

A Theoretical Reading on Brand Loyalty - A Psychological Sensory Approach

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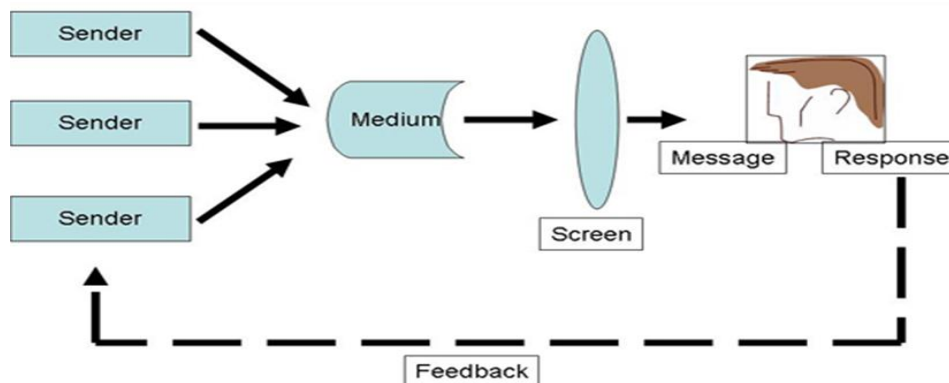
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What drives brand loyalty? The psychology behind human behavior as it pertains to brand selection can be both rudimentary and complicated at the same time. We will explore this conundrum by investigating noted authors' insight into the realm of brand preference. By unveiling current research and opinions of experts, a convergence of ideologies will advocate techniques in order to deepen current and potential relationships. Methods will be introduced which evoke the use of our five senses to evaluate, develop, and drive a deeply-rooted brand preference. Let's begin by understanding how we interact with our surroundings.

"Marketing battles take place in the mind of a consumer or prospect. That's where you win. That's where you lose." Jack Trout, *Big Brands, Big Trouble*. By Bill Nissim

I. COMMUNICATIONS MODEL

To better understand the process of preference, let's first look at a basic communications model. The five components of this model are sender, medium, filter, receiver, and feedback. On a daily basis, we are exposed to messages (sender/medium) via our radio, television, billboards, Internet, mail, and word-of-mouth. Although these messages are pervasive, we continually screen out (perceptual screen) or ignore content that has little or no relevance to us. All messages are coded patterns and sensations – colors, sounds, odors, shapes, etc. Those messages deemed recognizable, or a basis for a relationship, are decoded and stored in our memory (filter/screen). A successful convergence between sender and receiver will result in some type of response to a brand's compelling message (feedback).



Stored experiences in our long-term memory are connected through a series of nodes and networks. An example could be all the associations you might have with the word Starbucks—including coffee, rich aroma, relaxing, sofa, earth tones, etc. As presented by Shultz and Barnes, "This node and connection process, called spreading activation, makes every person different" (Strategic Brand Communications Campaigns, 1999). Since we all have different experiences, connections, and relationships, this supports a theory that the *consumer*, not the organization, owns the brand.

II. BRAND LOYALTY

You learn that creating customer loyalty is neither strategic nor tactic; rather, it is the ultimate objective and meaning of brand equity. Brand loyalty is brand equity." Daryl Travis, *Emotional Branding*

So, what constitutes brand loyalty? According to Bloemer and Kasper, brand loyalty implies that consumers bind themselves to products or services as a result of a deep-seated commitment. To exemplify this point, they rendered a distinction between repeat purchases and actual brand loyalty. In their published research, they assert

that a repeat purchase behavior "is the actual re-buying of a brand" whereas loyalty includes "antecedents" or a reason/fact occurring before the behavior.

Bloemer and Kasper further delineate brand loyalty into "spurious" and "true" loyalty. Spurious loyalty exhibits the following attributes:

- Biased
- Behavioral response
- Expressed over time
- By some decision-making unit, with respect to one or more alternate brands
- A function of inertia

True brand loyalty includes the above, but replaces inertia with a psychological process resulting in brand commitment (Ref: *Journal of Economic Psychology*, Volume 16, Issue 2, July 1995). Next, let's turn to how this psychology plays out in the branding process.

