moving forward. He's got a slant to him. So the shoe needed to look like it was in motion, it had to be kind of inflated looking and brightly colored, and its features had to be exaggerated. That's how we came up with the larger-than-life, brightly colored Stability Outrigger and the similarly colored, inflated-looking rubber tongue top.

Working with Michael Jordan is a little different. He has his own ideas about how he wants the shoe to look and perform. When we were designing the Air Jordan 7, for instance, he said he wanted a little more support across the forefoot, and he wanted more color. The Air Jordans had been getting more conservative over the years, so what I think he was telling me— without really telling me—is that he wanted to feel a little more youthful and aggressive. Michael has become more mature and contemplative in recent years, but he still plays very exciting basketball, so the shoe had to incorporate those traits as well.

It all came together for me in a poster I had seen advertising an Afro Pop music series on National Public Radio. The imagery in the poster was very exciting and strong and slightly ethnic. I showed Michael the poster, and he thought it elicited the right emotion, so I drew from that. We came up with a shoe that used very rich, sophisticated colors but in a jazzy way.

Sometimes I don't have an athlete to work with. When I was designing our first outdoor cross-training shoe, which was a category we were creating, I didn't have any particular players I could study. So I kept thinking about the outdoors, and that led to Native Americans, who did everything outdoors—from their tribal rituals to their daily chores. What did they wear? Moccasins, which are typically comfortable and pliable. And that led to the idea of a high-tech, high-performance moccasin.

I found a neat old print by Robert Wesley Amick depicting Native Americans in the natural environment, and I painted some high-tech Nike's on their feet so I could visually describe the original inspiration in a humorous but informative scenario. We've built a whole line of shoes around that image. The soles are flexible so you can pad down the trail, the leather·is thin and lightweight, the outsole has a low profile, and the colors are earthy.

Stories about how we arrived at particular designs may be entertaining, but the storytelling also helps us explain the shoes to retailers, sales reps, consumers, and other people in the company. You'd be surprised how much information Mighty Mouse, Afro Pop, and a Native American in a Western landscape can convey.

Tinker Hatfield is Nike's director.

TALENT, CHARACTER, AND STYLE:
THE NIKE ATHLETE . . . .

Ian Hamilton

To recruit young tennis players and sign them to endorsement contracts to wear and promote Nike tennis shoes and apparel, I scout the junior tennis circuit for athletes with a combination of talent, character, and style. Talent is the most important ingredient for a Nike athlete. To promote our shoes, a player has to have a chance at being one of the best in the game. We're recognized as being the best at what we do and we want to reinforce that message to the consumer by having the world's top athletes wearing Nike.

Character is also important. By getting to know athletes in their early teens, I can tell if they are the type of people who would work well with Nike over the long term. Are they committed to the sport? Do they have a sense of humor? Do they have an attitude that the public will embrace? I meet the parents, coaches, and agents, and we decide if a relationship with Nike is in everyone's best interest. It's important that they want to be part of the Nike family as much as we went them to be.

There are plenty of players who meet the first two requirements, but only Nike athletes meet the third: a distinctive sense of style. People expect Nike to perform to a high standard and to make a statement at the same time. Our athletes do the same thing.

When I started at Nike tennis, John McEnroe was the most visible player in the world, and he was already part of the Nike family. He epitomized the type of player Nike wanted in its shoes—talented, dedicated, and loud. He broke racquets, drew fines, and, most of all, won matches. His success and behavior drew attention on and off the court and put a lot of people in Nikes.

By the end of the 1980s, McEnroe was ready to hand over the angry young man mantle to become more of a tennis elder statesman. And he wanted his Nike image to reflect his new attitude. This coincided perfectly with the emergence of Andre Agassi. When I first saw Andre he was a 15-year-old junior tennis star at Nick Bollettieri's Tennis Academy in Bradenton, Florida. Even then, image was everything to Andre. He had long hair on one side of his head and no hair on the other. His approach to the game was as it is now—"hit the ball as loud as you can." And he was the best player around. From a marketing standpoint, Andre was the perfect vehicle for Nike. Like us, he was anti-tennis establishment and he was different. ·

To satisfy McEnroe's need for an image change—and to appeal to the huge market of older tennis players who don't want to look like Andre—we segmented the Nike tennis products. Andre became the vehicle for Challenge Court, the "rock and roll tennis" part of the line, while McEnroe and David Wheaton launched Supreme Court, the more subdued part of the line. For as bold and irreverent as Challenge Court is, Supreme Court is tuxedo tennis. It's changed my job from finding players who represent Nike tennis to finding players who represent specific roles within Nike tennis.

We use the players not only to market and design our products but also to set a positive example for the sport. Andre Agassi, for example, has been integral in attracting a lot of young players to the game—and a lot of young players to Nike. Like Michael Jordan in basketball, Andre transcends the sport of tennis. He's got 7,000 members in his fan club—and not all of them are 14-year-old girls.

