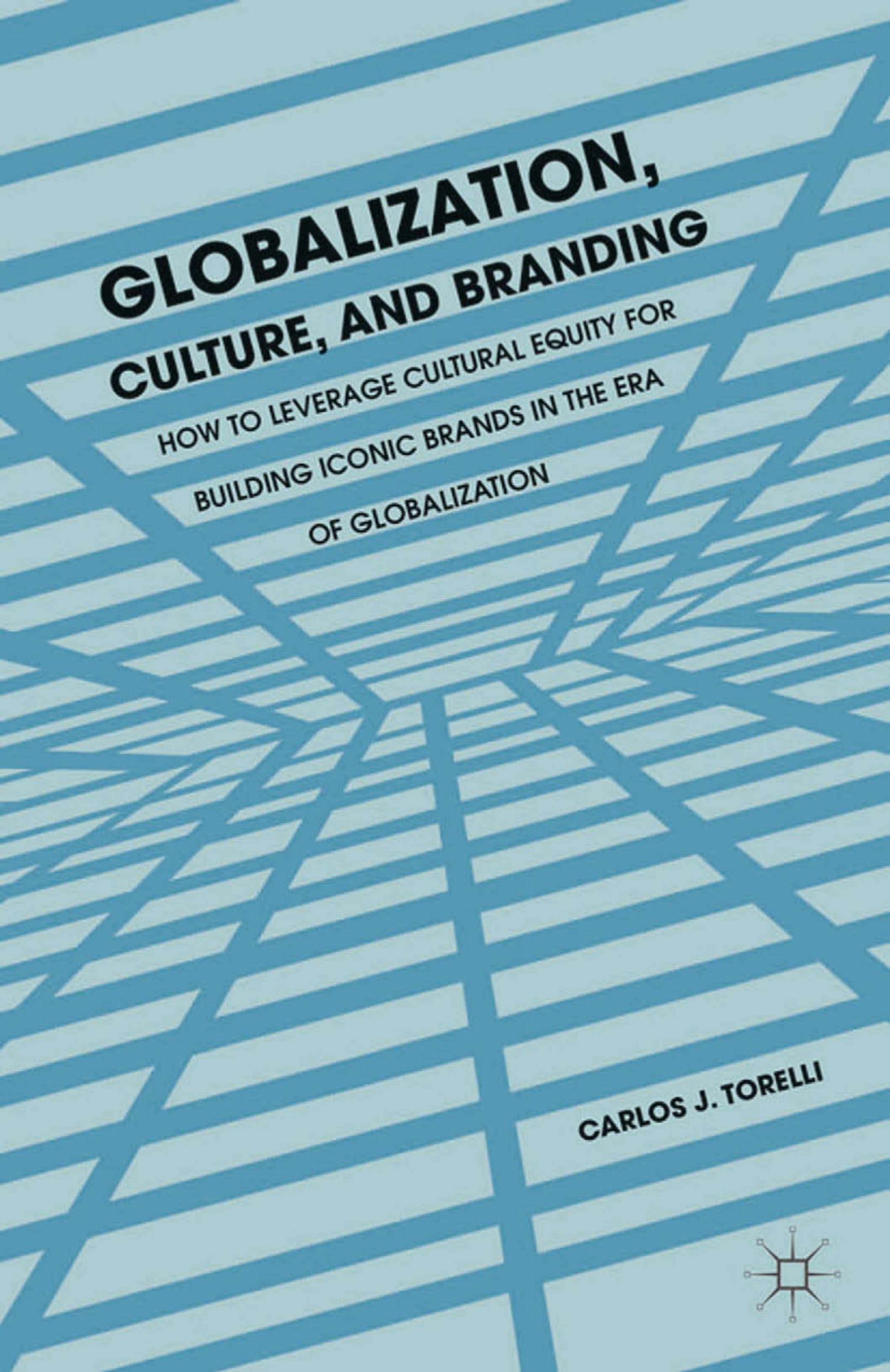

GLOBALIZATION, CULTURE, AND BRANDING

HOW TO LEVERAGE CULTURAL EQUITY FOR BUILDING ICONIC BRANDS IN THE ERA OF GLOBALIZATION

CARLOS J. TORELLI

Globalization, Culture, and Branding

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Carlos J. Torelli

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GLOBALIZATION, CULTURE, AND BRANDING
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CONTENTS

List of Figures vi

List of Tables viii

Preface ix

Acknowledgments xii

Section 1. Understanding Brands and Their Cultural Meanings

1 Brands and Models of Brand Equity 3

2 Cultural Equity 35

Section 2. Gaining Insights into How Cross-Cultural Consumers View Iconic Brands

3 Consumers from Different Cultures 61

4 Consumers' Reactions to the Cultural Meanings in Brands 79

5 Brands and the Fulfillment of Cultural-Identity Needs 97

Section 3. Building, Leveraging, and Protecting Cultural Equity

6 Putting It All Together: Why and How to Build an Iconic Brand 111

7 Leveraging and Protecting Cultural Equity 135

References 155

Index 177

List of Figures

1.1 Avenues for Creating Brand Meanings 9
1.2 Determinants of Perceived Quality Performance 13
1.3 Dimensions of Brand Values 16
1.4 Structure of Brand Values 17
1.5 Layered Model of Brand Meanings 23
2.1 Dominant Cultural Orientations Known throughout the World 40
2.2 Manifestations of and Functions Served by Culture 43
2.3 Brand Images Likely to Embody Abstract Cultural Characteristics 49
2.4 Multi-Method Approach for Assessing Cultural Equity 55
3.1 Typical Statements Written by Consumers from Individualistic or Collectivistic Cultures 63
3.2 Typical Diagrams Drawn by Consumers from Individualistic or Collectivistic Cultures 64
3.3 Message Appeal That Heightens Notions of Power for Advancing One's Status 68
3.4 Message Appeal That Heightens Notions of Having a Nurturing Effect on Others 69
3.5 Self-Enhancement Appeal 75
3.6 Openness Appeal 76
3.7 Self-Transcendence Appeal 76
3.8 Conservation Appeal 76
4.1 Internalization of Cultural Knowledge and Subsequent Activation 80
4.2 Bicultural Priming and the Simultaneous Activation of Knowledge about Two Cultures 86
4.3 Individualist or Collectivist Messages 87
5.1 Extension of the Self from Personal to Social Identities 99
6.1 Paths through which Iconic Brands Connect with Consumers 112
6.2 Cultural Categories at Varying Levels of Inclusiveness 114
6.3 Key Steps for Conducting a Cultural Audit 115

6.4 Steps Involved in the Process of Building Cultural Equity 133
7.1 Ansoff's Product-Market Growth Strategies 135
7.2 Compatibility between Cultural Orientations 144
7.3 Advertisement for a French Luxury Watch Promoting a Self-Enhancement Image 145
7.4 Advertisement for a French Luxury Watch Promoting a Conservation Image 145
7.5 Culturally Neutral Advertisement for Rolex 149
7.6 Advertisement for Rolex Promoting a Self-Transcendence Image 149
7.7 Advertisement for a French Luxury Watch Promoting a Self-Transcendence Image 150
7.8 General Framework for Leveraging and Protecting Cultural Equity 153

LIST OF TABLES

2.1 Ranking of Brands in Terms of Cultural Symbolism for American or Venezuelan Cultures 52
2.2 Ranking of U.S. Brands in Terms of Frequency of Culturally Related Mentions in Online Documents 54
3.1 Psychological Characteristics of Each Cultural Orientation 77

PREFACE

With globalization, the world is becoming smaller, and the consciousness of the world as a whole is intensifying rapidly. With the rapid growth of global linkages and global consciousness, the marketplace is becoming increasingly complex for marketers to navigate. While major American brand names such as *Coke* and *Nike* have traditionally enjoyed sustained growth in emerging economies including China, India, and Brazil, the last decade has witnessed a tremendous growth in the number of new American and European brands successfully establishing a global presence in emerging markets. Think, for instance, of the success of American *Jack Daniel*'s in China or the success of Spanish *Telefonica* in Latin America. More importantly, brands from emerging markets have also recently emerged as global challengers. Consider, for example, the footprint gained in recent years by Chinese *Lenovo* group in the personal computer industry, the recent entry of Indian's *Tata* group into the luxury cars segment through the acquisition of the *Jaguar* and *Land Rover* brands, or the growth of Brazilian's *Embraer* in the Western-dominated aerospace industry.

The changes brought about by globalization are not exclusive to the supply side of the market. Indeed, the growth in the cultural diversity of brands offered to global markets responds to an increased global demand by a culturally diverse consumer population. Increased cultural diversity in global consumer markets is fueled by three different market trends. The first trend relates to the emergence of a robust middle class in emerging economies such as China, Russia, Brazil, and India. Consumers in these emerging economies are increasingly adopting modern living standards associated with the Western world. Consider, for instance, how meat consumption in China has grown from a third to twice the amount consumed in the United States in the last 30 years. Something similar can be said about Brazil when it comes to undergoing plastic surgery, as Brazil now has more cosmetic surgeries procedures per capita than the United States. The second market trend refers to immigration patterns changing the cultural landscape of developed markets. As an example, in 2010, for the first time in U.S. history, whites of European ancestry accounted for less than half of newborn children—with Hispanics leading in number of new births. A similar ethnic shift is happening in Europe, where the Muslim population has more than doubled in the past 30 years and will have doubled again by 2015. The third and final trend has to do with the increased cultural curiosity of worldwide consumers. This curiosity is being stimulated by the instantaneous access that consumers have to news, stories, and developments taking place in every corner of the world, as well as by increased intercultural contact due to a flourishing global tourism and travel industry. For example, the number of foreign-language immersion programs in U.S. schools has doubled in the last ten years. During the same period, Chinese travelers have become the top source of tourism cash in the world.

As a result of these global market trends, a wide range of brands bring diverse cultures to a consumer population that is also growing culturally diverse. How do multicultural consumers react to the cultural meanings in brands and products? Do these meanings impact the quality of the relationships that multicultural consumers establish with their brands? If so, how can marketers imbue brands with favorably evaluated cultural meanings? How can these meanings be leveraged for building iconic brands across cultural boundaries? This book provides answer to these important questions. It illustrates how marketers can take advantage of the market trends just described and leverage cultural equity for building iconic brands in the era of globalization. The book draws from novel theoretical insights in social psychology, cultural psychology, and marketing to develop a theoretical framework for understanding the issues involved in building iconic brands in global markets.

The book centers on three basic premises: (1) brand equity is a customer-based phenomenon that consists in the development of unique, favorably evaluated knowledge structures linked to a brand and that trigger distinct, motivated responses to the marketing of the brand; (2) culture, although a collective phenomenon, can be conceived as a mental representation of shared knowledge about a human group, consisting of a central concept (e.g., American culture) and its associated beliefs, values, and objects (including brands and products), that provide standards for perceiving, evaluating, and acting; and (3) thoughts and feelings in consumers' heads engage with brand meanings for endowing brands with cultural equity, which in turn can determine consumers' behaviors in the service of personal-, social-, and cultural-identity needs.

The book is divided in three sections. Section 1 discusses how popular models of brand equity can be used to identify cultural dimensions of brand knowledge (i.e., brand knowledge that is culturally relevant), as well as to understand how and why brands are imbued with culturally symbolic meanings (i.e., acquire cultural equity). This is followed by a discussion in section 2 about the complex reactions of consumers to the cultural meanings embedded in brands and products. This discussion highlights the conditions under which consumers from different cultures react favorably or unfavorably to cultural cues in products and brands. Particular attention is paid to consumers' reactions to the juxtaposition of cultural cues in bicultural products and advertisements (e.g., a *McDonald's* ad including Chinese icons or a Chinese brand of breakfast cereal), an increasingly common scenario in globalized markets. Finally, section 3 presents a framework for imbuing brands with culturally symbolic meanings (i.e., creating cultural equity) that can generate deep psychological bonds with multicultural consumers, as well as provides guidelines for leveraging and protecting the cultural equity built into iconic brands.

Veering from past publications including broad reviews of international marketing best practices or those that discuss broad issues involved in building brand equity (or branding), this book is the first to zoom in on the issues involved in growing and protecting a brand's cultural equity in the era of globalization. This book is also novel in its theoretical approach for understanding the complex psychological processes underlying the responses by multicultural consumers to the varied cultural meanings embedded in products, brands, and advertisements. Although the book is grounded in cutting-edge academic research, the material is presented in a format that can be accessible to both marketers and students enrolled in marketing and psychology programs.

The book explains how cultural equity is an asset that can be leveraged for growth but also shows that a brand's cultural equity can impose certain constraints for the growth strategies that can be pursued. Brand managers that aspire to build iconic brands will find this book useful for developing cultural-positioning strategies and implementing supporting marketing actions. For managers of iconic brands, the book should be helpful for assessing how growth strategies fit with the brand's cultural equity and for identifying ways to protect cultural equity. Reaching an iconic status turns a brand into a role model that should live up to consumers' expectations about the brand's cultural authority. When managers of iconic brands fail to think in cultural terms, the brand can deviate from its cultural trajectory, and its cultural equity can suffer a blow. This book offers marketers a tool to think in cultural terms and to become cultural experts capable of building and protecting their brands' cultural equity.

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SECTION 1

UNDERSTANDING BRANDS AND THEIR CULTURAL MEANINGS

CHAPTER 1

BRANDS AND MODELS OF BRAND EQUITY

When I started writing this book in January of 2013, a Google search for the word *brand* yielded 2.91 billion (yes, with a *b*!) results. Although an exhaustive analysis of the content of these results was out of the scope of my inquiry, browsing through the results allows us to quickly identify key stakeholders concerning brands. A cursory glance shows page after page of links to brand consultants with recipes for helping companies create strong brands, as well as links to company websites promoting their own brands. The next category of links includes public news about brands, such as new product introductions, product recalls, and brand stories. Finally, blogs and forums also exist, in which consumers discuss issues related to the brands they use. These findings support the idea that brands matter to three different groups of stakeholders: *companies*, *consumers*, and *society*. Why are brands of interest for these different groups? Let us answer this question by focusing on the functions that brands perform for each group.

FUNCTIONS THAT BRANDS PERFORM FOR COMPANIES

David Aaker[1] starts his influential book *Managing Brand Equity* with a quote from Larry Light, a prominent advertising professional. When asked in 1991 to give his perspective on marketing three decades into the future, Light's response was "The marketing battle will be a battle of brands, a competition for brand dominance. Businesses and investors will recognize brands as the company's most valuable assets." Two decades have passed, and Light's prediction seems to be right on the money. Marketing practitioners and academics alike acknowledge that brands are possibly the most valuable asset a firm has. A company's stock price goes up or down when new information points to the strength or weakness of the brands in its portfolio. In the quest for properly managing valuable brand assets, companies have fueled a flourishing industry of brand-management consultancy services. Companies' focus on brand management is also apparent in the central role that brand-management courses play in MBA programs and the increasing presence of these courses in undergraduate business programs.

The International Accounting Standards Board[2] defines an *asset* as "a resource controlled by the enterprise as a result of past events and from which future economic benefits are expected to flow to the enterprise." At its most basic level, a brand is a name often protected through a registered trademark that is used by sellers to distinguish their goods and services.[3] Through the process of linking these names to distinctive elements (e.g., logos, slogans, symbols, and colors) and associations (e.g., quality characteristics and brand imagery), firms expect consumers to repeatedly buy their branded products and services. When firms succeed at this task, brands become assets capable of generating future economic benefit.[4] Thus, the key function that brands perform for companies is to serve as identifications that can induce consumers to prefer the company's products and services over those of competitors.

FUNCTIONS THAT BRANDS PERFORM FOR CONSUMERS

Imagine your last trip to a grocery store. If you are like me, this is one of the least exciting events during your week. However, this can be a somewhat painless experience when you focus on quickly grabbing from the shelves items that have been pre-identified on a grocery list. Importantly, you can only quickly match a product name on the list (e.g., toothpaste) with an actual product on the store's shelves when you know exactly the brand of the product you are looking for (e.g., *Colgate Total–Clean Mint* toothpaste). This can be a simple process that we perform based on our habit to buy certain branded versions of products. Indeed, if you are like me, the most difficult part of the grocery trip can be buying fresh vegetables and fruits that lack brand names. However, even this is becoming an exception, as I can now buy the *Rio Star* grapefruit (registered trademark of *TexaSweet Citrus Marketing, Inc.*) that I like! Indeed, the international traveler probably remembers how intimidating it can be to grocery shop for the first time in a foreign environment that lacks familiar branded products.

Which brand will I like? Which is the best quality? Will people around me disapprove if I buy one brand over another?

The above paragraph illustrates some of the key functions that brands perform for consumers. Brands help consumers to quickly identify a desirable version of a product. Brands can simplify purchasing decisions by saving time and effort that could be spent in searching for product alternatives. Brands also minimize the risk of making a bad decision, or one that will not fit one's expectations for the product.[5] In addition to these practical functions, brands can often say something about the user. For instance, buying a premium-priced brand of bottled water, such as *Perrier*, can remind you that you deserve the best, as well as tell others that you are the kind of person who values the status conveyed by premium-priced brands.[6] In the same way, an American consumer who buys *Coke* might remind himself of the importance of his American identity, as well as tell others that he values buying American brands.[7] I will elaborate later in this chapter on the *signaling* function of brands, but it should be apparent to the reader that using branded products to tell something about yourself can sometimes be more important than buying such products for their functional benefits.

FUNCTIONS THAT BRANDS PERFORM FOR SOCIETY

"Seattle Woman Vows to Eat, Drink Only Starbucks Items for a Year" read the headline of an article that appeared on the ABC News portal on January 11, 2013.[8] The article elaborates about how Beautiful Existence (that is the real name of the woman), a wife and mother from Seattle (same city where *Starbucks* is headquartered), decided that her New Year's resolution as a "spoiled" American would be to test her determination in such a way. Although in a somewhat bizarre way, her attempt to eat and drink only *Starbucks* for a year makes a statement about the challenges that women can overcome in today's America and spurs a conversation about the role of women in American culture. Weaving brand stories into collective discourse to substantiate beliefs and assumptions in a culture is a very common practice. Documentaries such as Morgan Spurlock's *Super Size Me* or movies such as *Breakfast at Tiffany's* are noteworthy examples of the way in which brands can be used to illustrate a cultural reality and hence provoke a collective conversation about the beliefs, ideals, and struggles of different groups in a culture. In *Super Size Me*, the *McDonald's* brand is used to illustrate the consequences of certain lifestyle changes—particularly those related to food habits—taking place in American culture. *Breakfast at Tiffany's* uses the *Tiffany & Co.* brand to portray the struggle between the need for stability and the desire for freedom that American women faced in the 1960s.

The above examples demonstrate that, through the embodiment of otherwise intangible cultural meanings, brands perform the important function of facilitating discussions about the dynamic cultural changes that societies experience. This is what anthropologist Grant McCracken called the ability of brands and products to construct the culturally constituted world, or to give intangible cultural meanings a concreteness and visibility for the individual that they would not otherwise have.[9] This critical function of brands is often overlooked by marketers when assessing the value of their brands, possibly because it is hard to quantify the financial value associated with being an enabler of cultural dialogues. We will come to this issue in chapter 2 when we discuss the notion of cultural equity.

MULTIPLE ROUTES FOR CREATING BRAND MEANINGS

The above discussion highlights the fact that brands perform a variety of functions for a diverse group of stakeholders. However, some high-level, overlapping themes emerge from a careful analysis of these functions. At the most basic level, a brand is an *identification* for a unique version of a product that both enables companies to bring distinctive product offerings to market and to help consumers easily discern desirable product offerings. The simplest way to identify a unique product offering is by assigning it a distinctive brand name (e.g., *McDonald's* restaurants). Unique product offerings can also be identified by means of other brand elements, such as logos (e.g., the *McDonald's* Golden Arch), slogans (e.g., *McDonald's* "I'm lovin' it"), characters (e.g., Ronald McDonald), and special packaging (*McDonald's* fries package).[10] Making consumers aware of a brand name and its associated elements is the starting point for creating strong brands. Marketers can build on consumers' basic knowledge of a brand name, or brand *awareness*, to create unique brand associations capable of winning their patronage.