III. LOYALTY DRIVEN CONSUMER TYPOLOGY

A first approach of classifying consumers considering their degree of loyalty is that of George H. Brown, according to whom buyers can be divided into four groups: *hard-core loyals* - always buy the same brand; *split loyals* - loyal to two or three brands; *shifting loyals* - loyal to one brand for a period of time, but easily shifting from one brand to another, due to certain advantages offered by the new brand; *switchers* - show no loyalty to any brand, switching the brand with almost any buying situation. A second approach is that of David A. Aaker who sees five levels of brand loyalty and groups customers accordingly into a loyalty pyramid (figure 1):



Fig. 1: The loyalty pyramid

IV. BRAND POSITIONING

A strong brand position means the brand has a unique, credible, sustainable, and valued place in the customer's mind. It revolves around a benefit that helps your product or service stand apart from the competition. " Scott Davis, *Brand Asset Management*

Organizations seek to develop and project brand perceptions based on internally driven needs and goals. In Jack Trout's book "Differentiate or Die," he presents evidence that supports his theories on consumer behavior and interpretation. Although these concepts seem self-evident on the surface, organizations tend to ignore these immutable laws in their daily branding activities.

IV.1. Minds Can't Cope : Due to the sheer volume of messages we encounter on a daily basis, the human mind can't begin to cope with interpreting them all. Trout notes some statistics:

- Humans tolerate constant daily electronic bombardment
- Printed knowledge *doubles* every four to five years
- 4,000 books are published around the world every day
- The World Wide Web grows by 1,000,000 pages each day!
- You've watched 140,000 TV commercial by the age 18

IV.2. Minds Are Limited

- Perceptions are selective
- Memory is highly selective
- There is a physiological limitation to processing stimuli
- A dramatic difference is needed in crowded category
- How much of your message gets through the clutter depends

IV.3. Minds Are Insecure

- Minds are both emotional and rational
- Purchasing decisions are really not known

• **Recall—mind's remember things that no longer exist**

What conclusions can we draw from these theories? During a recent speaking engagement, I asked the audience if they knew the current tag line for United Airlines. They resoundingly responded with "Fly the Friendly Skies!" When I pointed out that United changed its tag in 1997 to "Rising" and again in 2004 to "Its Time to Fly," they were astonished. Despite the millions of dollars United spent on this ad campaign ("minds can't cope" and "limited"), the audience only recalled something that didn't exist ("minds are insecure"). When drafting your brand positioning strategy, you may want to consider your previous message layering activities and determine if your new value proposition enhances or conflicts in the minds of your intended audience. Now let's turn to a technique to analyze brand perceptions.

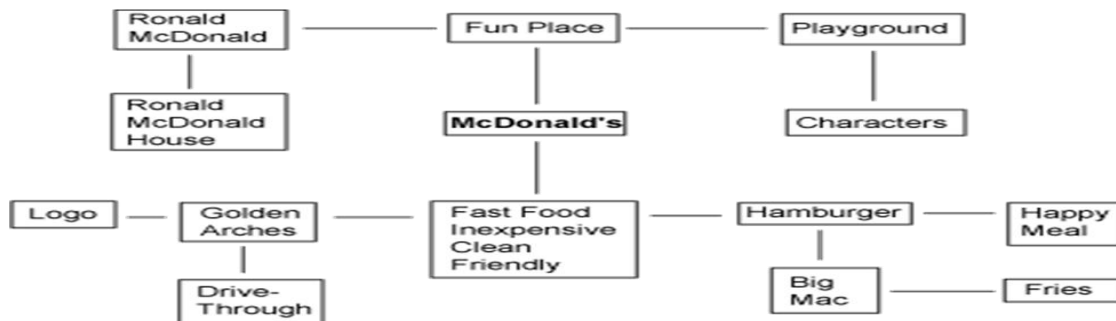
V. BRAND MOLECULE

The functional, emotional, and social dimensions of the jobs that customers need to get done constitute the circumstances in which they buy.” Dr. Clayton Christensen, *the Innovator's Solution*.

A brand molecule, according to Hill and Lederer, is the process of identifying all associations connected to your brand. In addition to understanding the type of connections, you need to evaluate the importance of each association and how much weight it carries independently.

By unfolding a brand molecule, the organization is able to view all possible connections, either positive or negative, in its current state. By virtue of this analysis, you can achieve greater clarity and insight into your positioning or re-branding process.

The McDonalds brand molecule, as portrayed in this pictorial, illuminates the basic constructs of this process. Key elements of this model include: linking all brand associations (emanating from the center), the importance of each (size), and how they relate to each other. Once accomplished, you can begin the process of removing those associations that no longer "fit" and adding new identifiers in their place. This process provides the manager with an opportunity to view the entire brand and affect change in a strategic manner.