John McEnroe helped create a program for junior players called the Tournament Tough Player Parent Workshops. Unfortunately, agents and parents pressure today's younger players to turn pro early and make a lot of money. They put them in too many tournaments and, for most kids, burn them out quickly. That gives tennis a bad image and sends the wrong message to kids who might want to take up the game. McEnroe talks with groups of players and their parents and tells them what pro tennis has been like for him and what they should expect. The message is to keep tennis fun and in perspective. Now we're working to get those workshops on television to reach even more people.

Ian Hamilton is Nike's director of tennis sports marketing.

A SENSE OF COOL: NIKE'S THEORY
OF ADVERTISING . . . .

Dan Wieden

The people at Nike taught my partner, David Kennedy, and me how to advertise—and how not to advertise. Back in 1980, when David and I first started to work on the account, Nike made it very clear that they hated advertising. They had developed close relationships with athletes, and they didn't want to talk to them in any phony or manipulative way. They were obsessed with authenticity, in terms of both the product and the communication. And they had a sense of what was cool.

Those attitudes have guided all of Nike's advertising. We try to make honest contact with the consumer, to share something that is very hip and very inside. We don't translate the inside jokes because we figure it's OK if the people who are faddish don't understand. Either you get

it or you don't. It's more important for us to be true to the athletes by talking to them in a way that respects their intelligence, time, and knowledge of sports.

This approach to advertising seems to be in synch with the times, and I think that's why people respond to Nike ads. Products and services today have to have value and live up to their promise, but a spec sheet approach to marketing won't sell anything. As the world gets more dehumanizing, people want the trust and familiarity of a long-standing relationship. Building that relationship requires a brand with a personality and advertising.

Personality is the difference between the surrogate monkey parent and the real thing: the surrogate might have the nutriment, but everything else is missing, and the relationship never forms. In the business world, brand-building creates the personality that allows people to bond. The Nike brand, for instance, is very complex. Sometimes it's humorous, other times it's very serious—but it's always as if it were coming from the same person.

Advertising creates the environment for the relationship. To me, it takes the place of the human contact we once had as consumers. In the beginning, people had relationships with the shopkeeper, and any advertising simply supplemented that relationship. Today things are so complex that advertising needs to embody that relationship by making contact in more than a superficial way.

The process of creating brands and relationships is also the process by which you create the values our culture operates on, so it has a huge ethical component. The ethical dimension makes our work seem like much more than the movement of goods and services. And it can be scary. I remember sitting here one night with campaigns spread out all over the place getting ready to present to Nike the next morning. I felt we needed to tie things together, so I said, "OK, I'll just do it." That became "Just Do It," a slogan that spread all over the world. I realized then what a big, big stage this is and how important it is to be responsible for what goes on here.

I don't mean to suggest that this is a noncontroversial agency. I don't feel it's our job to produce stuff that doesn't upset people. Being provocative is ultimately more important than being pleasant. But you have to know what you're doing when you walk into the room with broad swords.

Our awareness of the ethical issues is also a factor in the positive response to Nike ads. The general public can sense when something is destructive or at least not very positive. In fact, I think a lot of big ad firms are struggling right now precisely because they've ignored the ethical component of advertising. They've relied on manipulation and cunning, which were effective in the 1980s when greed and self-interest prevailed, and they haven't moved beyond that.

I admit that Nike's product category has made it easier for us to be honest and open. Although at one level, all we're really doing is selling sneakers, there's something about athletic shoes and clothes that can inspire enthusiasm or even altruism. There's an honest-to-goodness belief that we're selling something that will help people. It's like an ancient call to a way of life that isn't going to harm the environment or mess you up. It keeps us charged up about what we're doing.

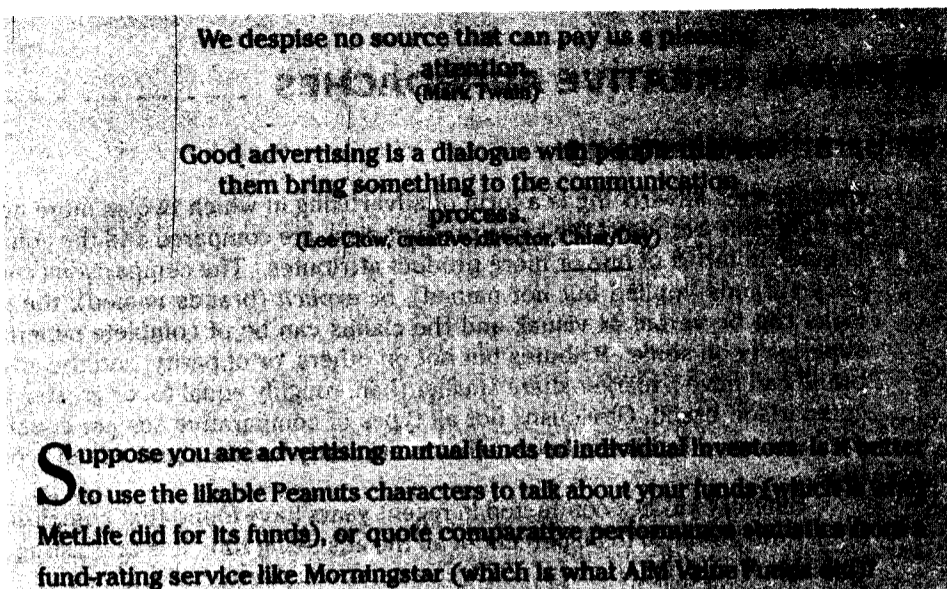Dan Wieden is creative director at the advertising firm Wieden & Kennedy.

