

Abstract

A logo is defined as the official visual representation of a corporate or Brand name, and the essential component of all corporate and brand identity programs. Due to the entrepreneurial importance of logos in consumer sentiments (positive or negative attitudes) and brand awareness, great amounts of investments are made because management expects that logos can add value to the reputation of an organization. The objective of this research was to study the importance of logos in consumer perceptions of a company and its products as well as to study the effectiveness of logos on organizations' performance. This topic is very important and relevant because of the increasing trend of companies to change their logos and many companies are curious as to how it affects the company's operations and the image it has on the minds of the consumers. Some of the major examples of companies that changed their logos recently are Reebok, Cadillac and Google. 100 customers of different age groups, gender, area and different income group were taken. This research work doesn't require a secondary data collection as it is completely based on present way of approach of customers due to change in logos of their favourite brand. The focus is on what are the changes in the buying attitude of customers due to change in or modifications in the present logos. Also this research ponders upon the variation in trust factor of customers and many more aspects. Focus was also upon company's clients towards change in logos. A primary research

Analysis of Change in Logos on Consumers and the Company

Dr. Asha Nagendra

Professor, Symbiosis International University, Pune, Maharashtra

Swati Iyer, Pratik Kadam & Jyoti Adhikari

MBA Students, Symbiosis International University, Pune, Maharashtra

Introduction

In the study "Conquering the World with Logos" we approached various customers of different age groups, gender, area and different income group. Our research work doesn't require a secondary data collection as it is completely based on present way of approach of customers due to change in logos of their favorite brand. We have focused on what are the changes in the buying attitude of customers due to change in or modifications in the present logos; we have pondered upon the variation in trust factor of customers any many more aspects. We even focused upon company's clients towards change in logos. A primary research involving a questionnaire consisting of 16 questions for customers and 10 questions for company's clients that try to bring out relevant data to meet the objective of the research was developed and used for the survey.

Objectives

- To study the importance of logos in consumer perceptions of a company and its products.
- To study the effectiveness of logos on organizations' performance.

Limitations

1. The research was limited only to Pune.

Review of Literature

Kilic (2011) in his work summarizes that the development of brand identity is essential for strong, well known and trusted brands. The brand identity depends on a set of brand associations that consumers perceived as unique promises of the brand. These associations are related to the brand awareness and ultimately brand choice in purchase decisions. Brand logo serve as the visual cue in consumer choice and purchase decisions. Given the importance of the role of logos on brand identity and performance, most literature on logos have focused on how to design effective logos and associations made based on the design. Most of them are nonacademic articles. Similar to brand associations, logo associations may be product attribute, service quality, and experience related.

involving a questionnaire consisting of 16 questions for customers and 10 questions for company's clients that try to bring out relevant data to meet the objective of the research was developed and used for the survey. The questionnaire was prepared and responses of the customers were taken on one to one basis and responses of clients were taken either using mail or one on one meeting. The questionnaire was prepared using both Microsoft office and Google docs. Results revealed that in day to day life the preferences of customers change due to even a slight change in logos. The preferences and trust factor of the customers depend upon the income and age group of the consumers. It was also found that male consumers are much conscious about the brand than female consumers. There is also a difference in market share of the company due to a change in logo. This research can help companies to change its image and bring about a positive impact using logos. To conclude we can see that logos do have great impact on the company as well as the consumers.

Keywords: Logos, Companies, Income, Change, Impact, Purchasing Pattern.

Hynes (2009) provides empirical evidence that colour and design of the logos are directly related with representativeness. Colour and meaning of the logo are closely linked for implicitly illustrative or pictorial logos. Consumers can elicit strong associations among designs and meanings for abstract logos, however, colour choices can vary widely. In short, consumers can drive meaning from colours as well as designs. Extrinsic properties of logos, on the other hand, originate from associations with the company or brand. Accumulation of perceptions about past actions of the brand and intensity of communications of values of brand to internal and external audiences define brand associations.

