THE EFFECTIVENESS OF BRAND LOGO IN PROVIDING BENEFITS TO CUSTOMERS AND COMPANIES

Supervisor: Marcati Alberto
Candidate: Stefano Alojsio Battista

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INTRODUCTION TO THE THESIS

Through this study, my goal is to understand whether the logo of a brand actually affects the purchase decisions customers take, and, if it does, what are the benefits that this provides to them, but also to the company that is represented by it. This means understanding which features of a brand logo affect customers the most, may them be a mere element of aesthetic appeal, or a sense of familiarity evoked by said brand logo.

The concept of brand logo has started to catch more attention, since managers in companies have understood the value that every single element of a product, even the apparently less spot-on ones, have on the customers’ minds. Most of the times, brand logos are selected by the person in charge of the marketing sector of the business, or by the CEO. A huge amount of money, time and effort is exerted in developing and selecting an appropriate brand logo that might reflect the company’s identity in the best possible way. Sometimes, though, this identity objective is not reached, for reasons ranging from a too high level of complexity of the developed logo, to an evoked sense of unfamiliarity and an unpleasant look to consumers.

Therefore, I’ve decided to dig deeper into these topics, to distinguish the elements of a brand logo that specifically push consumers to trust, and eventually purchase, a given branded product. This is in fact the main target of this study.

This thesis will be divided into 4 chapters. In the first chapter a brief description about what exactly a brand logo is will be given, in order to make it easier for the reader to follow the subsequent discussion.

A small insight on how a brand logo is developed and proposed to the public will also be preventively given here.

I will thus analyse the effects a brand logo has (and is expected to have) on the public in chapter 2, focusing on a few specific elements that characterise this. This will lead to the formulation of a hypothesis, that is: consumers’ decisions can be affected by brand logos (H1). In this same chapter the benefits that a brand logo provides to costumers will be explored.

The benefits of brand logos to companies will be treated in chapter 3. I will try to analyse in this part of the paper all the actual benefits provided to the companies by brand logos.

Chapter 4 will have a more analytical approach. The analysis of a survey developed with the goal in mind to understand whether brand logos can affect purchase decisions will be in fact introduced here, and it will hopefully make clearer the afore-mentioned hypothesis.
The survey is about “the effects of a brand logo on purchase decisions”, and the target of this is that of better understanding what do the subjects of this study think about different brands, putting them in front of a set of choices, all equal, but relating them to two distinct, but equally well-known, brands (Apple and Nike).

Conclusions about all that’s been said in the whole paper will be therefore exposed. I will also explain which are the implications of the findings for the marketing field, making a few suggestions that might hopefully help brands in the sometimes not properly considered choice of a logo.
CHAPTER 1.
INTRODUCTION TO BASE CONCEPTS FOR THIS PAPER

1.1: What is a Brand Logo

To kick things off, it is necessary to explain what are we talking about when we say “brand logo”.
First of all, brand and logo are two distinct concepts, which people often wrongly take as synonyms.
A brand is “a product that is made by a particular company”, according to the Cambridge Dictionary. What does this mean more specifically? It means that a brand is a combination of name, symbol and design developed by a company; brands furthermore represent the customers’ perceptions and opinion about the performance of the product. A brand is, in a more “economic” definition, an important intangible assets that might significantly influence a firm’s performance, and that can influence customers, making them develop an incredibly strong sense of commitment.
A logo is, instead, a special design that a company uses to sell its products. It can shape a brand’s reputation, along with consumers’ attitudes, and is also a tool used by firms to make themselves recognizable, and to increase people’s familiarity.
A logo can assume many shapes and dimensions, and it is placed on the product to be sold. This also constitutes an asset for the firm, albeit intangible, and provides it with a competitive advantage, given that it increases the visibility of the products, and creates a sense of awareness in the customers.

Knowing these basic definitions, we can now turn to define what do we actually mean when we talk about “brand logo” specifically.

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3 Cambridge Dictionary (2017 edition);
A brand logo is served as a means for resolving the problem of indistinguishability of a product; it thus facilitates the identification of the brand, and the differentiation from competing alternatives.

A brand logo has as a target that of creating value for customers, enhancing their brand commitment, and this in turn affects the firms’ primary objective: improving their performance, strengthening it, leading to greater profits.

More specifically, a brand logo might come in the form of a simple brand name (see the logos of Ford, Samsung), or it might appear as a symbol in combination with a name (Red Bull and its charging bulls), or might drop the name altogether in order to adopt a more abstract symbol identifiable with the company (Nike’s swoosh, Apple’s bitten apple).

All in all, we can see how a brand logo works almost as an identity card for a company and its products: most people need only a quick gaze of it in order to identify a company they already knew, and, in the case of a logo spotted for the first time, they need only a few seconds to imprint it into their minds, provided that it is a well-designed logo.

1.2: How a Brand Logo is Developed and Proposed to the Public

Distinctiveness is maybe the most important quality any brand logo should have. The ability of a logo to stand out from the rest of the field is vital. Logo design professionals know exactly how to develop a brand logo that matches these requirements. We are here to explain how do they do this.

The first step, while trying to develop a new brand logo, is to study what the company’s culture is, what are its values and its philosophy, but also its history, strategy, future plans and visions. The learning of these elements is crucial: once they are known, the first obstacle for the development of an appropriate logo is overcome. This will, in fact, help to build an image that embodies all that a given firm stands for, making it sure that a wrong idea will not be conveyed in the minds of the consumers.

Right after the comprehension of all this, it is very important to know what’s the shape of the competition. That is: who are the rivals of our company? This is a necessary knowledge,

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5 References for this paragraph:
since a design that reminds the public, even slightly, of the competition is not what a judicious competitive firm wants.

In fact, the design of a new brand logo has to be unique, but also with a target. Having a target means knowing after whom the brand is going. If the target audience is, say, a young one, like the one of a company such as Instagram, the logo will have to be a cheerful, coloured one. If, instead, the brand at issue is targeting, let’s say, a more mature and exclusive audience, a simpler - and yet, still effective – logo might be the way to go; Rolex is a good example for this, in that it uses a very simple logo, composed of the brand name with a simple crown on top, characterized by the use of only two colours which suggest the brand’s exclusivity.

We then enter the phase in which logos are sketched: this can happen with the evergreen pen-and-paper, or with more modern PC-based drawing programs. Of course, more than just one logo is depicted in this phase, and the ones considered to be the most fitting to the company’s needs are submitted to it for an initial review. Usually the members of the marketing section of the company are the ones in charge of reviewing these embryonic versions of the logo, but it is not rare for front-line managers to be involved in first-person in these types of decisions, which will eventually affect what is an important element of their company.

An apparently tiny detail to be pointed out here, is that these logos initially submitted are, or at least should be, in black and white: simplicity is the best thing in this step, plus, a nice feedback from the company in search for its logo is really important to get an even better idea of what the final logo should look like, also in terms of elements to be added to complete the image in the best possible way, such as its colours.

We then reach the longest – in terms of time that it actually takes – stage. This is the so-called “Refinement Stage”. Here, the client company would have picked one (or more than one) of the logos that have been proposed to it, and the designers will start to work on this, adjusting it, adding colour, and all the elements deemed necessary.

Hence, minor changes are made, until, finally, after a usually huge number of back-and-forth, the final version of the logo is chosen and then approved.

