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## Consumers' response to branded longevity

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## **Branded longevity's effect on processing fluency and brand familiarity**

### **Abstract**

This research draws on fluency theory to examine consumers' response to branded longevity. It employs experimental methodology. Results demonstrate that branded longevity positively impacts processing fluency as well as brand familiarity under low involvement conditions. Contribution and future results are also discussed.

### **1. Introduction**

We've all been previously exposed to the words "Since" or "established in" followed by a date while shopping for everyday items in large-scale retail outlets. The practice of communicating founding dates is trending nowadays with brands such as Lacoste (2017), Danone (2017) and Heineken (2017) emphasizing founding dates in their recent ad campaigns. The fact that founding dates can be communicated on different communication mediums (food trucks, packages, ads, price tags...) can become very costly to companies. Indeed these costs can go up to 1.2 billion dollars in some cases (<https://www.simpliowebstudio.com/most-expensive-logo-designs/> case of Symantec). However, this practice is not exclusively used by old brands (Lehu, 2004) or brands with heritage (Urde, Greyser, & Balmer, 2007). In some cases, newly founded brands are communicating their founding dates (German fashion brand 'barber and butcher, since 2008; mentioned in Beck, Lude, & Prügl, (2016).

Founding dates are just one modality for communicating brand longevity (Pecot and de Barnier, 2017b) which is a constitutive element of the brand's innate heritage (Hudson and Balmer, 2014). Even though, longevity was usually studied in the realm of brand heritage (Urde et al., 2007 ; Rose, Merchant, Orth, & Horstmann, 2016), it does not necessarily result in brand heritage (Brunetti et al., 2017). Surprisingly, few studies have examined consumers' response to brand longevity outside the realm of brand heritage (except Beck et al., 2016 and Desai, Kalra, & Murthi, 2008). In fact, the studies that investigated consumers' response to branded longevity (the communication of brand longevity) provide contradicting results regarding the conditions under which brand longevity has an effect on consumers' evaluation of the brand (Beck et al., 2016; Desai et al., 2008). This research draws on processing fluency theory (Lee and Labroo, 2004) to resolve this issue. In particular, this research aims to answer the following question : How do consumers respond to brand longevity ?

### **2. Theoretical Background and Hypotheses Development**

Brand longevity also understood as the longevity of the brand; it refers to the temporal dimension that every brand can have (Pecot & de Barnier, 2017a ; Tjiptono et al., 2006). It denotes the survival of the brand over a long period of time (Desai et al., 2008). Scholars have created different scales to measure brand longevity in brand heritage (Rose et al., 2016) and brand authenticity literature (Morhart, Malär, Guèvremont, Girardin, & Grohmann, 2015). However, brand longevity is a construct and not a managerial practice. Desai et al., (2008) as well as Zhang et al., (2016) study the practice of communicating the longevity of the brand. Hence, brand longevity is not the only conceptualization of longevity in branding literature. Brand longevity can be communicated either explicitly, via the communication of founding dates or implicitly via the communication of symbols (Pecot & de Barnier, 2017a). We refer to this construct as branded longevity.

While some studies examined the effect of branded longevity on consumers' evaluation of the brand in the brand heritage literature (Rose et al., 2016, 2017), three studies isolated the effect

of branded longevity on consumers' perception (Zhang et al., 2017; Beck et al. 2016; Desai et al. 2008). Desai et al. (2008) demonstrate that branded longevity reduces consumers' perceived risk toward the brand, only when consumers have low levels of involvement in the task. This is because, when consumers are in low involvement conditions, they are not likely to be motivated to search extensively for information (Petty and Cacioppo, 1986), and thus branded longevity can be a diagnostic cue regarding the brand's expertise (Purohit and Srivastava, 2001; Desai et al., 2008).

Beck et al. (2016) challenged this notion by measuring the effect branded longevity on highly involved participants. They found that branded longevity had significant effects on consumers' evaluation of the brand in conditions of high involvement. Even though neither a theoretical framework nor an explanation for these results were provided, they challenged the theoretical framework previously provided by Desai et al., (2008). This creates a gap in the literature and leads us to believe that further studies are needed to determine consumers' consumers' response to branded longevity.

In order to fill this gap, this study provides a theoretical explanation based on processing fluency theory (Lee & Labroo, 2004). Processing fluency can be defined as the metacognitive experience surrounding the ease of performing a mental action (Herrmann, Zidansek, Sprött, & Spangenberg, 2013). Hence, this approach steps away from the tradition information integration approach usually employed to understand consumers' response to branded longevity (Winkielman, Schwarz, Fazendeiro, & Reber, 2003). Processing fluency can take different forms (perceptual fluency, conceptual fluency, and retrieval fluency). However, it exerts the same influence on judgments independently of its form (Alter & Oppenheimer, 2009). The core assumption of this theory is that consumers internally monitor the effort expended on performing a mental process and that this subjectively perceived ease of processing manifests itself as an accessible feeling (Schwarz 2004). This feeling can then have an effect on subsequent judgmental tasks through elicited affect (Winkielman et al., 2003). While subjective feelings of processing ease can be elicited in a variety of ways (e.g., retrieval of stored memories), the focus of the current research is on the perception and processing of an encountered external visual stimulus (Schwarz 2004): Branded longevity.

