Submission for the Award of Master of Business (Research)

“Distinctive Assets and Advertising Effectiveness”

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ABSTRACT

This thesis investigates print advertising and specifically the impact of supplementing and substituting the brand name with distinctive assets. Distinctive assets are non-brand name elements, such as colours, logos and slogans, that are uniquely linked to a brand in the memory of the vast majority of consumers (Romaniuk and Hartnett, 2010b). Consumers use distinctive assets to identify and discriminate between competing brands (Zaichkowsky, 2010), either on-shelf or in advertising.

In advertising, marketers use distinctive assets to signal a brand in two ways – either in addition to or instead of the brand name. For example, Nike is renowned for using the "swoosh" logo as the only identifying mark in its advertisements. Despite being common practice, marketing research is yet to sufficiently investigate the role of distinctive assets in communicating the brand in advertising.

Several scholars have suggested that using distinctive assets in advertising may increase correct brand linkage (e.g., Franzen, 1994; Keller, 2003b; Romaniuk et al., 2007; Rossiter et al., 1991). Others have called for research to identify the extent to which distinctive assets can replace the brand name entirely (Newstead, 2007; Romaniuk et al., 2007; Romaniuk, 2009).

Advertising practitioners have further suggested that showing the brand indirectly, via distinctive assets, is potentially *better* than using the brand name (Aitchison, 1999). Their justification is that consumers dislike advertising and if the brand is prominent, readers will only "turn the page faster". Alternatively, if the brand is shown indirectly, readers will be more likely to give attention and interest to an advertisement because it is not obviously an advertisement, subsequently making it more effective. By not having to include the brand name, advertising creatives are thereby also bestowed greater creative freedom. Thus, the objective of this thesis was to explore the respective roles of the brand name and distinctive assets in communicating the brand in advertising. The chosen metrics used to evaluate effectiveness were correct brand linkage and ad likeability.

An experiment was designed to determine the relative effectiveness of advertisements using; 1) only the brand name; 2) the brand name and a distinctive asset; and 3) a distinctive asset instead of the brand name. Visual distinctive assets (e.g., logos, characters and colours) and verbal distinctive assets (e.g., slogans) were compared. The experiment spanned four categories, including products and services, planned and impulse purchases. The advertisements were placed in a virtual magazine administered using online page-flip software. All respondents were recruited via one of Australia's largest online panels.

The key findings of this thesis are that:

1. Compared to the benchmark of the brand name only, supplemented advertisements had significantly higher odds of correct brand linkage (at the aggregate). This was true for both visual and verbal distinctive assets.

2. Compared to the benchmark of the brand name only, substituted advertisements had similar (using visual assets) or significantly lower (using verbal assets) odds of correct brand linkage at the aggregate. Looking at individual executions, there were two cases where an *incredibly strong visual* distinctive asset performed equal to or better than using the brand name, showing that distinctive assets can provide an effective alternative to using the brand name. In spite of this finding, a pertinent issue is that many real-world distinctive assets are not incredibly strong; consumers often link a brand's distinctive assets to a competitor or no brand at all (e.g., Miller and Berry, 1998; Reece et al., 1994 [slogans]; Tom, 1993 [music and jingles]; Tom et al., 1993 [characters and celebrities]). As such, replacing the brand name with a distinctive asset introduces greater risk for many brands. Across the remaining six cases, distinctive assets (both visual and verbal) were much less effective branding devices, leading to significantly lower likelihood of correct brand linkage. Therefore, the majority of evidence suggests using distinctive assets as brand name substitutes presents a substantial risk for advertisers.

3. Visual distinctive assets were generally more effective than verbal distinctive assets. This supports and extends the body of knowledge documenting the "picture superiority effect" in memory applied to advertising (e.g., Childers and Houston, 1984; Childers et al., 1986; Shepard, 1967; Starch, 1966).

4. There was no discernable relationship between the presence of distinctive assets and overall advertisement likeability. This held for supplemented and substituted advertisements, and visual and verbal distinctive assets.

Thus, the findings demonstrate that a distinctive asset is not a superior branding device to (be used instead of) the brand name. Nor do consumers consciously penalise advertisements that explicitly use the brand name, or reward advertisements that signal the brand implicitly, as suggested by advertising practitioners. There is consequently no need to trade-off these two branding devices.

The practical implication for marketers is that the greatest benefit of using distinctive assets is in supplementing the brand name. Using distinctive assets as substitutes is potentially wasteful of advertising dollars because fewer people are likely to recognise who is advertising. Moreover, this thesis provides a justification for building and maintaining strong distinctive assets – something that takes time and investment to achieve. For marketing research, this thesis improves our understanding of how consumer's process the brand in advertising, but more research is needed to establish what is effective execution of the different types of distinctive assets, encompassing other media.