At a higher level, brands are sources of meaning that consumers can use for fulfilling a variety of individual and collective needs. *Wrigley's* can mean chewing gum. *Toyota* can mean high quality and reliability when buying a new car. *Nike* can mean the superior performance that will help a person succeed in an important sport competition. A *Corona* beer can mean relaxation and fun after a busy week at work. *Lululemon* can mean someone's commitment to leaving a longer and healthier life.

Chevy Silverado can mean a person's allegiance to traditional American values. *McDonald's* can mean the new reality in food consumption in American society. Marketers attempt to associate brands with meanings that are favorable for winning loyal customers. How do brands acquire all these meanings? How are these meanings similar to or different from each other? What is the role of these meanings in consumers' lives? How do these meanings add to the financial value of a brand?

Companies imbue brands with meanings through a variety of actions explicitly or implicitly included in a marketing plan, or in the four P's: product decisions, promotion activities, price strategies, and place or channel actions.[11] Throughout its history, *Apple* has been associated with innovation, user-friendliness, and sophistication. The company is credited with introducing the first personal computer to come in a plastic case (the *Apple II*) and the first personal computer with a graphical user interface (the *Macintosh*), revolutionizing the music industry with its introduction of the *iPod* and *iTunes*, and changing the landscape of the smartphone industry with the introduction of the *iPhone*.[12] These associations are well-rooted in people's experiences with the products *Apple* makes. However, it is often hard to distinguish *Apple*'s innovative image from that of its founder, Steve Jobs, someone regarded as the Leonardo da Vinci of modern times,[13] or to separate it from the innovative aura of the company's birth in the heart of Silicon Valley. *Apple* is also well-known for the originality of its advertisements (think the *Macintosh* Super Bowl commercial in 1984 that mimicked imagery from George Orwell's *1984*) and for the premium pricing that their products command. Thus, consumers' experiences with products, company's employees, regions of origin, advertising efforts, and pricing strategies[14] contribute to associating *Apple* with abstract concepts such as innovation, user-friendliness, and sophistication—or to imbuing *Apple* with meanings that transcend the functional benefits provided by the products it sells.

There are other actions used by firms to create (or reinforce) brand meanings. *Priceline* has built a reputation for offering the best travel deals, thanks in part to the continued use of William Shatner as a spokesman through his role as "The Negotiator." Some argue that *Samsung*'s recent success has a lot to do with its alliance with *Google* in the smartphone and tablet markets. *Red Bull* consistently promotes its edgy and free-spirited image via events such as the annual Flugtag (in which people build human-powered flying machines and pilot them off a 30-foot-high deck) or the sponsorship of the world's highest skydive (Felix Baumgartner's jump from the *Red Bull* Stratos on the edge of space). *General Mills*' long-running program Box Tops for Education (providing funds to local schools) aims to reinforce the *caring* image of its line of cereal brands. When *Barnes and Noble* brokered an exclusive arrangement with *Starbucks* to serve America's premier coffee brand in their bookstores,[15] the company was not only enhancing the customer experience but also reinforcing its associations with notions of comfort and warmth that characterize *Starbucks.* Consumers can infer high standards in customer service from any lodging operation associated with the *Marriott* corporate name (e.g., Courtyard by Marriott or Fairfield Inn & Suites by Marriott). These examples illustrate how brands can acquire meanings through spokespersons, brand alliances, special events, sponsoring of social causes, channel alliances, or corporate brand associations.

Thus far, we have described ways by which brands are imbued with meanings that are more or less under the control of the marketer. However, brands can also acquire meanings via associations with consumers or opinion groups that use the brand—sometimes in unexpected ways. *Harley-Davidson* is said to symbolize a "brotherhood of gunfighters," and such meaning emerges in part from the identification of its traditional core customers (working-class white guys) with outlaw bikers.[16] Interestingly, for decades *Harley-Davidson* separated itself from this image and only embraced it in its communication mix in the late 1970s. Since then, *Harley* advertising has continued to hold up a mirror to its patron, which has brought great success to the company. *Cadillac*'s associations with "loud" luxury are due in part to the high-status meanings ascribed to the brand by high-profile African American pop singers in their "Cadillac music" songs (think Aretha Franklin's "Pink Cadillac" or the many songs by American rapper Rick Ross)[17] and for the collective conversation that these songs elicit in the popular media.

We know *Play-Doh* very well as a modeling compound used by young children for arts and crafts, but few people know that *Play-Doh* was originally marketed as a product that could clean coal residue from wallpaper. The maker of *Play-Doh* moved away from this use after learning about the novel use that the brand had acquired among nursery school children, who were using the product to make Christmas ornaments.[18] These examples show how brand meanings are often shaped by societal forces. This can happen through the transfer of meanings from subgroups of society strongly associated with the brand, the public meanings ascribed to the brand in pop culture, and the novel meanings emerging from unintended associations of the brand with nontarget consumers.

Figure 1.1 summarizes the different avenues for creating brand meanings. On the right-hand side, we have all the company-driven

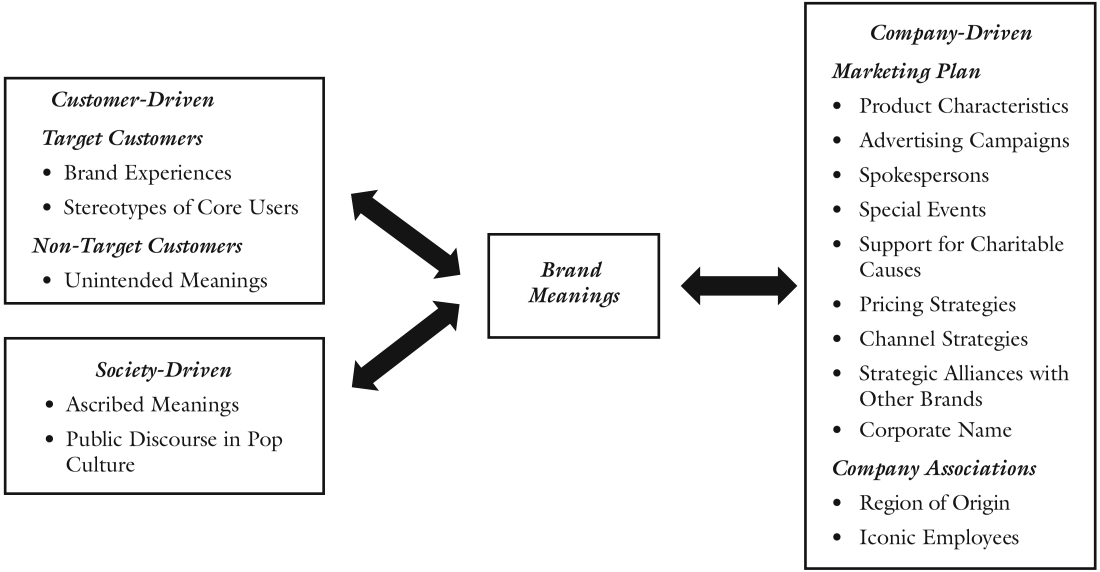

Customer-Driven
Target Customers
• Brand Experiences
• Stereotypes of Core Users
Non-Target Customers
• Unintended Meanings
Society-Driven
• Ascribed Meanings
• Public Discourse in Pop Culture
Brand Meanings
Company-Driven
Marketing Plan
• Product Characteristics
• Advertising Campaigns
• Spokespersons
• Special Events
• Support for Charitable Causes
• Pricing Strategies
• Channel Strategies
• Strategic Alliances with Other Brands
• Corporate Name
Company Associations
• Region of Origin
• Iconic Employees

Figure 1.1 Avenues for Creating Brand Meanings

routes for meaning-creation. Many of these routes are commonly spelled out in a brand's marketing plan. However, some actions are more implicit in nature or less clearly articulated by the marketer. Companies can't easily change their region of origin—although, as we'll discuss in chapter 6, they can try to either hide it or to dissociate from it by introducing "unrelated" brands that suggest a link with other regions (think *Häagen-Dazs*, the Danish-sounding brand of ice cream that few people know is owned by the American company *General Mills*). Similarly, companies don't always have iconic employees (e.g., charismatic CEOs) with an aura that can spill over to the company's brands—although, as discussed later in the book, companies can hire service personnel to reinforce certain brand meanings (think how *Hooters* restaurants use attractive girls with revealing outfits to leverage the appeal of the American cheerleader theme among mature male audiences). The left side of Figure 1.1 displays customer-driven and society-driven routes for creating brand meanings. By definition, because these routes refer to non-company-related stakeholders, they are not under the full control of the marketer. However, as discussed in chapter 6, companies can try to "partner" with these actors to become co-creators of brand meanings and to take some control of this process. This is what *Harley-Davidson* attempted to do, not without some resentment among users, when taking over the riders' organization in the 1980s;[16] or what fashion eyewear designer *Ray-Ban* tries to do when capitalizing on celebrities' use of its products and the buzz created via prominent product placements in blockbuster movies (think Tom Cruise's *Top Gun*).

DIFFERENT TYPES OF BRAND MEANINGS

Brands can acquire different meanings through different routes. Although the idea of brands having meanings is somewhat intuitive, precision is necessary to fully harness the power of these meanings for building strong customer relationships. *Brand meanings* refer to abstract ideas, opinions, and experiences in consumer minds that are associated with the brand and that extend beyond the brand name and the inherent function that defines its associated products. In other words, brand meanings are not directly implied by brand awareness or the basic function of products associated with the brand, and hence have to be created by linking the brand to ideas, opinions, and experiences that are beyond the brand name and basic product functions (i.e., through the routes described in the previous section).

For instance, when thinking about cars, focusing only on the awareness of the *Toyota* name suggests a particular version of a four-wheel motorized vehicle that can be used as a means of transportation when going from point A to point B. This is something inherent to the product function; hence, it is not a meaning conveyed by the *Toyota* brand itself. Of course, we all know that this is not the only thing that comes to mind when people think about a *Toyota* vehicle. Most consumers are not only aware that such a brand exists (i.e., high level of brand awareness) but also have a constellation of associations with the brand (i.e., brand meanings) that easily come to mind. The meanings of the *Toyota* brand fuel the inferences that consumers can make about a vehicle, such as its quality, the level of comfort when riding it, or the experience of social approval when driving it. These are all ideas, opinions, and experiences that are not inherent to the *Toyota* name or a generic automobile (i.e., not implied by the name itself or the basic product function), but instead have been *learned* by consumers over time—thanks to marketing efforts by *Toyota Motor Corporation*. Furthermore, quality perception seems qualitatively different than experiences of social approval. In other words, not all brand meanings are created equal. Some brand meanings are more tangible than others, some are more visual than others, some are more emotional than others, and some are more self-relevant than others. The comprehensive typology of brand meanings adopted in this book considers the following major categories: perceived quality performance, imagery, emotional and evaluative responses, shared meanings, and resonance.[19,20]

Perceived Quality Performance

As discussed earlier in this chapter, a key function of brands is to create a set of expectations for a unique version of a product. Specifically, brands provide basic expectations about how well the product will perform its intended function, relative to competing products. Consumers' perceptions of the overall quality or superiority of a branded product for performing its intended function is referred to as *perceived quality performance*.[1,19,21] Notice the emphasis on functional expectations,[21] as any other expectation that is nonfunctional in nature will fall within other types of meanings. Perceived quality performance is considered a brand meaning because it is an opinion that is not intrinsic to the actual performance of the associated products. Perceived quality performance should be distinguished from actual quality performance, or the actual level at which the product performs its intended use. This is because in most occasions consumers do not have the necessary information for, or don't want to spend the time, assessing the level of actual performance.

Let us illustrate with an example. Whenever I present my students with a *Toyota Prius* and a *Ford Fusion Hybrid* and ask them which is higher in quality, invariably about 80 percent of them say that the *Toyota Prius* is higher quality. However, when I follow up with a question about their actual experiences driving or riding in either car, typically less than 10 percent report having some direct or indirect experience with either one. Why do they so overwhelmingly judge the *Toyota Prius* to be a better quality car? It is because of the high quality perceived in *Toyota*, and the *Prius* itself, due to quality meanings created through all of the routes described earlier.

My students possibly lacked the information necessary to make an objective quality judgment for *Toyota* and most likely relied instead on their perceptions of quality performance for each brand, based on brand meanings learned over time. Perceptions occur through continued exposure to advertisements communicating high-levels of quality performance ("2012 Tundra: Most Dependable Large Pickup, Seven Years in a Row"); inferences of higher quality based on the price premiumness of Toyota products;[22] or by extrapolating perceptions of quality from other *Toyota* products to the one under consideration (i.e., brand reputation).[23] Transferring perceptions because of brand reputation is a very common situation, and, even if my students wanted to assess objective quality, it might still be difficult to get the information needed for such a task.

Nevertheless, perceived quality performance can also emerge as a global assessment that is affected by product-specific factors, such as: (a) performance attributes and features, (b) reliability, (c) durability, and (d) serviceability.[23] The term *quality* has traditionally referred to explicit features and attributes of a product. For instance, quality in fruit juices is commonly associated with purity (e.g., 100 percent fruit juice with no sugar added) or freshness.[24] *Reliability* refers to consistency of performance over time, and it is often used as a synonym of quality. A product or service cannot be of high quality if it does not perform its function reliably over time.[25] In the case of products, *durability* and *quality* are often interchangeable terms. *Durability* refers to the amount of use one can get from a product before it fails and needs to be replaced.[23] Thus, reliability and durability are related concepts. A product that often fails in performing its function, and possibly needs to be repaired, is likely to last less than one that is more reliable. Finally, *serviceability* is the speed, courtesy, competence, and ease of repairing the product if needed.[21]

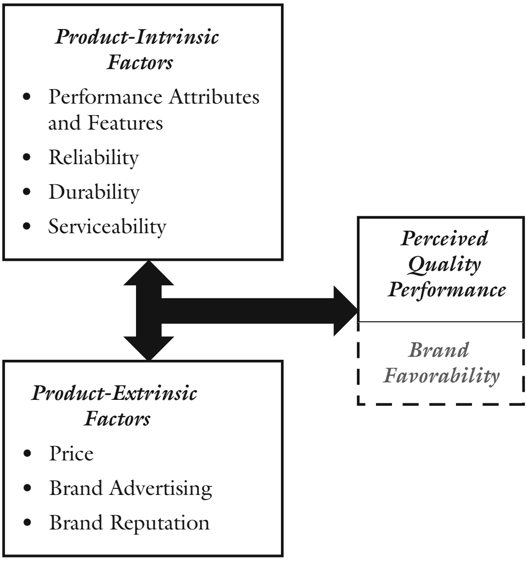

Product-Intrinsic Factors
Performance Attributes and Features
Reliability
Durability
Serviceability
Perceived Quality Performance
Brand Favorability
Product-Extrinsic Factors
Price
Brand Advertising
Brand Reputation

Figure 1.2 Determinants of Perceived Quality Performance

As depicted in figure 1.2, perceived quality performance is a global assessment, similar to an attitude, that emerges from knowledge about things outside of the product (e.g., its price, brand advertisement, and reputation) and knowledge about the product itself (e.g., performance attributes and features, reliability, durability, and serviceability). These assessments are typically made in relation to competing products and result in evaluative judgments about brand favorability.

Imagery

When asked to think about things easily associated with the *Harley-Davidson* brand, people often say ruggedness or freedom before they mention motorcycles or quality perceptions. This is because *Harley-Davidson* is a brand with a very strong *imagery* built around the abstract notions of freedom and ruggedness. *Brand imagery* (or simply *brand image*) refers to abstract characteristics ascribed to a brand that are not performance related. Thus, brand imagery *is not* performance-based opinions about what associated products actually do (i.e., meanings that would fall within perceived quality performance)[21] but relates instead to abstract brand associations in terms of (a) broad concepts inferred from a combination of attributes and functional benefits[26] or (b) human-like characteristics, such as traits, goals, and values.[27]

Abstract Functionality

Brand imagery can emerge from conceptualizing attributes and functional benefits beyond practical performance into high-level meanings. For instance, people may perceive *Clorox* bleach to be high in quality performance thanks to its reliability and superior benefits for cleaning the house. However, when people associate *Clorox* with whiteness, brightness, and cleanliness, they are abstracting from its performance characteristics into high-level brand images or concepts. This image is reinforced by advertising messages (e.g., "whiter and brighter clothes"), as well as through a broad product portfolio built around the common abstract concepts of cleanliness and whiteness (e.g., bleach, disinfecting wipes, stain removers, stain fighter, toilet cleaners, and sanitizing spray). This type of brand imagery, although functional in nature, goes beyond perceptions of quality and can appeal to higher level functional needs of consumers (e.g., health concerns).[26]

Brand Personality

A second type of brand imagery arises from associations with human-like traits. Consumers often imbue brands with human characteristics and think of brands as if they were relationship partners, celebrities, or historical figures.[28,29] These human-like meanings are often referred to as the *brand personality.* Such meanings emerge directly through the people associated with the brand (e.g., the personality traits of brand users, such as *Harley-Davidson*'s "brotherhood of fighters," or its endorsers, such as *Priceline*'s "Negotiator") and indirectly through processes such as anthropomorphization (e.g., California Raisins) or personification (e.g., Jolly Green Giant).[30] Brand personality is captured in five dimensions: sincerity, excitement, competence, sophistication, and ruggedness.[30] *Hallmark* is a good example of a brand that is high in sincerity, defined by attributes such as down-to-earth, sincere, and honest. *Red Bull* symbolizes excitement, typified by attributes such as daring, exciting, imaginative, and contemporary. *Apple* is said to symbolize competence, represented by attributes such as intelligent, reliable, secure, and confident. *Louis Vuitton* symbolizes sophistication, represented by attributes such as glamorous, upper-class, good looking, and charming. *Marlboro* signifies ruggedness, typified by attributes such as tough, outdoorsy, and masculine.

Brand Values

Although brand personality is a popular tool for understanding brand imagery in North American settings, the success with the use of personality dimensions in other cultural settings has been limited—as some new personality dimensions that are idiosyncratic of local cultural markets emerge (e.g., peacefulness in Japan, passion in Spain, or passive likeableness and ascendancy in Korea).[31,32] A consideration of brand imagery in terms of human values representations helps to address this important issue, while offering some additional benefits that will be discussed in chapter 2. *Brand values* are abstract representations of brands in terms of desired end-states used by consumers as guiding principles in their lives.[27] Marketers imbue brands with human values to induce the sense that the brands can benefit consumers' lives in ways that are meaningful, and not merely utilitarian.[33] This is generally done through the same anthropomorphization or personification processes discussed earlier, but also through more specific approaches such as the means-end chain or laddering—aimed to uncover and leverage the link between product attributes and consumer values.[34,35] Brand values are captured in 11 conceptually-distinct dimensions: power, achievement, stimulation, self-direction, social concerns, concerns with nature, benevolence, tradition, conformity, security, and hedonism. These dimensions are further arranged according to the higher order dimensions of self-enhancement (combining power and achievement), self-transcendence (combining social concerns and concerns with nature), openness to change (combining stimulation and self-direction), and conservation (combining tradition, conformity and security).[27]

Figure 1.3 shows the definition of each of the value dimensions, as well as of the higher order factors.[36,37] For instance, *BMW* symbolizes self-enhancement values of power (e.g., authority or wealth) and achievement (e.g., success or ambition). *Toms* shoes signifies self-transcendence values of social concerns (e.g., equality or social justice) and concerns with nature (e.g., unity with nature or environmental protection). *Coke* symbolizes openness values of stimulation (e.g., an exciting life) and self-direction (e.g., freedom or independence). Finally, *ADT* security symbolizes conservation values of tradition (e.g., respect for tradition), conformity (e.g., self-discipline), and security (e.g., family security).