Research Methodology

1. Selection of Sample

The best approach to collect primary data is by random sampling method. Hence, for the present study, primary data was collected data from randomly chosen 90 consumers and 10 companies or startups from the urban area of Pune across different generations (students, working professionals, households) focusing mainly on upper and middle income groups.

2. Collection of Data

Primary data: We distributed questionnaires physically to our target population. We had two different questionnaires for service providers and consumers to evaluate their awareness towards importance of logos. We chose questionnaire form of data collection because it is the only way where in the consumers can fill in the data themselves without any bias, judgment and influence of the surveyor. Moreover it helps the subject to clarify his/her doubts.

Hypothesis

H_0 : Change in logos has no effects on consumer purchasing style.

H_1 : Change in logos has effects on consumer purchasing style.

Results

Table 1: Affect in Purchasing Pattern with the Change in Logo of Favourite Brand

SNo	Affect in purchasing pattern with the change in the logo of your favourite brand	Percentage (%)
1	Yes	52
2	No	48

Affect in purchasing pattern after change in logo

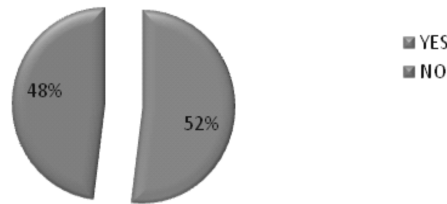


Figure 1: Showing Affect in Purchasing Pattern After Change in Logo

Discussion: From table 1, it was seen that there is about 52% of the population whose purchasing pattern is affected due to the change in logo or brand of their favourite brand and for the remaining 48% their purchasing pattern is not at all affected by the change in logo.

Table 2: Switching to Another Brand due to a Change in Logo

SNo	Switching to another brand due to a change in logo	Percentage (%)
1	Yes	39
2	No	61

Affect Due to a change in logo switching to another brand

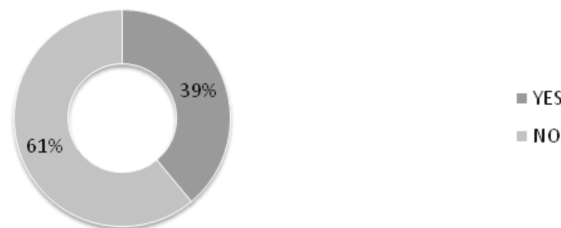


Figure 2: Showing Affects Due to Change in Logo Switching to Another Brand

Discussion: From table 2, it was seen that 39% of the total respondent replied that they will switch to another brand due to change in the logo or color or size of their present logo. 61% of the total respondent replied that they will not switch to another brand additionally they also said that they trust their brands at a high level.

Table 3: On a Scale of 1 to 5 (With 1 Being the Least and 5 Being the Maximum), the Effect of a Change in Logo Have on the Decision to Purchase a Product

SNo	Effect of a change in logo have on the decision to purchase a product	n=100	Percentage (%)
1	Strongly Agreed	19	19
2	Agreed	43	43
3	Neutral	6	6
1	Disagreed	13	13
2	Strongly Disagreed	19	19

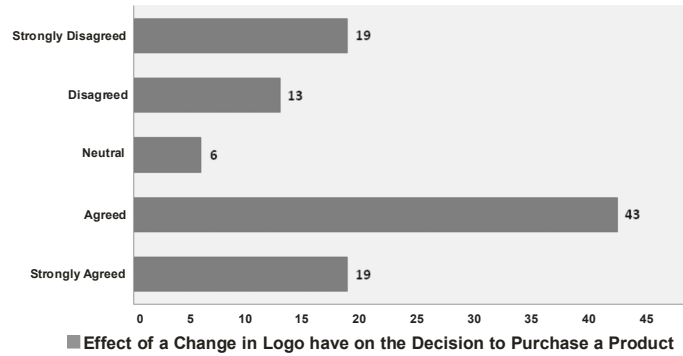


Figure 3: Showing the Effect on Decision Due to Change in Logo on the Decision to Purchase a Product

Discussion: From table 3, it was seen that 19% of the total respondents strongly disagreed and stated that their purchasing decision is not affected due to change in logo, 13% of the total respondents disagreed and stated that their purchasing decision is not affected due to change in logo, 6% of the total respondents were neutral, means they are not so respondent or neutral to change in logos. 43% of the total respondents agreed that their purchasing decision is affected due to change in logos or brands and 19% of the total respondents strongly agreed that their purchasing decision is affected due to change in logos and brands.

