From Branding to Action

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Many marketers have become familiar with the concept of 'nudging' introduced within the broader context of Behavioural Economics. However, how can we harness the power of this to best effect for our brands? In this article, I demonstrate how marketing can profitably utilise this understanding in deploying automatically associated brand signals in order to positively influence brand choice.

Action Follows Attitude?

What implications do the leaps and bounds in understanding made within the field of Behavioural Economics have for marketers? To help identify, understand and exploit new implications, let us first consider what marketing is, and traditionally has been, focussed on. Marketing's focus is on behaviour, and its aim has always been to influence customer behaviour. The basic assumption generally made by marketers is that a customer's behaviour is resultant of his/her attitudes or, put more simply, that action follows attitude.

This has led to the common marketing practice of focusing on the target audience and specifically their internal thinking and opinions (attitudes, preferences etc), as these are deemed to be hugely influential on behaviour. Hence, as marketers, we attempt to shape and develop these to our brand's advantage, and often they become our obsessive yardsticks against which we measure the success of our brand communication.

However, it is now clear that human behaviour is not as 'mechanical', and hence not as predictable, as this base assumption would suggest. For example, we know (from our own experience) that many of the brands that we buy on a grocery shopping trip have not been pre-specified on a shopping list (be this physical or mental). We might reference generic categories (such as margarine, bread, floor cleaner, etc.) on our list, but do not necessarily nominate any specific brand – the critical purchase decision is subsequently made in store. In addition, we purchase several other items that were not even on our shopping list! Such familiar behaviours as these challenge the basic marketing assumption – how can our stated attitudes and preferences be so dominant in defining our purchase actions when so many of our decisions are 'unmade' before we enter the store? So, if our internal thinking processes (opinions, beliefs, preferences) only tell part of the story, then what else plays a role?

Behaviour Also Depends on the Situation

In psychology, the basic formula that explains behaviour is the outcome of an interaction between an individual and a **situation**. In marketing, we have traditionally neglected the situation and solely focussed on the target customer, whereas the situation provides the context for decision-making and hence affects behaviour.

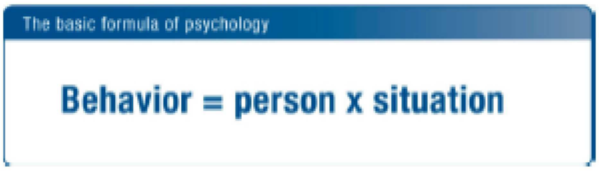

Figure 1: Behaviour is an outcome of both the person and the situation

Behavioural economics clearly demonstrates how powerful the situation (inclusive of the environment) in which the (purchase) decision takes place can be – for example, Brian Wansink's canteen experiments showing how changing situational factors in various ways affects people's eating choices. As such, **the *situation* is a key determinant of behaviour**.

But, how should we think of a 'situation' in order to be able to understand its full value to our marketing practice? Broadly speaking, **the situation is anything and everything that the customer might experience in the lead up to the behaviour on which we are focused i.e. a purchase decision.**

However, from a practical marketing perspective we should consider what our brands can realistically influence - we should focus on the much tighter scope of the purchase decision interface. This consists of all the perceivable signals, codes and cues that the customer meets in relation to their purchase decision.

The perceivable signal aspect in the above is important. At decode, our understanding and work uses the (Nobel Prize winning) Behavioural Economics model of Daniel Kahneman (2002). In this, he concludes that our intuitive decision-making system (referred to as the 'autopilot' or system 1) is governed by what we perceive, and what is automatically triggered and activated by these percepts. Quoting from Kahneman himself: 'What you see is all there is'.

Behavioural Economics, then, offers complementary understanding to that on which traditional marketing was founded, giving marketers a second focus through which to leverage decision-making.

The Two Sides of the Equation are Complementary

However, we should not now neglect the original focus on the internal perspective of decision-making i.e. a customer's motivations and goals. This would be a mistake since we know that purchase behaviour is mainly motivated behaviour and that the peripheral cues in the environment only cut through if and when there are no strong preferences, which is most often the case (the Fazio MODE Model provides a useful framework for considering the multiple processes by which our attitudes can guide behaviour and choices).

Instead, we need to see both sides (a customer's internal perspective and the situation) as complementary levers, both of which are available to us as marketers to utilise to best effect.

One can think of the two levers as being short term (situation) and long-term (internal perspective). The short-term lever offers the effect on behaviour that our brands can have through addressing the decision interface (nudging or nudges). This can influence our behaviour automatically, and without necessarily changing our attitudes and preferences. The long term lever offers the ability to build and deploy the associative networks, created through perceived signals across a brand's touchpoints, which constitute the brand's equity.