PART IV

MESSAGE TACTICS

12 CREATIVE APPROACHES

> We despise no source that can pay us attention...
> — SIMON (Mark Twain)
>
> Good advertising is a dialogue with ... them bring something to the communication process.
> (Lee Clow, ... director, Chiat/Day)

Suppose you are advertising mutual funds to individual investors ... to use the likable Peanuts characters to talk about your funds (which ... MetLife did for its funds), or quote comparative performance ... fund-rating service like Morningstar (which is what ...

Suppose you want to compare yourself with a competitive brand in your advertising. Is it better to name and show your competitor (as Alfa Romeo did in comparing itself to the BMW), or merely to show (but not name) the comparison brand (which is what BMW did in comparing itself to the Lexus)? In fact, should a leader like BMW compare itself to the newer Lexus at all?

After an advertiser decides on the content of an ad—the "what to say" decision, the task of creating the ad itself is usually handed off to the creative people at the ad agency. Before these writers and art directors proceed to conceptualizing and creating the ad, however, it is usually a good idea to give some thought to the broad framework within which the ad should be created: What kind of appeal should the ad utilize? For instance, should the ad attempt a competitive comparison (a "rational") approach? Or, should it use some type of emotional appeal, such as fear, or humor? Should it use an endorser, and if so, what kind of endorser—an expert in that product category, or a likable celebrity?

While decisions of this sort are not always part of the advertising planning process at either the client or the agency (because of a desire not to limit the flexibility of the creatives, or because of ignorance), the ad creation process could undoubtedly benefit from the accumulated knowledge on when each of these creative approaches is most appropriate, and how each can be implemented most effectively. This chapter will thus present some material on various creative approaches (such as the use of endorsers, or of comparisons), focusing both on

when each approach is most appropriate, as well as *how* it is best implemented. We will discuss, in turn, the use of comparative and refutational advertising, of emotional advertising (such as advertising that employs fear or humor), and of endorsers.

RATIONAL CREATIVE APPROACHES . . . .

Comparative Advertising

Comparative advertising is a form of advertising in which two or more named or recognizable brands of the same product class are compared and the comparison is made in terms of one or more product attributes.[1] The comparisons can be *implicit* (brands implied but not named), or *explicit* (brands named); the comparisons can be verbal or visual; and the claims can be of complete superiority, of superiority on some attributes but not on others, or of parity; and the advertised brand can have a market share smaller than, roughly equal to, or greater than the comparison brand. Obviously, not all types of comparative ads are equally effective, and we will discuss below what is currently known about which types work best.

Different studies conducted in recent years have found that comparative ads often form about 20 to 30 percent of all the ads being run.[2] It is interesting to note, however, that prior to about 1970, comparative advertising that named the comparison brand was illegal in the U.S. and could not be used. Such ads are now perfectly legal in the U.S., however, and are used quite widely, especially where objective comparisons can be made between brands (e.g, the Ford Taurus advertising that it has more features for the money than competing brands, as in Figure 12-1). Regulations and norms about comparative advertising vary around the world, however, and such ads are still not allowed in several countries. In the U.S., a 1988 provision of the Trademark Revision Act has clarified what can and cannot be said in comparative ads—survey or other research used to back up a comparative claim has to be used very fairly and carefully; claims cannot be misleading or deceptive.[3]

Effectiveness of Comparative Ads

Is a comparative advertisement more effective than a noncomparative one? Much research has focused on this question, and the evidence on greater effectiveness is often equivocal.[4] The results seem to vary not only upon the specific kind of comparative ad used and the brands involved, but also on the measure of effectiveness used (attention/recall, perceived similarity, or persuasion) and even the specific questionnaire scales used to measure effectiveness.