There is still a little more to say about this apparently never-ending process. The chosen logo now has to be “expanded”, meaning that it is necessary to start making people know about it, even before the official “launch”. This might happen through the use of
any type of advertising that the company will consider necessary and appropriate, such as campaigns on social medias, very effective nowadays, or the more classic use of billboards.

Needless to say, this whole process is a really expensive one. But firms still consider it, rightfully, vital. In fact, “the value of a good logo is recognized in marketing […] by the considerable amounts of money spent on designing and communicating it”\(^6\).

As a proof of this, we may cite the process of the design of the 2012 London Olympics logo, which cost $625,000, or the redesign of the Pepsi logo in 2008, which cost a whopping $1 million, or more, the BP logo redesign in 2008 ($211 million)\(^7\).

Of course though, not all companies follow step-by-step the process here described: it is important to keep in mind that this process is here mostly to give the reader a general idea about what firms seeking for a logo go through; thus, every company might still divert from this path, following its own.


CHAPTER 2.
EXPECTED EFFECTS OF BRAND LOGO ON PUBLIC

2.1: Why using brand logos?

The reason why firms spend huge amounts of money on the development of a new logo is a bigger one than just to create a symbol that identifies them. In fact, logos are perceived faster than words\(^8\), and thus speed up the recognition of a brand. Hence, logos are developed and used because they represent the firm’s first form of contact with the customer, and are even considered the “best form of yellow pages advertising”\(^9\).

The very first effect a brand logo is expected to have on the public is that of transmitting the brand’s orientation. This means transferring to the customers a first idea about the brand, possibly matching the one the company has about itself. So, if we consider a company producing sports equipment such as Puma, it is easy to see that the sprinting puma used as logo of the company embodies well the idea of movement that should be related to whoever purchases a Puma branded good.

Furthermore, studies have demonstrated how an unstable-looking brand logo, when considering safety oriented products, suggests to the customers that the product itself is unsafe, and will thus discourage them from the purchase\(^10\).

Hence, since logos are a potent form of visual communication, it comes natural to think that some specific design characteristics can reach some specific communications objectives.

So, if the main target is to make the logo recognizable, a more harmonious and natural design is the way to go\(^6\). Logos should in fact communicate a clear message to the public, easily understandable and difficult to misinterpret: that’s why moderately elaborated logos with a more natural design are the best fit\(^11\), in this case. It is also true, though, that a universal “optimal” design for brand logos does not exist, simply because people and cultures are different, and beauty is in the eye of the culture, not just the individual beholder\(^12\).

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\(^9\) Dolliver M., (1990), “Ad Showcase”, Adweek’s Marketing Week, August 20, pp. 31-32;
However, there are some trends that designers and marketers tend to follow. Nowadays, simple logos are the most quoted ones\textsuperscript{13}, but carry a relevant downside: they tend to communicate less than necessary, or, at least, less than what slightly more elaborate logos could communicate. In fact, this last type of logos has been found to be harder to memorize, but, when they are in consumers’ minds, they do not leave anytime soon\textsuperscript{14}.

\textbf{2.2: Simple vs. Complex Elements in Brand Logos}

To kick things off, we need to define what do we mean when we talk about “complex” and “simple” brand logos. A complex brand logo is a logo with plenty of irregular elements, lots of dissimilarities and asymmetry of objects, many different colours and curves, while a simple logo is a logo that scores low on all the elements that characterize the complex brand logo that were just described, as simple as that\textsuperscript{15}. To give an example of a simple logo, Apple’s logo can be taken into consideration, as it is an apparently modestly designed, mono-coloured (even though it was multi-coloured before), bitten apple with smooth curves, which everyone recognizes thanks to its uniqueness.

An example of a complex logo, instead, might well be the KFC logo, representing in detail an old man, with two dominant colours (red and white), and full of elements that are hard to process at a first sight.

Generally speaking, a simple design is easier to understand and remember than a more complex one, for the simple fact that it requires limited attentional capacity\textsuperscript{16}, less processional capacity\textsuperscript{17}, and it is easier to store in the memory system. In fact, it should be recognized faster.

A system of stimuli is actually at work here in people’s minds: simple stimuli correspond to easier elements to retrieve from the memory, while more complex stimuli gather their benefits from longer periods of exposure. But, as van Grinsven & Das hypothesized\textsuperscript{14}, an

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increased exposition to a simpler brand, transmitting simpler stimuli, it’s not very effective in the long term: people tend to experience in fact a feeling that they defined as “tedium”, while in the case of the more complex stimuli provided by more elaborated brands, the effects of tedium are postponed.

Tedium is actually one of the two psychological processes that determine whether a brand logo is positively or negatively evaluated, the other being “habituation”\(^\text{18}\). The concept of habituation is something that brand managers know will sooner or later affect their target customers: a new brand logo will in fact gather more favourable reactions at first, but customers are fickle, and will soon get tired of the novelty, in which case, the aforementioned “tedium” will step in. There’s in fact a “tipping point” after which consumers get satiated about a product, that is they switch from “habituation” to “tedium”\(^\text{19}\).

Contrarily to what you might think, the concept of “habituation” is not a negative one: it is sometimes seen as negative only because it naturally leads to “tedium”. But, before this, it represents the learning process that consumers go through: they see a logo, get to know it, and eventually learn about it, but they learn every time something less. Since learning about something leads to a positive feeling, once the learning process is over, people get satiated, and the complementary concept of “tedium” steps in.

While this process of switching from “habituation” to “tedium” is almost always going to happen, it is slower to come into play in the case of complex brands, which present more complex stimuli, as mentioned before. This happens simply because a more complex brand logo offers more to learn to the customers, making them involved for longer periods of time with respect to simpler logos, and thus making the “habituation” step longer. The downside of complex brand logos, however, is the fact that, over time, they are recognized less quickly than simple logos.

Let’s return now to the afore-mentioned system of stimuli affecting buyers.

There’s a little more to add here: first and foremost, people tend to compare the incoming stimuli with their expectations. Anyone who tries to develop brand logos should know this. If a stimulus from the logo conforms to the watcher’s expectations, there is a condition of congruence\(^\text{20}\). Thus, if a stimulus is congruent, a set of positive feelings is elicited. Interestingly enough, the opposite of congruence, incongruence, is not welcomed in a


completely negative way by people. Yet, it is seen as interesting, since it provides a dilemma people will try to solve; a dilemma made by the different opinions the brand logo is trying to communicate, and by the people’s own ideas. The negative feeling here arises when people actually give up on solving the incongruence system they are facing, when tired of it.

2.3: Branding

“Branding is the process involved in creating a unique name and image for a product in the consumers’ mind, mainly through advertising campaigns with a consistent theme. Branding aims to establish a significant presence in the market that attracts and retains loyal customers”\(^2\)

The next element that is going to be analysed is branding, which is maybe the most important tool marketing managers have to promote their products, and brand logos play a frontline role here.

Branding has many purposes crucial to decision making, and two of the most important are that, according to a study\(^2\), it guides consumers’ attention and it allows consumers to recognise and find familiar brands.

From this we can understand why the presence of a well-designed brand logo is necessary: having one on the front of, say, a given product on a shelf present in a crowded supermarket, will attract a customer’s attention to that product more than a plain, poorly designed logo can do.

Actually, an average buyer in a supermarket has to weigh around 900 items each minute\(^2\), and most decisions are taken in the blink of an eye. Consumers in fact take decisions almost unconsciously, affected by elements such as the colour of a logo, or its shape. The process of branding, therefore, affects this set of decisions.