Because values represent basic requirements of human existence in the pursuit of *individual* needs of the person (i.e., openness and self-enhancement values that focus on needs of individuals as biological organisms) or *collective* needs of groups (i.e., self-transcendence and conservation values that focus on requisites of coordinated social

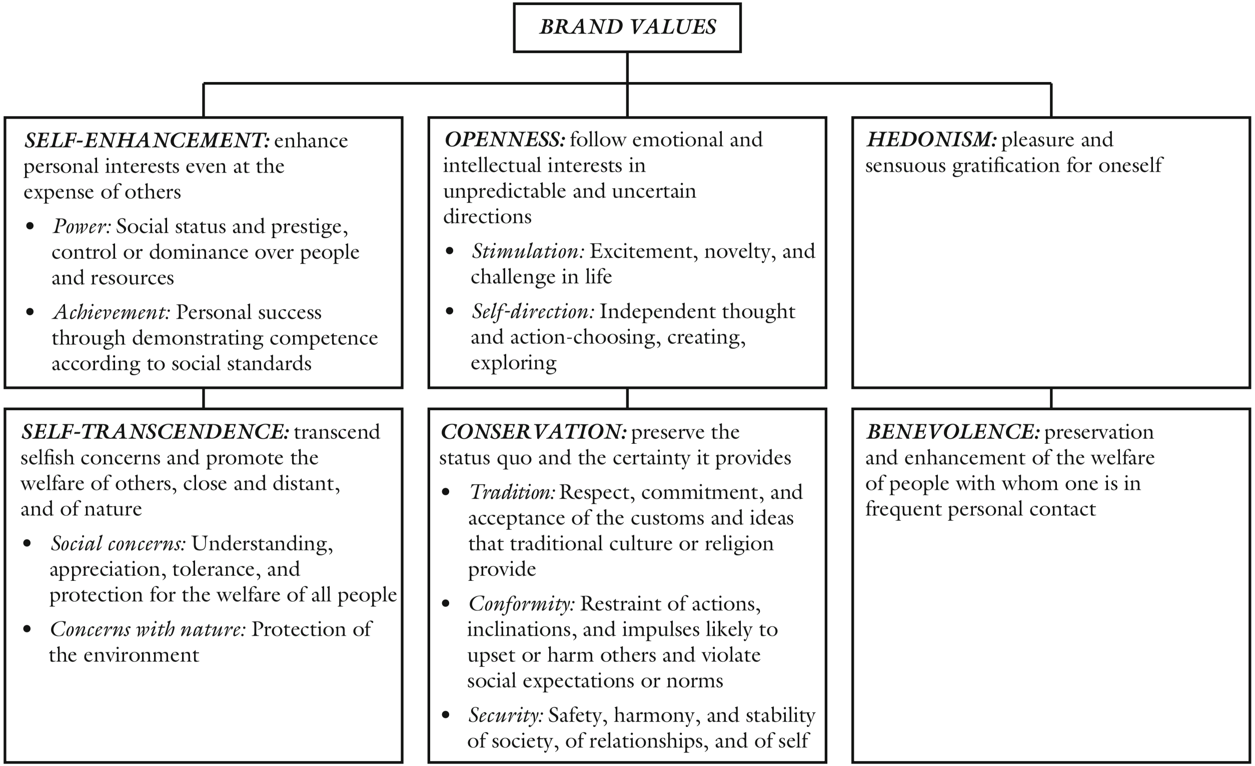

BRAND VALUES
SELF-ENHANCEMENT: enhance personal interests even at the expense of others
• Power: Social status and prestige, control or dominance over people and resources
• Achievement: Personal success through demonstrating competence according to social standards
OPENNESS: follow emotional and intellectual interests in unpredictable and uncertain directions
• Stimulation: Excitement, novelty, and challenge in life
• Self-direction: Independent thought and action-choosing, creating, exploring
HEDONISM: pleasure and sensuous gratification for oneself
SELF-TRANSCENDENCE: transcend selfish concerns and promote the welfare of others, close and distant, and of nature
• Social concerns: Understanding, appreciation, tolerance, and protection for the welfare of all people
• Concerns with nature: Protection of the environment
CONSERVATION: preserve the status quo and the certainty it provides
• Tradition: Respect, commitment, and acceptance of the customs and ideas that traditional culture or religion provide
• Conformity: Restraint of actions, inclinations, and impulses likely to upset or harm others and violate social expectations or norms
• Security: Safety, harmony, and stability of society, of relationships, and of self
BENEVOLENCE: preservation and enhancement of the welfare of people with whom one is in frequent personal contact

Figure 1.3 Dimensions of Brand Values

interactions or survival welfare needs of groups), they can be arranged in a motivational continuum, or a circular structure, whereby values that are compatible are adjacent to one another (i.e., can be pursued concurrently), and values that are incompatible are opposite to one another (i.e., cannot be pursued concurrently).[36] Specifically, self-enhancement brand values are in opposition to self-transcendence brand values, whereas openness brand values are in opposition to conservation brand values. Hedonism brand values are located in between openness and self-enhancement brand values, and benevolence brand values are located in between self-transcendence and conservation brand values (see figure 1.4). For instance, a brand such as *Louis Vuitton,* which is high in its symbolism of self-enhancement values, scores very low in its symbolism of self-transcendence values; whereas a brand such as *Apple,* which symbolizes openness, is very low in its symbolism of conservation values. As discussed in more detail in chapter 7, this structure has important consequences for a brand's attempt to add a layer of meanings that is incompatible with those already symbolized

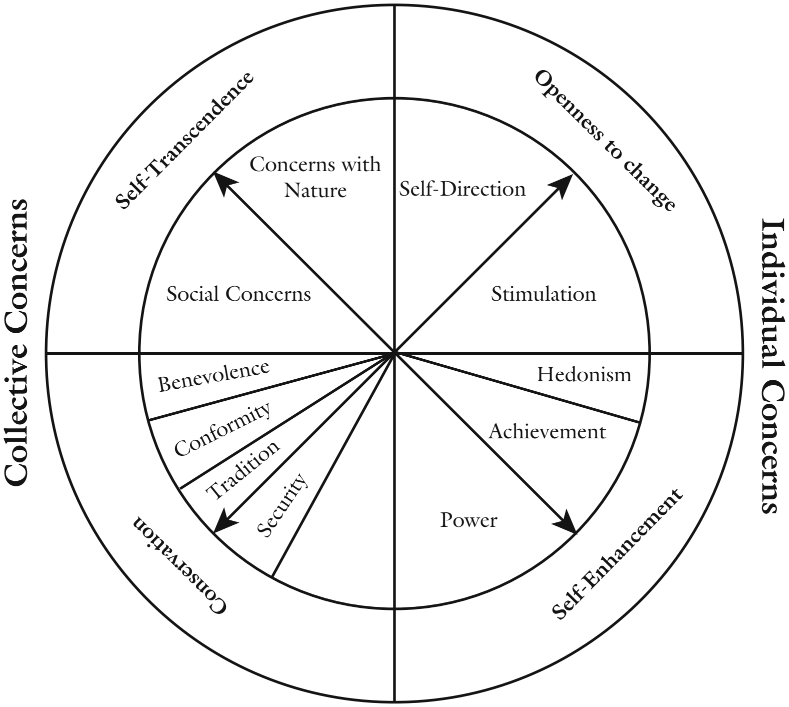

Collective Concerns
Individual Concerns
Self-Transcendence
Openness to change
Conservation
Self-Enhancement
Concerns with Nature
Self-Direction
Social Concerns
Stimulation
Benevolence
Hedonism
Conformity
Achievement
Tradition
Security
Power

Figure 1.4 Structure of Brand Values

by the brand. For instance, for a brand such as *Gucci* (i.e., high in its symbolism of self-enhancement values) to attempt to promote a socially responsible image (e.g., self-transcendence values of caring for the well-being of others) can backfire by causing a motivational conflict, hence triggering negative brand attitudes.[27,38]

In summary, brand imagery can emerge from conceptualizing attributes and functional benefits beyond practical performance into high-level meanings (i.e., abstract functionality) or from imbuing brands with human-like traits and values (brand personality or brand values) that are extrinsic to associated products. The former imagery appeals to the functional needs of consumers, whereas the latter imagery appeals to psychological and social needs of consumers (e.g., individual or collective needs). Successfully adding these more symbolic images can be very effective, not only for differentiating brands, but also for protecting brands from negative publicity.

Emotional Responses

In *Coca-Cola*'s highly successful web video “The Happiness Machine,” a *Coke* soda machine is placed in a college campus (an entrenched *Coke* demographic), and, after one of the students attempts to buy a *Coke* soda, the machine starts to “share happiness” with the students by delivering countless bottles of *Coke*, flowers, balloons, pizzas, and even a gigantic subway sandwich. All of this occurs while the students are cheering in amazement. This is just one of the many ways by which *Coke* has come to mean happiness—in an effort to elicit such emotional response when people consume its products.

This example illustrates how brands can symbolize emotions or feelings—which can in turn be elicited by brand interactions. Emotions are either positive, negative, or mixed in valence. Although there are many specific types of emotions, the following broad-level types are commonly associated with brands or consumption experiences: *pleasure* (e.g., cheerfulness or joy), *pride* (e.g., feeling special or important), *arousal* (e.g., interest, excitement, or surprise), *warmth* (e.g., calm, affectionate, warmhearted), and *being dominated* (e.g., helplessness, sadness, fear, or disgust).[39-41] *Coke* can be said to symbolize pleasure due to strong associations with cheerfulness and joy. *Cadillac* might symbolize pride, as the brand is often associated with being important and showcasing one's success. *Red Bull* might signify arousal, given its associations with excitement, exhilaration, and being energetic. *Hallmark* can be said to symbolize warmth, as the brand is linked to feeling affectionate, warmhearted, and sentimental. Finally, monopolistic-like service providers such as *Comcast* (sole provider of cable services in many U.S. cities) might symbolize being dominated, if consumers feel helpless in the event of poor customer service.

Evaluative Responses

Brands not only symbolize distinct emotions and feelings that can be triggered by brand interactions, they can also bring to mind favorable (and sometimes unfavorable) evaluative responses, or brand attitudes. Brand attitudes are commonly viewed as summary evaluations of brands along a dimension, ranging from positive to negative.[42] Consumers don't always evaluate brands, as they may lack interest when learning about them. In other words, some brands may lack evaluative meanings in the mind of some consumers. However, brands often prompt evaluative meanings (favorable or unfavorable) when consumers learn about brands while explicitly or implicitly pursuing their personal goals.[43] Let us illustrate these issues with an example.

Imagine that John is a consumer living in Miami, Florida (a city with a temperate climate), who sees in a magazine an advertisement for *Hankook* winter tires. The advertisement showcases the brand superiority in terms of snow traction and ice-breaking capability and closes with the tagline "Enjoy Driving . . . *Hankook* tires." Although John might develop awareness of the *Hankook* brand and possibly associate the brand with pleasure and quality, it is unlikely that he will form an attitude toward *Hankook*. Why? Because snow driving is not something that aligns with his day-to-day goals. Under the absence of active goals, people are less likely to spontaneously evaluate brands or products.[44] This might be the case even after repeated exposure to *Hankook* ads, capable of further reinforcing perceived quality performance (i.e., superior snow traction) and emotional responses (i.e., feelings of joy). However, the day that John moves to Minneapolis, Minnesota (a city covered with snow for no less than four months of the year), watching the same commercial might spontaneously elicit favorable attitudes that are now linked to *Hankook*. This is almost certain to happen if John is in the middle of the winter season and he is actively seeking to buy winter tires after a spinout. But it could also happen if John sees the ad during the fall season (before snow starts to fall), as the safety precautions for winter driving might be in the back of his mind. Once consumers develop evaluative responses to brands, these favorable or unfavorable evaluations are stored in memory and become part of the meanings that brands have in consumers' minds—and hence affect how consumers react to subsequent brand offers.[45]

Shared Meanings

It is well-known that consumers buy brands not only for what they do but also for what they mean or symbolize.[46] As said earlier, brand meanings refer to abstract ideas, opinions, and experiences in consumers' minds. One important aspect marketers often overlook is the extent to which consumers believe that these ideas, opinions, and experiences are *idiosyncratic* to them (i.e., personal knowledge) or *shared* by a collective group of consumers (i.e., collective knowledge). On the surface, this subtle distinction seems more like an academic technicality, but the reader will soon realize the importance of this distinction for assessing the *signaling* function of brands. Let us illustrate this distinction with an example.

Imagine that it is the first day of classes and you are meeting your professor for the first time. The professor enters the classroom, bringing a bottle of *Bling* h_2O bottled water to quench his thirst throughout the lecture. What would you think? If, like many people, you are unaware that *Bling* h_2O bottled water is a super-luxury brand of bottled water consumed by the rich and famous as a high-status statement (it costs $39/bottle!),[47] you might not give the bottle of water a thought—as professors commonly bring bottled water to lectures. But if you know the *shared* meaning (or symbolism) of this brand of bottled water, you are likely to think that you got stuck in a class with a vain professor who is trying to send a signal about his high status.

Let us now view this situation through the eyes of the professor. If he truly wanted to make a statement about his superior status, choosing to bring a bottle of *Bling* h_2O to class might not be the most successful way of *signaling* such high status to students—many would not be aware of such meaning. For this purpose, it might be more effective for the professor to bring a *Louis Vuitton* briefcase—given that *Louis Vuitton* is more widely regarded as a status symbol. However, if the professor just wants to *tell himself* that he deserves to drink luxury water (i.e., because he has worked so hard to earn his position), then bringing *Bling* h_2O bottled water to class fulfills his *personal* goals.

The above example illustrates the subtle distinction between brand meanings that are personally held by consumers (i.e., *personal meanings*) and those that consumers know are collectively shared by others (i.e., *shared meanings*). These shared meanings form part of the *shared reality*, or the totality of the knowledge that is assumed to be known and shared by others.[48] It is precisely the "sharedness" of these meanings that allows consumers to signal such meanings to people who understand them. However, because brand meanings reside in consumers' minds, and these meanings are created both through personal (e.g., experiences with products and advertisements) as well as collective processes (e.g., adoption by certain groups or public discourse in pop culture), personal and shared meanings not need fully overlap. In other words, consumers' opinions about what a brand means may or may not coincide with what they believe the brand means to those around them.

When personal and shared brand meanings don't fully overlap, the brand is likely to lack *clarity* (i.e., it means different things to different people),[49] which in turn limits the brand's signaling ability—as different audiences might interpret differently the signal that one tries to communicate through brand consumption. For example, *Cadillac* might mean the standard for luxury among some groups (e.g., older consumers in the United States), whereas it might mean old age among other groups (e.g., successful, young professionals in the United States). As a result, a consumer trying to signal success and high status by driving a *Cadillac* might only achieve partial success—as he would fail to convey a high status among certain audiences.

In contrast, brands with rich meanings that are consensually shared in society have a superior signaling ability (i.e., they are clear signals for their meanings). We often refer to these brands as *icons*, or as important and enduring symbols. By being a patron of an iconic brand, consumers can appropriate the abstract meanings embodied by the brand and use these meanings to signal to others an important aspect about themselves.[50] For instance, a consumer who defines herself as an athletic person may prefer *Nike* to *LA Gear* shoes because the former is an icon for "superior athletic performance."[51] As enduring symbols, brands can turn into icons for any of the meanings described so far. Of course, iconic status will last only as long as the meaning is consensually shared by most consumers. For example, *Toyota* may not only be perceived by a consumer as a brand that is high in quality performance, but also as a symbol of quality: a view that is widely shared by others. Similarly, *Louis Vuitton* would not only mean sophistication to a given consumer, but this consumer would likely see the brand as a widely shared icon for sophistication.

Although any brand that becomes an important and enduring symbol, due to the sharedness of its meanings, can be considered an icon, the term *iconic brand* is often reserved for those brands that carry consensus expressions of particular values held dear by some members of a society.[16] Because these brands carry such important meanings, they are more likely to be used in the public discourse that reflects popular culture. In turn, this collective effort reinforces the consensual understanding of what the brand represents.[9] Through this process, brands can acquire cultural meanings[31] and become associated with the abstract characteristics that define a cultural group (e.g., *Harley-Davidson* is associated with the ruggedness and freedom that characterizes American culture). These brands reach the level of a cultural symbol, as they are consensually perceived to symbolize the abstract image of a certain cultural group.[7] For this reason, a culturally symbolic brand becomes a tangible, public representation of the meanings and ideas shared in the culture.[52] A shared understanding of a brand as a cultural symbol facilitates its use for fulfilling the social needs of individuals to belong to a group, as consuming such a brand can signal one's allegiance to the group.[53-55] For instance, an American consumer can buy a *Harley-Davidson* motorcycle (a symbol of American culture) as a way of reinforcing his American identity. This is elaborated in more detail in chapters 2 and 5.

Resonance

As stated earlier, consumers often think of brands as if they were relationship partners.[28] When this relationship reaches a high level of intimacy, in which consumers feel that they are "in sync" with the brand, the brand is said to achieve *resonance*.[56] Consumers feel attached to the brand and experience a cognitive and emotional connection between the brand and the self. They develop a sense of oneness with the brand, causing brand-related thoughts and emotions to be prominent in consumers' minds. Although brand resonance is characterized by emotional responses that might look similar to those discussed earlier in this section, the meaning of these emotions for consumers is qualitatively different. By considering the brand a part of the self, the feelings that emerge are not simply triggered by the brand associations (i.e., emotional responses discussed earlier) but are rooted in the brand's relationship to the self. Such feelings can be complex, including sadness and anxiety from brand-self separation; comfort and happiness from brand-self proximity; and pride from brand-self display.[57]

Becoming a part of the consumer's self is the ultimate meaning for a brand, and some consumers can even take such meaning "literally" by tattooing the brand logo on their bodies. For such consumers, brand tattoos seem to remind about the brand's special meaning, while also providing a sense of kinship or affiliation with other consumers associated with the brand.[58] Brands that resonate are rewarded

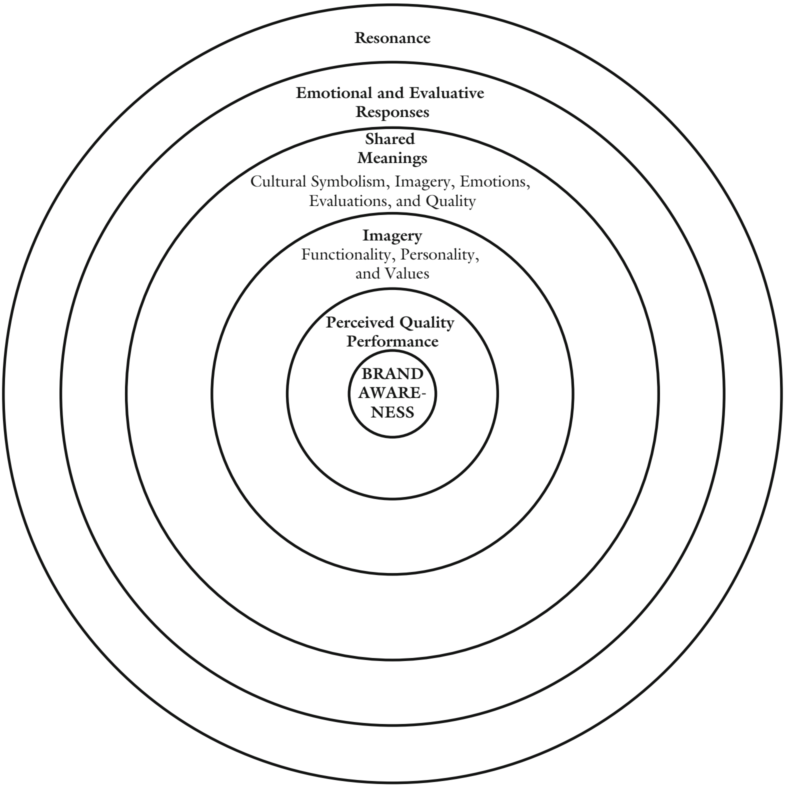

Resonance
Emotional and Evaluative Responses
Shared Meanings
Cultural Symbolism, Imagery, Emotions, Evaluations, and Quality
Imagery
Functionality, Personality, and Values
Perceived Quality Performance
BRAND AWARENESS

Figure 1.5 Layered Model of Brand Meanings

by loyal consumers via repeated purchases and active brand promotion. Consumers turn into brand advocates and become less sensitive to price. As resonance becomes more widespread among brand users, the brand can take a broader meaning by providing a sense of community.[59] A brand that is often used as an example for brand resonance is *Harley-Davidson*. The world's leading manufacturer of heavyweight motorcycles is not only well-known for its brand community of *Harley* fans, but also tops the list of most-tattooed brands.[58]

Figure 1.5 summarizes the different brand meanings discussed in this section. These meanings reside in consumers' minds in the form of abstract ideas, opinions, and experiences connected to the brand. They emerge over time, through the mechanisms discussed earlier in the chapter, as different layers are added to the brand's representation in the mind of consumers. Metaphorically, we can think about *a layered model* *of brand-meaning creation* as the growth of a tree trunk. The process starts with consumers learning about a branded version of a product (i.e., creating brand awareness). Over time, layers of meanings are added when consumers learn new things about the brand (via advertisements, direct experiences, others' opinions, etc.) that are interpreted in terms of the different brand-meaning dimensions (e.g., perceived quality performance or imagery). Some of these meanings (e.g., perceived quality performance) are useful when satisfying the more functional needs of consumers (e.g., need for transportation), whereas others (e.g., brand imagery) are instrumental for fulfilling psychological needs of consumers (e.g., need for uniqueness). Some of these meanings can be idiosyncratic to the consumer (i.e., personally held meanings), but others may be shared with other consumers (i.e., shared meanings). When meanings are shared, people can use the brand for symbolizing to others some important aspect about themselves. Furthermore, these shared meanings can turn the brand into a symbol for a cultural group, which facilitates using the brand for signaling to others one's allegiance to the group. The ultimate meaning for a brand is to achieve resonance—outer layer of meaning akin to the bark of the trunk. In the same way that the bark protects the trunk from external physical threats such as rain, hail, and snow, achieving resonance fosters the kind of brand *attachment* that protects the brand from the threat of competitors.