For instance, as is discussed in the copy-testing chapter of this book (Chapter 14), the effectiveness of comparative ads sometimes lies not in raising the preference ratings of the advertised brand, but in lowering the preference ratings of the comparison brands, or even in simply increasing the perceived similarity of the advertised and comparison brands without affecting any preference measures at all.[5] It is thus important, in copy testing or tracking the effectiveness of compar-

Figure 12–1. A consumer-oriented comparative ad: Ford Taurus.
Courtesy of Ford Motor Company.

ative ads, to measure beliefs and preferences not only toward the advertised brand but also toward competition, as well as measure perceived similarities among these brands.

If attention and recall are used as the measures of ad effectiveness, various studies have shown that comparative ads do usually get more attention and higher recall than non-comparative ads. Pontiac used comparative advertising for its Grand Am in 1992, comparing it to the Toyota Camry and Honda Accord, because they found focus groups reacted more strongly to comparisons with specific competitors than to unnamed imports.[6] Naveen Donthu found the gain in recall was highest if the comparisons being made were more "intense" (naming explicit competitors, making comparisons on specific attributes, and only making a one-sided claim).[7]

Cornelia Pechmann and David Stewart found that the effects of comparative ads on other measures of effectiveness, such as persuasion, were at least partly due to this increased attention-grabbing ability,[8] and other researchers have noted that because of this interest-evoking ability comparative ads often succeed in increasing the extent to which consumers process the information contained in the ad (see Chapter 5's discussion of how comparative ads promote "central" processing of an ad).

Misidentification

Consumer advocates and the Federal Trade Commission, which legalized comparative advertising in the U.S. in 1971, have argued that the increased (and more "distinctive") information in comparative ads should be beneficial to consumers and increase the chances for better decision making. Many researchers have, however, found that comparative advertising that names competitors can lead to greater consumer confusion about which brand is sponsoring the ad (thus creating awareness and preference for the compared-to brand), especially if the ad is being run on TV or radio, where more confusion is likely.

Indeed, the frequent occurrence of such "sponsor misidentification" is one of the major criticisms against "direct" comparative advertising (where the comparison brand is explicitly named). It is one reason why many companies prefer to run *indirect comparative ads*, in which they do not name comparison brands directly but imply them by showing packaging colors or shapes (such as Folgers coffee not naming Maxwell House but showing the other brand packaged in the latter's blue can).

Leaders versus Followers

Interestingly, research supports the logic that a direct comparative ad from a small-share market follower is least likely to lead to higher awareness for the compared-to market leader (because the market leader already has high awareness), whereas a market-leading high-share brand has the most to lose from a direct comparative ad (by creating "free" awareness for the compared-to smaller brand).[9] This leads to the conclusion that while low-share brands ought to use direct comparative ads, market leaders perhaps ought to use noncomparative or indirectly comparative ads (those that don't name competitors). This suggests

that while VISA credit cards might gain by comparing itself to American Express (which has more prestige), American Express might not gain by comparing itself in its ads with VISA. (Both companies ran such comparative ads, comparing themselves with each other, in 1993 and 1994.)[10]

Smaller-share market follower brands also stand to gain more from direct comparative ads in another way: such ads have the effect of getting consumers to put both the advertised and the comparison brand in the same "consideration set," by increasing the degree to which they are perceived as similar to each other. Gerald Gorn and Charles Weinberg[11] point out that a leading brand might therefore not want to engage in comparative advertising, whereas a challenger brand might gain from associating itself with the leader. Their study found that comparative advertising was much more effective than noncomparative advertising in increasing the perceived similarity of the challenger and leader brands, particularly when the leading brand was explicitly named in the ad. Research by Michael Johnson and David Horne also shows that comparative ads promote the consumer perception that the brands being compared are similar to each other.[12]

These studies thus lend support to the idea that comparative advertising by new brands or challenger brands makes sense as an excellent positioning tool. For example, the Subaru ad in Chapter 6, in which Subaru claims a safety record as good as Volvo's, will clearly help to position Subaru as a "safety car" in the same league as Volvo. By the same token, market leaders might be better off not comparing themselves to market followers, for fear of giving them legitimacy. As one senior marketing executive puts it, "Comparative ads are good when you're new, but when you're the standard, it just gives a lot of free publicity to your competitors."[13]

This similarity-increasing effect, however, seems to depend on the nature of the attributes used: one study suggests that direct comparative ads increase the similarity of the advertised and compared-to brand on attributes not featured in the ad. However, they simultaneously differentiate the brands by lowering consumer perceptions of the compared-to brand on the specific attribute used in the comparison.[14]

Effects on Persuasion

Thus far, we have talked about how a comparative ad might help the advertised brand by gaining it "extra" attention and by bringing it perceptually "closer" to the comparison brand. Do these gains necessarily also translate into increased preference for the advertised brand? Not always. Gorn and Weinberg, whose study was cited earlier, found that while while a comparative did bridge the perceived "distance" between the "leader" and the "challenger" brand, it did not significantly raise the attitude toward the advertised brand. Many other studies have also failed to find such attitude-enhancing effects.

