Branding insights: an interdisciplinary journey from perception to action

Andreia Gabriela Andrei and Zait Adriana

Alexandru Ioan Cuza University of Iasi

2 October 2014

Online at https://mpra.ub.uni-muenchen.de/61114/
MPRA Paper No. 61114, posted 6 January 2015 02:58 UTC
Branding insights: an interdisciplinary journey from perception to action

Andreia Gabriela ANDREI¹
Adriana ZAIȚ²

Abstract. Our interdisciplinary study examines the brand’s perceived intentions and ability, as predictors of consumer behavior. In an attempt of answering a call for research in the branding area, we found out contradictory views, both of them based on strong arguments, including empirical results. Each view has been examined by the lens of branding, social cognition and behavioral theory. We found convergent findings from cognitive psychology and behavioral theory to support one of the two views and to extract a hypothesis. Thus, we hypothesized that an effective branding process, meant to achieve both consumer trust and sales objectives, should address the brand’s perceived intentions before ability. We suggest that further empirical studies are needed to test the hypothesis, although for some particular cases, tests confirmed the priority of intentions. Overall, our paper offers an integrative view of consumer underlying behaviors revealed by results of other social sciences and how should be used in brand construction process. The benefits of updating branding theories by integrating results confirmed by other social sciences are discussed.

Keywords: branding; brand perception; brand image; brand trust; warmth; competence; intentions and ability.

Introduction

Bad news about big companies are not surprising anymore. We find out about such things even on TV, since in the recent years the cases of companies successful-until-yesterday that now are losing ground to smaller

¹. Post-doctoral Research Fellow, Department of Management and Marketing, Faculty of Economics and Business Administration, “Alexandru Ioan Cuza” University of Iași, Romania, andrei.andreia@gmail.com.
². Professor, Ph.D., Department of Management and Marketing, Faculty of Economics and Business Administration, “Alexandru Ioan Cuza” University of Iași, Romania.
companies have increased. Independent lines of research, some of them starting from very different points, have warned about this phenomenon.

Although most studies have explained how Internet and technology have challenged marketing communications practice (Qualmann, 2009; Dann, 2010; Universal McCann McCann, 2012, 2014), we focused on the works that went deeper to consider the underlying behaviors that would explain market twists.

Therefore, our paper comprises three main parts. The 1st part explores studies that have identified inadequate branding as the failure cause, pointing out the lack of consumer trust on one side and brand dilution or „impersonal aloofness” (Malone & Fiske, 2014, p. 9) on the other side. The second part presents recent branding-related findings and how are they supported or not by literature and empirical results from cognitive social psychology and behavioral economics. The third part of the paper points out theoretical contradictions, extracts a hypothesis to be further tested, discussing findings and implications.

**Branding and consumer trust**

Although the literature of the past decade discusses about a profound paradigm shift facing the marketing theory and practice; an earlier groundbreaking insight we find in Anderson’s view of brands evolution.

Anderson (2005) explained how product brands evolved in the mass marketing times and why the product-centric approach became obsolete in today’s customer-centric world. The author envisions a new age of „customer-centric brands” belonging to those companies able to develop fully customized offers and a high level of trust in brand promise of serving individual preferences better than others. Published on July 15, 2005, in the online article “Brands: Think people, not products”, the Anderson’s view about migration of brand strength from products to customers has been explained as an historical transformation driven by scarcity. Anderson explained that the scarcity of consistently high quality products have generated the success of product branding, and consequently, a period of product brands prevalence in the first half of the 20th century. As easily one can notice, the time period of product brands prevalence referred by Anderson, is, in fact, the same period of time well known for the rising up of the standardized goods consumption and mass marketing that generated
the marketing mix theory of the 4 P’s (McCarthy, 1960), still dominant marketing paradigm. The author described that “over time, more and more products entered the market and shelf space became the scarce good. Power shifted to retailer brands. Now ... the shelf space constraints evaporate ... and the scarce good become customer’s attention. We are moving from product-centric brands to customer-centric brands.” Product-centric brands represent promises about products (or retailers) – “buy this product from us because you can trust that it will be a quality product at good value.” Customer-centric brands offer a radically different promise – “buy from us because we know and understand you as an individual customer and we can tailor an appropriate bundle of products and services to meet your individual needs better than anyone else” (Anderson, 2005).