Using the Two Levers as One

Brands and nudges have several things in common. On a conceptual level, framing is the core for both (see my previous contribution in the BE Guide 2014 for further detail). The brand changes the perceived experience of the product, as clearly demonstrated in both placebo research and blind taste tests, and can increase the customer's willingness to pay a higher price through such framing effects. Like nudges, they automatically affect customer judgement and behaviour as they work their influence through similar automatic associations.

Brand equity is built from signals, those signals that have formed strong associations with the brand over time (e.g. through communication and brand experience). Like nudges, they work at a System 1 level and underlie the same mechanisms and principles: framing, automatic association and they are grounded in perception.

An example that illustrates how both levers can work powerfully together is the case of brand properties. These are signals that have the ability to be a nudge for the brand and also to convey 'baked-in' brand values. For example, the Magnum brand property of the 'cracked shoulder' visual example below not only cues the brand, but also conveys the Magnum brand values of indulgence, sensuousness and pleasure.

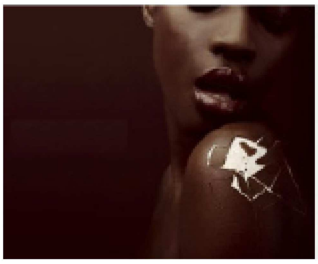

Figure 2: The 'cracked shoulder' not only triggers the Magnum brand, but also its brand values

As is already known, decision-making at (or close to) the point of sale is heavily influenced by the customer's automatic processing of the environment (otherwise, why do brands invest so much into increasing their presence and appeal there?). For example, studies have shown that such 'stopping power' can explain between 40 and 70 of all brand choices in a supermarket (fitting with the earlier observation that many of our brand purchases are undecided as we enter the store). Brand properties play an important role as signals in this context. They activate the brand automatically, and by doing so, increase fluency, influence judgement and boost the value perception of that brand choice. These are 'nudges' for the brand, but they also convey its equity.

To optimise the joint effect of these short term and long term levers, we should not only consider the short term need to trigger the brand, but also carefully select the signals that we deploy based on their association with relevant brand values. In his research, the neuroscientist Fuster established that we recode everything that we perceive into mental concepts. As such, we make sense of signals in this manner. For example, a red rose recodes to the concept of romance/love in many cultures and contexts. Since brands are associated with such mental concepts, and also with the needs and goals for which they are a means of achievement or fulfilment, choosing the right signals is key.

What Signals Does a Brand Own?

In order to do this effectively, we need to first understand what brand signals are. These are properties of the brand that have the power to instantly activate the memory of the brand and to trigger brand meaning.

Our recent research amongst marketers found that, in practice, only a limited set of such brand properties are recognised and managed; mostly logos, brand/product claims and slogans. More implicit and subtle signals such as shapes, actors/models used in advertising, style of photography, gestures, advertising scenarios, sounds, materials or fonts are often overlooked in communication planning and brand activities. However, cognitive science shows that it is precisely these implicit properties that offer huge potential and opportunities to significantly increase brand and communication effectiveness, particularly when it comes to how signals can influence purchase decisions. Indeed, in a recent decode study, we found that shapes have a significantly higher branding power than claims or slogans in the markets that were analysed (see Figure 3). For example, Magnum's most iconic asset is the product itself, including its shape, i.e. the brand's distinctiveness is "baked-in" to the product itself. In contrast, the brand's slogan, "For pleasure seekers", has less than half of the branding power of the shape, with 1/3 of people mistakenly linking it to Haagen Dazs.

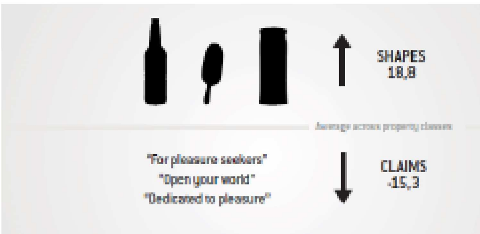

Figure 3: Shapes have higher branding power than slogans

One key reason for the current narrow perspective on brand properties is a misconception as to how the consumer's brain perceives processes, stores and deploys brand properties when interacting with brand touch-points. Understanding the brain's underlying processes responsible for branding and brand activation offers a systematic way to identify brand property and signal candidates and to evaluate their potential beyond the obvious such as brand logos or slogans. We can use insights from neuroscience to help us to identify and manage these brand signals and, hence, become more effective in their use in 'nudging'.