These failures could be due, in part, to the fact that these studies often failed to measure (and could not therefore find) possible decreases in consumers' attitudes toward the *comparison* brand. It has also been shown, however, that comparative ads often fail to sway attitudes and preferences because, while people may indeed notice them more, they nonetheless may consider a comparative ad offen-

MCI Math, Part II.

$$40\% = 13\%$$

40% = The discount on calls to MCI customers in your Friends & Family II calling circle.

13% = The average discount that shows up on your MCI Friends & Family II Basic bill.

Friends & Family II. Big claims. Big disappointments.

Friends & Family II advertises 40% off on calls to other MCI customers in your calling circle. But on calls to non-MCI customers in your circle, the savings is only 20%. And on calls to numbers outside your calling circle—that's any number you don't give them in advance—**the savings**

is a nice round 0%. Then there's the small matter of the $36 a year in monthly fees. In the end, the total Friends & Family II discount is a far cry from the 40% you might expect. It's more like 13%.* No wonder 4 out of 5 Friends & Family II Basic customers will save more with...

* Discount off MCI basic rates AT&T's and MCI's basic rates are about the same.

Figure 12-2.   AT&T's ad comparing itself to MCI.
Reprinted by permission of AT&T.

sive, less credible, and less informative (especially if they happen to like the brand being shown in a negative light). In fact, there is some evidence that consumers' liking for comparative ads goes up with the "intensity" of the comparative ad, but only up to a point—ads that are "too intense" appear to be disliked.[15] Thus, while AT&T's ad comparing itself to MCI (Figure 12-2) might rate high in persuasion because of its use of specific, persuasive statistics, MCI's response (which was more vitriolic) might to many appear too intense and therefore less persuasive.[16]

AT&T True Math.

20% = 20%

20% = The discount you get
on calls to everyone.

20% = The discount you see on your AT&T bill
with AT&T True USA™ Savings.

AT&T True USA℠ Savings. We say 20%. You save 20%.

AT&T True USA℠ Savings. Just spend $25 a month on long distance, and we'll subtract 20% off your AT&T bill.** That's 20% off on calls to anyone, anytime, anywhere in the USA. Guaranteed. To sign up, just call *1 800-TRUE-USA.*

AT&T. Your True Voice.℠

** Discount off AT&T basic residential rates. Available in most areas. Certain exclusions apply.

AT&T

Figure 12–2.   (continued)

Many studies have shown that comparative ads often evoke such an unfavorable attitudinal reaction because they stimulate more counterarguing by consumers,[17] often because they are perceived as less truthful. Obviously, therefore, comparative ads ought to be designed in ways that try to reduce such counterarguing. Message content that tries to stay as factual and "objective" as possible (as in Figure 12–2 above) can reduce such counterargumentation.[18] It helps to include a credible source, and to get the target audience involved in the ad, so they are mo-

tivated to actually make the invited comparison, rather than dismissing it out of hand.[19] It also helps to make the comparison in as "positive" a manner as possible: rather than derogate the comparison brand, it is better to claim superiority over the comparison brand in a nonderogatory manner.[20]

Two-Sided versus One-Sided Comparative Ads

William Swinyard,[21] Michael Etgar and Stephen Goodwin,[22] and others have also argued that there is more counterarguing if the message is one-sided instead of two-sided. (A message is *one-sided* if it presents only positive arguments or attributes and *two-sided* if a few qualifications, usually about relatively minor attributes, are presented.) Two-sided ads are seen as more credible, because they admit that the advertised brands have some shortcomings.

However, not all two-sided ads beat one-sided ads in credibility: research has shown that two-sided ads are especially credible when the attribute on which the weakness is admitted is (a) relatively unimportant, but not trivial, to consumers; (b) perceived to be negatively correlated with the attribute on which superiority is claimed (e.g., "we are more expensive (weakness), but only because we give you higher quality"); (c) one that would not otherwise be known to consumers prior to purchase, so that the advertiser gains some "brownie points" for honesty.[23]

Other research has also shown the general superiority of two-sided appeals, especially with more educated audiences, and with those consumers initially opposed to the brand making the claims, and on attitudes rather than purchase intentions. These results suggest that comparative ads are more likely to be persuasive in changing brand attitudes if they are two-sided rather than one-sided.

Open-Ended versus Close-Ended Comparisons

Another relevant issue is whether conclusions and arguments should be spelled out explicitly in a comparative advertisement or whether the receiver should be left to draw his or her own conclusions about the superiority of the brand sponsoring the comparison. It is often advantageous to leave something out of a message: the closure principle discussed in Chapter 7 comes in here. Leaving something out can stimulate curiosity and motivation to seek additional information about the brand and lead to a consumer-generated belief that is relatively more powerful than a belief created by an explicit statement in the ad. This would argue for not making explicit claims of the sponsoring brand's superiority.