Yet, Malone and Fiske (2013) are the first authors to clearly indicate that although mass marketing belongs to the past, it is still the main practice, and a lot of companies remained captives of what authors call “the Middle Ages of Marketing”. Pointing out that trust is a prerequisite for human relationships, the authors explain how mass marketing erodes trust instead of brand nurturing. They show that the lack of trust drives customers away, and loyal brand buyers are replaced by circumstantial consumers that randomly choose between proximity and discounts. Supporting the assumption that the extended lack of trust was generated by the mass marketing practice, Malone and Fiske present the result of 10 separate studies that evaluated by the lens of Fiske’s cognitive theories (2002, 2007, 2008) more than 45 companies and brands, and reveal that most brands fail the test of consumer’s trust. The authors explain this situation by the increasing brand abstractness that drives clients away because it opposites their natural need for humanity in relationships with product provider, and by the fact that “the constant pressure for faster and larger profits has steered companies into violating all the prerequisites for trust that we all unconsciously expect of them” (Malone & Fiske, 2013, p. 8). Malone and Fiske (2013) conclude that brands should show a human face driven by good intentions in order to be trusted by their customers.

**Branding and consumer’s perception of brands: intentions and ability**

Recent research apply cognitive theories to the consumer-company context (Aaker, Vohs & Mogilner, 2010; Aaker, Vohs & Garbinsky, 2012; Kervyn, Fiske & Malone, 2012; Malone & Fiske, 2013). Researchers test stereotypes of warmth (intentions) and competence (ability), to find out if and how these would operate on the consumer-brand relationship.
Although Aaker et al. (2010, 2012) use the terms of “warmth” and “competence” to report findings of their empirical studies, while Kervyn et al. (2012) use adapted terms: “intentions” (to name “warmth”) and “ability” (to name “competence”), all researchers have applied the same fundamental dimensions of social cognition to measure consumer’s perceptions on warmth and competence. Warmth and competence stereotypes correspond to the two fundamental dimensions of survival and social integration: warmth is about intentions towards others (good or bad), and competence is about the ability of carrying out these intentions (Fiske et al., 2002, 2007). Warmth (intentions) relates to other-profitable intent, including traits such as: good intentions towards others, communion, friendliness, morality, trustworthiness etc. Competence (ability) relates to self-profitable ability, containing traits such as: agency, intelligence, skill etc. (Fiske et al., 2002, 2007; Abele, 2003; Abele & Wojciszke, 2007, 2008, 2009; Wojciszke, 1887, 1988; Cuddy et al., 2007, 2008, 2009). Warmth and competence stereotypes are known to be central for human cognition, the main source of bias and discrimination that arise in all social contexts between persons, groups or cultures: (Fiske et al., 2002; Cuddy et al., 2007, 2008, 2009; Casciaro & Lobo, 2005, 2008; Durante, Volpato & Fiske, 2009). Aaker et al. (2010) show that warmth and competence stereotypes operates between consumers and organizations, and people perceive for-profit companies as being less warm, but more competent than nonprofits. Moreover, their empirical results revealed that willingness to buy is driven by perceptions of company’s competence, while admiration and increased desire to buy are directed to those organizations that are perceived both warm and competent (Aaker et al., 2010, 2012).

Kervyn et al. (2012) adapt the Stereotype Content Model of social perception to offer a new approach of consumer-brand relationship: BIAF - Brands as Intentional Agents Framework. BIAF confirms that warmth and competence stereotypes operate between consumers and organizations, showing that consumers perceive and behave towards brands in a similar way they perceive and behave towards people. Kervyn et al. (2012) report empirical evidence to support BIAF prediction that the 4 combinations resulted from perceptions regarding brand intentions (high vs. low) and ability (high vs. low), lead to 4 distinct emotions and drive 4 differential brand behaviors.

Results show that only popular brands are seen as both warm and competent, while high levels of perceptions on both warmth and competence dimensions are needed to attain trust, admiration and brand loyalty. In this regard, authors points out that very few of the companies
included in their study attained high levels of both perceptions, receiving low rates either on intentions (warmth), either on ability (competence), but most of them failed the test of consumer’s trust: consumers do not believe that they would be well-intentioned (Malone & Fiske, 2013).

**Contradictory visions on how to attain admiration, trust, sales**

Overall, previous research found empirical evidence that companies are able to nurture high perceptions on both dimensions, and admired brands are both warm and competent (Aaker et al., 2010, 2012, Kervyn et al., 2012, Malone & Fiske, 2013). While high levels of perceptions on both dimensions lead to: increased willingness to buy (Aaker et al., 2010, 2012), admiration (Aaker et al., 2010, 2012, Kervyn et al., 2012, Malone & Fiske, 2013) and brand loyalty (Kervyn et al., 2012, Malone & Fiske, 2013), researchers show that ambivalent judgment prevails (Fiske et al., 2002, 2007, 2012, 2013), and most organizations are seen as either warm either competent, but not both (Aaker et al., 2010, Kervyn et al., 2012, Malone & Fiske, 2013).