Driving the attention of someone sailing in a sea of products is, consequently, a powerful tool; in fact, the more attention a product receives, the more likely it is to be chosen\(^3\).

But how do we measure how much attention a product receives? And how can we make a product being more considered by consumers?

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Well, to answer the first question, there are a lot of tools for measuring this: first of all, through the use of surveys. Asking questions directly to consumers about the level of attention they pay to brand logos is the most immediate way to obtain some answers, but this method is a bit flawed, since it might not be possible to obtain perfect answers when talking about something so concrete and yet so overlooked as the “level of attention” given to a product. The best method to measure attention is maybe the one utilised in many studies, such as the one drafted by Leighton & Bird\textsuperscript{22}: they used an innovative eye-tracking technology to record where the eyes of the subjects linger the most, when they look at the packaging of some products of different types. The results are very interesting: the logo size it’s not as relevant as one may think (bigger logo does not mean more attention), reduced branding has a detrimental effect on consumers’ attention (less elements or smaller logos means less attention), and the amount of non-branded information on packaging (i.e. nutritional information on food) does not relevantly alter consumers’ ability to recognize a brand. Well, this tells us that, if the target is to attract consumers’ attention, there’s no need to play with the dimensions of the logo: it’s far more important to focus on elements such as the shape or the colour of the logo, that will have to communicate something to the consumer.

2.4: Communicating with Consumers

The activity of communicating with consumers is vital, and it does not happen only through spot-on advertisements broadcasted on the most followed television networks or through pop-ups on popular websites. It is possible to communicate to consumers through logos: this will represent, most of the times, the first approach a customer has with the brand, and will make him develop a first set of ideas about it. In fact brand logos appear on the forefront of the packaging of the branded product, and are the elements that catch the customer attention sooner than anything else.
Consider for instance the case in which someone is wandering through the shelves of a supermarket, looking for something specific she’s used to buy, and suddenly finds a new brand for the very same product. Here the customer, unless she is a fanatic of some specific brand, will take into consideration, at the very least, the idea of purchasing it. She will most likely consider factors such as the price, and, if it is competitive with the one of the brand she’s used to buy, the attention will irreremediably fall on the packaging, and the element that
will pop up to the eyes will be the logo of the brand. Now, if the logo is a messy one, with many elements, and, overall, a design most people wouldn’t understand at a first glance, the idea that will be conveyed to her mind will be that of a messy product, unable to compete with what’s in the market already, and thus she will decline to purchase it. The idea the costumer has developed in this simple example might be a wrong one of course, but there’s no way she could possibly know it, unless she’s a risk lover. All this serves to say that an unclear branding leads to less favourable reviews by consumers.

2.4.1: Brand Logos’ Placement

An element that should be considered in the process of branding a product is where to place the brand logo. The placement of this element is a good way to communicate with consumers: in fact, it is useful to communicate the perception of power the brand has towards itself, but also the perception of the control it can exert on the public, and we will explain what this mean more in depth in a moment.

Now, should a brand logo be placed high on the packaging, above a central image, like most manufacturers do\textsuperscript{24}, or is it better to place it somewhere else? What is the position that increases the visibility of the product the most?

A study\textsuperscript{25} found out that “powerful” brands (brands that have a strong influence over a specific category of products) take more benefits by placing their brand logo high on the packaging, an assumption made stronger by the fact that a higher vertical position is a sign of power\textsuperscript{26}, while less powerful ones are made better off by placing their brand logo in a lower position on the packaging. This statement is not always true, though, since the benefits a brand obtains from the placement of the brand logo on its products depends mostly on the “state” in which the customers feel to be. If a consumer feels to be in a dominant, powerful state over the product he is about to purchase, that is, he feels like having a great decisional power or, more simply, he is treated by the brand (through advertisements and other means) as a powerful, important individual to the brand, the placement of the brand logo in a lower position by less powerful brands might not benefit them. Similarly, if a consumer feels like

being in a powerless state (not a great decisional power, consumers made to feel powerless by the brand), the placement of the brand logo in a high position might not benefit powerful brands that much. Is it also true, though, that people who feel powerless tend to pay more for a given set of products that makes them feel linked to a higher social status\(^{27}\), and, given this, they might ignore other products regardless of a maybe more convenient price, and, most relevantly for our study, not even looking at other brands, thus only considering the top choice the market has to offer.

An effect of “familiarity”\(^{28}\) and congruence of expectations (which was introduced in paragraph 2.1) is actually in play when we talk about logo location and brand’s power. In fact, people’s attention and, mostly, their willingness to buy a product is affected by the matching of their expectations with reality: thus, if someone sees the brand logo of a low-power brand placed in a low position on the packaging, she will have her expectations deriving from previous experiences matched with reality, and this will clearly benefit the brand.

### 2.4.2: Shape and “Direction” of Brand Logos

Obviously, it’s important to communicate with consumers through brand logos in a way that what is being communicated actually reflects the brand’s and company’s identity.

Take for instance the case of a casual restaurant: whoever is going to develop the logo for this (most likely) informal location will take into account its philosophy and work ethic, and will have to develop, therefore, something simply designed, easy to read, which will have to evoke good feelings, and which will eventually have to attract customers feeling confident about where they are going to eat\(^{29}\). In fact, most restaurants adopt as a logo their name, written in a particular fashion, reflecting the place’s social target (may it be a colourful one, indicating a family-targeted restaurant, or a more elegant one, written using a graceful font, indicating an exclusive, high-end restaurant).

Alongside the afore-mentioned position of a brand logo, it is necessary to quote the element of the shape of a brand logo, what it communicates to consumers and how is it implemented. It is overall accepted and understood that “dynamic logos” (logos conveying a sense of


movement\textsuperscript{30}) are better than plain ones for capturing the viewer attention. The best-received logos are actually the logos with a particular shape, precisely upward right and convex. To give a couple examples of logos with this shape, it is sufficient to think about Nasa and Intel logos, representing two entities working on highly technologically advanced projects (space exploration the first, and computers and similar the latter).

This type of logos are apparently better received by the public for the simple reason that anything placed in a higher position is considered better than anything else, mostly because people take highness as a metaphor with many positive meanings, and this is made more clear if we consider some everyday elements of most people lives, such as: “thumbs up” (which express appreciation), the desire to “reach the top” (meaning, to succeed), or the simple expression “high-minded person”, describing someone noble of spirit.

Dynamic logos, in spite of being the most eye-catching category of logos, cannot be used by any kind of brand. Take, for instance, the case of a modern brand, working on high-tech products, known for being an innovator in its field: a dynamic logo would be exactly what can represent it the best way possible. Take instead a brand known for producing a product that’s been in the market forever, and that’s not going to change anytime soon (i.e. Haagen-Dazs, producing ice-cream since 1960s): in this case it would look odd if a company characterized by traditionalism would adopt a dynamic type of logo, which will convey an idea of modernity into the customers’ minds which does not reflect the reality of things. Therefore, it seems appropriate for a more traditional brand to stick with good old fashioned, not-dynamic, logos\textsuperscript{31}.

The specific shape for logos we described above (upward right, convex) is actually more effectively exploited when we consider animated logos, as a study found out\textsuperscript{31}. Researches on animated logos have been actually really scarce, since this branch of study is still in its first years, thus it is better to understand that what we are going to say is based on researches that can still be refuted.

That said, animated logos, which are logos in motion that appear exclusively on electronic devices (TVs, PCs, smartphones…) logically attract people’s attention more than immobile


logos, for the simple fact that human beings tend to move their eyes towards anything that’s moving, almost instinctively.