However, there is some risk in assuming that a receiver will "draw his own conclusions." Research suggests that conclusions should be stated explicitly when there is a significant chance that the audience will not be motivated or unable to draw their own conclusions, or when there are real risks of having them draw the wrong conclusions. Alan Sawyer and Daniel Howard found that if the audience is involved in the message, and if the message is one where a conclusion can be easily drawn, an open-ended message (where no explicit conclusion was drawn) led to greater brand attitudes, intentions, and choice than a close-ended message (there was no difference for an uninvolved audience).[24]

Consistent with this finding, Mita Sujan and Christine Dekleva have found that comparative ads gain in relative effectiveness when aimed at more expert con-

sumers and when they make comparisons with specific, well-known brands (rather than types of brands), because the comparative ad can be interpreted more unambiguously under these conditions.[25]

Inoculative Advertising: Building Resistant Attitudes

Can a person be made to resist attempts by competitors or outside influences to change his or her attitudes? How can AT&T prevent residential telephone service consumers from being swayed by a subsequent MCI marketing effort—or vice versa?

A great deal of advertising activity is associated with this goal of "defensive" marketing. Given that we have developed favorable patronage—have a good share of market, for example—how can it be sustained? In attitude theory terms, how can we induce those currently loyal to our brand to remain loyal?

A consumer can be made more resistant to competitive appeals either by attempting to make a brand offering more attractive, or by attempting to train the consumer to withstand the persuasive efforts of competitors. From the first viewpoint, for example, one strategy would be to anchor beliefs about the brand to other beliefs that the consumer values highly. The brand might be shown to be significant in maintaining one's self-esteem or in otherwise enhancing the ego in various ways.

The alternative, of attempting to train a consumer to withstand competitive attacks, has been the subject of some empirical work in marketing. The diffusion of advertising messages can be thought of as similar to the diffusion of germs in the spread of a disease through a population. If individuals are given weakened doses of the germs, they can build defenses to withstand the more potent ones, and thus be made resistant to the disease when exposed to it. The medical or biological analogy is, of course, the notion of inoculating an individual with a weakened dosage, and for this reason it has been called the *inoculation approach.*[26]

In the advertising context, it has been demonstrated that preexposure to weakened forms of counterargument (arguments counter to the position or object being defended) is more effective in building up resistance to strong subsequent attacks than is a simple repetition of supportive arguments.[27] Other research has also shown that a refutational appeal (discussed shortly) provides a greater resistance to attack than a standard supportive appeal.

Back to the telephone service example: A 1990 ad campaign utilizing this inoculation approach was that of AT&T's, warning consumers not to switch to a rival long-distance telephone service on the basis of a telemarketing call promising big savings in monthly phone bills. One newspaper ad said: "Another long distance company might be calling soon. They'll tell how you can save big over AT&T. With quality better than AT&T. How you have nothing to lose by switching now. But you do. If you don't get their pitch in writing. Because there are lots of things they may not tell you. . . . Don't get taken in by big claims. Get the facts."

MCI, in turn, tried its own form of inoculation. In 1993, consumers signing on with MCI were sent a direct-mail warning that "AT&T may call and attempt to switch you from MCI. If they do, we hope you ask AT&T these tough questions . . ."

followed by five questions. The fifth question said, for example: "Why does AT&T declare that MCI's savings are only "a penny per minute"—when those pennies multiplied by many minutes can *really* add up? The fact is, month after month, MCI adds up to real savings." Note here how the MCI customer is being inoculated to AT&T's claim that MCI's savings are only "a penny per minute."

Refutational Advertising

Another term closely related to inoculation is *refutation*. It refers to the process of explicitly or implicitly stating competitive appeals (or consumer beliefs) and then refuting them, instead of dealing exclusively with brand benefits (supportive advertising). Hertz and Avis advertising are examples of both refutational and supportive advertising. For many years, Hertz used a supportive approach, emphasizing the many benefits of renting a Hertz car. Avis, on the other hand, refuted the implicit claim that "No. 1 equals the best" by suggesting that "No. 2 tries harder."

