

THREE LAWS OF BRANDING: NEUROSCIENTIFIC FOUNDATIONS OF EFFECTIVE BRAND BUILDING

J. Pavithra¹, S. Praveen Kumar²

¹Asst. Professor, ²Professor, Department Of Management Studies,
BIST, BIHER, Bharath University, Chennai-73

¹pavithra.mba@bharathuniv.ac.in, ²praveenkumar.mba@bharathuniv.ac.in

Abstract: Commercial brands strive to be chosen by customer, and branding an activity is aimed at increasing the likelihood that they are. Almost all customer choices are at least partially memory based. This paper begins with the assumption that as neuroscience is a 'hard' science studying memory as a highly regular subject matter, it should be possible to deduce several laws from it for the 'soft' field of branding. Based on primary, empirical research in neuroscience, the author synthesizes three laws that govern the probability that a brand enters our awareness as a positive candidate for choice. Brands that have been built in accordance with those laws have a higher probability of being chosen than brand in the same category.

1. Introduction

Marketers around the world spend billions of a year in the pursuit of building strong brands. Study after study demonstrated that strong brands create higher amounts of shareholder value, by increasing revenue and margin growth and decreasing the riskiness of a company's cash flows, more effectively than weak brands. Milward Brown, Interbrand and Madden. According to some authors of popular management books, building such brands requires the application of simple 'laws' of branding. These books, however, often claim to be based on practical experience instead of on systematic research. Hence, writers of such books seem to use the word 'laws' for rhetorical, and not scientific reasons.

The value of branding laws—if they were available—is quite evident. For example, they would help practitioners make better branding decisions; they could rely on a set of solid principles and these could then provide fruitful hypotheses for academic research. So are there laws in branding? Are there universal, reliable principles that marketers can use in their efforts to influence the choice processes of customers and stakeholders in their own favour by building powerful brands? This is the central issue addressed in this paper.

The obvious first remark is an argument against such a claim. Social science—to which the study of branding belongs—is not characterised by the presence of rules and principles with the laws he finds in the exact sciences. Within the fields of economics, the most exact of the social sciences, a number of 'laws' exist, such as the law of diminishing returns, the law of supply and demand and the law of one price. Yet, they are law-like regularities more than laws in the classical scientific sense. As Mark Blaug,⁶ a prominent economic methodologist, states, 'if by a law we mean well-corroborated, universal relations between events deduced from independently tested initial conditions, few modern economists would claim that economics has so far produced more than one or two laws

2. The Cross-Over Between Branding And Neuroscience

The aim of neuroscience is to understand the biological mechanisms that underlie mental activity. It seeks to comprehend how the neural circuits in our brain allow us to perceive the world around us, recall that perception, memory and act on the memory of that perception. Neuroscience also studies the biological foundations of our emotional life. For instance, it seeks to determine how emotions influence our thinking and how the regulation of emotion, thought and action goes astray in diseases such as depression, mania, schizophrenia and Alzheimer's disease.

The complexity of these issues are enormous and historically, neuroscientists have adopted one of two approaches to tackle them. The first is the reductionist strategy, which focused on analysing the elementary units of the nervous system: a molecule, a cell or a circuit. That bottom-up approach examines how neurons communicate with one another and how interconnections are created during development, and modified by experiences, especially seen through the study of simple animals. The second approach is the holistic strategy, which studies the mental functions in vivo, in human beings and animals, in a top-down fashion often using

neuroimaged techniques—seeking to relate these behaviour to the higher-ordered features of large system of neuron. Both avenues have had considerable successes. The interest in neurobiological findings was growing rapidly, far beyond the boundaries of the field. For ever instance, there is a growing range of studies that apply neuroscientific knowledge and techniques to marketing issues, with sometimes interesting results. For example, a study by Samanez Larkin et al. showed that the brain of older adults over 65 shows less activation as a result of the anticipation of losing money than youngsters between 19 and 27. This may be caused by a reduced experience of negative emotions with age, an insight that might be relevant for financial advisors.

3. What is brand and what is branding Defining a brand

For our purpose, we will adopt a definition in line with Franzen and Bouwman, and state that a brand network of association with name in the brains of a person. Brands, according to this view, are pieced of information, meaning, experienced, emotions, image, intentional, etc interconnected by neural links of varying strength. The benefit of that definition is that builds a bridge between brand and neurosciences, which is needed for our purpose. Brand associations are long known to influence consumer preference and behaviour. In the case of supermarkets, for example, research has shown a strong correlation between supermarket associations and supermarket choice. Woodside and Trappey have shown that the choice for a certain supermarket by consumers can be predicted on the basis of the associations people have in their minds about these places. Castleberry and Ehrenberg have pointed out that associations can show strong correlations with the market shares of a brand. Almost, numerous studies indicate that products from countries with certain associations are preferred above those produced in other nations—an observation known as the country-of-origin effect

4. Defining Branding

Our definition of branding will have to take note of associations as well. Therefore, we will define 'branding' as the activity by branding owners of associated the brand name with these pieces of information, meanings, emotion, images, intention, etc key importance in the decision-making process of customers and of stakeholders in general, therefore, is aimed at increasing the likelihood that they are.