The online environment is maybe the most promising fertile ground for the development of this new typology of branding. Publicizing a brand on a website with thousands, or even more, of daily visitors through the exploitation of elements such as animated logos increases the notoriety of the brand itself by a significant amount.

When considering which exact movement of the brand logo is the one that attracts the web-surfer the most, but also that communicates more about the brand, the upward-right and convex movement has been found out to be the most effective\(^{31}\), as it has already been anticipated.

In the case of animated logos, though, we don’t have the counterintuitive result that Sundar & Noseworthy\(^{26}\) noticed (more powerful brands benefit more by placing a logo high, and less powerful brands benefit from the opposite), given that a company’s power is not supposed to affect the preference of customers towards that company’s brand.

Following this, it is possible to affirm with enough certainty that animated logos will mostly have a relevant role in attracting customers’ attention\(^{32}\) in the near future.

In fact, for how developed the online environment is, it is still a sector with apparently endless possibilities, and which is still to be explored.

### 2.4.3: Brand Logos’ Colour

Colours in brand logos highly influence people’s opinion towards brands, and are overall really important in communicating the brand’s essence. Consumers also tend to recognize brands on the basis of their colours\(^{33}\); so, just like a brand such as McDonald’s will be associated with red and yellow, another brand like Heineken will be associated with the colour green.

Also, when we talk about the packaging of a product, colours play an important role, in that they highly influence consumers’ choices and affect their purchase decisions\(^{34}\); so if, say, a company would switch from a colourful packaging to a dark coloured one, consumers will

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consider that brand as different from the one they used to see before, maybe not even worthy of their money. A bad colour choice is thus detrimental to a brand’s success.

Therefore, in choosing the colour to be applied to a logo, the level of “appropriateness” of the colour has to be taken into account\textsuperscript{35}. Appropriateness here means, “how suitable a colour is for use in a brand logo\textsuperscript{36}”. So, if we are developing the logo for a brand of sweeties, it would be better not to use a colour such as black, which people often associate to poison, and overall to negative elements\textsuperscript{35}. Hence, if the colours association matches the personality of a brand, we know that we are using an appropriate set of colours\textsuperscript{36}.

An interesting theory developed by Grossman & Wisenblit explains the development of colour preferences in a person\textsuperscript{35,37}, and that’s the “Associative Learning Theory”. According to this theory “consumers learn to prefer a colour for a product based on their previous interactions with that product\textsuperscript{37}”. This is therefore a form of conditioning, where the behaviour of individuals can be modified based on a stimulus and a response. So, to make this clearer, we know that there are some brands that are associated with some colours, like McDonald’s red and yellow, and if someone has had some kind of positive interaction with that exact brand’s product, he is likely to welcome more easily the same type of product, but also to develop a positive feeling about that product’s colour. This actually makes individuals feel closer not only to that specific set of colours, but also to the brand that is represented by that. Furthermore, when people think about logo colours and product purchases, they are likely to assume that a person’s favourite colour does play a role in the purchase decision. Almost counter intuitively, this is not true. People are more likely to be affected by a colour in their decisions if they have already had some positive “relationships” with a product of that colour\textsuperscript{35}.

To round things up, it has been noted that each colour is associated with a different feeling: blue with trustworthiness, green with sincerity and naturalness, red with passion and heath, yellow with energy, and purple with royalty\textsuperscript{36}. Therefore, when developing a brand logo, it is better to keep in mind also these colour associations, alongside what that’s been said before, in order to create a logo that conveys the most fitting idea about the brand, and that can still attract customers’ attention, transmitting positive feelings.

All that has been said in this chapter leads to the formulation of a hypothesis, that brand logos are actually able to affect the consumers in their purchase decisions:

**H1:** Consumers’ decisions can be affected by brand logos.

We’ve seen that this can be true by analysing all the features a brand logo can have, and that could have some effect on consumers’ decisional power.

This hypothesis will be tested with a survey and analysed successively in chapter 4.
CHAPTER 3.
EFFECTS OF BRAND LOGO ON COMPANIES

Up to this point what it’s been analysed is how consumers’ decisions are affected by brand logos.
The main concern from hereon will be that of understanding whether companies also draw some benefits from their own brand logos.
Let’s start this by asking the reader a simple question: when you think about a company such as Shell, do you figure in your mind the red and yellow seashell-shaped logo or simply the name of the company? Most likely, Shell’s logo is what comes to mind more easily. A logo is in fact much easier to recall than a simple word, especially when this logo has some particular features that makes it stick into people’s minds.

3.1: Categories of Logos

Brand logos can take many forms, depending on what the company wants to transmit to the public, and each of these has its own advantages. There are many factors to be considered when one of these forms is being developed, depending on what the brand wants to focus on. There might be a focus on the improvement of a representative image of the brand that will be turned into a logo, or a focus on how to make the simple name of the company a representative and appealing element to the public; all in all, the number of possibilities is huge.
We can divide these many forms that can be taken by brand logo into four broad categories:

1) Textual logo;
2) Illustrated logo;
3) Symbolic logo;
4) Combination of these.

1) A “textual logo” is a logo made up by words only, generally the brand’s name, and it’s very effective when the name is actually a memorable one. A good example of this is Google’s logo: it is in fact made by just the name of the website, but with each of the letters

coloured differently. Its best feature is that it is easy to grasp, given that it does not incorporates any excessively elaborate element, and this is what makes it appealing to companies.

2) An “illustrated logo” is a logo that includes a detailed illustration. This type of logo helps identifying the brand in a much faster way, and tends to become memorable more easily than a textual logo. This happens because, as we’ve also said in the previous chapters, people tend to recall images more easily than just text. Of course, it could be maybe harder to understand the logo at a first glance, but only if it contains too many elements, which make it messy. A clean, easily understandable and memorisable example of an illustrative logo is Kentucky Fried Chicken’s (KFC) logo. It represents the mascot of the brand, Colonel Sanders, just smiling with a red background, which helps him to stand out more, and makes the whole logo more memorable.

3) A “symbolic logo” is an abstract representation of what the brand it impersonates stands for. It can function properly in its job of defining a brand even without the brand’s name written next to it. This is a very powerful tool that can communicate a single idea about the brand very efficiently, if it is properly developed. The logo that can be taken as perfect example here is Pepsi’s logo. A perfectly shaped white, red and blue sphere is perfect not only to communicate the name of the company to the public, but also to express feelings of movement and joy, proper to whoever tastes that beverage, Pepsi might have thought.

4) A brand logo can also be a combination of the previous elements. There can be a text placed above an element of graphic design, as in the case of Amazon, where there is an arrow placed below the name of the company, pointing to the letter Z, starting from the letter A (to express the company’s all-around capabilities), or below it, as in the case of Lacoste, with a crocodile above the name of the famous fashion brand. This type of logo helps people to associate the name of the brand to a symbol or an illustration in an immediate way, and this may also lead companies to forsake a part of the logo in the future, possibly, having an image left in the minds of the customers. Thus, if a brand such as Lacoste can afford to portrait only its historic crocodile on t-shirts, that’s because that particular image is so rooted into people’s minds that it would be difficult to think about a brand that’s not Lacoste when it is spotted.
Given the basic definitions for the most common forms a brand logo can undertake, a step further can now be taken. The main elements and dimensions of a logo that relate the logo itself to the image and reputation of the brand can now be defined.

