Executive summary and implications for managers and executives

Executive summary of “Cognitive and emotional processing of brand logo changes”

This summary has been provided to allow managers and executives a rapid appreciation of the content of the article. Those with a particular interest in the topic covered may then read the article in toto to take advantage of the more comprehensive description of the research undertaken and its results to get the full benefit of the material present.

Numerous studies confirm that brands serve as one of the most important assets of any firm. Such as name, slogan and logo represent the brand and enable consumers to “recognize, remember and recall” it.

Many companies believe that making changes to these branding elements provides an ideal way of refreshing and modernizing themselves. Altering a brand’s name is perceived as being a more drastic move compared to modifying its logo. However, changes to the latter can have a significant impact on consumer attitudes towards the brand.

Various reasons can motivate the decision to change a logo. Mergers, evolving markets or repositioning the firm in its marketplace are just some. But making alterations to a logo involves tremendous costs not only in design but updating such as signage and materials at point-of-sale. The strategy is inherently risky too as there is no guarantee that consumers will react favorably to the change. Plenty examples of negative responses and their consequences are noted in the literature. Different scholars point out that organizations would be well advised to seek consumer opinion prior to implementing any proposed change.

The few empirical studies regarding logo change have ascertained that most consumers would prefer it not to happen. However, acceptance of minor alterations is evident. It has also been shown that unfavorable reactions are likelier among consumers who are “strongly committed” to the brand, whereas those whose commitment is weak tend to be more positive.

Given the dearth of research, the present study aims to investigate consumer responses to brand logo changes. The initial qualitative stage involved in-depth interviews with subjects in Southwestern USA. Six males and six females participated in this stage and their average age was 27 years. They were invited to offer their views on real brand logo changes and to give examples that they were familiar with. Data was used to identify key themes and form hypotheses for the second research stage.

Evidence shows that consumers prefer to purchase new products associated with brands they are familiar with. Familiarity can also relate to logos. It is therefore suggested that those who are more familiar with a brand’s logo will be likelier to perceive any alterations made to it.

Curiosity is identified as significant in the context of brand logo changes. The move results in a perceived knowledge gap which can then trigger one of two forms of curiosity. Scholars use the label “interest dimension” to identify positive curiosity. Consumers exhibiting this form tend to feel interested and excited about the development. On the other hand, the “deprivation dimension” reflects feelings of anxiety and uncertainty towards an event. In this context, it will be reflected in questions as to why modifying the logo was necessary.

What prompts curiosity in response to logo change is not clear at present. Based on past evidence, it is feasible to assume that brand involvement will be a factor. Both types of curiosity are more likely to emerge for consumers who are highly involved with the brand relative to those whose involvement is low. The actual amount of change may also be pertinent. Greater degree of change means an increase in the perceived information gap, making both forms of curiosity more probable.

Type of curiosity should influence consumer attitude towards the new logo. Interest curiosity in relation to advertising is known to result in more positive evaluation of the featured products. Similar effect is likely in the present context. Conversely, an unfavorable attitude towards the new logo is anticipated when deprivation curiosity is evident. In a similar vein, individuals exhibiting this form of curiosity often feel skeptical about the events. This is seen as indicating their resistance to change and might be driven by fear and anxiety that the modified logo will have negative repercussions for the core product. Peterson et al. also believe that any such anxiety will negatively impact on attitude towards the brands in the aftermath of the logo change. Attitude towards the logo will also influence brand attitude, albeit positively.

These issues are investigated further in the second phase of the study, involving students from a leading university in Southwestern USA. Males accounted for 52 per cent of the final sample, characterized by ethnic diversity and a respondent mean age of 24 years.

Logos of a national ice cream franchise and a national shoe store chain were the consumer brands chosen for the study. Both logos incorporated either a minor or major change and subjects were randomly assigned to one of the four conditions. Minor changes were fictitious but the major ones had been announced in the press so were genuine. However, the study respondents hadn’t yet seen them. Participants answered various questions before and after exposure to the logo.

Data indicated that:

- consumers more familiar with a brand logo are likelier to perceive the differences when it is changed;
- brand involvement triggers both types of curiosity about logo change;
- the perceived level of logo change increases interest curiosity;
- interest curiosity results in positive impact on attitude towards the new logo;
- attitude towards the new logo is likely to be negative when deprivation curiosity emerges;
● deprivation curiosity towards the logo change prompts anxiety about the core products; and
● brand attitude is positively influenced by attitude towards the new logo and negatively influenced by anxiety about the core offering.

Contrary to expectation, it was not evident that perceived degree of logo change impacts on deprivation curiosity. According to the authors, this suggests that any perceived difference in the logo triggers deprivation curiosity but it does not increase as this change becomes greater.

Findings here echo earlier work indicating the significance of brand involvement. Peterson et al. conclude that highly involved consumers possibly view logo change as an “attack on the brand” and a move to change its meaning. They thus speculate that comparable change to such as name or slogan will have a similar impact.

Consulting with consumers about proposed logo change is seen as imperative. Firms are advised to engage in appropriate forms of communication that not only announce the changes but explain the rationale behind it. Informing the public properly can help alleviate fears and prevent the emergence of anxiety, negative affect and the subsequent unfavorable attitude towards the brand.

Additional brands and categories could be part of future study that might also examine moderate degrees of logo change. Use of different samples is recommended, while efforts to ascertain the best means of communicating change are deemed relevant. The authors also suggest conducting similar work in different countries to explore any significance of culture in how consumers view logo changes.

To read the full article, enter 10.1108/JPBM-03-2015-0823 into your search engine.

(A précis of the article “Cognitive and emotional processing of brand logo changes”. Supplied by Marketing Consultants for Emerald.)