Table 4: The Consumer Evaluation of Brand Extensions

Sno	The consumer evaluation of brand extensions	n=100	Percentage (%)
1	Yes	56	56
2	No	44	44

The consumer evaluation of brand extensions

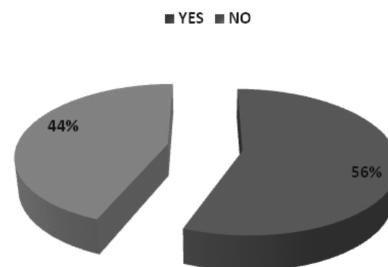


Figure 4: Showing the Consumer Evaluation of Brand Extensions

Discussion: In table 4, the yes refers to the trust that is extended by the consumer to the brand extensions which is 56% as against the 44% of the consumers who would have a hard time trusting the brand extensions even if they are loyal to their brands.

Hypothesis testing

Summary Output

Regression Statistics	
Multiple R	1
R Square	1
Adjusted R Square	65535
Standard Error	0
Observations	2

ANOVA: Two-Factor Without Replication

Summary	Count	Sum	Average	Variance
Row 1	2	105	52.5	12.5
Row 2	2	78	39	72
Column 1	2	100	50	50
Column 2	2	83	41.5	144.5

ANOVA

Source of Variation	SS	df	MS	F	P-value	F crit
Rows	182.25	1	182.25	14.87755	0.161494	161.4476
Columns	72.25	1	72.25	5.897959	0.248668	161.4476
Error	12.25	1	12.25			
Total	266.75	3				

The hypothesis was tested between the gender and the positive change with the change in colour of the logo. The result obtained was positive correlation.

Conclusion

On studying the topic “Analysis of change in logos on consumers and the company” it was found that most of the customers are loyal and possessive for their brand. It was found that the trust level of the customers is affected by change in color, size or even complete change in logos or brand, they feel that either they trusted the wrong brand, company is in loss that the reason it need to change its logo, its present brand or logo is unable to capture the current market proportion. Analyzing the topic to its epitome we found that out of total population studied, men are more brand conscious than women. Women switched to various different brands very easily as compared to men. It was also found that the effect of change in logos is different for different age and income groups. It was found that people with high income level are very brand conscious than middle class people, they do not want to switch to other brand as they feel that it can affect their prestige quo.

The effect of change in logos is much higher than imagined. We even tried approaching the company’s client regarding change in logo and the importance of logo for a company. According to the questionnaire filled by them we analyzed that logo is essential to operate a company smoothly, we also got various reasons for the need of logo for a company’s success such as it defines a company in a much simpler way, it has a deeper impact on customers’ mind, a logo with an attractive advertisement can do wonders, success of logo defines the success of a company etc. we also tried asking them the their views on impact of color and size of logo on a customer. We asked them regarding the reasons for failure of any logo in the market. We tried getting information regarding if a customer has a negative impact on change or modification of a particular logo what all they can do to change the customers’ approach towards logo. We even tried to study regarding market, we asked them what will be the change in market share due to change in current logo and what percent of market we would be able to capture due to change or modification in a logo. We analyzed from the clients and company’s point of view the effect of change or modification on competitors and what can be their reaction on this.