Four main elements (Corporate Name, Typeface, Design, Colour), and three main dimensions (attitude towards advertisement, familiarity and recognisability)\(^3\)\(^8\) can be counted in a corporate logo.

We will start by defining the four main elements that make up a corporate logo:

- **Corporate Name:** this is simply the company’s legal name, disclosed on all formal documents, that performs a simple and yet vital task: it distinguishes the organization, or any branded product, from the competitors, making consumers start building an idea in their minds about the whole company.

- **Typeface:** this element “embraces corporate logo features that are linked to both marketing communications and visual identity to present an organisation to internal and external shareholders”\(^3\)\(^8\). It is, stated with simple words, the set of fonts used to characterise, in this case, the written parts of a corporate logo.

- **Design:** the design element is what actually tries to convey information in consumers’ minds through a nonverbal language. We can actually be more precise by saying that design is a process, more than just an “element”, which can be quite expensive, in monetary terms, as we’ve already explained in earlier chapters. Furthermore, it is necessary to keep in mind that the design of a logo tends to gather different responses from the public, based on its own culture, since different people tend to react differently to even the same stimuli.

- **Colour:** this is the element that more than any other is capable of influencing people’s perceptions and helps companies to differentiate the most from the competitors\(^3\)\(^9\). It is also the element that can more easily be associated to a given brand, but that, if poorly chosen, can be detrimental to the success of a brand logo.

Now, these four elements are the ones that attract managers’ attentions the most while the brand logo is being developed. They can affect stakeholders’ overall evaluation of the company, being the main constituents of the brand logo, and being the brand logo the


standard of the firm’s reputation. The poor use of these four elements might in fact lead to a low level of recognisability of the company, overall.

Indeed, as Henderson and Cotes stated in a famous study\textsuperscript{40}, the recognisability of a company can be influenced by a brand logo in two levels:

I. The customers see the logo and therefore, remember having seen it when they spot it again;

II. Logos must remind the consumers of the company itself, but also of its brands and products.

What these two statements tell us is simply that a company can benefit from a brand logo in that it is the element that comes to mind to the consumers when they think about that company and its products.

Let’s now turn to the three dimensions that mostly affect a company’s and a brand’s reputation:

- Attitude towards advertisement: people tend to react differently to advertisements depending not only on how well this is performed, but also on their mood. Therefore, a positive reaction to an advertisement is the natural reaction of someone who is in a good mood\textsuperscript{41}.

The main purpose of an advertisement is that of reaching as many consumers possible, getting them to know the brand quickly. The more effective ones are those that have a clear target, which makes it easier to attract a given audience.

Many factors come into play as a good advertisement is being developed, such as the already explored colours combination (which might make the ad more pleasing to the eyes of the viewers), or the use of “testimonials”, famous people that guarantee for the product’s good quality.

All in all, it can be confidently stated that it is not an easy task that of developing a good advertisement that will have to gather a consensus by the audience, and that contemporarily needs to stick the branded product in the viewers’ minds.

- Familiarity: a good logo that is able to transmit a sense of familiarity to the consumers is a logo that has the highest chances to stay rooted in their minds. Nonetheless, it has been


noticed\textsuperscript{42} how familiarity with a company or a product is not always able to influence consumers’ perceptions, making it hard for companies to develop this aspect, extremely important on the path to become recognizable.

-Recognisability: this last dimension is the main concern for those who develop logos: how can it be made recognizable by the buyers? How can we make our company’s products recognized by the logo in first place? The first answer that comes to mind is to create a logo that transmits positive emotions, which will be unanimously approved by the customer base and the stakeholders.

Previously in this study, the features that make up a logo were defined, and simply looking back at those, it can be understood that a brand logo is the first thing a buyer notices, therefore, it is almost an automatic process for them to associate a given brand logo to a given set of products. Obviously, making all this happen is much harder than it is stating it, and marketers and designers work hard to figure out how to do this.

The bottom line of this digression about these three dimensions is the following: the main concern of companies is to improve their reputation and to attract and retain as much customers as possible, and a well developed marketing strategy involving the analysed dimensions is able to influence customers’ perceptions to the extent that it makes the company’s reputation precede the company’s name. Thus, a focus on the points above defined is a good start for a company who wants to achieve its objective of customers’ awareness.

\section*{3.2: Is Brand Logo Related with Financial Performance?}

One of the aims of this paper is to understand whether the brand logo has some sort of correlation with the financial performance of the company who owns and exploits it. This is a difficult topic to explore, since the only proper way to understand whether a company’s financial performance improved even slightly thanks to its own logo is to check the company’s revenues. There have been some studies that have actually managed to solve

this dilemma, or better, that have tried to solve it, and they are going to be taken into consideration in this central paragraph.

The first thing to say is this: it is incredibly hard to measure the value of a design piece such as a logo.

Sometimes, in cases such as the acquisition of a company by another one, it can be found that the value for which the company is sold is higher than its face value, that is, the value of all the assets and facilities that belong to the acquired company is lower than the value for which the company is being acquired.

This happens because when a company is acquired, what the other party gets is not only the plant, machineries, equipment and all the other tangible and intangible assets that once belonged to the now-acquired company, but it also gets the so-called “goodwill”.

Goodwill is an intangible asset defined by economists as the value of the company’s customer base, customer relations, patents, and licenses, and also of its brand name and, therefore, brand logo.

When firms account for goodwill, we now know that they give a value to the company’s brand logo, among the other intangible assets, rightfully recognizing that it has an economic value, and this makes the company more valuable in the market.

Think about an extremely unlikely case, which can represent a good example for understanding this concept, such as the acquisition of the whole Coca-Cola Company by any other company. Obviously the value of all the facilities owned by Coca-Cola is going to be extremely high, given the absurdly high number of these, spread all around the globe.

But what’s going to be the most valuable asset here is the logo of the company. Better stated, the right to use the logo of the Coca-Cola Company is what might make an eventual acquisition of the company so costly, given that most people trust this brand and keep on purchasing its products just because of its fame.

What we want to know, now, is if a mathematical value can be given to the brand logo.

The most common way to calculate something like this would be that of considering the cost of creating it, but a more in-depth study, which has examined a whopping 51 firms in four different industries (furniture, automotive, consumer electronic appliances, computers) using

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12 different measures of financial performance across five years\textsuperscript{44} had a maybe better way to try to compute this. Among the firms analysed, Hertenstein and Platt (authors of this study) identified two broad groups, on the base of how effective the design of these firms was deemed to be: a group with a more effective design, and a group with a less effective design. Overall, the apparently obvious finding was that the group of firms with the more effective design outperformed the other group of firms, providing strong evidence that an effective design can actually lead to a better financial performance.

Also, growth rates in sales, net income, and cash flows were higher for the more effective design group\textsuperscript{44} in the 5-year range analysed (1995-1999).

Furthermore, this study tells us that the group of firms with a more effective design outperformed its counterpart not only at the sales level, but also in the stock market, having recorded an overall increase in its total stock return.

The take-away from this intercourse is that firms with an overall better designed image, tend to have a better financial performance. Of course, this may not apply to every firm with, say, a perfectly designed brand logo, since a good image is not the only important element that should characterize a good company, which is just a “plus” element to be juxtaposed to a good management.

It has furthermore been noted that investing in an element such as package design “is far more lasting than investing in advertising, sales promotion, or direct marketing\textsuperscript{45}”. What this tells actually us is that an apparently corny element such as package design outlives the most spot-on ones, given the level of its presence in the everyday life of the consumers, which are actually more likely to notice a well-designed package, rather than a billboard placed in a busy highway.