*Branded longevity - Processing fluency:* Processing fluency is enhanced by repeated stimuli (Fang, Singh, & Ahluwalia, 2007). This is because they require fewer neural resources (Reber et al., 1998) because the existing memory representation of the stimulus will facilitate the encoding and processing of the stimulus on later exposures and make processing more fluent (Jacoby et al., 1989; Mandler et al., 1987; Janiszewski & Meyvis, 2001). We assume that consumers are exposed to multiple accounts of branded longevity in everyday environments (e.g product packages & ads).

Pecot and de Barnier, (2017b) demonstrate that consumers' recall that they have been exposed to branded longevity even though they do not remember the exact dates they were exposed to. Berger & Fitzsimons (2008) found that frequent incidental exposure to stimuli in everyday life can influence product evaluation and choice. This is because some stimuli that has meaning for the consumer such as branded longevity can trigger automatically representations in memory, rendering them more accessible (Higgin, Rholes and Jones, 1977). Meaning memory associations can be activated automatically by corresponding stimuli. Moreover, other associations that are part of the associative network of the consumers' memory can be activated automatically (Anderson, 1983; Collins & Loftus, 1975).

Pecot & de Barnier (2017a) demonstrate that branded longevity is usually communicated in product categories known for their traditional aspects of production (alcohol, biscuits, jam). The

consumer has generic associations in memory regarding product categories (Chakravarti, MacInnis and Nakamoto, 1990). So in product categories where brands communicate their longevity, the consumer may have it as an association. This is due to consumers being often exposed to branded longevity whether on product packages or in advertising. Thus, branded longevity increases consumers' processing fluency because it renders the brand more prototypical of the product category. H1: Branded longevity in product categories associated with traditional aspects of production, increases the processing fluency of the brand

*Branded longevity - Brand familiarity:* Experiments have already established that familiarity and processing fluency are two different mechanisms (Rugg & Curran, 2007). Brand familiarity is a desirable objective for marketers (Bogart & Lehman, 1973). It “captures consumers’ brand knowledge structures, that is, brand associations that exist within a consumer’s memory” (Campbell and Keller, 2003, p. 293). Hence, it can facilitate brand consideration in consumer choice (Holden & Lutz, 1992). However, an unfamiliar brand with previously encountered similarities to another brand can create an illusion of brand familiarity (Brown and Marsh, 2009). In our case, the previously encountered similarity is branded longevity. Indeed, features that facilitate processing fluency (such as branded longevity) may also enhance consumers’ evaluation of the brand (Chang, 2014) such as its familiarity. H2: Branded longevity positively influence brand familiarity.

*Involvement in the task:* Involvement in the task can vary in shopping situations according to the shopping motivation of the consumer (Clarke & Belk, 1979). It is distinct from involvement with the product category, and can be understood as the effort that the consumer exerts in the task (Clarke & Belk, 1979). Desai et al., (2008) found that low involvement conditions allow for branded longevity to have an influence on the consumer because it provides a diagnostic cue regarding the brands’ expertise. Recently, Zhang et al., (2017) found that branded longevity has an effect for the opposite reason: people in high involvement situations use extensive processing of information and extensive search for the information, therefore branded longevity allow consumers to buffer negative information regarding the brand. Involvement in the task is an important variable because it reflects consumers' processing of the information (Petty & Cacioppo, 1990). Indeed, the more the consumer is involved with the task, the more direct he or she is likely to process brand claims, hence more likely to attribute branded longevity the reason of his fluency, ultimately diminishing its effect (Hawkins & Hoch, 1992). Recent results in processing fluency literature imply that consumers are more likely to rely on their fluency experience for their evaluations, in low involvement conditions (Fang et al., 2007; Torelli & Ahluwalia 2012). H3: Consumers’ involvement in the task moderates the effect of branded longevity on processing fluency : the more (less) the consumer is involved in the task, the less (more) branded longevity has an effect on processing fluency. H4: Consumers’ involvement in the task moderates the effect of branded longevity on brand familiarity : the more (less) the consumer is involved in the task, the less (more) branded longevity has an effect on brand familiarity.

### **3. Research Method**

To answer our research questions, we conducted a two-group experimental design with only one group being exposed to branded longevity. The participants were randomly assigned to one out of the two experimental conditions. A vignette displaying an advertisement for a fictitious beer brand (Steigal) was used following Lei, Dawar and Gürhan-Canli (2012). Both vignettes included the same picture and description of the beer brand. Manipulations concerned the branded longevity that is displayed under the brand name. To manipulate branded longevity, we added

'since 1952' (vs. no indication of a founding date) as a tagline to the logo. The manipulation of branded longevity was done conforming with Zhang et al., (2017). We measured involvement in the task using a trick question that was preceded by a 7-line paragraph that asked participants not to answer a question regarding their hobbies.