We must note that branding laws—in the sense discussed here—would only be applicable in situations wherein the

brand choice is at least partially based on associations stored in long-term memory. Of course it is possible, at least in theory, that choice is not influenced at all by brand information stored in memory but is entirely stimulus-driven—for example in the case of new, unknown or unfamiliar brands or through some form of highly effective point of sale communication.

5. The Process Of Brand Choice

The question is, then, whether or not neuroscience can help to identify regularities in the way branding can influence the outcome of memory-based choice situations. Before we can turn to answering this question, it is first necessary to look in some more detail at the choice process itself. One broadly accepted and well-researched theory of the brand choice process, and one that draws considerable academic attention, is the consideration set model based on Howard and Sheth. It distinguishes between two conceptually different phases namely that of evocations (in which set of brands to choose from is recalled long-term memory) and evaluation (in which the final choice is made). The basic premise is that people do not make a choice out of all the brands they are aware of but from a smaller subset called the consideration set, which is often (goal) constructed (see Paulssen and Bagozzi). Moreover, it seems that the consideration set is universal and found across national cultures.

In order for a brand to be chosen, the consideration set model states that the brand must first be recalled from memory and then needs to be evaluated positively.[14] It is important to note that in the majority of choice occasions,[10] the largest part of this process may take place implicitly—proceeding outside of our conscious attention (see Coates et al.³⁷ and Shapiro and Krishnan³⁸). Much of human behaviour in general appears to be shaped by factors beyond our awareness.[15]

5.1 Increasing A Brand's Cortical Representation Probability

Against this background, we can begin to formulate several propositions that lay the foundation for the deduction of branded laws. So far, we have assumed that brands want to be chosen and that branding is focused on increasing the probability that they are.[11] More specifically, branding aims to influence choice behaviour by maximising the probability that the brand wins the (unconscious) competition for cortical representation—the battle for awareness.

6. Cortical Representation Propositions

Brands with a high cortical representation probability can be called 'strong' brands because, as we have seen, they are the most salient and hence have the largest influence on choice.[12] We will now formulate three propositions about the brain that govern a brand's cortical representation probability and hence strength: the relevance, coherence and richness these.[13]

Proposition 1

The Relevance Thesis. The relevance thesis says that cortical representation probability of an association network (brand) depends on the degrees to which it is connected with elements that are of personal importance in the choice process (ie 'salient choices cues').[16] The degree to which brand information is of personal relevance to us strongly influences the degree to which this information is stored in long-term memory and the ease with which it can be retrieved from it. Neurobiological studies show that relevant or emotionally charged phenomena are better remembered than irrelevant and neutral events. For example,[9] biologically significant information about food or sex are stored more durably than insignificant information.⁵⁸(Thus, there appears to be some truth in the old advertising adage that 'sex sells'.) [17]

Proposition 2

The Coherence Thesis. The coherence thesis states that the likelihood that a neuron or association network (ie brand) will win the battle for awareness is proportional to the number of times its connections with cells or association networks that are fired during the choice process (ie choice cues) have been activated in the past. The most efficient way to externally induce these 'past firings' is by repeating a (brand) message that is specific.[20]

The coherence thesis is based on a cornerstone of our current neurobiological understanding of memory (see Matynia et al.⁶⁴). Coherence has two components: repetition and specificity. First, it was long an important hypothesis in the neuroscience community that when one neuron A repeatedly or persistently takes part in firing another B, the efficiency of A in firing B increases. This is so, it was thought, because repeated firing between A and B causes a long-term strengthening of the synapses between the two neurons[18]

Proposition 3

The Richness Thesis. The richness thesis states that the likelihood that a neuron or cell assembly (ie brand) will have activated is proportional to the number of direct links it has with cells or cell assemblies that are activated during the choice process [19]

Ebbinghaus showed that the chances of activation of a neuron B, by a neuron A, decreased with the number of intervening neurons between A and B. This means, generally stated, that the more incoming (dendritic) links a cell or cell assembly, B, has that are directly connected with often activated cell assemblies (ie cues), the more likely B has been activated. We will call this degree of synaptic connectedness the 'richness' of the network.