REFERENCES

1. Pimentel, Ronald W., & Susan E. Heckler (1999), "Logo Design Change: A Test of Competing Theories," Working Paper.
2. (1996a), "New logo: More mixed reviews," *Sunset* (September), 10.
3. (1996b), "Thumbs go up—and down—for the new *Sunset* logo," *Sunset* (August), 10.
4. Bell, Stephen S., Morris B. Holbrook, & Michael R. Solomon (1991), "Combining Esthetic and Social Value to Explain Preferences for Product Styles with the Incorporation of Personality and Ensemble Effects," *Journal of Social Behavior and Personality*, 6(6), 243-274
5. Elliott, Stuart (1994), "A New Survey Finds that for Some Brands and Companies, Logos Can Be Image Breakers," *New York Times*/ pp. 5.
6. Henderson, Pamela W., & Joseph A. Cote (1998), "Guidelines for Selecting or Modifying Logos," *Journal of Marketing*, 62(April), 14-30.
7. Pimentel, Ronald W. (1997), *Consumer Preference for Logo Designs: Visual Design and Meaning*. Unpublished Dissertation, The University of Arizona, Tucson.
8. RW Pimentel, SE Heckler(2003). "Changes in logo designs: chasing the elusive butterfly curve".
9. Chandon, P., J. Wesley Hutchinson, W. & Young, S. (2002). Unseen is unsold: Assessing visual equity with commercial eye tracking data. Working paper no. 2002/ 85/MKT, Fontainebleu: INSEAD.
10. Munoz, D.P., & Everling, S. (2004). Look away; the anti-saccade task and the voluntary control of eye movement. *Nature Reviews*, 5, 218-228.
11. Lee, A. Y. (2001), "The Mere Exposure Effect: An Uncertainty Reduction Explanation Revisited," *Personality and Social Psychology Bulletin*, 27(10), 1255-1266.
12. Aaker, D. (1991a), *Building Strong Brands*, The Free Press, New York, NY.
13. Akram, A., Merunka, D. & Akram, M.S., 2011, Perceived brand globalness in emerging markets and the moderating role of consumer ethnocentrism', *International Journal of Emerging Markets*, vol. 6 no. 4, pp. 291-303.
14. Abdul-Rashid Abdul-Aziz & Sing-Sing Wong, 2011, 3Business networks and internationalisation of contractors from developing countries: An explorative study', *Engineering, Construction and Architectural Management*, vol. 18 no. 3, pp. 282-296.
15. Bottomly, P.A. and Doyle, J.R. (2006), The interactive effects of colors and products on perceptions of brand logo appropriateness , *Marketing Theory*, Vol. 6 No. 1, pp.63-83.
16. Colman, A.W., Wober, J.M. and Norris, C.E. (1995), A study of viewer's impressions of corporate logos in the communications industry , *Journal of the Market Research Society*, Vol. 37, No. 4, pp. 405-16.
17. Henderson, P.W. and Cote, J.A. (1998), Guidelines for selecting or modifying logos, *Journal of Marketing*, Vol. 62 No. 2, pp. 14-30.
18. Janiszewski, C. and Meyvis, T. (2001), Effects of brand logo complexity, repetition, and spacing on processing fluency and judgment, *Journal of Consumer Research*, Vol. 28 No. 1, pp. 18-32.
19. Kohli, C., Suri, R. and Thakor, M. (2002), "Creating effective logos: insights from theory and practice" , *Business Horizons*, May-June, pp. 58-64.
20. Koffka, K. (1935). *Principles of Gestalt psychology*. Brace, New York: Harcourt.
21. Webb, A. L. (2001, August 7). Asian brands are sprouting English logos in pursuit of status, international image: Vietnam airlines launches new look, new direction. *Wall Street Journal*, Eastern Edition.
22. Jessica Ridgway, Beth Myers. A study on brand personality: consumers' perceptions of colours used in fashion brand logos. *International Journal of Fashion Design, Technology and Education*, 2014; 7 (1): 50 DOI: [10.1080/17543266.2013.877987](https://doi.org/10.1080/17543266.2013.877987)
23. University of Missouri-Columbia. (2014), "Logo color affects consumer emotion toward brands, study finds." *ScienceDaily*, 8 April 2014. <www.sciencedaily.com/releases/2014/04/140408112210.htm>.