THE VALUE OF BRAND MEANINGS: BRAND EQUITY

What is a strong brand? What makes a brand strong? These are common questions among marketers. There is an understanding that strong brands are highly profitable brands that dominate their markets (i.e., have high market share), command a substantial price premium over competitors, and have a track record for sustainable growth.[19] For instance, at the time I am writing this book, *Apple* can be clearly considered as one of the strongest brands (if not the strongest) in the technology industry. The company's profit in a year exceeds the combined profits of Microsoft, eBay, Google, Yahoo, Facebook, and Amazon.[60] Apple's products are often sold with more than a 25 percent price premium over the closest competitor (e.g., iPhone 5 32GB = $749 vs. *Samsung* Galaxy S III 32 GB= $599.99). Furthermore, the company has shown an impressive 48 percent growth in its revenue/share in the last five years.

Explaining why Apple is a strong brand is a more complicated issue, as different authors might offer nuanced interpretations for the company's success. Nevertheless, there is emerging agreement that the power of a brand resides in what customers have learned about it over time. In other words, the power of a brand lies in the different meanings that reside in the mind of consumers.[56] It is precisely these meanings that cause consumers to buy more and to pay a higher price for *Apple* products (vs. competitors'). This notion is captured under the term *brand equity. Brand equity* is defined as the differential effect that brand knowledge (i.e., brand awareness or brand meanings) has on consumer response to the marketing of the brand.[21] The different brand meanings residing in the mind of consumers become assets (or liabilities) that can increase (or decrease) the value of a product to a firm or its customers.[19] When brand meanings are favorable (i.e., assets), the brand has positive equity, and the consumer values the brand's products over competitors' (e.g., more likely to choose the brand's products or higher willingness to pay more for them). When brand meanings are unfavorable (i.e., liabilities), the brand has negative equity, and the brand's products are devalued.

It should be clear by now how important it is for a brand not only to create awareness in the mind of consumers, but also to build abstract meanings that can serve as potential sources of brand equity. Although a necessary condition, creating brand awareness and meanings in the minds of consumers is not sufficient for building brand equity. Because *brand equity* refers to the differential effect that brand knowledge has on a brand's marketing actions (e.g., choosing it from a set), it is a relative term that takes into consideration consumer knowledge about competing brands. Of course, if consumers are only aware of a single brand, this brand in isolation can be said to have positive equity. However, this would be a rare exception in the dynamic markets of the twenty-first century—characterized by intense competition among a wide array of brands that fight for a higher share of consumers' minds. In this context, the crux of building brand equity consists in developing more favorable and relevant meanings than those developed by competitors. Brands that don't succeed at this task risk turning into commodities incapable of eliciting the differential responses associated with positive brand equity.

In the layered model of brand-meaning creation (figure 1.5), only those meanings in consumers' minds that are unique to the brand contribute to the brand equity. In today's competitive markets, achieving brand differentiation solely on the basis of quality performance is becoming increasingly difficult—as technical expertise and product features can be easily replicated by competitors.[61] Brands from every industry (even in business-to-business markets) are being forced to create meanings across all dimensions in order to not only appeal to the functional needs of consumers but also to their psychological needs. This makes sense not only because the more needs the brand can satisfy the more consumers would value the brand (i.e., they derive more value from the brand), but also because satisfying psychological needs is a more subtle way of establishing a consumer-brand relationship (i.e., one that cannot be easily copied by competitors). Why? That is due to an important difference between functional and psychological needs: functional needs can be easily articulated by consumers, whereas psychological needs are less easily articulated by consumers. As a result, a brand that satisfies unarticulated psychological needs of consumers can resonate at a deeper level without consumers' full understanding of the reasons for this resonance. This kind of connection is unique and difficult to copy by competitors, and hence can turn into a sustainable source of equity. Let us use *Apple* again as an example to explain this issue.

Apple's launch of the iPhone in 2007 revolutionized the smartphone industry, and, years after its launch, it remains the single most popular smartphone in the world.[62] Although, from a technical point of view, the iPhone was quite an amazing product capable of fulfilling a variety of functional needs (e.g., communication or entertainment), its functional performance was replicated by *Samsung* and other Android-based phones relatively quickly (*Apple* even won a case against *Samsung* for patent infringement).[63] Although, for a while, the *iPhone* continued to have a slight performance-based edge over *Samsung* products, many experts believe that the edge was marginal at best and objectively trivial when comparing the iPhone 5 and the *Samsung* Galaxy S3.[64] Nevertheless, in spite of its 25 percent price premium, the iPhone 5 continued to dominate the *Samsung* Galaxy S3 in worldwide market share (12.6 percent vs. 7.1 percent).[65] Although one could argue that the perceived quality performance of the iPhone 5 (and not so much the actual performance) might be more favorable than that of the *Samsung* Galaxy S3, such outstanding results for the iPhone are unlikely to be solely driven by quality perceptions. Most likely, the price premium and market dominance exhibited by the iPhone 5 are also due to the fulfillment of psychological needs thanks to *Apple*'s meanings in consumer minds.

Apple is recognized by consumers worldwide as the brand with the greatest impact on their lives,[66] which suggests that this is a brand that resonates with consumers. *Apple*'s image of innovativeness, creativity, and user-friendliness is so widely shared that the brand is often considered a cultural phenomenon.[67] *Apple* has also become a wildly popular status symbol among young consumers.[68] *Apple*'s distinctive meanings in the minds of consumers undoubtedly contribute to its brand equity and outstanding market performance. Importantly, these meanings likely fulfill psychological needs of consumers (e.g., self-enhancement or uniqueness) in a very subtle way—without consumers' elaboration about the fulfillment of these needs. For several reasons, it would be hard for *Samsung*, or any other competitor, to "copy" *Apple*'s abstract meanings. First, it is not clear for any competitor what are *Apple*'s meanings, as consumers might not easily articulate all the psychological needs that *Apple* fulfills. Getting at these meanings would require a significant investment in market research. Second, creating these meanings would require a considerable marketing investment and a very carefully crafted marketing plan. *Samsung* is definitely committed to making such investments—its marketing budget tops $12 billion a year, or 12 times that of *Apple*.[69] However, as we'll discuss in subsequent chapters, creating an iconic brand such as *Apple* goes beyond a financial commitment.

MEASURING BRAND EQUITY

The discussion in the previous section highlights the importance of measuring brand equity for truly understanding the competitive advantage enjoyed (or not) by a brand. However, upon paying careful attention to the definition of *brand equity*, it should be apparent that measuring it is not an easy task. First, because *brand equity* is a relative term (i.e., established vis-à-vis competitors), any measure of brand equity involves a comparison against the competition (other brands of interest or unbranded versions of a product). This suggests that the process for measuring brand equity is dynamic and adaptive to the changes in the competitive landscape. Second, brand equity relates to consumers' knowledge (i.e., awareness or meanings) and responses (i.e., opinions or behaviors), which are not always easily observable. As is frequently the case when measuring complex and multidimensional concepts, there is not *a single measure* of brand equity. Instead, measuring brand equity involves a multi-method approach using a variety of information sources. These methods can be classified in three broad categories: knowledge-based, outcome-based, and proprietary holistic methods.

Knowledge-Based Methods

These methods focus on assessing consumer knowledge about the brand and its competitors in order to uncover the domains in which consumers have more favorable (or unfavorable) knowledge about the target brand (vis-à-vis that of competitors). The domains in which the brand commands a more favorable knowledge in the mind of consumers are considered the *sources of brand equity* for the brand,[21] whereas the areas in which knowledge is less favorable would be considered areas for growth. Because brand knowledge is multidimensional (e.g., awareness, image, or feelings), there are many different types of knowledge-based measures of brand equity. Some of the more popular ones are awareness or salience, opinion surveys, brand concept maps, and interpretive techniques.

Awareness Measures

Measuring brand awareness (or brand salience) is often synonymous with assessing the strength of the link between a brand and a product category. Three classical measures of brand awareness are spontaneous awareness, top-of-mind awareness, and aided awareness. Spontaneous awareness is measured as the percentage of consumers who mention a target brand when asked about brands they know in a product category. Top-of-mind awareness is the percentage of consumers who name the brand first when asked the same question. Finally, aided awareness (or brand recognition) is the percentage of consumers who indicate they know a target brand when presented on a list of brands from a given product category.[70] The emphasis of these measures on the brand-product category link assumes that this cue is the only mechanism for buyers to think of the brand in a consumption situation. However, in buying situations, people often use cues other than product categories to think of potential brands to buy. The cues used by buyers come from both internal influences (e.g., motivation or importance of choice) and the external environment (e.g., being at the beach vs. going ice fishing). Furthermore, in many cases the impact of cues on brand retrieval goes unnoticed by buyers, as opposed to the conscious process triggered by a product category prompt.

Considering that buying situations are complex, multi-cue environments in which buyers are affected by a range of cues beyond the product category, brand salience refers more generally to the propensity that the brand will be noticed or come to mind in buying situations. The more cues to which the brand is linked, the greater the propensity to be thought of as an option to buy. Under this consideration, three key factors have been suggested for developing a measure of brand salience.[71] First, the measure should contain a representative range of attributes/cues used to think of brands, such as buying/consumption situations (e.g., for a gift vs. for own consumption), benefits (e.g., something refreshing vs. healthy), or functional qualities (e.g., all-wheel drive vehicle). Second, it should measure recall or recognition relative to competitors, rather than for a single brand independently. This is important because including competitors ensures that the measure is closer to replicating the actual buyer experience. Third, the measure should focus on whether the brand is thought of rather than seeking to determine how favorably the brand is evaluated.

Opinion Surveys

Beyond salience, brand knowledge can be measured through opinion surveys using a representative sample of consumers. These surveys can be conducted in many different formats, including face-to-face interviews, mail surveys, or internet-based surveys. Recently, internet-based surveys have emerged as an effective and cost efficient way to assess the different facets of brand knowledge.[72] Opinion surveys are common for assessing those aspects of brand knowledge that consumers can easily articulate using Likert-type scales (e.g., responses to items using a numerical scale, such as 1 = strongly disagree, 7 = strongly agree). Such methods are very popular for assessing perceptions of quality performance and brand imagery. For instance, surveys including the brand personality scale or the brand values scale (introduced in an earlier subsection of this chapter) can be used to determine the human-like image of a target brand and its competitors, which in turn can inform on the brand's equity. Similarly, opinion surveys can also be used to assess consumers' attitudes (i.e., evaluative responses) toward the brand and its competitors, which can help to determine brand favorability as a source of equity. Because of the explicit nature of opinion surveys, they are less useful for assessing brand knowledge that is more difficult for consumers to articulate (e.g., emotional responses or resonance). Another limitation of opinion surveys is that what can be learned from them is limited to what the marketer includes in the survey. This method is not the best approach for assessing unexpected reactions to brands or for spotting sudden changes in consumers' tastes.

Brand Concept Maps

This is a technique used for eliciting brand association networks (or maps) from consumers and aggregating individual responses into a consensus map of the brand.[73] Consumer mapping techniques often include three stages. The first is the elicitation stage, in which consumers spontaneously elicit important brand associations. In the second stage, participants map these associations, along with some other associations of interest to the marketer or elicited by other consumers, to show how they are connected to one another and to the brand. In the third stage, the marketer aggregates individual maps to produce a consensus brand map. This consensus map reflects the aggregate description of the brand's core associations. A key strength of mapping measures consists in incorporating spontaneous consumer reactions to the brand. This is useful for spotting unexpected brand associations due to unintended brand usage or emerging consumer trends. Aggregating spontaneous reactions to a brand can also be a more valid approach for identifying core brand associations by avoiding response biases in self-report questionnaires. Another strength of this technique is that it can be administered to a large sample of consumers, and hence can yield a quantitatively valid assessment of a brand's core associations. Because this technique relies on brand-based reactions that consumers can articulate, it is better suited for assessing quality perceptions, imagery, and evaluations, but less so for emotional responses and resonance.

Interpretive Techniques

Interpretive techniques are useful for tapping into the less well-articulated, or more unconscious, consumers' reactions to brands. These techniques are less structured than the previous ones and aim at surfacing mental models that drive consumer thinking and behavior. The Zaltman Metaphor Elicitation Technique (or ZMET) is a popular interpretive measure of brand equity.[74] This technique starts with an elicitation stage, in which a small sample of consumers, typically 20 to 25, are asked to take photographs or collect pictures that convey their thoughts and feelings about the brand. Participants are given a seven-to-ten day period to complete this first stage. Then they engage in a two-hour personal interview by a trained researcher. Using qualitative techniques (e.g., storytelling, laddering, sorting, or sensory imagery) this interview aims to help consumers articulate their more visual, emotional, and *hidden* thoughts about the brand. As an output from the interview, participants develop a summary image (or collage) that expresses what the brand means to them. Trained researchers later interpret the different images developed by participants and identify the key themes present in each. These themes are then aggregated into a single diagram, showing how the different themes are connected to the brand and to each other (similar to the consensus map from the previous technique). Although difficult to conduct (i.e., this method requires trained researchers), interpretive techniques can yield deep insights into the less articulated meanings of brands for consumers. These techniques are better suited for assessing emotional responses and the potential resonance of brands. These techniques can be very informative when the marketer needs to better understand the high-level meanings that drive consumers' responses to the brand. For instance, interpretive techniques can be useful when trying to understand the emotions and self-brand connections underlying consumers' willingness to pay hefty price premiums for *Apple* products. However, because of their qualitative nature, results from interpretive techniques cannot be easily generalizable to all consumers.

Outcome-Based Methods

Outcome-based methods focus on measurable outcomes resulting from consumers' reactions in the marketplace. These methods can be reliable indicators of whether a brand has positive or negative brand equity, but rarely can they explain the drivers of brand equity (i.e., the type of consumer knowledge driving the outcomes). Two of the most common outcome-based methods are price premiums and marketplace dominance.

Price Premiums

A price premium is considered to be conclusive evidence of positive brand equity.[19] Consumers' willingness to pay for a branded product a price that is higher than that charged by similar competitors suggests that there are unique brand meanings that warrant such differential response. The ability to charge a price premium (or the lack thereof) can often answer the question of whether a brand has positive equity. For instance, in the *Apple* example used earlier, the presence of a price premium is evidence that *Apple* is a strong brand with positive equity. However, pricing is an important element of the marketing mix (one of the four Ps, along with product, promotion, and place[11]—see chapter 6), and a company may adopt a low-price strategy for its brands to gain a competitive advantage. For instance, low-cost airlines such as *Southwest* adopt low-price strategies that can attract a loyal customer base. Does the absence of a price premium suggest a lack of brand equity for *Southwest* brand? Certainly not, but such business propositions are only sustainable as long as the company can keep costs under control. Thus, although the presence of a price premium, in a competitive market, can be used as evidence for positive brand equity, the absence of a price premium does not necessarily point to the absence of equity. This is because a price premium (or lack thereof) does not tell us about the sources of equity for the brand.

Marketplace Dominance.
A brand that is consistently chosen above competitors is likely to have positive equity. Brand dominance or leadership, in terms of sales or market share, is commonly used as evidence of brand equity.[19] This is possibly the ultimate test for a differential effect attributed to consumers' knowledge about the brand. However, because price and choice are intimately related (the lower the price the higher the likelihood a brand will be selected), they are often analyzed together when looking for evidence of brand equity. In other words, it might be easier for a brand to gain a leadership position by adopting a low-pricing strategy. Companies use low-pricing strategies both as long-term (i.e., low-cost providers such as *Walmart*) and short-term strategies (i.e., to drive competitors out) aimed at gaining or maintaining a leadership position.[75] When leadership comes at the expense of low pricing, leadership is less conclusive evidence of brand equity. Indeed, pretending to bank on the short-term benefits of discounting (i.e., for boosting market share) as a long-term strategy often backfires and dilutes brand equity—as consumers reject company's attempts to dismantle unprofitable discounting schemes. However, coupling brand leadership with price premiums provides convincing evidence for brand equity. A brand that can charge a higher price than the competition and yet sell more is a strong brand with positive equity.

Proprietary Holistic Methods

Because brand equity is such an important concept for companies, it is not surprising that an industry has emerged around the measurement of brand equity. Several advertising and consulting companies have developed proprietary methods to "rank" brands across industries in terms of brand equity. These measures tend to be *holistic* in nature, in the sense that they separately see each brand as an individual entity in order to come up with a brand equity value. This value is later used for developing rankings that allow for comparisons within and across industries. Because these methods assign a single value to a brand's equity (an index, a ranking, or a financial value), their measures are easy to interpret. However, the aggregation process can at times be a bit arbitrary and mask the sources of brand equity. Two popular proprietary measures are Y&R's BrandAsset Valuator and Interbrand's Best Brands.

Y&R's BrandAsset Valuator
The BrandAsset Valuator (or BAV) is a quantitative measure of brand equity, conducted by Young & Rubicam (Y&R), a major global

advertising agency.[76] For 20 years, the BAV has tested more than 38,000 brands using 72 metrics that assess the following four dimensions: *differentiation*, *relevance*, *esteem*, and *knowledge*.[77] *Differentiation* refers to the uniqueness of the brand, and *relevance* measures how well the brand answers to personal needs. Combining these two dimensions yields an estimate of brand strength. *Esteem* captures the extent to which the brand lives up to expectations, and *knowledge* measures how well the brand is understood by consumers. Combining these two dimensions provides an estimate of brand stature.

Interbrand

Interbrand is a global-branding consulting firm that has developed a methodology for measuring the value of brands as ongoing business assets.[78] Taking a holistic approach to brand value, Interbrand's methodology considers different ways in which a brand touches and benefits its organization—from attracting and retaining talent to delivering on customer expectations. There are three key aspects that contribute to the assessment: The financial performance of the branded products or services, the role of brand in the purchase decision process, and the strength of the brand. *Financial performance* is estimated as the after-tax operating profit of the brand, minus a charge for the capital used to generate the brand's revenues and margins. *Role of brand* measures the portion of the decision to purchase that is attributable to the brand, relative to other factors (for example, purchase drivers such as price, convenience, or product features). The Role of Brand Index (RBI) quantifies this as a percentage. Finally, *brand strength* measures the ability of the brand to create loyalty. The RBI is multiplied by the economic profit of the branded products or services to determine the earnings attributable to the brand (brand earnings) that contribute to the valuation total. Finally, brand strength is scored on a 0–100 scale, based on an evaluation across ten key factors that Interbrand considers make a strong brand: clarity (what the brand stands for), commitment (internal support received by the brand), protection (legal, proprietary, or scale), responsiveness (ability to evolve and renew itself), authenticity (defined heritage and well-grounded value set), relevance (fit with consumers' needs), differentiation (distinguishable from competitors), consistency (across touchpoints and formats), presence (talked about positively), and understanding (of its distinctive qualities and characteristics). A proprietary formula is used to connect the Brand Strength Score to a brand-specific discount rate. This rate is used to discount brand earnings back to a present value, or the brand value.[79] Thus, brand equity is estimated here as a dollar figure capturing the present value of the brand. This allows for comparing brands, in terms of their associated financial outcomes, across the same as well as different product categories.