Another example of a refutational automotive ad is the one for Nissan in Figure 12–3, in which Nissan tries to refute the perception that Honda and Toyota are the better-quality Japanese imports. In the headache-remedy market, Bayer refutes the claim that various products are stronger or better than aspirin as follows: "Does buffering it, squaring it, squeezing it, fizzing it, flavoring it, flattening it, gumming it or adding to it improve aspirin?"
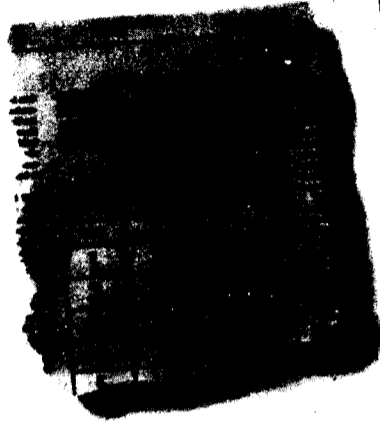
Ray cites three reasons why refutational messages appear to work:

1. **They are more stimulating than supportive messages. They underline conflict and get people concerned about an area.** This motivating factor alone can be quite effective, since refutational defenses can work even if they deal with claims other than those that appear in subsequent attacks.
2. **They refute counterclaims and thus make the competitive attacks appear less credible when they appear.** This refutation is probably quite satisfying. Statements of counterclaims can arouse dissonance or imbalance. The refutation can restore balance.
3. **Refutational messages do contain some supportive information, even though less than supportive messages.**[28]

Other research by Michael Kamins and Henry Assael has also shown that refutational ads lead consumers to generate more support-arguments and fewer source derogations (see Chapter 5) than ads with only supportive information.[29] One disadvantage of refutational messages is that they provide a viewer with information about a competitor's product and thus might enhance rather than defend against competitive alternatives. It is, nevertheless, a preferred approach to market situations in which the goal of an advertiser is to build resistance to attitude change and defend against competitive attack.

As mentioned earlier, a refutational approach can be useful not only against a competitive claim but also against a prior consumer belief that is negative. The famous ad for Life cereal that featured the little boy called Mikey is an example of refutational advertising. Here, the challenge was to convince mothers that their kids would actually like Life cereal, despite the fact that it was "healthy" cereal.

Figure 12-3.   A refutational ad: Nissan cars.

Courtesy of Nissan.

The TV spot showed two other boys watch Mikey eat Life cereal, betting that he wouldn't like it—and then watching with amazement when he ate it up.

As another application, if a certain segment of American consumers believe that Japanese cars are superior in quality, an ad by an American auto manufacturer aimed at this segment might be more successful in credibly communicating the actually high quality of American cars by first acknowledging this belief about poor quality and then refuting it with evidence (instead of making no reference to that prior belief about lower quality).

A refutational ad in such a situation might gain even more credibility if it were two sided—conceding that quality in prior years was, in fact, poor but then going on to argue that it has since improved substantially. Thus, continuing with the auto example above, General Motors ran a campaign in 1992 headlined "If you've been away from American cars and trucks for a while . . . the people of General Motors have something to show you," following up with quotes from favorable reviews about its new models, and concluding ". . . (in the last six years) 96 percent of our cars and 60 percent of our trucks have been redesigned . . ." A 1993 General Motors campaign in California featured an automotive scrap-yard operator describing how he made a good living over the years scrapping GM vehicles, but then noting that GM's quality now seems to be improving, so that "there's a trend here. It's not good for my business!"[30]

Another example of this creative approach is an ad run by USAir in August 1990 in *The Wall Street Journal*, which highlighted the on-time arrival record of its flights. The ad spanned two bottom half-pages, starting with the headline "It was the worst of times" and ending with "It was the best of times." Under the first headline was a panel of on-time performance statistics from January 1990, showing US-Air in sixth place among major airlines. Four other monthly panels followed, showing USAir in second place, followed by the last panel for June 1990 showing that USAir was now number 1. The headline at the bottom of the second page said it all: "USAir now leads the six largest U.S. airlines in on-time arrivals. My, how times have changed."

EMOTIONAL CREATIVE APPROACHES . . . .

The creative approaches discussed thus far are "rational" in the sense that they rely for their persuasive power on arguments, or reasons, about brand attributes. For instance, a comparative approach attempts to show, based on reasons, why the sponsoring brand is superior to competition. There is, of course, the whole category of creative approaches that rely on emotions or feelings for their effectiveness, such as the attempted evocation of warmth and affection, or surgency and excitement, or the use of humor, or of fear.

Since Chapter 8 was devoted completely to the role of feeling responses to advertising, including the use of humor or fear, we will not repeat that material here. Instead, we will only mention once again that emotion-evoking creative approaches are most suitable when the product category is one where, typically, consumers buy the product because of a "feeling" benefit—either the low-involvement "small pleasures" of candy or soda pop or the highly involving feelings associated

with fragrances, sports cars, and jewelry. Emotion-evoking creative approaches do not appear to be very successful in "high-involvement, thinking" situations (see Chapter 8 for a fuller discussion).

USING AN ENDORSER . . . .