Therefore, even an element such as brand identity, communicated to the public through advertising, but also through design of packaging, has an economic value.

Overall, the amount of money spent in the development of a good packaging design is far lower than that spent in advertisement\textsuperscript{45}, maybe mistakenly, as the previous statements suggested, and still, it is really hard to have exact measures of these amounts.

This mostly happens because firms who measure the value of brand identity are not many, even though they recognize that it would be a very useful tool.


Those few companies that actually spend time in giving a mathematical value to brand identity, moreover, are reluctant in disclosing the processes that lead them to this calculation, since they rightfully consider it a huge tool for competitive advantage\textsuperscript{45}.

There are still some concerns about the calculation of an element such as brand identity, whether it should be done, how, and mostly: what will the results be helpful for\textsuperscript{45}?

Overall, it is generally agreed that it would be a good marketing tool, that might grant a significant competitive advantage, but still the work to be done to reach this result is not irrelevant, and firms understandably tend to stick to what they already have, trying to maximize their profits on the basis of that instead of spending money on something they are not 100% sure it would benefit them.

**3.3: Ability to Legally Protect a Brand Logo**

The ability to legally protect the brand logo is an incredibly valuable asset for a company. The presence of copycat brands is becoming more and more oppressive in the nowadays market, and it’s exactly because of this that companies should try to protect themselves in every possible way from this phenomenon. Following this, in the process of developing a brand logo, the extent to which it can be protected should be a factor to be considered thoroughly.

The biggest issue posed by copycat brands is the influence they exert on consumer choice. It has been noted\textsuperscript{46} that consumers are generally less quick in identifying the original brand when it is paired with a copycat, and some people even make mistakes in the recognition of the original brand, choosing in some cases to purchase the copycat, mistaken for the original brand.

It can be easily stated that copycat brands enjoy an unfair advantage, in that they exploit people’s previous knowledge of a well-established brand that they try to mimic.

Furthermore, they are profitable to the company producing them, given that they enjoy low production costs, and are thus sold at a price that is much lower than that of the original brands, most of the time\textsuperscript{47}.

A copycat brand threatening to enter the market brings many consequences: first of all, it exerts pressure on the firm already in the market (which we will call from hereon “the


incumbent”) to lower its prices, but it also increases consumers’ welfare. In the case in which the incumbent fails to adjust its prices (hence, does not lower them), not recognizing the threat of the copycat firm, there might be severe consequences on its profits, which are doomed to plummet.

This is particularly true when we consider luxury brands. Many consumers, in fact, purchase copycats of luxury brands willingly, due to the social status that is associated with these brands, and apparently prefer to show off something that closely resembles a high-quality product, rather than spending a lot more in order to purchase the original product.

There are, nonetheless, many ways through which a company can shield its brands from the threat posed by the copycats, and the easiest and overall more common one is the use of copyright. A copyright is a legal right granted by the government, which gives to the owner the exclusive right to reproduce the element in question, in this case, a brand logo.

There are some issues here, though, since copyrights are sometimes difficult to obtain, in the case of smaller firms asking for them, have a limited duration (usually around 70 years), and more often, and most importantly, they are hard to enforce.

All this is particularly true not only in the case of small companies which perish easily under the amount of legal bills, but also for the type of asset that the copyright is supposed to shield. It’s easy to understand why, nowadays, it is hard to stop people from reproducing an element that is basically of public domain, thanks to Internet.

This problem is being faced also by state courts, which are trying to support copyrights, patents and trademarks owners. A good example is given by England, which set up in 2012 a special court for businesses with intellectual property disputes. This court supports claims against infractions of copyrights, patents and any other type of intellectual property, mostly thanks to its reduced costs. In fact, while in a regular court you would have to spend sometimes more than one year and extremely high legal fees, thanks to this new court, a legal action can be brought against infringers for around $ 3000, between legal fees and court costs.

Often though, firms tend to improve the quality of their products in response to the entrance of a copycat in the market, and this is actually a good way to obtain a good level of protection against copycats, but also to differentiate from the competition even more.

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There’s also the case in which a firm simply cannot reduce its prices (due to untouchable and high production costs, for instance), nor is able to improve the quality of its products; in this case, the incumbent might try to “educate” the consumers, to make them learn about the difference between the copycat and the “original” brand (through advertisements, to give an example). This is, anyway, an extreme measure undertaken by firms desperate to protect themselves, and furthermore it’s really hard to actuate.

All this serves to say that the creation of a good brand, and therefore a good brand logo, might be the source of a competitive advantage which is reflected also in the inability of copycat firms to mimic it; that is, a brand logo which is “too unique”, and hence, hard to replicate, is the way to go to gain a small amount of protection against copycats.

As a takeaway from this chapter, we can condense the core of all that’s been said here with this sentence: firms’ sales can be affected by their brand logos. This statement is to be carefully taken: we are not claiming that a good brand logo is the trampoline to success for a firm, nor that the development of a good brand logo will skyrocket the sales of the firm, but simply that it can affect, even if in a small amount, the influence a firm can exert on the public, and hence, affect their sales in a variable amount.
CHAPTER 4.
SURVEY ANALYSIS

In this chapter the results of a 20-questions survey will be analysed. The target of this is to prove the hypothesis formulated in chapter 2:

H1: Consumers’ decisions can be affected by brand logos.

4.1: Sample and Procedure

To develop the survey we’re going to talk about, the website http://freeonlinesurveys.com/ was used. The survey was made of 20 questions, requiring as personal information of the subjects their age and gender only.

Out of the 20 questions, the first 9 were about Apple’s logo, while the following 9 were about Nike’s logo (see Appendix for survey questions). The objective of this division was to obtain more information about how consumers evaluate a brand logo, making them face two equally well known logos, even if belonging to two different market sectors (consumer electronics, software the first, and sports apparel, shoes, sports equipment the latter). The survey thus included pictures of the logos of both companies.

Six questions out of nine (for each brand) required a numeric evaluation by the subjects, on a scale from 1 to 9, while the other questions where multiple-choice questions needed to better understand the tested subjects habits.

Thus, participants had to state, in first place, their familiarity with the brand logo they were submitted (first three questions); this was a set of questions of particular interest, since it allowed to understand whether participants had some form of brand commitment.

Following this, multiple-choice questions regarding product satisfaction helped to better understand the popularity and quality of the proposed brands.

Lastly, questions about feelings perceived by the subjects, following the view of the studied brand logos, were asked, in order to understand, even if in a small amount, the effects a brand logo can have on the consumers’ mindsets.

50 subjects eventually participated in the survey, which was distributed freely through the same website thanks to which it was developed, and the mean age was 27.4 (participants’ age ranged from 16 to 58).
Furthermore, the sex of the respondents was equally split, in that the survey gathered responses from 25 males and 25 females.

4.2: Analysis and Results

The results gathered thanks to the survey provided some interesting data. These are going to be described for the two brand logos included in the survey separately (first we’ll consider Apple, then Nike), and are going to be compared, in the meantime. Eventually a statistical analysis will be offered, with the goal to prove H1.

4.2.1: Apple

What the results showed is, first of all, an overall high level of familiarity of the subjects with the Apple logo, and thus with the brand itself. In fact, more than half of the subjects (36/49) stated that they consider themselves to be familiar with the brand, giving to the question they’ve been asked (“To what extent are you familiar with Apple”) a score of more than 6 (in a scale from 1 to 9), as showed also in Figure 1.