After reviewing the different methods for measuring brand equity, it should be clear to the reader that no single method can fully explain the complexity of the brand equity concept. Because each method provides a slightly different view of the concept, it is often necessary to use them in combination to provide the marketer with a better understanding of a brand's equity. Knowing that a brand that dominates its market also commands a price premium (*Apple,* for example) is solid proof of equity. However, when this information is coupled with a view of the knowledge domains in which consumers have a more (or less) favorable knowledge than the competition, the marketer has a more actionable understanding of the brand priorities (e.g., areas to protect or grow).

CHAPTER SUMMARY

At the most basic level, a brand is an identification for a unique version of a product that both enables companies to bring distinctive product offerings to market, as well as helps consumers to easily discern desirable product offerings. At a higher level, brands are sources of meaning for consumers and for society at large. These meanings are created in many different ways by the interplay between company's, consumers', and society's actions. The different dimensions of brand meanings are perceived quality performance, imagery, emotional and evaluative responses, shared meanings, and resonance. They emerge over time as different layers are added to the brand's representation (or brand awareness) in the mind of consumers (layered model of brand-meaning creation). The differential effect that these meanings have on consumer response to the marketing of the brand is known as the brand equity. Because brand equity is a multidimensional concept, a multi-method approach is needed to fully capture its complexity. The crux of building brand equity consists in developing more favorable and relevant meanings than those developed by competitors. Brands that create meanings across all dimensions and that align well with the abstract characteristics of a culture can turn into cultural icons. Such brands not only appeal to the functional needs of consumers but also to their high-level psychological needs. In doing so, these brands can reach the highest levels of consumer-brand relationships across large audiences, and in turn develop a more enduring source of brand equity.

CHAPTER 2

CULTURAL EQUITY

Elvis Presley tops the list of most revered cultural icons in modern America.[1] The King of Rock and Roll is undoubtedly one of the greatest entertainers of all time—having sold over one billion records worldwide (60 percent of these sales in the United States), more than anyone else in the history of the recording industry.[2] Interest in Elvis extends well beyond his music and includes a flourishing publishing industry built around his persona (7,311 books listed on *Amazon.com* at the time I wrote this book) and a very active Internet presence of Elvis fan websites (1.5 million and counting). How did Elvis become such a cultural phenomenon? Although we can extensively discuss this in yet another book about Elvis (which is not our goal of course), it seems clear that Elvis crystallized a new music rhythm that had already emerged among black musicians who came before him. Black musicians such as Big Bill Broonzy, Ike Turner, and Arthur Crudup were performing Presley's style of music well before it was Presley's style.[3] However, none of these musicians skyrocketed to the top of the cultural podium as Elvis did. Why? Among other reasons, because these black musicians did not embody the image, traits, and values of mainstream white American culture in the 1950s—characterized by segregation along racial lines. Indeed, Sam Phillips, the head of the record label where Elvis recorded his first songs (Sun Records), has often said in interviews that the music industry was looking for a white boy who sang black, who had the rhyming and soul to do R & B, and that Elvis was this boy.[4] Although better matching the abstract image associated with mainstream American culture certainly helped Elvis to rise above others, Elvis also did something that none of his predecessors had done: he embodied in a unique way the key elements of gender, race, and class that had been suppressed in the conservative and conformist 1950s.[5]

Elvis' story helps to illustrate what a *cultural icon* is and how it emerges. Cultural icons are persons or things *widely regarded* as the *most compelling* representative symbol of the beliefs, values, and lifestyles of a culture.[6,7] As widely regarded symbols, cultural icons are bigger than themselves, and the shared meanings that they symbolize represent valued characteristics of a social group. As most compelling symbols, cultural icons are the best representation of a particular kind of story that people in a society find valuable in constructing their cultural identity.[7] Elvis becomes an American icon for the following two reasons: (i) his image matched valued characteristics of the group it symbolized (i.e., whiteness, beauty, rags-to-riches success, which were highly valued by mainstream American culture in the 1950s), and (ii) his meaning uniquely aligned with the ideas shaping American cultural identity at the time (i.e., dramas of gender, race, and class that had been suppressed in the conservative and conformist 1950s, which paved the way for the sexual revolution and counterculture of the 1960s).

In this chapter, I will explain in detail how the discussion above can be extrapolated to understand the cultural meanings in brands, or their *cultural equity*. After reading this chapter, the reader should be able to comprehend why brands such as *Harley-Davidson*, *Special K*, *Hallmark*, and *Victoria's Secret*, although widely popular and unequivocally associated with America, vary so widely in terms of their cultural equity. This chapter highlights how cultural equity varies at different levels of group categorization (e.g., supra- and subcultures) and identifies its different dimensions. However, before getting ahead in the discussion, let us start by defining a basic term that forms the basis of this chapter: *culture*.

DEFINING CULTURE

Culture is such a complex and dynamic concept that no single definition can fully capture its richness.[6] The definition of culture introduced in this book is the one considered most useful for the sociopsychological approach used to understanding cultural equity. *Culture* is defined here as shared elements that provide the standards for perceiving, believing, evaluating, communicating, and acting among those who share a language, a historical period, and a geographic location.[8,9] Two important aspects of this definition deserve careful attention. First, as a collective phenomenon, culture consists of shared meanings that provide a common frame of reference for a human group to make sense of reality, coordinate their activities, and adapt to their environment.[10,11] Culture is the lens through which individuals see and provide meanings to the phenomenal world. A group of individuals who share the same standards form a cultural category or group. A cultural group can reside within a single country, extend across several country boundaries, or coexist within the same nation as other cultural groups. In other words, cultural groups and nations are not necessarily the same thing. However, for historical and geographical reasons, nations and cultures can often overlap.[12] Second, culture is a time-bound concept. The shared meanings that provide a frame of reference for a social group are dynamic and fluid, so American culture in the 1950s is quite different to that of the twenty-first century. Thus, cultural elements are moving targets that are not always easy to classify into discrete categories. Nevertheless, those who have spent a significant period of time in a foreign culture have probably experienced three basic levels at which culture manifests itself: *material objects*, *social institutions*, and *values and beliefs*.[6]

Material Objects

Culture is evident in the material objects produced by a social group. Although in modern times most of the goods available throughout the world are mass-produced, there are still many examples of material objects that are culture-specific. Architecture, buildings, or food production practices can reflect culture. For instance, in the United States, the typical single-family house is built using wood frames for the structure and drywall for interior separations, whereas in Venezuela single-family houses are built with reinforced concrete structures (concrete poured onsite) and brick-and-mortar walls for interior separations. Although one could argue that climate considerations play a role in such building-construction differences (i.e., wood and drywall structures that are properly insulated can better serve cold climates), cultural differences between American and Venezuelan cultures in terms of social mobility (i.e., frequency with which people move from a house), uniqueness of tastes (i.e., need to drastically change the look and feel of a house once a person moves in), variety-seeking (i.e., desire for renovating a house over time), and family dynamics (i.e., older parents living with married children in the same house) may also play a role. The more renovation-friendly houses in the United States (think the *Extreme Makeover: Home Edition* reality show in which houses are fully renovated in seven days) better fit a more mobile

U.S. society that emphasizes uniqueness and personal taste, whereas the more fixed-style houses in Venezuela better fit a more traditional society in which multiple generations of individuals with more similar tastes can live in the same house over time.

Social Institutions

Culture is also evident in social institutions, such as family, marriage, and gender roles. For instance, arranged marriages have been a distinct element in Indian culture since the fourth century. This institution reflects the values of parental control, ancestral lineage, and sense of kinship that characterize Indian culture—and it is distinctively reflected in the social role of the matchmaker (or *nayan*).[13] The notion of an arranged marriage seems absurd, and perhaps even offensive, in American culture—characterized by the values of freedom of choice and independence.

Values and Beliefs

Culture is more subtly reflected in the thinking styles, ideas, and knowledge that are shared by individuals in a social group. At an individual level, culture can exist in two related, yet different, forms. First, culture can be present as values and beliefs that are endorsed by individuals, such as individualist versus collectivist cultural orientations.[9] Second, culture can exist in the form of intersubjective perceptions of culture—beliefs and values that members of a culture perceive to be widespread in their culture (often referred to as *intersubjective culture*).[14] In other words, culture can be evident in a distinctive pattern of beliefs, thinking styles, and values that are endorsed by individuals in a given group, as well as in the shared understanding that group members have about how widespread these beliefs, thinking styles and values are. Let me explain these issues in more detail.

Cultural Orientation

Culture shapes the beliefs, ideas, and values that group members consider to be important to the self. A pattern of beliefs, ideas, and values that is organized around a theme is known as a cultural orientation.[8] Two broad patterns of cultural variability are those of *individualism* and *collectivism*.[15] In individualistic cultures, people value independence from others and subordinate the goals of their in-groups to their own personal goals, whereas in collectivistic cultures, individuals value interdependent relationships to others and subordinate their personal goals to those of their in-groups.[9,12,16] The key distinction involves the extent to which one defines the self in relation to others. In individualistic cultures, people tend to have an independent view of the self,[17] whereby the self is defined as autonomous and unique. In contrast, people in collectivistic cultures tend to have an interdependent view of the self,[17] whereby the self is seen as essentially embedded within a larger social network of roles and relationships (see chapter 3 for a more detailed discussion of these issues). Marketers often rely on these cultural dimensions when trying to imbue brands with culturally relevant meanings.[18] However, individualism and collectivism are broad concepts that attempt to summarize a host of differences in focus of attention, self definitions, motivations, emotional connections to in-groups, as well as belief systems and behavioral patterns.[19] Describing a delineation of different "species" of individualism and collectivism, Harry Triandis and his colleagues noted that, nested within individualism and collectivism categories, some societies are horizontal (valuing equality), whereas others are vertical (emphasizing hierarchy).[20,21]

The vertical-horizontal distinction emerges from the observation that American or British individualism differs from, say, Australian or Norwegian individualism in much the same way that Chinese or Japanese collectivism differs from the collectivism of the Israeli kibbutz. Whereas individuals in horizontal societies value equality and view the self as having the same status as others in society, individuals in vertical societies view the self as differing from others along a hierarchy and accept inequality.[22] Thus, combining the horizontal-vertical distinction with the individualism-collectivism classifications produces four cultural orientations: horizontal individualist, vertical individualist, horizontal collectivist, and vertical collectivist.

In vertical individualist societies (e.g., the United States and the United Kingdom—see figure 2.1), people tend to be concerned with self-enhancement values of power and achievement—distinguishing themselves from others through competition, achievement, and power. In contrast, in horizontal individualist cultures (e.g., Sweden, Denmark, Norway, and Australia), people prefer to view themselves as equal to others in status and avoid status differentiation. Rather than standing out, the focus is on openness values of stimulation and self-direction—expressing one's uniqueness and establishing one's capability to be successfully self-reliant. In vertical collectivist societies (e.g., Japan and India), people are concerned with conservation values of tradition, conformity, and security; they believe in the importance of existing hierarchies, emphasize the subordination of their goals to those of their

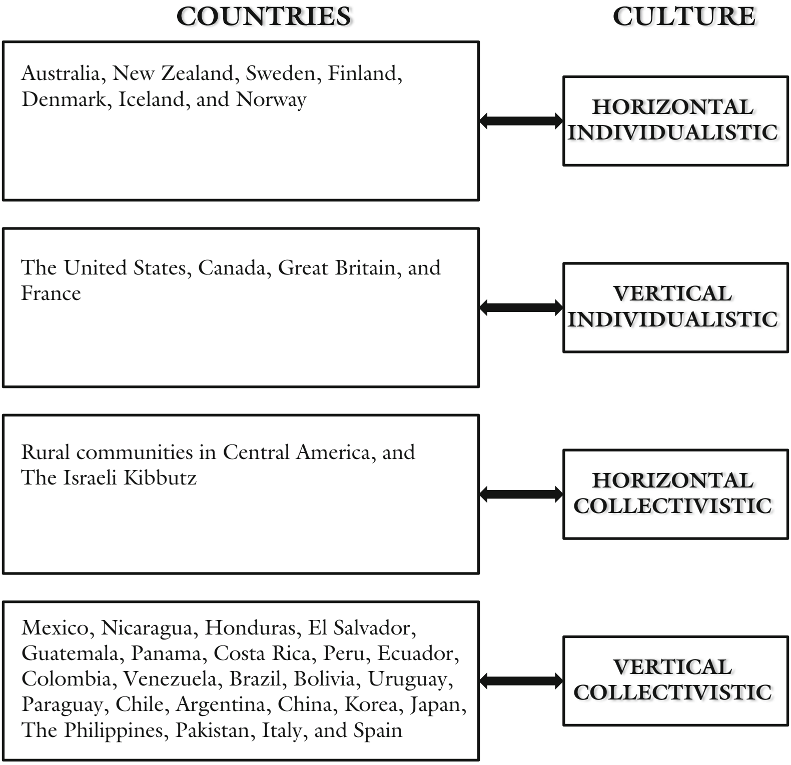

COUNTRIES
CULTURE
Australia, New Zealand, Sweden, Finland, Denmark, Iceland, and Norway
HORIZONTAL INDIVIDUALISTIC
The United States, Canada, Great Britain, and France
VERTICAL INDIVIDUALISTIC
Rural communities in Central America, and The Israeli Kibbutz
HORIZONTAL COLLECTIVISTIC
Mexico, Nicaragua, Honduras, El Salvador, Guatemala, Panama, Costa Rica, Peru, Ecuador, Colombia, Venezuela, Brazil, Bolivia, Uruguay, Paraguay, Chile, Argentina, China, Korea, Japan, The Philippines, Pakistan, Italy, and Spain
VERTICAL COLLECTIVISTIC

Figure 2.1 Dominant Cultural Orientations Known throughout the World

in-groups, and endorse traditional family values. Finally, in horizontal collectivist cultural contexts (e.g., the Israeli kibbutz or some rural communities in Latin America), individuals endorse self-transcendence values that promote the welfare of others—the focus is on sociability and interdependence with others within an egalitarian framework.[23]

Assessing cultures in terms of their cultural orientations often involves having members complete surveys stating their agreement with a set of beliefs and norms, their endorsement of certain values as guiding principles in their lives, and their tendencies to engage in specific behaviors. The organization of these beliefs, norms, values, and behaviors around a vertical/horizontal or an individualistic/collectivistic theme is revealed by aggregating the responses by group members.[21] In other words, culture is described by what cultural members themselves are actually like, and not by what they think the culture is like. This approach carries with it some limitations. First, the description of the culture will only be accurate to the extent that the sample that has been surveyed is highly representative of the culture. This might or might not be an issue, depending on how homogeneous or heterogeneous is the culture. Second, and more important, this aggregation ignores the fact that culture, as a collective process, is more than the mere aggregate of individuals' personal characteristics.[24]

Intersubjective Culture

The aggregation of personal beliefs does not always mirror the shared beliefs in a culture. For example, a study suggests that although only a small percentage of college freshman find drinking enjoyable, the majority of them believe that most other freshman enjoy drinking.[25] Similarly, although Poles and Americans endorse individualist and collectivist values to the same extent, Poles expect other Poles to endorse collectivist (vs. individualist) values more, whereas Americans expect other Americans to endorse individualist (vs. collectivist) values more.[26] *Intersubjective culture* refers to the beliefs and values that members of a culture perceive to be widespread in their culture. The intersubjective aspect of culture is predicated on the important premise that, although not every individual in the culture shares precisely the same cultural knowledge, a culturally competent individual would act on his understanding of the beliefs, ideas, and values that are shared by his fellow group members.[14] Thus, intersubjective culture is a collectively shared representation of the reality that is separate from the objective reality.

Intersubjective culture serves important coordination and communication functions in the group; it offers group members a set of shared assumptions for regulating their interactions with other group members. For example, American culture differs from that in most of Latin America in terms of the acceptable degree of closeness between people in public places. Americans often feel uncomfortable when others (even close others) invade their bubble space (a bubble built by stretching the arms around the person). In contrast, in most of Latin America (and particularly so in Caribbean countries such as Venezuela, Colombia, or Panama), the notion of a bubble space is almost nonexistent, and people can comfortably stand close to each other. It is precisely the knowledge of the *shared norm* for standing in public places that avoids embarrassment when interacting with members of the same or different cultures. Not surprisingly, group members are motivated to maintain the perceived validity of the intersubjective culture, sometimes by punishing in-group deviants who undermine the legitimacy of the intersubjectively important norms and values.[27] Intersubjective culture also provides a frame of reference for constructing group identities. For example, studies with American participants show that group identification is stronger when individuals' personal values are in alignment with the intersubjectively important values in the group, than when they align with the values that are endorsed by the majority of the group.

Figure 2.2 summarizes our discussion about what culture consists of and what functions it serves. Culture exists outside of the person in material objects and social institutions, as well as inside the person in thoughts, beliefs, ideas, and values. When looking for culture inside the person, it can be observed by aggregating people's own beliefs and values (cultural orientation) or by assessing people's understandings of the beliefs and values shared by fellow group members (intersubjective culture). Culture is not only instrumental for human adaptation by helping the individual to deal with self-related issues, but it also provides answers about how to deal with others. Culture provides the individual with a sense of belongingness via attachment to a group, helps to explain behavior, and even provides answers to what is the purpose of our existence. Culture also facilitates the collective coordination of human activity by suggesting ways to present the self to others and to resolve conflicts, as well as by fostering group cohesiveness.[6] Not surprisingly, cultural knowledge is widely disseminated in society and instantiated in social institutions (e.g., family or the workplace), social practices (e.g., division of labor), and a variety of media (e.g., popular songs or news media) and iconic images (e.g., flags, monuments, or consumer products).[28-30] Unlike other cultural icons, such as a national flag or a commemorative monument, brands are commercial entities that are not created to be symbols of a culture. Marketers create brands to establish certain desirable meanings and unique positioning in the minds of consumers.[31] Nevertheless, through the process of social consensus building discussed in chapter 1,[32] brands demonstrate a unique ability to give abstract cultural images a concreteness and visibility for the individual that it would not otherwise have. Brands that embody such abstract cultural images are said to acquire cultural meanings and to become cultural icons. I turn to this issue next.

WHAT IS CULTURAL EQUITY?