An additional hint, about how difficult it is to establish high levels of both perceptions, is shown by cluster statistics regarding some well-known brands such as: Rolex, Rolls Royce, Porsche, Mercedes (Kervyn et al., 2012). Instead of admiration, feelings of suspicion and envy are found to be aimed towards these brands. All well known for their high quality, these brands are reported as being perceived as highly competent but not so well intended, which suggests they should seek for warmth perception improvement.

Although researchers (Aaker et al., 2010, 2012, Kervyn et al., 2012; Bennett & Hill, 2012) consider that organizations are able to nurture both competence and warmth, it is unclear which perception should be established first. Addressing a call for research to study which should be first, Aaker et al. (2010) suggest that establishing organizational competence before warmth (vs. reverse) “may be more effective for long-run success” (Aaker et al., 2010, p. 289). In favor of their suggestion, Aaker et al. (2012, p. 193) suppose that “warmth judgments may be easier to credential after a brand’s competence has been established”, and adding “small touches of warmth to a competent firm might be sufficient to offer a burst of warmth to their brand image”.
Although transition from ‘low warmth; high competence’ to ‘high warmth; high competence’ was not tested, Aaker et al. (2010) studied perceptions improvement from ‘high warmth; low competence’ stage, as an effect of endorsement. Results show that endorsement significantly increased perceived competence of the warm company, but only when coming from a highly reputed media outlet. Although their study reveals that competence boosting by endorsement is possible, generating high levels of both perceptions, the feel of admiration and an increased willingness to buy, researchers assume that boosting perceptions of competence might encounter difficulties related with gaining an effective endorsement, since endorsement should come from a highly credible source (Aaker et al., 2010).

Certainly, since Aaker et al.’s (2010, 2012) research results indicate competence as the main driver of willingness to buy, their assumption is driven by sales-relates arguments. Indeed, the same premise of establishing competence before warmth is also underpinned by dominant management practice and marketing theories (Ries & Trout, 1981; Kotler & Keller, 2006; Grandey et al., 2005). But, if nothing is wrong with this approach, how is it possible such an increasing consumer distrust (Gerzema, 2009 cited in Aaker 2012, Malone & Fiske, 2013), and suspicious feelings reported by consumers towards high quality and respected brands such as Rolex, Rolls Royce, Porsche, Mercedes as indicated in Kervyn et al. (2012)? It is an intriguing question to be answered.

Since consumers judge companies as they judge humans (Aaker et al., 2010, Kervyn et al., 2012), and people are hard wired to instantly detect intentions of others (warmth) and secondly to asses the ability they seem to possess of carrying out those intentions (competence) (Fiske et al., 2002, 2007), we embrace Malone and Fiske’s (2013) suggestion of considering consumer-brand relationships like people to people. In this light, consumers judge brand’s warmth before competence.

Bearing in mind that consumer perception asses brand’s warmth before competence (Fiske et al., 2012; Kervyn et al., 2012; Malone & Fiske, 2013), a cold but competent brand will fall on first impression, while a warm but less competent brand will pass on. This contradicts the suggestion that establishing organizational competence before warmth might be a more effective way of attaining perceptions of both warmth and competence. At least apparently, the brand focus on establishing competence before warmth would lead to an undesirable first impression, while the warm
but less competent brand would attain a good first impression, passing on the first test of consumer’s trust, and consequently starting with better chances.

Therefore, establishing warmth before competence, seems more promising on Fiske et al.’s (2012) light of treating consumer-brand relationships as people to people. Yet, the question remains: Intentions followed by ability, or reversed? There are two opposite views, and both are based on strong arguments, including empirical results: client’s trust in company’s intentions supports one view and willingness to buy induced by ability of providing quality supports the other view. Thus, we explored trust-related literature to find out additional hints.