Science has shown that the human eye is not a camera, and that our memory doesn't store snapshots or pictures. Our visual input is, instead, deconstructed based on specialised neurons, some of which deal with colours, some with shapes, and others with orientations, angles or sizes. To identify a brand, the brain uses only a limited amount of this available information – the so-called diagnostic characteristics. Caricatures are a good example of the brain using diagnostic characteristics: while we may have never seen a specific caricature of a given person (e.g. Prince Charles) before, we are still able to automatically recognise who it is if that person's diagnostic characteristics (e.g. large ears) are featured. Or think of the iconic Coca-Cola logo: the picture shown (Figure 4) automatically activates the right brand even though the brand name is not written correctly. If brand recognition was based on picture recognition, then the brain would not be able to recognise this logo as Coca-Cola.

Figure 4: Diagnostic recognition of the Coca-Cola brand

So, the brain uses only those brand properties (signals) having high diagnostic value to recognise a brand – and not pictures. These highly learned, unique, and therefore diagnostic brand properties activate the brand, automatically, in milliseconds, even when consumers do not actually pay much attention.

Applying this learning enabled one of our clients to deconstruct their brand logo into the signals that the visual brain uses for recognition, such as the font or the position of the logo on the pack. An empirical analysis then revealed that the colour of the brand logo had a low diagnostic value – it did not activate the brand. Unlike the diagnostic red colour for Coca-Cola, this particular colour was not iconic for our client's brand. This allowed the marketing manager to change the colour of the brand logo to better convey the new brand benefit, without jeopardising consumer orientation and brand activation. The result was a significant market success that was supported by the ongoing ability to use a colour that is consistent with the product proposition.

Deconstructing the brand properties along these scientific principles not only provides a whole new range of branding opportunities, it also provides guidance and freedom at the same time: when we know which properties drive brand recognition, it becomes clear what 'signals' we should keep, and what can be changed when we plan a packaging re-launch or a new communication platform.

Brand properties not only increase branding power (and hence boost the return on marketing investment) but they also carry brand values and hence can trigger associations with brand values. So, in the context of 'nudging' these can be selected to best deliver in the specific situation. Indeed, neuroscience shows that sensory properties such as shapes or sounds activate those areas in the brain that deal with semantic associations and meaning. Therefore brand properties automatically activate associations with values and benefits.

In other words, effective brand properties not only activate the brand but additionally have the power to convey specific brand values. They convey a message about the brand, whether intended or not. The Tropicana pack re-design case study can help to illustrate this point.

Figure 5: The new Tropicana design conveyed different brand values to the original

By removing the orange with the straw, the pack design not only decreased branding power and confused consumers but, crucially, it also conveyed a different message: the orange with the straw stuck in it stands for freshly harvested, natural, every-day orange juice for the whole family, whereas the fluted glass featured on the new pack conveyed brand values such as exclusivity and sophistication.

So, we should additionally consider the semantic associations – the meaning or message, and the brand values – triggered by each brand property when selecting them for specific use as signals in the decision process.

Branding into Action in Practice

Understanding the branding effectiveness and specific brand value associations of brand properties and signals will empower marketers to select the best candidate(s) to deploy in 'nudging', dependent on the specific objectives of the activity:

Step 1

Analyse current and previous brand properties across key touch-points (e.g. packaging, ATL, POS, sponsorship), based on scientific principles and rules, **in order to identify candidates** for relevant brand properties. Do this for both your own brand as well as for relevant competitors.

Step 2

Evaluate (a) the branding power and (b) the fit to brand values of each of these properties using an objective set of consumer data.

Step 3

Steer the development of these assets and their usage. Track development of the identified core assets on a regular basis using an 'implicit' measurement to support and help manage this.

Conclusions

- **Marketers should be aware of the significant opportunities to influence brand choice that are accessible through understanding the situation and environment at points close to the purchase decision.**
- **Successful 'nudging' at these points involves using established and distinct brand properties as signals that trigger the brand and its appropriate motivating brand values.**
- **Many marketers are unaware of the full set of brand properties, instead having a narrower focus e.g. brand logos and slogans. To increase a brand's success, it is important to know the full set of brand properties for use in signalling, together with their relative strengths of association with the brand and with its key brand values.**

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The author

With over 25 years client-side brand management experience (Unilever, Diageo and T-Mobile) and now author of 'Decoded. The Science Behind Why We Buy', **Phil Barden** is one of very few experts to combine a practitioner's perspective with a profound knowledge of decision science. He is a guest lecturer on the Henley College MBA programme and on Goldsmiths College MSc in Consumer Behaviour. He regularly speaks at industry events, most recently at Brand Works University, International Shopper Insights In Action and the Financial Times Marketing Innovators Summit.