As discussed in chapter 1, brand meanings originate in the culturally constituted world and move into brands through several instruments, such as advertising, the fashion system, and reference groups.[32] As a result, brands can acquire cultural meanings[28] and become associated with the abstract characteristics that define a cultural group. There

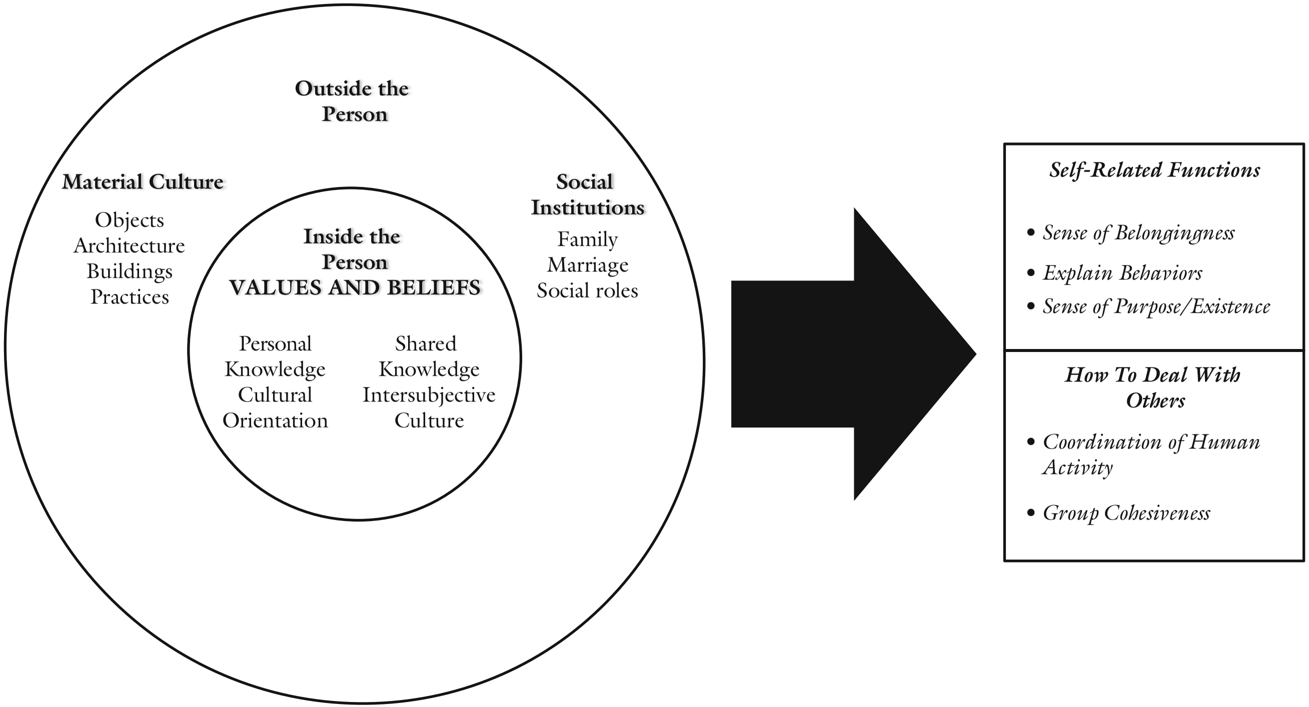

Outside the Person
Material Culture
Objects
Architecture
Buildings
Practices
Inside the Person
VALUES AND BELIEFS
Personal Knowledge
Cultural Orientation
Shared Knowledge
Intersubjective Culture
Social Institutions
Family
Marriage
Social roles
Self-Related Functions
• Sense of Belongingness
• Explain Behaviors
• Sense of Purpose/Existence
How To Deal With Others
• Coordination of Human Activity
• Group Cohesiveness

Figure 2.2 Manifestations of and Functions Served by Culture

is evidence that consumers attribute cultural significance to certain commercial brands.[28] For example, some brands in the United States are associated with ruggedness (e.g., *Harley-Davidson* associations with strength, masculinity, and toughness) and some brands in Japan are associated with peacefulness; and ruggedness and peacefulness are abstract dimensions characteristic of American and East Asian cultures, respectively. Brands that acquire cultural meanings can reach the level of a cultural symbol. This happens when the brand is consensually perceived to symbolize the abstract image that characterizes a certain cultural group.[33]

A brand's cultural symbolism is defined as perceived consensus of the degree to which the brand symbolizes the abstract image of a certain cultural group.[33] As a compelling symbol of the culture, a culturally symbolic brand not only connects to the central concept (e.g., *Harley-Davidson*'s symbolism of American culture) but also to the various elements that form part of the culture (e.g., American cultural values of freedom and independence).[33] For this reason, a culturally symbolic brand embodies consumers' abstract, consensual view of the cultural group the brand symbolizes (i.e., intersubjective culture),[32] and hence becomes a tangible, public representation of the meanings and ideas shared in the culture (i.e., material culture).[30] As such, exposure to culturally symbolic brands can act as a cultural reminder that brings to mind other cultural elements (e.g., other cultural objects, social institutions, or culturally patterned ways of thinking), which in turn can impact people's behavior in predictable ways. Furthermore, consumption of culturally symbolic brands can heighten the sense of belongingness to the culture, as well as signal to others one's allegiance to the culture.[34]

Because culturally symbolic (vs. nonsymbolic) brands can elicit distinct consumer responses, these brands have *cultural equity*. We define cultural equity as the brand's cultural meanings capable of eliciting a distinct consumer response. As discussed in section 2 of the book, consumers' responses to the cultural meanings in brands are varied in nature and can be either favorable or unfavorable, depending on the context. When the cultural meanings in brands lead to favorable responses, we say that the brand has positive cultural equity; whereas when these cultural meanings result in unfavorable responses, the brand is said to have negative cultural equity. Importantly, the same cultural meanings can lead to favorable or unfavorable responses depending on the situation. Thus, cultural equity is a dynamic concept affected by personal and situational factors that marketers need to understand before leveraging its full potential. But before getting to these important issues, it is useful to comprehend what cultural equity consists of, or to identify the dimensions of cultural equity.

Dimensions of Cultural Equity

Brands acquire cultural meanings through any of the different routes discussed in chapter 1 (see figure 1.1 for a summary). Nevertheless, some routes are more likely to have an influential impact on the creation of cultural meanings than others. Specifically, the following dimensions seem to be the most important factors in the creation of cultural equity: country (or region) of origin associations, globalness associations, embodiment of abstract cultural characteristics, and cultural authority. Let us discuss each of these dimensions in detail.

Country (or Region) of Origin Associations

Marketers know very well that consumers often evaluate a product based on how favorable or unfavorable is their view of the country associated with the product.[35] For instance, because people have a favorable opinion about the quality of Japanese products, they often evaluate favorably new Japanese products presented to them.[36] Country-of-origin associations not only affect new product favorability through perceptions of quality performance, but also through other meanings ascribed to the country. For example, because people often associate France (or the French culture) with hedonic characteristics such as refined taste and sensory pleasure, they often perceive new products from an unknown French brand to embody hedonism more than those from an unknown American brand (hedonism is not a defining characteristic of American culture). In turn, these perceptions lead to more favorable product evaluations when such hedonic image is informative (i.e., when evaluating a hedonic product such as a fragrance). Furthermore, these effects emerge when the "Frenchness" of the unknown brand is conveyed more implicitly via the pronunciation or spelling of the brand name (i.e., a French-sounding name such as *Mathisé*), without the need to mention the product's country of origin.[37]

The above discussion illustrates how direct or indirect connections with a brand's country of origin can create cultural meanings. Not surprisingly, marketers intentionally consider country-of-origin associations for developing marketing programs. With the tagline "That's the Power of German Engineering," *Volkswagen* explicitly promotes its German connection in the hope of creating favorable brand associations—by linking the brand to the superior engineering that characterizes German culture. A company does not need to be located in a country with favorable associations in order to endow its brands with cultural equity. For instance, *Häagen Dazs*, the premium ice cream brand owned by Minneapolis-based General Mills, got its Danish-sounding name as a strategy to borrow from the favorable hedonic image associated with Danish culture. Although *Häagen Dazs* ice cream is undoubtedly a premium product, the brand name also adds to this premium image. What if the country of origin has unfavorable associations? This is a more complicated issue that will be discussed in more detail in section 3 of the book (see chapter 6). However, one strategy that can work in this case is to try to deemphasize (and even hide if possible) the country of origin. For instance, although many U.S. consumers associate *Corona* with Mexico (a country that lacks a high-quality image), the brand does not emphasize its Mexican connection in its communication mix when targeting non-Mexican audiences (they often do so for Mexican immigrants, though). *Corona* downplays the *hecho en Mexico* and promotes itself as a lifestyle beer.[38] Although the idyllic beaches depicted in its advertising could be from Cancun or Playa del Carmen (popular Mexican getaways for Americans), they could also be from South Florida or anywhere else in the Caribbean.

Brands can also acquire meanings due to their associations with within-country or supra-national regions that have distinctive cultural characteristics. For example, *Lone Star* beer is promoted as the "National Beer of Texas." Its advertising, using images from the Wild West and leveraging Texas regionalism (e.g., through taglines such as "Secede from the Rest of the Beer World") aims at turning the brand into a cultural symbol for Texans—a region in the United States with a strong cultural identity rooted in its historical past as the "Republic of Texas."[39] Brands can also attempt to establish links to regional cultures that transcend a single nation. For instance, *Tiger* beer (the first locally brewed beer in Singapore) attempts to leverage in its communications a trans-Asian cultural experience by "Asianizing" the brand through images of an imaginary Asia that is urban, modern, and multicultural.[40]

Globalness Associations

Brands can also acquire cultural meanings via internationalization strategies. Many multinational corporations are disposing of brands with limited global potential in favor of global brands—which are marketed under the same name in multiple countries with generally similar marketing strategies.[41] In the minds of consumers, *brand* *globalness* is associated with heightened perceptions of quality performance and images of cosmopolitanism, modernity, and prestige.[42] Due to the rise in globalization, people are increasingly recognizing the commonalities rather than dissimilarities among people around the world and are also more interested in global events. The emergence of a global culture, characterized by cosmopolitanism and a zest for wide international experience, is evident in the growing number of individuals who identify themselves with people from around the world.[43] Because global brands symbolize the global culture, a consumer in India may react favorably to the globalness of *Coca-Cola* as a way to connect to the global culture.[44]

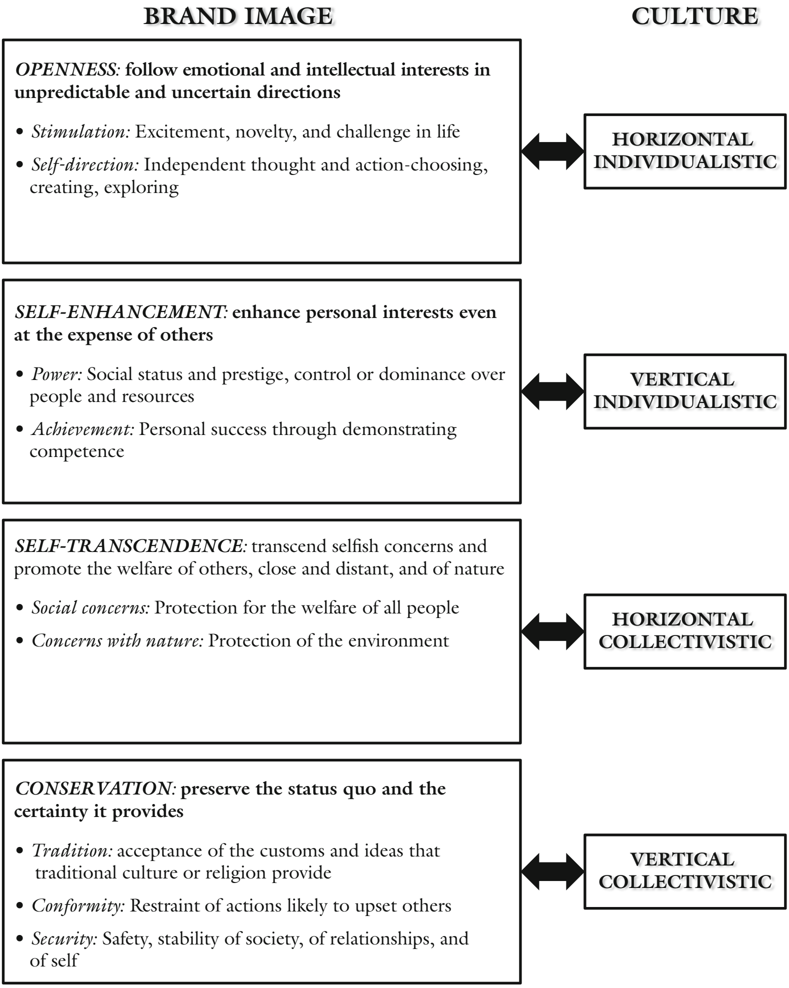
Embodiment of Abstract Cultural Characteristics

The notion that consumer brands can symbolize the abstract characteristics that distinguish a culture was first demonstrated by Sang-Pil Han and Sharon Shavitt.[45] They found that magazine advertisements in the United States (an individualist culture) and Korea (a collectivist culture) varied predictably according to the corresponding cultural value priorities. That is, appeals to individual benefits and preferences, personal success, and independence were more common in the United States, whereas appeals emphasizing in-group benefits, harmony, and family integrity were more common in Korea. The localization of advertising and promotion to align brand meanings with cultural value priorities is done with the expectation that consumers will react more favorably to brands that match such culturally relevant values.[46] Indeed, research suggests that consumers in different cultures develop more favorable attitudes and behavioral intentions toward brands that symbolize their cultural value priorities.[47] Aligning brand meanings with cultural value priorities not only generates favorable consumer attitudes but also increases a brand's cultural significance. As stated earlier, culturally symbolic brands symbolize the abstract image of a cultural group and hence become tangible representations of such abstract image.[34] Thus, marketing actions aimed at endowing brands with abstract images of a culture contribute positively to the brand's cultural symbolism. However, because cultures differ in many different dimensions (i.e., material objects, institutions, or values and beliefs), this recommendation poses an important question: are there specific brand images that reflect the abstract characteristics of the different cultures around the world?

As discussed in the previous section of this chapter, one way of making sense of cultural variability is by identifying patterns of beliefs, ideas, and values that are organized around a theme. Combining the horizontal-vertical distinction with the individualism-collectivism classifications provides a framework for identifying the brand images in terms of human values representations, likely to represent the abstract cultural characteristics of a variety of cultures throughout the world. As summarized in figure 2.3, horizontal-individualistic cultures would be characterized by *openness* brand images of stimulation (i.e., excitement, novelty, and challenge in life) and self-direction (i.e., independent thought and freedom to choose own actions). Vertical-individualistic cultures would be represented by *self-enhancement* brand images of power (i.e., social status and prestige, control, or dominance over people and resources) and achievement (i.e., personal success through demonstrating competence). Horizontal-collectivistic cultures would be characterized by *self-transcendence* brand images of social concerns (i.e., protection for the welfare of all people) and concerns with nature (i.e., protection of the environment). Finally, vertical-collectivistic cultures would be represented by *conservation* brand images of tradition (i.e., respect and acceptance of the customs and ideas that traditional culture provides), conformity (i.e., restraint of actions likely to violate social expectations or norms), and security (i.e., safety and stability of society, relationships, or self).[47] For instance, when asking American (vertical-individualist culture) and Venezuelan (vertical-collectivist culture) participants to rate brands with varying degrees of cultural symbolism (for the corresponding culture) in terms of their embodiment of abstract values (i.e., brand values—see chapter 1), it is found that Americans rate brands that symbolize American culture (e.g., *Harley-Davidson* or *Ford*) to embody more self-enhancement values of power and achievement, whereas Venezuelans rate brands that symbolize Venezuelan culture (e.g., *Harina PAN* or *Savoy*) to embody more conservation values of tradition, conformity, and security.[48] Thus, embodying important meanings and ideas shared in a culture contributes to a brand's cultural symbolism.

Cultural Authority

Although embodying abstract cultural characteristics may be a necessary condition for creating cultural equity, it is not a sufficient condition. Beyond providing a culturally relevant abstract image, brands acquire cultural meanings because they become renowned for telling the cultural stories that encapsulate the culture's desires and anxieties. By successfully embedding themselves in the cultural fabric, brands gain the cultural authority that distinguishes them from brands that might have similar abstract images. Consumers' recognition of a brand's cultural authority feeds into perceptions of the brand as a



OPENNESS: **follow emotional and intellectual interests in unpredictable and uncertain directions**

- *Stimulation:* Excitement, novelty, and challenge in life
- *Self-direction:* Independent thought and action-choosing, creating, exploring

SELF-ENHANCEMENT: **enhance personal interests even at the expense of others**

- *Power:* Social status and prestige, control or dominance over people and resources
- *Achievement:* Personal success through demonstrating competence

SELF-TRANSCENDENCE: transcend selfish concerns and promote the welfare of others, close and distant, and of nature

- *Social concerns:* Protection for the welfare of all people
- *Concerns with nature:* Protection of the environment

CONSERVATION: **preserve the status quo and the certainty it provides**

- *Tradition:* acceptance of the customs and ideas that traditional culture or religion provide
- *Conformity:* Restraint of actions likely to upset others
- *Security:* Safety, stability of society, of relationships, and of self

Figure 2.3 Brand Images Likely to Embody Abstract Cultural Characteristics

cultural symbol that is worthy of authoring cultural stories.[7] The rise of *Budweiser* as a cultural phenomenon in America in the 1970s illustrates these notions. At that time, "The King of Beers" had already established a masculine image of optimism and superiority that resonated with the values of working-class American men. However, the coupling of this image with the cultural insightfulness of the "This Bud's for You" campaign helped to elevate *Budweiser* to the level of an American icon. At a time when the United States bottomed out after a succession of economic and political failures, *Budweiser* responded to working-class American men with a tribute to their hard work and dedication. By saluting working men and highlighting their central role in American culture, *Budweiser* provided a solution to these men's struggles that uplifted the brand to a cultural leadership position.[7]

MEASURING CULTURAL EQUITY

As an aspect of brand equity, measuring cultural equity often requires a multi-method approach. Because culturally competent individuals often have an accurate understanding of the beliefs, ideas, and values that are shared by their fellow group members,[14] and given that the cultural symbolism of brands is part of such shared understanding, consumers' opinions about the sharedness of a brand's cultural meanings can serve as a valid measure of cultural equity. The cultural symbolism scale was developed to measure the sharedness of a brand's cultural meaning as related to the different cultural equity dimensions.[49] Under this approach for measuring cultural equity, consumers are asked to take the perspective of an average group member (i.e., to tap into the intersubjective culture) and to indicate the extent to which an average group member would agree (on a seven-point scale, 1 = strongly disagree, 7 = strongly agree) that the brand: (1) embodies the abstract group meanings (e.g., "The brand embodies [cultural group] values," "The brand is a good example of what it means being a member of [group's culture]"), (2) symbolizes the cultural group (e.g., "The brand is an icon of [group's culture]," "The brand is associated with [cultural group]," "The brand is a symbol of [group's culture]"), (3) is interconnected with other group-related icons (e.g., "A picture of the brand with [another cultural icon such as a flag or a monument] makes a lot of sense"), and (4) evokes the group identity ("The brand reminds me of people from [cultural group]").

For example, table 2.1 depicts the results of using this approach for measuring the extent to which brands symbolize American or Venezuelan culture—as reported by consumers from each cultural group. *Ford*, *NFL*, and *Coke* top the list of brands that symbolize American culture. This is not very surprising, as these are well-known American brands that are often referred to as icons of American culture. These brands embody self-enhancement values of power, achievement, and independence that characterize the vertical-individualistic American culture and also form part of the history and events that define American culture (i.e., think the Super Bowl or the cultural role of automobiles). Interestingly, brands such as *Hallmark*, *Special K*, or *Victoria's Secret*, although also well-known American brands, lack strong American symbolism. This is due in part to the fact that these brands do not embody self-enhancement values as well as the more iconic American brands do. These brands have also a more *feminine* image that contrasts with the masculinity that characterizes American culture.[50]

For Venezuelan consumers, *Harina PAN*, *Savoy*, and *Mazeite* top the list of brands that symbolize Venezuelan culture. These brands of food products embody conservation values of tradition and conformity that characterize the vertical-collectivistic Venezuelan culture and are also symbolic of the central role that matriarchy often plays in Venezuelan culture. Interestingly, *Heinz*, a global brand with a long history in the Venezuelan market, is rated higher in terms of Venezuelan symbolism than *Mavesa*, a well-known local competitor in a similar category. This reinforces the notion that a brand's country of origin is just one of several dimensions of cultural equity. *Heinz's* relatively higher level of cultural symbolism might be attributed to its long presence in the country and the *acculturation* of its communication strategy in order to embody the values that characterize Venezuelan culture. Section 3 of this book discusses in more detail the actions that brands can undertake to build and leverage cultural equity.