A real-world example of this process was the recent transformation of Cadillac. In the late 80s and early 90s, sales for this brand were declining due to European and Japanese penetration into the luxury car market. To reverse this erosion, the Cadillac group invested in the brand molecule analysis to reinvent both the design and market preference. This brand was meticulously assessed, disassembled, reassembled, and re-positioned in the late 1990s from something grandpa drove into a fast, sexy, and desirable product. Today, you know when a Caddy commercial is playing when you hear Led Zeppelin's "been a long time" blaring through the speakers.

VI. MANAGING AND ASSESSING BRAND LOYALTY

Generally speaking, customers do not like to change or to admit that they were wrong by choosing a particular brand. Moreover, an enormous inertia exists in customer choice, the familiar being comfortable and reassuring. Still, without a clear Strategy for creating and maintaining loyalty, no firm can build a loyal customer base.

Scott Davis asserts that a brand loyalty can only be achieved through a strong brand positioning which means creating and managing a brand's "unique, credible, sustainable, and valued place in the customer's minds" and "it revolves around a benefit that helps the product or service stand apart from the competition". David Aaker suggests some basic rules when it comes to managing and enhancing brand loyalty like it follows:

- The customer must be treated with respect in the sense that the interaction between the firm and its personnel, on one hand, and the customers, on the other hand, should be positive and any rude, uncaring, or unresponsive behavior should be avoided.
- The firm must stay close to the customers. For that, focus groups should be used to see real customers' problems, account managers should meet with customers to find out their concerns, and customer contact must be encouraged so that signals are sending to both the organization and the customers that the latter is valued.

- Regular, timely, sensitive, comprehensive, and integrated into day-to-day management surveys of customer satisfaction / dissatisfaction must be conducted in order to understand customers' feelings, identify the reasons of overall satisfaction change, and adjust products and services.
- Switching costs must be created by providing unique and valuable solutions for customers' problems or rewarding loyalty directly through specific incentives and advantages.
- Customers must be provided with extra unexpected services so as their behavior be changed from brand tolerance and acceptance to brand enthusiasm.

VII. SENSORY APPROACH

Almost our entire understanding of the world is experienced through our senses." Martin Lindstrom, *Brand Sense*. The most innovative brand research I've encountered recently was derived from Lindstrom and his "Brand Sense" concept. A precursor to his theory lies in three components, and when combined, builds both loyalty and what he terms "smash ability." The constructs of his theory reside in the following:

- Sensory branding stimulates your relationship with the brand
- Allows emotional response to dominate our rationale thinking
- Offers different dimensions of a single brand
- Ultimate goal: Strong, positive, loyal bond between brand and consumer so the consumer will turn to brand repeatedly
- Goal: Emotional engagement, match between perception/reality

The essence of Lindstrom's work lies in what he terms the "Six Sensory Steps." These include (1) sensory audit, (2) brand staging, (3) brand drama, (4) brand signature, (5) implementation, and (6) evaluation. Through this discovery method, an organization can unveil aspects of its current offering or new avenues to exploit. This process, according to the author, will enhance brand loyalty and deepen existing relationships.

Since this article can't possibly delve into all six steps, a cursory view of a few elements of this process is provided next. Lindstrom's approach to brand loyalty stems from the use of our five senses. In order to understand any brand, a sensory audit must be conducted to assess the brand's leveraging of sensory touch points. This involves examining a brand's stimuli, enhancement, and bonding capabilities. Lindstrom's point is simply the more sensory components, the stronger the foundation of your brand.

Another area discussed is the synergy across sensory touch points. Lindstrom suggests we use many senses when evaluating our surroundings, including brands. Returning to the Starbucks example, one could view an encounter with this retailer in this manner:

Visual	Unique logo on building, cups, and bags
Visual/Auditory	Uniform and customer approach
Visual/Auditory/Touch	Interior aesthetics (sofa, colors, wall paper, music)
Smell/Taste	Distinct aroma of freshly ground coffee

When analyzing your brand, how strong are the links between each of your sensory touch points? How interdependent are they? In the beginning of this article we mentioned Lindstrom's term "smashability." This simply means how independent each sensory aspect is and what is its ability to stand on its own? If you removed the Starbucks logo from the building, would you still know the brand?

VIII. CONCLUSION

In order to understand the psychology of brand preference, we undertook this journey by examining a basic communications model and the process of receiving/filtering messages. Next we reviewed research that suggested a distinction between spurious and true brand loyalty. Several truisms concerning how a brand is positioned in the marketplace revealed the challenges with marketing to the human mind. Finally, we surveyed research that submits the essence of brands is connected through our five senses. The culmination of this information may help any organization facing brand loyalty issues with their constituents and provide resources to uncover core issues.

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