The scarce level of subjects who considered themselves to be unfamiliar with Apple, though, did not mean that these individuals never owned an Apple branded product, given that, according to the data gathered, only 8 out of 49 affirmed to have never purchased an Apple branded good, and this consolidates the idea that this company is present in people’s everyday life.

Nonetheless, the vast majority of the tested people still stated to have purchased products from other brands other than Apple. In fact, only a small percentage (12%, that is 6/49) stated to have never purchased a non-Apple branded product, and we can easily mark these individuals as “aficionados” to the brand, that is, people who trust the California based company entirely, and are consequently convinced of its top quality.

Another interesting result obtained was the overall level of satisfaction resulting from the usage of the Apple branded products.

In fact, while 43 of the surveyed people asserted to have purchased at least one Apple product, “only” 35 considered themselves satisfied by the performances of the products.
The remaining subjects in fact stated that brands like Samsung or HP (for smartphones and PCs respectively) provided overall better performances, and, not by chance, these brands are the most direct competitors for Apple.

Furthermore, when questioned about the same logo visual appeal, the majority of the subjects (37/49) asserted to be visually attracted by the famous apple (see Figure 2). This is a clear demonstration of the fact that this particular brand logo is positively received by most individuals, given its overall excellent design, characterized by optimal features, such as a level of simplicity that makes it memorable to the public.

Another factor we strived to acknowledge is the identifiability of the now iconic apple. Therefore, what we wanted to know was in which amount the logo was associated to the
brand it stands for, and the results where univocal: 29 participants to the survey stated that the Apple logo helps them identify the brand itself in a strong fashion, and, overall, only the 8% of the subjects of the study claimed the opposite (see Figure 3).

This therefore just confirms the already rooted idea that the studied logo is one of the most recognizable logos in the world, as it is hard to imagine better results in this category than those obtained by Apple, and that the bitten apple is ineluctably tied with the brand it stands for.

Eventually, given all the positive feedback that Apple has received in our survey, we wondered about the feelings that such a powerful brand logo can evoke in the customers minds.

![Apple's Logo Identifiability](image)

**Figure 3**

Interestingly enough, in spite of what we’ve found out, Apple’s logo, which is simply white, just like its basic packaging, experiences a great success, and people take this characteristic feature as a synonym for Apple being ahead of the competition, being white a colour that represents purity, safety and perfection.

Furthermore, when we asked about whether Apple’s logo evoked feelings of curiosity, meaning an “eager wish to know or learn about something”\(^{51}\), most respondents answered positively (30 gave a rating of 6 or more, on a scale from 1 to 9), showing that, when the bitten apple is spotted, consumers are effectively eager to find out what kind of good it is branding.

\(^{51}\) dictionary.cambridge.org/dictionary/english/curiosity.
Not the same can be said for another feeling which can lead consumers to take purchase decisions, namely “pleasant surprise”. In fact, the answers of the subjects to a precise question about this (“Does Apple’s logo evoke feelings of pleasant surprise?”) were mostly clustered around the score of 6, hence, a middle/high score, not what someone might expect from one of the top companies in the world. This can be due to the fact that this particular brand logo is, by now, part of the everyday life of most people, and it does not evoke the feelings that a new brand bringing extremely innovative ideas to the market can evoke, even if it is still seen as a leader and ideological guide in the market.

4.2.2: Nike

Similarly to Apple, people questioned about their level of familiarity with the “swoosh” (Nike’s logo) reported a high score, higher overall than Apple’s, as showed in Figure 4. Interestingly enough, we find fewer answers in the low end, thus reflecting the Nike’s logo omnipresence.

Concerning this, we’ve noticed, with low levels of surprise actually, that only two of the respondents asserted to have never purchased a Nike branded product. The difference in the answers obtained for this particular question (whether any product of the brand at issue has been purchased), with respect to the answers obtained for the same question related to Apple products, stems from a variety of factors, such as, first and foremost, the higher price of Apple branded goods, which makes them forcefully less present in people’s lives with respect to the “simpler” Nike branded goods like t-shirts and shoes.
When we questioned the subjects about the visual appeal of Nike’s logo, we obtained generally positive answers, making it clear this logo performs its task of representing the company in a decent manner, and yet people are not too excited about it.

This assumption is made even clearer when we take a look at the answers obtained when the participants have been questioned about the level of “pleasant surprise” that Nike’s logo evoked in their minds.

![Figure 5](image.png)

Most individuals, in fact, demonstrated not to be too high on this feeling, since the answers clustered around the score of 5 (see Appendix for the graph).

A staggering result was obtained from the question about the level of identifiability of Nike’s logo, that is, the extent to which consumers associate the “swoosh” to the shoemaker company. In fact, 86% of the whole sample surveyed gave a score between 8 and 9 (see Figure 6), that is to say “this logo is inextricably tied with its company”.

It is generally accepted, really, that Nike’s logo is maybe the most recognizable logo in the world, stemming from the fact that it is depicted on an incredibly huge amount of goods: from shoes to t-shirts, from soccer balls to trousers, the list tends to infinite.

Last, but not least, the feeling of curiosity evoked by Nike’s brand logo, interestingly enough, is settled around the same levels of Apple’s. This might seem unusual at a first sight, since Nike does not offer to the market the endearing and stimulating goods offered by Apple.

Well, as it turns out, the huge variety of products offered by Nike covers this apparently overwhelming problem, as consumers, when they spot the iconic logo Nike shows off, feel greedy to find out what it is covering, not differently from what happens with Apple.
4.3: Statistical Findings

It has been eventually tried to statistically test, on the basis of the results obtained from the survey’s questions described before, whether the two brand logos have the same effects on the public, and therefore, if one of the two is able to more strongly affect consumers’ purchase decisions, in order thus to try to test the first hypothesis expressed in this paper.

We’ve conducted a t-test for each of the five compulsory questions requiring as an answer a score of 1 to 9. In order to obtain proper data carry out a t-test, the “pooled Standard Deviation” (the weighted average of the standard deviations for two groups; in this case, the average of the standard deviation of the answers obtained from the same questions relative to the two different logos) was calculated, alongside the difference between the weighted averages (mean) of the scores recorded by the same questions (D), eventually respecting the formula for the t-test: \( t = \frac{D}{\text{Pooled SE}} \).

The results were the following:

1) Difference in level of familiarity between logos

The hypothesis to be tested here were the following:

\[ H_0: M_1 = M_2 \quad \text{against the alternate} \quad H_1: M_1 \neq M_2 \]

Thus, what we wanted to test here was whether the average level of familiarity with the two brand logos was the same, statistically.

The t-test took the value of -0.63199 (\( D = -0.52, \text{ Pooled SE} = 0.8228 \)). By testing the absolute value of \( t \) at the 5% confidence level, it was noticed that 0.63199<1.96. This therefore tells us
that we cannot reject the null hypothesis, and, because of this, we can state that the two logos have the same level of familiarity to the consumers.

2) Difference in level of attention paid to the two logos
The hypothesis to be tested here were the following:

\[ H_0: M_1 = M_2 \] against the alternate \[ H_1: M_1 \neq M_2 \]

What we wanted to test here was whether the average level of attention paid to the two brand logos was the same, statistically. The t, here, obtained a value of 0.64469 (D=0.58, Pooled SE 0.89965). Testing this at the 5% confidence level, it resulted that 0.64469<1.96, and hence, it brought us to the conclusion that the null hypothesis cannot be rejected. Therefore, the two logos receive the same attentions from customers.