Because culturally symbolic brands serve as public representations of the abstract characteristics that define a culture, they are often used in public discourse to illustrate cultural themes and ideas. Brands that are recognized by consumers as having cultural authority are judged to be worthy of authoring cultural stories.[7] Thus, cultural equity can be assessed by observing the frequency with which a brand is used in public discourse for illustrating cultural themes and ideas. One approach for doing so is by counting the frequency with which a given brand is mentioned together with explicit references to cultural themes in online discussions (e.g., webpages, Internet forums, online publications). For example, for the same list of U.S. brands in table 2.1, when conducting a *Google* search for online documents containing each brand name plus the terms *cultural icon* and *American*, and using the number of web documents obtained as a result from the search (standardized around the group mean), we get the ranking of brands shown in table 2.2. The correlation between the two rankings in tables 2.1 and 2.2 (that used consensus measures of cultural symbolism) is $r = 0.68$, suggesting that the two measures of cultural equity have an imperfect yet significant overlap. *Ford* and *Coke* top the two lists, whereas *Special K* and *Hallmark* score low in cultural equity

Table 2.1 Ranking of Brands in Terms of Cultural Symbolism for American or Venezuelan Cultures

The US			**Venezuela**		
Brand	*Product Category*	*Cultural Symbolism*	*Brand*	*Product Category*	*Cultural Symbolism*
Ford	Cars & Trucks	6.3	Harina PAN	Corn Flour	6.1
NFL	Sports	6.2	Savoy	Chocolate	6.0
Coke	Soda	6.1	Mazeite	Cooking Oil	5.9
Apple	Electronics	5.6	Cantv	Telecommunications	5.9
Nike	Shoes & Apparel	5.4	Las Llaves	Bar Soap	5.3
Harley-Davidson	Motorcycles	5.2	Frica	Beverages	5.1
Budweiser	Beer	5.1	Farmatodo	Retail	4.9
Walmart	Retailer	4.8	Movilnet	Telecommunications	4.9
Aunt Jemima	Pancake Syrup	4.5	Heinz	Ketchup	4.8
Hallmark	Greeting Card	4.4	Ace	Laundry Detergent	4.8

Tylenol	Pain Killer	4.4	Toddy	Beverages	4.5
Victoria's Secret	Lingerie-Retail	4.4	Kraft	Mayonnaise	4.4
Kenmore	Appliances	4.2	Polar	Beer	4.3
Axe	Deodorant	4.2	Mavesa	Margarine	4.2
Old Spice	Personal Care	4.1	Pampero	Rum	3.9
New Balance	Shoes & Apparel	4.0	Maggi	Condiments	3.9
Citibank	Financial Services	3.9	Palmolive	Bar Soap	3.8
Special K	Breakfast Cereal	3.7	Belmont	Cigarettes	3.6
MAC Cosmetics	Cosmetics	3.4	Cada	Retail	3.5
Aveda	Personal Care	3.2	Mercantil	Financial Services	3.5

Table 2.2 Ranking of U.S. Brands in Terms of Frequency of Culturally Related Mentions in Online Documents

Brand	Product Category	Standardized Frequency of Cultural Mentions
Ford	Cars & Trucks	4.4
Apple	Electronics	2.3
Coke	Soda	1.0
Nike	Shoes & Apparel	0.7
Walmart	Retailer	0.4
Harley-Davidson	Motorcycles	0.1
Victoria’s Secret	Lingerie-Retail	0.0
NFL	Sports	–0.1
New Balance	Shoes & Apparel	–0.2
Budweiser	Beer	–0.2
Citibank	Financial Services	–0.3
Tylenol	Pain Killer	–0.4
MAC Cosmetics	Cosmetics	–0.4
Kenmore	Appliances	–0.5
Hallmark	Greeting Card	–0.5
Old Spice	Personal Care	–0.5
Aveda	Personal Care	–0.5
Special K	Breakfast Cereal	–0.5
Aunt Jemima	Pancake Syrup	–0.5
Axe	Deodorant	–0.6

in both lists. Combining the two approaches increases our confidence about the cultural equity of these brands.

Figure 2.4 summarizes the multi-method approach for assessing the different dimensions of cultural equity. The cultural symbolism scale assesses directly the extent of intersubjective consensus about the brand’s associations and symbolism of the culture. The scale indirectly assesses cultural authority by measuring how embedded the brand is in a network of cultural symbols and identity images. Measures of the frequency with which the brand is used in public discourse to illustrate cultural themes speak more directly to the cultural authority

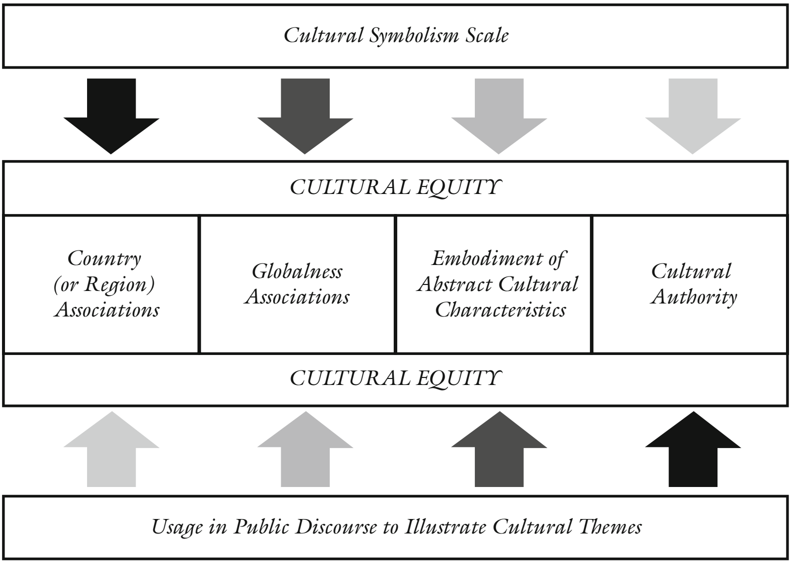

Cultural Symbolism Scale
CULTURAL EQUITY
Country (or Region) Associations
Globalness Associations
Embodiment of Abstract Cultural Characteristics
Cultural Authority
CULTURAL EQUITY
Usage in Public Discourse to Illustrate Cultural Themes

Figure 2.4 Multi-Method Approach for Assessing Cultural Equity

dimension of cultural equity. In combination, these approaches can provide a holistic view of a brand's cultural equity.

CULTURAL EQUITY AT DIFFERENT LEVELS OF GROUP CATEGORIZATION

One important aspect of cultural equity is that such equity is dependent on the level of group categorization adopted. That is, cultural equity varies with the level of categorization used for defining the cultural group symbolized by the brand. In other words, a brand might have cultural equity at a subculture level but lack it at the supracultural level, or vice versa. This is often obvious when contrasting cultural equity in terms of distinct national cultures. For instance, most Americans would find no cultural meanings in the Venezuelan icons in table 2.1—unfamiliar brands unlikely to be associated with Venezuelan culture. Although nations and cultures often overlap, this overlap is far from perfect. Any given society is often composed of individuals with different cultural orientations.[22] Within the same geographical region, distinctions among cultural groups can be further established by dividing the human community using any meaningful criteria, such as gender, age, class, occupation, or ethnicity.[32] Furthermore, with the acceleration in migratory patterns fueled by globalization, nations are growing in cultural diversity (think the growth of Hispanics in the United States or that of Muslims in Western Europe).[51] Because a brand's cultural symbolism refers to meanings in relation to a cultural group and given that cultural groups within the same nation can be established based on multiple criteria, a brand's cultural equity is dependent on the level of group categorization used as a reference.

Although a brand might lack cultural significance for the larger national group, it can have significance for subgroups of individuals that share the same subculture. For instance, it was indicated earlier that *Hallmark*, *Victoria's Secret*, and *Special K* lacked cultural significance when considering the larger American group. However, when focusing on the more narrowly defined women culture in America, the same brands have a very high level of cultural equity. Most women believe that these brands embody the abstract characteristics of female America (i.e., rate them high in terms of cultural symbolism), and these brands are extensively used in public discourse when referring to the themes and ideas of female America. American women use these brands to reinforce their feminine identity.[50]

The dependence of cultural equity on the level of group categorization is also evident in brands that, although lacking symbolism for the national culture, can have rich cultural meanings for ethnic groups or subregions within a country. For instance, the distinctive cultural identity in the Upper Midwest (i.e., Minnesota, Wisconsin, the Dakotas, and the Upper Peninsula) is in part attributed to a unique and sustained immigration from Scandinavian countries (e.g., Sweden or Norway). Many of the settlers in Minnesota and the Dakotas replicated their Swedish or Norwegian social and religious values in the New World, which explains the emergence of Swedish- and Norwegian-oriented subcultures in the region.[52] This is consistent with the region's more horizontal social structure that emphasizes self-reliance values over status and wealth displays—as exemplified in "the Minnesota way" of perseverance, hard work, and being friendly to others.[53] Several brands such as *Target* (retailer), the *Green Bay Packers* (*NFL* team), or *Caribou Coffee* (coffee shop), although lacking strong cultural significance for the larger American culture, enjoy high levels of cultural equity in the eyes of Upper Midwesterners. Consumers in the region consume these brands at least in part to reinforce the importance of their Midwestern identity.[54]

Because cultures are not entirely homogeneous and given that a brand's cultural equity is contingent on the cultural group used as a reference, one wonders why brands that symbolize certain subgroups don't symbolize the supra-level culture. For instance, why is it that *Hallmark* or *Victoria's Secret*, although highly symbolic of female culture in America, don't reach the podium of American icons? Furthermore, does an American icon such as *Harley-Davidson* also symbolize a subculture? If so, does becoming an icon for a certain subculture make it easier to create cultural equity at the supra-cultural level? These questions can be answered by focusing on the intersubjective consensus driving the ascription of cultural meanings, and more specifically on the societal forces that shape the emergence of intersubjective culture.

In the case of a female-symbolic brand such as *Hallmark*, it is clear that this brand's caring image is at odds with abstract images of power, ruggedness, and independence used to characterize American culture. However, *Special K*'s image of a partner in helping consumers achieve their weight-management goals, or *Victoria's Secret* image of sophistication and uniqueness, partially overlap with the abstract images that characterize American culture. One could argue that marketing efforts to furthering brand-culture image alignment might eventually help these brands to become American icons (i.e., for all Americans and not only for American women). I am sure the reader is probably shaking his or her head while thinking that there is no way that these brands will reach the American cultural podium. The reason for this reaction is the intersubjective understanding that the essence of American culture is masculinity as opposed to femininity, in very much the same way that it is whiteness as opposed to blackness.[55]

Generally speaking, supra-level cultures are defined in terms of the characteristics of the more dominant groups, and symbols of such dominant groups are more likely to be explicitly used as elements in broad-level cultural discussions.[56] For example, symbols and historical events linked to white Americans are more likely to be distributed through museums, shrines, and parks than those linked to African Americans or Native Americans,[57] reflecting the higher status and power historically enjoyed by white Americans relative to other ethnic groups. This shapes an intersubjective understanding in American culture that "American = White"—an implicit shared belief that affirms the status distinction between ethnic groups in America by attributing Americanness exclusively to the dominant ethnic group (Caucasians).[55] Extending these notions to brands helps to explain why it would be very hard for female-symbolic brands to acquire cultural meanings for the supra-level American culture. Because of men's higher cultural status relative to women, both men and women in the United States associate the male gender with greater power,[58] readily misattribute status to unknown male figures,[59] and evaluate more favorably male rather than female authority figures.[60] Thus, an "American = Men" bias in the perceived consensus and public discourse in America makes it difficult for female iconic brands to also symbolize American culture. In contrast, it should be easier for brands that symbolize male (and particularly white male) America to acquire cultural equity in relation to American culture. Research suggests that this is indeed the case, and both men and women perceive brands that are symbols of men (and not those that are symbols of women) to be symbols of America. Moreover, brands accorded with higher male symbolism are more likely to be mentioned together with references to American symbolism in public discourse.[50] *Harley-Davidson* serves as a perfect example for this notion. This is a brand that tops the list of American icons while also symbolizing white male America.[7]

CHAPTER SUMMARY

Culture is defined here as shared elements that provide the standards for perceiving, believing, evaluating, communicating, and acting among those who share a language, a historical period, and a geographic location. Brands can acquire cultural meanings and become associated with the abstract characteristics that define a cultural group; hence a brand's cultural symbolism is the perceived consensus of the degree to which the brand symbolizes the abstract image of a certain cultural group. Because the cultural meanings in iconic brands can elicit distinct consumer responses, these brands are said to have cultural equity. Cultural equity consists of multiple dimensions including country (or region) of origin associations, globalness associations, embodiment of abstract cultural characteristics, and cultural authority. As an aspect of brand equity, measuring cultural equity often requires a multi-method approach. Two complementary methods include self-reported measures of intersubjective consensus about a brand's cultural meanings (cultural symbolism scale) and measures of frequency of brand usage in public discourse to illustrate cultural themes. One important aspect of cultural equity is its dependence on the level of group categorization. In other words, a brand might have cultural equity for a subculture but lack it for the supra-level culture or vice versa. Because cultures are not entirely homogeneous and given that a brand's cultural equity is contingent on the cultural group used as a reference, brands that symbolize different subgroups are more or less likely to become icons of the supra-level culture. In particular, it is easier for brands that symbolize more dominant subgroups to acquire cultural equity in relation to the supra-level culture.

SECTION 2

GAINING INSIGHTS INTO HOW CROSS-CULTURAL CONSUMERS VIEW ICONIC BRANDS

CHAPTER 3

CONSUMERS FROM DIFFERENT CULTURES

Meet John, a stockbroker from New York, the United States. He starts the morning grabbing a skinny cinnamon dolce latte, his favorite drink, made to perfection (using soy milk, light foam, extra hot, and with an extra kick of espresso) by Celeste at the nearby Starbucks. John is looking forward to another exciting day at work that will get him closer to his dream of becoming office manager. He is well ahead of his peers in terms of the dollar amount of assets under management, and he wants to make sure that this statistic is noticed in today's monthly staff meeting. John has prepared a speech to showcase his achievements during the last month. He plans to discuss in detail the actions that he undertook in order to land some key accounts during the month. This will give him the opportunity to stress his superior selling skills, something critical for his dream job as an office manager. On his way to work, John notices a billboard for the new *Cadillac* ATS, "Built to Be the World's Best," which reminds him to stop by the nearby *Cadillac* dealer to check this attractive new model.

Meet Min-Jun, a stockbroker from Seoul, Korea. He starts the morning with a cup of green tea brewed the Korean way. That is, letting the water cool after boiling and adding the tea when it reaches around 60°C. He gets the tea from a small farm that was discovered by his dad 20 years ago. Min-Jun calmly sips the tea while reflecting about the importance of the day ahead for his future growth in the firm, as well as the consequences for his relationship with both his office peers and his family. He is well ahead of his peers in terms of the dollar amount of assets under management, and he wants to make sure that this statistic does not create unnecessary friction with his coworkers. Min-Jun has prepared a speech to explain how he has fulfilled his responsibilities during the last month. He plans to discuss in detail how the collective actions undertaken by him and his peers, along with changes in the economic environment, helped to land some key accounts during the month, and outline the consequences for future group performance. On his way to work, Min-Jun notices a billboard for the new *Hyundai* Blue Drive models that make environmental efficiency more affordable, which reminds him to stop by the nearby *Hyundai* dealer to check these attractive new models.

These two hypothetical individuals illustrate how consumers from different cultures, and living apparently similar realities, can differ so dramatically in their thoughts, motivations, preferences, and actions. Chapter 2 discussed how cultural differences are evident in the patterns of beliefs, ideas, and values that are organized around individualistic or collectivistic orientations, and more precisely around their horizontal and vertical distinctions. This chapter reviews in more detail how different cultural orientations are associated with distinct patterns of self-definition, perception, knowledge organization, self-presentation, motivation, self-regulation, and message preference.

WHO AM I?

Let us perform a couple of exercises. First, take a paper and a pencil. Now, write ten statements that start with "I am ___________." Don't think too much, just complete the ten statements.[1] Next, draw a diagram of yourself in relation to five other people. Use six circles: one for yourself, and one for each of the five other people. Again, don't think too much and just draw the diagrams.[2] If you are from an individualistic culture (e.g., the United States, Australia, or Denmark), your ten statements are likely to look like those in the left panel of figure 3.1, and your diagram might look like that in the left panel of figure 3.2. Statements in black refer to personal descriptors that characterize the individual self (i.e., the self that is independent or separate from others), whereas statements in gray relate to definitions of the self in relation to others (e.g., being part of a collective group or having a close relationship with somebody else). In individualistic cultures, people tend to have a view of the self as independent or separate from others, and hence complete the statements with personal descriptors and draw diagrams in which others are separate from the self. People in these cultures try to maintain their independence from others by attending to the self and by discovering and expressing their unique inner characteristics.[2] For instance, in the individualistic American culture, the emphasis on this independent view of the self is evident in popular baby and toddler songs, such as Barney's "Everyone Is Special," in which being special, unique, and distinct is heavily emphasized.[3]

However, if you are from a collectivistic culture (e.g., Korea, China, or those in most of South America), your ten statements are likely to look like those in the right panel in figure 3.1, and your diagram might look like that in the right panel of figure 3.2. In collectivistic cultures, people tend to have a view of the self as interdependent with others, and hence complete the statements with group membership or relationship descriptors and draw diagrams in which others overlap with the self. People in these cultures emphasize human connectedness and being a participant in larger social units.[2] For instance, in the collectivistic Venezuelan culture, the emphasis on this interdependent view of the self is evident in the first pages of books used to teach reading to children. The first sentences used in these books emphasize notions of interdependence with parents, such as "*Amo a mi mamá*"

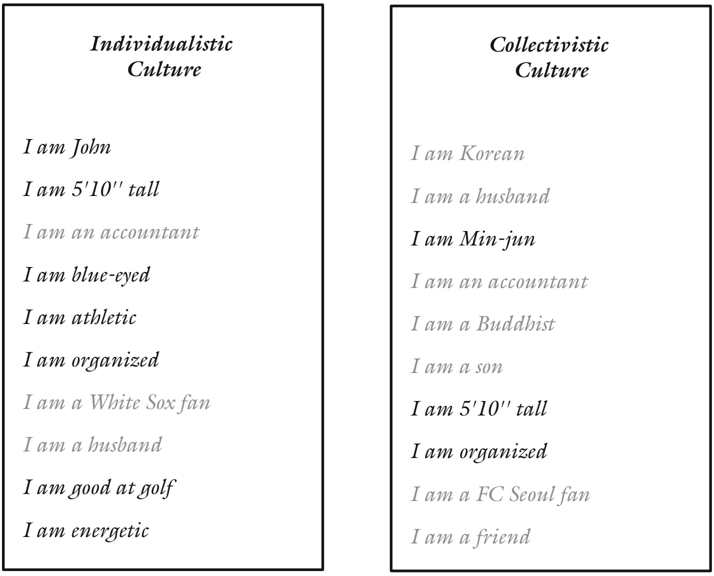

Individualistic Culture
I am John
I am 5'10'' tall
I am an accountant
I am blue-eyed
I am athletic
I am organized
I am a White Sox fan
I am a husband
I am good at golf
I am energetic
Collectivistic Culture
I am Korean
I am a husband
I am Min-jun
I am an accountant
I am a Buddhist
I am a son
I am 5'10'' tall
I am organized
I am a FC Seoul fan
I am a friend

Figure 3.1 Typical Statements Written by Consumers from Individualistic or Collectivistic Cultures

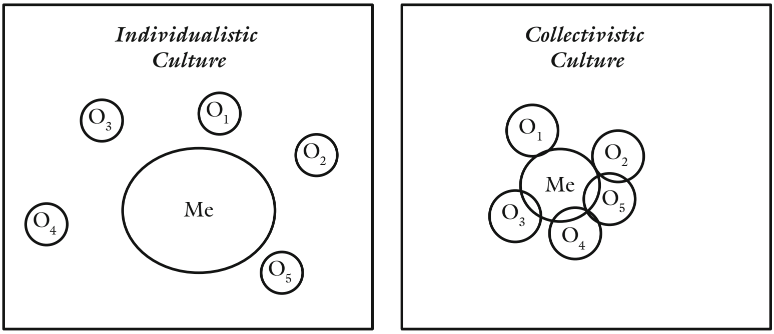


Figure 3.2 Typical Diagrams Drawn by Consumers from Individualistic or Collectivistic Cultures

(I love my mom), "*Mi mamá me ama*" (My mom loves me), "*Pepe ama a papi*" (Johnny loves Daddy):[4]

Saying that people in individualistic (collectivistic) cultures tend to view the self in an independent (interdependent) way does not mean that such people *always* view the self in a single manner. Indeed, the typical statements in figure 3.1 show that both independent and interdependent views of the self are present in responses from consumers in either type of culture. Thus, people from different cultures have the capacity to view the self in either independent or interdependent terms. However, the *likelihood* that people will view the self in one way or another predictably varies by culture. People in individualistic cultures are more likely to spontaneously view the self as independent from others, whereas people in collectivistic cultures are more likely to view the self as interdependent with others.