Before starting with the main data collection, we conducted a pretest (N=24; mean age= 22 years; 51% female) in order to test the applied scales and to assure the understanding of the vignettes. Afterwards, we collected data using student participation in a large French University. Scales were translated from English to French using retro-translation methods (Bartikowski and Chandon, 2006). After conducting manipulation checks for branded longevity (does this brand communicate its date of creation?) and for involvement in the task (rate your effort in the task), we assessed the processing fluency through the usage of conceptual fluency (3 items from Srianni et al., 2013) and brand familiarity (3 items from Simonin & Ruth, 1998) using 7-point Likert scales. Participants who failed to answer the manipulation check question regarding longevity correctly were excluded from the data analysis. This led to a final sample of 100 participants (mean age = 22.5 years; 60% female), so that 50 participants were included in each condition. This sample size provided an acceptable level of statistical power with an effective size of 0.50 at a two-tailed 5% significance level (Sawyer and Ball 1981).

#### **4. Results**

We controlled for confounding variables by including variables measuring the mood and attitude toward the ad (Lee and Labroo, 2004) as covariates to extract a purer effect of the experimental manipulation. Similar to Lee and Labroo (2004), these variables are not significantly different in both groups. Both Chronbach's alpha for processing fluency (.826) and for brand familiarity (.820) were satisfactory. This ensures the internal validity of the scales. To analyze our hypotheses, we used factorial analyses of variance (ANOVA) with branded longevity (1952 vs. none) being a fixed factor. Manipulation checks proved that participants did perceive the brand's founding date.

Regarding the first hypothesis, results demonstrate significant difference between processing fluency between the two experimental conditions,  $F(1, 99) = 4.94, P=0.022$ . This indicates that branded longevity significantly influences processing fluency. The effect is positive (The means of conceptual fluency :  $M_{\text{control}}=4.02 ; SD=3.15 ; M_{\text{Branded longevity}}=4.75 ; SD=2.39$ ). Therefore H1 is corroborated.

Analysis for the second hypothesis demonstrates that brand familiarity is significantly different between the two experimental conditions,  $F(1, 99) = 7.65, P= 0.006$ . This indicates that branded longevity significantly influences brand familiarity. The effect is positive (The means of brand familiarity :  $M_{\text{control}}=1.86 ; SD = .84 ; M_{\text{Branded longevity}} = 2.51 ; SD = 1.81$ ). This leads to the corroboration of H2.

Involvement in the task does moderate the relationship between branded longevity and brand familiarity, and processing fluency. However, branded longevity only has a significant effect on brand familiarity  $F(1,50) = 15.85, P<.01$ , as well as processing fluency,  $F(1,50) = 3.9, P=0.05$ , when the consumer has low involvement in the task. This leads to the corroboration H3 and H4.

#### **5. Discussion, Implications, and Limitations**

Our experiment reveals two main findings: first, our results communicate that branded longevity has a positive effect on brand familiarity and on processing fluency. Second, the results

demonstrate that branded longevity can have this effect, only when the consumer has a low involvement in the task.

On a theoretical level, this research contributes to both literature on brand heritage and fluency theory. Brand heritage can benefit from the conceptualization of branded longevity as a standalone construct. We contribute to brand longevity literature (Beck et al., 2016 ; Zhang et al., 2017 ; Desai et al., 2008) by providing a theoretical framework that provides an explanation of how does branded longevity influence consumers' evaluation of the brand. In addition it allows the examining how do consumers perceive the chronological age of the brand. And under which conditions (task involvement) does branded longevity has an effect on the consumer.

Fluency theory can benefit from this research by empirically examining the effect of processing fluency on familiarity. In addition, in determining if visual cues representing the past can increase fluency and if fluency is a mediator of the relationship between branded longevity and brand familiarity. In addition, we contribute to fluency theory by determining the moderating role of task involvement on the relationship between branded longevity & fluency. Indeed, this allows for a counter-intuitive conclusion: more information (branded longevity) leads to less neural effort.

On a managerial level, brand managers can benefit from understanding how does branded longevity influence consumers' evaluation of the brand. Brand managers can communicate branded longevity on the packages or ads of new brands. New brands can benefit from communicating their brand longevity because it will allow them to appear more familiar (Holden & Vanhuele, 1999).

Authors identify three main vocations for future research. First, differences in putting the brand name and branded longevity on the left or on the right following conceptual metaphor theory can be analyzed (Chae & Hoegg 2013). Second, future research can examine the two other modalities of branded longevity such as anniversaries and the age of the brand in order to identify if branded longevity can have other effects on the consumer such as nostalgia (as mentioned in Morhart et al., 2015). Third, future research can examine other conditions that can influence consumers' response to branded longevity such as product involvement and congruency. Indeed, literature on consumers' response to branded longevity has demonstrated confusing results concerning these two conditions. While some authors believe that high product involvement leads to greater impact of branded longevity on the consumer (Beck et al., 2016), others suggest contradicting results (Desai et al., 2008). Moreover, while it is believed that branded longevity can have a positive effect on the consumer for all sectors (Rose et al., 2016; Desai et al., 2008; Beck et al., 2016; Zhang et al., 2017), recent studies demonstrate that it might be more congruent to communicate the brand's longevity in sectors perceived as traditional (Pecot & de Barnier, 2017b).

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