3) Difference in level of identifiability between the two logos
The hypothesis to be tested here were the following:

\[ H_0: M_1 = M_2 \] against the alternate \[ H_1: M_1 \neq M_2 \]

What we wanted to test here was whether the average level of identifiability of the two brand logos was the same, statistically. The t-test calculated in this analysis gave us a value of -0.07694 (D=-0.14, Pooled SE=1.8195). Following a test at the 5% confidence level, we were not able to reject the null hypothesis (|t|<1.96). This eventually tells us that the two logos have statistically the same level of identifiability, in consumers’ minds.

4) Difference in level of curiosity felt for the two logos
The hypothesis to be tested here were the following:

\[ H_0: M_1 = M_2 \] against the alternate \[ H_1: M_1 \neq M_2 \]

What we wanted to test here was whether the level of curiosity felt by the interviewed subjects with the two brand logos was the same, statistically. Similarly to the findings described above, the t-test took a pretty low value, being equal to 0.36217 (D=0.36, Pooled SE=0.994). Tested at the 5% confidence level, 0.36217 proved to be lower than 1.96, and, again, brought us to the impossibility to reject the null hypothesis. Therefore, statistically speaking, the two logos evoke the same level of curiosity in the viewers.
5) Difference in level of surprise felt for the two logos

The hypothesis to be tested here were the following:

\[ H_0: M_1 = M_2 \quad \text{against the alternate} \quad H_1: M_1 \neq M_2 \]

What we wanted to test here was whether the average level of familiarity with the two brand logos was the same, statistically.

Not differently from what we’ve found in the previous four cases, here the t-test took a low value (0.20799; \( D=0.16 \), Pooled SE=0.769). Hence, at the 5% confidence level, given that 0.20799<1.96, the null hypothesis can not be rejected. Therefore, the two logos evoke the same feelings of surprise in the viewers.

Now, given these findings, and keeping in mind the hypothesis formulated in chapter 2 (consumers’ decisions can be affected by brand logos), we are able to draw some conclusions. First of all, Nike and Apple logos affect the customers in approximately the same way, as our statistical findings proved by not rejecting the null hypothesis in any case, and this can be due to the fact that these two logos belong to companies that are so rooted in the nowadays society, that is hard to think about a world free of the benefits provided by them.

What we can eventually state, supporting the hypothesis formulated, is that brand logos can affect consumers’ decisions, but, on the base of our findings, people’s decisions are more effectively affected by brand logos that are already present in the market.

Better stated, we’ve seen in the course of this paper that there are many features that attract consumers’ attention more than others.

Even if those highlighted features work well in the case of a comparison between more products branded differently, it is also true that a firm, and hence a logo, that has already established itself as a leader in the market, has an obvious competitive advantage over newcomers, even if they show a perfectly designed brand logo, which –and this is a factor that cannot be stressed enough- is not a trampoline for success for a firm or a brand, but just a good element that can attract customers’ attention and make them to know the brand in the first place.

In fact, logos such as Nike’s or Apple work well given that these have been refined over time, but also thanks to the idea of trustworthiness that they convey into consumers minds, which is something that they obtained after years of fights in the market to become the number ones in their sectors.
CONCLUSIONS

The objective determined at the beginning of this thesis was that of understanding whether consumers’ decisions can be affected by a brand logo, and, following a statistical analysis carried out, we were able to state that most brand logos do affect consumers’ decisions, in that they influence the levels of attention of individuals and get them to know the brand they are representing, but all this happens in a much lighter fashion than one may think.

In fact, this particular intangible asset, that has been the main focus of this paper, has to be properly designed in order to reach a certain degree of success, but, most importantly, the success of the logo stems directly from the success of the company that it is representing.

What has been found out here is still that there are some particular elements which make up a brand logo that affect customers’ attention in a more effective way than others, and which can therefore help a given brand logo to stand out from the rest.

It has been noted throughout this study how an upward right and convex shape is a synonym for movement, and therefore catches attention more easily than any other shape; it can be thus easily used to develop a brand logo for a modern, highly advanced company, following the assumption that movement is associated with being ahead of the race, thus in ahead of the competitors.

Furthermore, it has been noticed how different colours are associated with different feelings, and this relation has to be taken into account when developing a brand logo.

Another goal that has been set was that of understanding if a brand logo can somehow affect a firm’s sales, and, if yes, by what amount. This goal was reached thanks to the help of some interesting papers that tried to analyse this previously, and what was found is something that we consider to be relevant for brand managers.

In fact, it has been noticed how a well designed brand logo exerts a better influence on consumers, motivating them to take the product it is depicted on in consideration, and it does this in a better way with respect to a poorly designed brand logo.

Successively, these “better” brand logos companies have been noted to have recorded overall higher profits also, with respects to their counterparts, and in fact, we concluded chapter 3 by stating - alongside some precautionary notes - that a firm’s sales can be, to a limited extent, be affected by their brand logos.
To close this paper, a humble and short suggestion will be given to brand managers, following the results that were obtained through this path.

Definitely, brand managers should keep a close eye on how their brands’ logos are developed, paying much attention to the salient features of this important intangible asset, such as its colour, shape and direction.

The best suggestion that we feel like giving to managers is, therefore, not to overlook this element, which is considered by many apparently worthless, because the best results -in any area where the men operate- are obtained by taking into consideration even the smallest details.
APPENDIX

A.1: Questions Used in the Survey:
1) To what extent are you familiar with Apple?
2) Apple’s logo attracts my attention.
3) Apple’s logo helps me identify the brand.
4) Have you ever purchased any of the following Apple’s products?
5) Have you ever purchased the same kind of product of another brand?
6) Which brand satisfied you the most, overall?
7) Does Apple’s logo evoke feelings of curiosity?
8) Does Apple’s logo evoke feelings of pleasant surprise?
9) (Only if you’ve already purchased Apple products) Even if Apple products would be more difficult to buy I would still keep buying them.
10) To what extent are you familiar with Nike?
11) Nike’s logo attracts my attention.
12) Nike’s logo helps me identify the brand.
13) Have you ever purchased any of the following Nike’s products?
14) Have you ever purchased the same kind of product of another brand?
15) Which brand satisfied you the most, overall?
16) Does Nike’s logo evoke feelings of curiosity?
17) Does Nike’s logo evoke feelings of pleasant surprise?
18) (Only if you’ve already purchased Nike products) Even if Nike products would be more difficult to buy I would still keep buying them.
19) State your sex.
20) State your age.

The model for questions 1,2,3,9,10,11,12,18 was taken from the following study: “Eisingerich A.B., Park C.W., Park J.W., Pol G., (2013), “The Role of Brand Logos in Firm Performance”, Journal of Business Research, vol. 66, pp. 180-187”;
Questions 1,2,3,7,8,9,10,11,12,16,17,18 required an evaluation on a scale from 1 to 9.
The remaining questions where multiple-choice questions.
A.2: Useful Graphs to the Reader

**Level of Curiosity Evoked by Apple's Logo**

Figure 7

**Level of Surprise Evoked by Apple's Logo**

Figure 8

**Keep Buying Apple Even if it is Harder**

Figura 9

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Level of Curiosity Evoked by Nike's Logo

Level of Surprise Evoked by Nike's Logo

Keep Buying Nike Even if it is Harder

Figura 10

Figura 11

Figura 12