**Trust behavior: emotions and rational considerations**

Social literature is abundant of studies showing that trust shapes both the economic and social life. On one side, trust drives to economic efficiency due to the increased trust between partners and the decrease of transaction costs (Fukuyama, 1995), providing competitive advantage (Barney & Hansen, 1994; Dyer & Chu, 2003) and growth (Woolcock, 2001). On the other side, trust drives to increased quality of social life, generating a plurality of positive influences at societal level such as: income, health, longevity (Wilkinson 1996), education (Coleman, 1988), child protection and the reduction of the abuse (Cote & Healy, 2001), lower rates of crime (Halpern, 2001), the decrease of corruption and the maintenance of democracies and governments (Putnam, 2000).

Moreover, it has been shown that trust enables trade, since basically “every commercial transaction has within itself an element of trust” (Arrow, 1972, p. 357), and it often explains the business success of those trusted (Menkoff, 1993). Although rational choice scholars claim that people trust others to maximize their own utility when they expect to attain positive outcomes (Coleman, 1990), recent empirical studies of behavioral economists and psychologists reveal by contrast that people base their trust decisions on motivations unrelated to the utility maximization (Berg et al., 1995; Fetchenhauer & Dunning, 2009, 2010 cited in Mensching, 2011).

Behaviorists consider that the interplay of emotions (coming from the intuition system that is fast, spontaneous and effortless) and rational considerations (coming from the reasoning system that is slow, controlled,
rule-based and effortful) determines trust behavior, while immediate emotions influence the decision to trust to a greater extent than rational expectations (Dunning, Fetchenhauer & Schlösser, 2012).

**Discussions and concluding remarks**

Corroborating the aforementioned idea that trust is incorporated in every commercial transaction (Arrow, 1972), with the recent results of behaviorists stating that spontaneous emotions, coming from intuition, influence the decision to trust to a greater extent than rational considerations (Dunning et al., 2012), we are tempted to believe that:

1. consumer propensity to establish relationships with companies (commercial transactions) would depend on trust, and
2. the positive emotions towards company would influence decision to trust it to a greater extent than rational evaluations.

In other words, (1) and (2) would mean that (3) emotional trust* (fostered by the company’s good intentions) would influence the consumer decision to trust the company to a greater extent than rational trust** (coming from perception that company is able to enact its intentions).

Thus, (4) consumer decision to establish relationships with company is influenced by perceived intentions (good or bad) to a greater extent than perceived ability.

The notions of emotional trust* and rational trust** are used above as indicated by Aaker et al. (2010, p. 289): “research suggests there are two types of trust: sensing that another has one’s best interests in mind (emotional or warm trust) and believing that another can enact the behaviors to accomplish the given task (rational or cognitive trust; McAllister, 1995).”

Following (1)-(2)-(3)-(4) reasoning route, we assume that: (5) consumer perception regarding company’s intentions might influence company’s trustworthy and consequently, client relationships to a greater extent than its abilities, which would mean that (6) companies should establish perceptions regarding their good intentions before ability related ones, in order to nurture trust, customer-brand relationships, and consequently commercial transactions and sales.
Therefore, knowing that warmth is about intentions and competence is about ability of carrying them out (Fiske et al., 2002, 2007), it appears that trust-related literature (Arrow, 1972, Dunning et al., 2012) provides additional inputs to support the hypothesis we have found following Fiske et al.’s (2012) view of treating consumer-brand relationships as people to people:

\[ (H) \text{Brands should establish warmth before competence, not the reverse.} \]

Although research results for the very specific case of a for-profit social entrepreneur (Andreia Gabriela ANDREI, Adriana ZAIT, 2014) indicates the same ‘warmth - competence’ path of nurturing high levels of brand perception on both dimensions, further empirical studies are needed to test the hypothesis.

To conclude, our paper sheds a light on the controversy regarding brand’s perceived intentions and ability as predictors of consumer behavior. We find out convergent results, from cognitive social psychology and behavioral theory, to support the hypothesis that \textit{brands should establish warmth before competence} in order to nurture trust and customer-brand relationships, as carriers of their commercial transactions and sales.

Without neglecting sales-related arguments coming from marketing theory and practice, we think that a broader, integrative view of consumer underlying behaviors revealed by results of other social sciences would make a step forward. Ultimately, consumers and companies are social entities operating in the social world, thus, branding, marketing and all business theories would benefit from being updated and strengthened by integrating results from other social sciences.

\textbf{Acknowledgements}. This work was supported by the strategic grant POSDRU/159/1.5/S/133652, co-financed by the European Social Fund within the Sectoral Operational Program Human Resources Development 2007 – 2013.

\textbf{References}


Model and the BIAS Map. *Advances in Experimental Social Psychology*, **40**(1), 61-149.