Advertisers often use endorsers for their products or services—and this makes many endorsers very rich. Basketball star Michael Jordan reportedly earned $36 million per year in endorsement fees when he retired in 1993 ($18 million from Nike, which created its Air Jordan line of basketball shoes around him; $3 million from McDonald's, which created a McJordan hamburger named after him; $2 million from Gatorade, which urged consumers to drink Gatorade to "Be Like Mike;" $3 to $4 million from Sara Lee/Hanes, $2 to $3 million from Wheaties, and others).[31]

Other sports stars, including top golfers like Arnold Palmer, Jack Nicklaus, and Greg Norman, football quarterbacks like Joe Montana, ice hockey star Wayne Gretzky, and tennis champ Andre Agassi also earn millions of dollars every year from advertising endorsements. Star entertainers get rich too: Michael Jackson is reported to have received $5.5 million in 1984 and Madonna $5.0 million in 1989 for appearing in Pepsi's commercials.[32] The question therefore arises: what did these advertisers get in return? When should endorsers be used, and how and when do they help a brand?

In brief, research and commonsense suggest three types of benefits. First, endorsers *enhance advertising readership* (or viewership or listenership) scores.[33] Second, endorsers can *induce positive attitude change* toward a company and its products.[34] In general, the more credible a source, the more persuasive that source is likely to be. Third, the *personality characteristics* of the endorser can get associated with a *brand's imagery*. These benefits are not automatic, however, and obtaining them requires a careful consideration of a brand's marketing or advertising needs, and an endorser's characteristics.

There are two ways of thinking about an endorser's characteristics. The traditional way is to think of an endorser is a "source" of the information in the ad, contributing to the acceptability of the content of (arguments in) the message because of the source's credibility or attractiveness. We shall say more about this way of thinking below. The second, more recent, way is to think of the endorser as possessing some symbolic properties, which are *transferred* from the endorser to the endorsed brand (through advertising) and then from the brand to the consumer (through the acts of purchasing and consuming or owning the brand).

According to this *meaning transfer* model popularized by McCracken, brands benefit from associations with endorsers because endorsers acquire or possess particular configurations of cultural meanings that cannot be found elsewhere.[35] Thus, for instance, the symbolic cultural meanings linked to Michael Jackson and Madonna—presumably their anti-establishment, "bad" images—were what Pepsi wanted and obtained for itself through their endorsements, which then helped Pepsi attract the youths and teenagers who form the crucial part of the soft-drink market. Similarly, Coca-Cola hoped that ads featuring pop star George Michael might improve Coke's image as being "young" and "modern."[36] This meaning trans-

fer model of the value of endorsements is discussed more fully in the chapter on brand personality (Chapter 10) and is thus not repeated here.

A Model of Source Factors in Advertising

Returning to the source model, Figure 12–4 shows various factors of source on which research has focused. The central idea is that consumers view the information in ads as coming from a source, with sources varying in "credibility."[37] (The term *credibility* should not be interpreted literally, and is explained further below.) According to this model, the more credible the source, the more persuasive he or she is likely to be in getting the audience to accept the ad's message.

Shown to the right in Figure 12–4 are various source components of advertising copy. At the center is the object of the advertising, such as the brand, product, service, idea, political candidate, corporation, and so on. The model shows the credibility of this object to depend on the the sponsor, the endorser, the media vehicle, etc.

The sponsor could be the company itself. A famous study by Theodore Levitt,[38] for example, tested whether the effects of salespeople representing a prestigious company (Monsanto Chemical), a medium-credible company (Denver Chemical), and an anonymous company had a differential impact on purchasing agents. It was found that the better the company's reputation, the better were the salespeople's chances of getting a first hearing for a new product and early adoption of the product. Company source effect declined, however, with the riskiness of
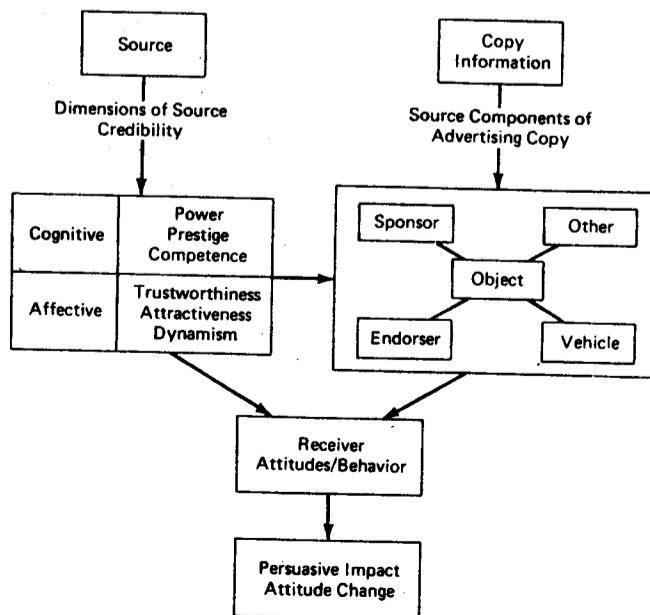

Figure 12–4. A model of the source dimensions of copy information.