In principle, every connection with the choice cue can potentially activate the brand's networks. The more connections there are, the higher the likelihood that the whole network is evoked forcefully.[8] The likelihood that individual neurons pass on a signal depends on the summation of the signals coming in. Generally, more signals make a higher sum.

6.1 Corollaries: Three Branding Laws

As the three laws are neurologically founded, they possess a strong regularity that turns them into branding prerequisites. As stated in the introduction, these laws are no new discoveries. They are used, in varying degrees, as rules of thumb.[21] This paper argues, however, that their status must be raised to a higher level of importance and reliability.[7] Seen from a neurological standpoint, they should be treated and followed as universal branding laws with a scientific foundation.[27]

Law 1

The higher the distinctive relevance of branding efforts, the more likely the brand will be chosen.[22] Increasing the probability a brand is chosen requires associating it more strongly and uniquely with elements that are of personal significance to the customer at the moment of decision-making (ie primary choice cues). This was the law of distinctive relevance.[25] An element is relevant to the degree it is used by customers as a cue for activated brand names at the moments of choices and for evaluating brand performance.[26] Brand may be also able to influence the cues people use. Empirical evidence shows that what was relevant for customers can vary between individuals and, for the same individuals,[24] between different occasions. Typically, however, primary choice cues included products category, sub-category, functional and

symbolic attributes, used occasion, own and user images and combinations of these.[28]

Law 2

The higher the coherence of brand efforts across time and spaces, the more likely the brand will be chosen.

Ensured a front position in have been consideration sets required repetition of a specific, relevant core message for the brand. the law of coherence.[29] Coherence equals repetition multiplied by specificity ($c=r.s$). Repetition is needed to create strong synaptic connections with choice criteria, which in turn is required for increasing cortical representation probability, which in turn is required for becoming top of mind at the moment of choice.[30] Specificity is necessary because specific messages are much more likely to repeatedly reactivate the same connections and hence strengthen them—thus improving the brand's cortical representation probability. [31]

Law 3

To win the battle for awareness, a brand must be created as many synaptic connections as possible between choice criteria and the brand name and with in their own association network. We call this a rich network of synaptic links. Richer association networks are formed in the brain as a result of richer, participatory environments that induce a more elaborate or a more comprehensive processing of brand stimuli. Richer environments are settings with a higher propensity to arouse curiosity and to create engagement and participation.[23]

7. Discussion

It is beyond the scope of this paper to discuss all implications of these three branding laws for the practice of branding. In general, however, it is useful to distinguish between the three theses (describing brain characteristics), the three laws (describing brand aims) and branding activities. This paper has focused on the first two. Several final remarks may be made about the laws.

7.1 Remarks On The Law Of Distinctive Relevance

Regarding the first law, at least two things can be noted. We have seen that winning the competition for entry into customers' awareness is crucial for any brands. This selection process takes place largely outside our consciousness and is rapid, automatic and effortless. This means that it is crucial to study how

efficiently brands are evoked by customers' primary choice cues, instead of focusing exclusively on brand evaluation. Moreover, if evaluation takes place it is happening only after evocation. This may require changes in standard research designs[32]

7.2 Remarks On The Law Of Coherence

Maintaining coherence: Regarding the second law one can observe that in practice, coherence is often sacrificed due to short-term economic pressures (see, eg Lodish and Mela). [33]

7.3 Remarks On The Law Of Participation

Participation is often neglected: Regarding the third law, we can observe in practice that richness and participation are often not focal points in media policy.[34] The traditional focus of most media agencies and advertisers is on Gross Rating Points (a common measure of the average percentage of target group members contacted in a certain period) and hence on reach. [35]

7. Conclusions

Brands seek to be chosen by customers, and branding as an activity is aimed at increasing the probability that they are. In order to reach these goals, brands must win the unconscious battle for awareness during the process of consideration set formation and choices. Brands that win the battle for awareness (ie the most salient brands) are more likely to be chosen. Based on neuroscience insights, brands following the three branding laws discussed in this paper have a higher chance of winning the competition for cortical representation and hence choices than a brand that does not. They are the laws of distinctive relevance, coherence and participation. In one sentence, the motto of these laws is: creating and repeating relevant specificity (over time and across touch points) around one central brand itself, using the richest and most engaging forms and media possible. This then is a general requirement for an effective allocation of marketing investments. Stated slightly more pragmatically in the form of key questions, the three laws of branding required that one asks of every branding act:

- Is it distinctively relevant?
- Is it a specific expression of the brand theme?
- Is it delivered in the most engaging form possible?

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