The vertical-horizontal distinction intersects the individualism-collectivism classification to provide a more nuanced understanding of people's self-views. Independently of whether a person views the self as separate or interconnected with others, he can see the self as being more or less similar in status than others. A vertical view of the self is one in which the self is expected to be higher or lower in status than others. Under this view, the self and others are arranged hierarchically, and status inequalities are expected and accepted. This view of the self resembles the culture-level dimension of *power distance*, commonly used to describe the acceptance of hierarchies and inequalities that characterize Asian and Latin American societies.[5] In contrast, a horizontal view of the self is one in which the self is expected to be very similar in status to others.[6] This view of the self resembles the *equality* *matching* form of sociality characterized by egalitarian distributive justice and in-kind reciprocity.[7]

Crossing the vertical-horizontal distinction with the individualism-collectivism classifications results in four different views of the self (that map into the four cultural orientations discussed in chapter 2). A horizontal-individualistic view of the self is one in which the self is independent from others, but the individual sees the self as being similar in status to others. Being independent and self-reliant is an important aspect of this pattern. For instance, in Scandinavian cultures people prefer to view themselves as equal to others in status and eschew status differentiation.[8] A vertical-individualist view of the self also postulates an autonomous self, but inequality between individuals is expected. Competition is an important aspect of this pattern. This view of the self is very common in North America, where rising above others and becoming famous is highly desirable.[9] A horizontal-collectivistic view of the self considers the self as merged with members of in-groups, all of whom are similar in status. Equality is the essence of this pattern. For example, in some monastic orders, individuals develop high levels of interdependence while equally sharing responsibilities and privileges. Finally, a vertical-collectivistic view of the self also sees the self as an aspect of in-groups, but some members have more status than others. Serving and sacrificing for the in-group is an important aspect of this pattern. This view of the self is very common in India, where the father has the ultimate authority over family decisions.[10]

HOW DO I THINK ABOUT OTHERS AND THE WORLD?

The considerable social differences that exist among different cultures affect not only how people view the self, but also how they perceive the world around them. Because an interdependent view of the self emphasizes the self in relation to others, knowledge about the social surroundings becomes very important, and particularly about others in direct interaction with the self. Furthermore, because the self can be an aspect of multiple in-groups (e.g., family, coworkers, religious community, etc.), knowledge about the self depends on the context and is linked to specific social situations. In contrast, because an independent view of the self emphasizes an autonomous self, private knowledge about abilities, tastes, and feelings becomes very important. Viewing the self as a separate entity free of social constraints fosters a decontextualized view of the world that focuses on focal objects and their attributes.

Focusing on Objects versus the Environment

Alternative views of the self cause people to attend differently to objects and their relationships with the environment. Perceiving the self as embedded within a larger social context forces people to attend to the relationships among the self, others, and the environment. Thus, interdependent people from collectivistic cultures (e.g., East Asians) have a tendency to attend to the social and environmental context as a whole, and especially to relationships between focal objects and the environment, and to predict events on the basis of such relationships. This way of thinking is often referred to as *holistic* thinking style.[11] In contrast, independent people from individualistic cultures (e.g., Americans) have a tendency to focus on the attributes of an object, separate from its context, in order to assign it to a category, and to use rules about the category to explain and predict the object's behavior.[11]

One study conducted with American and Japanese individuals illustrates how East Asians (i.e., collectivists) are more sensitive to the context when attending to events, whereas Americans (i.e., individualists) are more sensitive to focal objects in the environment. Participants in the study were presented with realistic, animated scenes of fish and other underwater objects and asked to report what they had seen. The first statement by Americans usually referred to the focal fish (e.g., "There was what looked like a trout swimming to the right"), whereas the first statement by Japanese usually referred to background elements (e.g., "There was a lake or pond"). Although Americans and Japanese were equally likely to mention details about the focal fish, Japanese individuals made more statements about background aspects of the environment, as well as about relations involving inanimate aspects of the environment (e.g., "The big fish swam past the gray seaweed"). Furthermore, when participating in a subsequent recognition task, Japanese performance was harmed by showing the focal fish with the wrong background, indicating that the perception of the object had been bound to the field in which it had appeared. In contrast, American recognition of the object was unaffected by the wrong background.[12]

Detecting Relationships between Objects

Being more sensitive to the relationships between objects and the environment affords an advantage in detecting broader connections between objects. Indeed, because Easterners pay more attention to the field, they are more able to identify relationships between a parent brand and a newly introduced extension based on complementarity of use or overall reputation. In contrast, Westerners tend to judge brand extensions on the basis of their similarity with the products already sold by the brand, or on the extent to which the attributes of the parent brand transfer to the new product.[13] For example, Indian consumers (collectivists) perceive a higher fit and evaluate more favorably a Kodak filing cabinet than American (individualists) consumers do. This effect occurs because of the complementarity of use connection between Kodak and filing cabinets (e.g., filing cabinets can be used to store pictures) that Indian consumers are capable to detect.

Explaining the Causes of Behaviors

The context-dependence (context-independence) attention fostered by an interdependent (independent) view of the self also has consequences for the reasons put forward by people to explain behaviors. Whereas in collectivistic cultures people's behaviors are explained based on what they face in a particular situation, in individualistic cultures similar behaviors are explained by focusing on people's traits. For example, the same murder reported by a Chinese reporter writing for a Chinese audience (collectivists) attributes the crime more to situational factors (e.g., "[The suspect] did not get along with his advisor" or "Murder can be traced to the availability of guns"), whereas an American reporter writing for an American audience (individualists) attributes the crime more to personal dispositions (e.g., "Darkly disturbed man who drove himself to success and destruction" or "Very bad temper").[14]

Vertical and Horizontal Cultural Distinctions and Information Processing

Focusing on the vertical and horizontal distinctions nested within the broader individualism-collectivism classification affords a more nuanced understanding of the way in which people from different cultures perceive the world. As stated earlier, individualists have a tendency to assign objects to categories and to make predictions about these objects based on category attributes. Thus, when presented with information about a focal object, individualists often focus on information that is consistent with the stereotype of the category to which the object belongs and ignore information that is inconsistent—often referred to as *stereotyping processing*. This processing tendency is particularly acute among powerful individuals who rely on such processing strategies as a way of defending one's powerful status by

The Interbank Investment Advisory Company is a member of the most powerful financial group in the country. With more than 70 years of experience managing consumers' investment portfolios, it has become the most respected, strong, and knowledgeable company in the investment-advisory industry. Potential customers are prescreened to guarantee that there is a match between the company's services and customers' needs. Relationships are only established with customers that can take advantage of Interbank's power and expertise.

Figure 3.3 Message Appeal That Heightens Notions of Power for Advancing One's Status

reasserting control.[15] Recent research shows that such stereotyping tendencies are more common among vertical individualists. Because these individuals are concerned with competition, power, and rising in status above others, they think of power as something to be used for their personal advancement. In turn, situations that heighten a sense of power make these individuals more likely to engage in stereotyping processing. For instance, vertical individualists presented with an advertisement for the upscale, status-enhancing financial advisory service in figure 3.3 (that heightens the notion of power for advancing one's status) recognize better, in a subsequent recognition task, information *congruent* with the stereotypical image of the status product (e.g., "Financial experts graduated from the top-tier universities in the country") relative to their recognition of *incongruent* information (e.g., "When you visit Interbank offices, you will feel the warmth of your own home").[16]

Because collectivists rely less on categories, their perceptions are often based on a holistic view that considers all aspects of the target object. Such other-centered processing style involves an effort in individuating and understanding others—often referred to as *individuating processing*. This processing tendency is particularly evident among powerful individuals who feel responsible toward others.[17] Recently, these individuating tendencies have been linked to people with a horizontal-collectivistic orientation. Because these individuals are concerned with interdependence and sociability under an egalitarian framework, they think of power as something to be used to have positive impacts on undifferentiated others. In turn, situations that heighten the nurturing effects that one can have on others make these individuals more likely to engage in individuating processing. For instance, horizontal collectivists presented with an advertisement

Doggy One® dog food has been designed for a tasty treat that is sure to make your dog's face light up with excitement. Doggy One® uses only high-quality ingredients, including real meat, to provide a food with exceptional flavor and nutrition that will make your dog happy. When you feed your dog with Doggy One® dog food, you are providing the smart nutrition needed for your dog to stay vigorously happy throughout life. Its dog food is carefully designed by pet lovers like you who care for the well-being of your dog.

Figure 3.4 Message Appeal That Heightens Notions of Having a Nurturing Effect on Others

for the nurturing dog food product in figure 3.4 (that heightens the notion of having a nurturing effect on others) recognize better, in a subsequent recognition task, information *incongruent* with the stereotypical image of the nurturing product (e.g., "It has been reported that the company recently influenced distributors to stop carrying competitors' products").[16]

HOW DO I ORGANIZE MY THOUGHTS?

People make sense of the world by being sensitive to the things that are relevant to them. Different views of the self should then affect how thoughts about objects and situations are organized in memory. Because an interdependent view of the self emphasizes the self in relation to others, people in collectivistic cultures develop a dense and richly elaborated store of information about the self in relation to others. Furthermore, because knowledge about the self depends on the social context and roles, it cannot be organized in memory as a general category, but rather as distinct categories linked to specific social situations (e.g., at work, at home, with a child at the playground). Perceiving the self as embedded within a larger social context fosters an organization of thoughts that is also dependent on the situation. People with interdependent selves (e.g., East Asians) organize their thoughts in terms of relationships among objects and events in the environment. For instance, East Asians commonly group objects and events on the basis of functional relationships (e.g., saw and wood go together because you use them for making a fire).[11]

In contrast, because an independent view of the self emphasizes an autonomous self, people in individualistic cultures develop a unitary and stable representation of the self in general. Viewing the self as a separate entity free of social constraints facilitates an organization of thoughts based on the attributes of objects. For people with independent selves (e.g., Americans), knowledge about the self, or the world, is stored in memory irrespective of the social context in which it was acquired and organized around characteristic attributes (e.g., smart, competent, or athletic).[2] For example, Americans commonly group objects and events using category memberships established on the basis of common attributes and features (e.g., a saw and a hammer go together because both are tools).[11]

HOW DO I WANT OTHERS TO PERCEIVE ME?

Self-presentation pervades all aspects of human behavior. People want to look good in their interactions with others. In doing so, they often embellish their representations to convey a desired image rather than an accurate representation of one's personality.[18] However, because what constitute a desirable image of the self can vary by culture, people of different cultures present themselves to others in varied ways.[19] In individualistic cultures, people strive to present themselves as self-reliant, confident, and skillful. This often results in an exaggeration of one's abilities or in a tendency to describe oneself in inflated and overconfident terms—also referred to as *self-deceptive enhancement*. In contrast, people in collectivistic cultures strive to present themselves as sensitive and socially appropriate—also referred to as *impression management*.[20] For example, having an independent view of the self makes people more likely to choose to take a test that would showcase their self-reliance, whereas having an interdependent view of the self makes it more likely to choose to take a test that showcases one's social sensitivity.[21]

Examination of horizontal versus vertical categories yields more nuanced insights into the self-presentation styles of people from different cultures. As stated earlier, people in horizontal-individualistic cultures are especially motivated to view themselves as separate from others, self-reliant, and unique. In contrast, people from vertical-individualistic cultures are concerned with competition and achieving a higher status. Thus, horizontal individualism fosters a self-presentation style aimed at establishing a view of oneself as capable of being successfully self-reliant.[19] In contrast, vertical individualism promotes a self-presentation style aimed at establishing one's achievements, status, and power.[22] For example, horizontal individualists express more confidence that they can make the right decision about whether to accept a future job and are more likely to anticipate performing well on the job, whereas vertical individualists are more likely to inflate their income and their success at influencing others.

People from horizontal-collectivistic cultures are especially motivated to maintain strong and benevolent social relations and, therefore, to appear socially appropriate in their responses.[19] In contrast, people from vertical-collectivistic cultures are concerned with serving and sacrificing for the in-group, and hence to appear as being dutiful and responsible.[22] For example, horizontal collectivists are more likely to deny that they would gossip about coworkers on a job, plagiarize a friend's paper for a course, or damage someone's furniture without telling them, whereas vertical collectivists are more likely to inflate their self-reported success at fulfilling their duties in close relationships with others (e.g., being a more responsible parent, friend, or spouse).

WHAT END GOALS MATTER TO ME?

Chapter 2 introduced a discussion about the abstract brand images, in terms of human values representations, that better represent the abstract cultural characteristics of the cultures that emerge using the vertical-horizontal distinction nested within the individualism-collectivism classification (see figure 2.3). In this section, we elaborate more on the abstract goals, or values, that matter to individuals in different cultures. Values are abstract representations of desired end states that serve as guiding principles in people's lives.[23] Different cultures nurture the pursuit of different desirable end states. For instance, cross-national research in the United States (vertical-individualist society) and Denmark (horizontal-individualist society) shows clear differences in the importance that people place upon achievement, the display of success, and the gaining of influence. Denmark is characterized by benevolent social welfare policies designed to help the least fortunate in society, coupled with a ubiquitous social modesty code (the *Janteloven*) that frowns on showing off. In contrast, in the United States the notion of equality is equal opportunity, as opposed to equivalence of outcomes. These societal differences are reflected in the values being articulated when people reflect on their goals and hopes for the future. Indeed, in open-ended interview responses, Americans tend to discuss the importance of achieving their goals as something that makes them happy, whereas Danes do not. Moreover, Americans are more likely to recognize achievement and power values as being more important in their lives than Danes do.[8] In contrast, for horizontal individualists, self-direction values of independent thought appear to be the more important ones.[24]

American and Danish individualism differ from each other in much the same way that Japanese collectivism (vertical collectivism) differs from the collectivism of the Israeli kibbutz (horizontal collectivism). Japanese collectivism emphasizes the importance of existing hierarchies and traditional family values. In vertical-collectivistic societies, people focus on complying with authorities and on enhancing the cohesion and status of their in-groups, even when that entails sacrificing their own personal goals. Vertical collectivism is positively correlated to a sense of obligation within a social hierarchy and to traditional values.[24,25] In contrast, horizontal collectivists focus on sociability and interdependence with others within an egalitarian framework. They strive to have positive effects on others and exhibit behavioral intentions that promote the attainment of pro-social goals of helping others.[9] Thus, horizontal collectivism (but not vertical collectivism) correlates with sociable and benevolent values.[8]

HOW DO I GO ABOUT ACHIEVING MY GOALS?

People are motivated to engage in action in order to accomplish the things that matter to them. There are two broad ways in which people go about achieving their goals, or regulating their behavior toward goal achievement. People may focus on *promoting* the pursuit of gains and aspirations toward ideals, or alternatively they may focus on avoiding the negative occurrences that *prevent* them from fulfilling their obligations and duties.[26] Different self-views emphasized in different cultures impact how people go about achieving their goals. An independent view of the self emphasizes the individually rooted goal of distinguishing oneself from others. In individualistic cultures that nurture an independent view of the self, and particularly so in vertical-individualistic cultures that foster competition, there is a focus on the promotion of attitudes and behaviors toward the pursuit of growth and the achievement of hopes and aspirations. People with an independent view of the self often pursue their goals with eagerness and are sensitive to the presence and absence of positive outcomes.[27] For example, Americans presented with the hypothetical situation of playing individually in the finals of a tennis tournament can perceive the situation as more important when it emphasizes the positive outcome of winning the tournament and the trophy, rather than the negative outcome of losing.[28]

In contrast, an interdependent view of the self emphasizes the interdependent goal of maintaining harmony with respect to others. In collectivistic cultures that nurture an interdependent view of the self, and particularly so in vertical-collectivistic cultures that foster conformity and obedience, there is a focus on the prevention of attitudes and behaviors that could impair the fulfillment of duties and obligations. People with an interdependent view of the self often pursue their goals with vigilance and are sensitive to the presence and absence of negative outcomes.[26] For example, East Asians presented with the hypothetical situation of playing in the finals of a tennis tournament can perceive the situation as more important when it emphasizes the negative outcome of losing the tournament and the trophy, rather than the positive outcome of winning.[28]

WHAT ADVERTISING MESSAGES APPEAL TO ME?

Most research on cultural influences on judgment and persuasion suggest that the prevalence or the persuasiveness of a given type of appeal matches the cultural value orientation of the society. For instance, appeals to individuality, personal benefits, and achievement tend to be more prevalent and persuasive in individualistic compared to collectivistic cultures, whereas appeals to group benefits, harmony, and conformity tend to be more prevalent and persuasive in collectivistic compared to individualistic cultures. Such evidence for *cultural matching* in the nature of appeals has since been followed by studies examining the distinct psychological processes driving persuasion across cultures. These studies suggest that culture can affect how people process and organize in memory product-related information. It can determine the type of information that is weighed more heavily for making judgments (e.g., product attributes versus other consumers' opinions). It can also influence thinking styles and the mental representations of brand information.

Cultural Differences in the Content of Message Appeals

Cross-cultural content analyses of advertisements can yield valuable evidence about distinctions in cultural values. For instance, American advertisers are often exhorted to focus on the advertised brand's attributes and advantages[29]—something consistent with the individualistic tendency to focus on the attributes of objects that characterizes American culture. In contrast, advertisements in Japan tend to focus on "making friends" with the audience and showing that the company understands their feelings[30]—something consistent with the collectivistic tendency to focus on relationships that characterizes Japanese culture. Similarly, a content analysis of magazine advertisements revealed that in Korea, compared to the United States, advertisements are more focused on family well-being, interdependence, group goals, and harmony, whereas they are less focused on self-improvement, ambition, personal goals, independence, and individuality.[31] However, as one might expect, the nature of the advertised product moderated these effects. Cultural differences emerged strongly only for products that tend to be purchased and used along with other persons (e.g., groceries, cars). Products that do not tend to be shared (e.g., health and beauty aids, clothing) are promoted more in terms of personal, individualistic benefits in both countries. Another content analysis of advertisements indicated that Korean advertisements, compared to U.S. advertisements, were characterized by more conformity themes (e.g., respect for collective values and beliefs) and fewer uniqueness themes (e.g., rebelling against collective values and beliefs).[32] Cultural differences also extend to the interactivity of corporate websites. For example, corporate web sites in the United States and United Kingdom tend to emphasize consumer-message and consumer-marketer interactivity. In contrast, those in Japan and Korea tend to emphasize consumer-consumer interactivity, a pattern consistent with cultural values stressing collectivistic activities that foster interdependence and sociability.[33]

The content of advertisements can also reflect the vertical or horizontal tendencies of the cultures. Although advertisements from both Korea and Thailand (both collectivistic) contain more group-oriented situations than those from Germany and the United States (both individualistic), relationships between the central characters in advertisements that used humor were more often unequal in cultures characterized as having higher power distance (i.e., relatively vertical cultures, such as Korea) than in those labeled as lower in power distance (such as Germany), in which these relationships were more often equal.[34] Such unequal relationships portrayed in the advertisements reflect the hierarchical interpersonal relationships that are more likely to exist in vertical societies.

Cultural Differences in Judgment and Persuasion

The persuasiveness of advertising appeals appears to mirror the cultural differences in their prevalence. Appeals to individualistic values (e.g., "*Solo* cleans with a softness that you will love") are more persuasive in the United States, and appeals to collectivistic values (e.g., "*Solo* cleans with a softness that your family will love") are more persuasive in Korea. However, this effect is much more evident for products that are shared (laundry detergent, cars) than for those that are not (chewing gum, running shoes).[35]

A focus on the vertical or horizontal versions of individualism and collectivism provides a more nuanced understanding of the persuasiveness of advertising appeals. Specifically, appeals to self-enhancement

You'll turn heads
Wearing **Mitchel**

The hottest new name in fashion.

The new sunglasses that capture the essence of style and fashion.

Figure 3.5 Self-Enhancement Appeal

values that emphasize status achievement and appeals to openness values that emphasize living an exciting life seem equally appropriate in individualistic cultures because both types of appeals primarily refer to individual interests. However, appeals to openness values are more appealing for consumers with a horizontal-individualistic orientation but less so for those with a vertical-individualistic orientation. In contrast, appeals to self-enhancement values are more appealing for consumers with a vertical-individualistic orientation, but less so for those with a horizontal-individualistic orientation.[36] For example, a vertical-individualistic orientation predicts a better liking for the message appeal in figure 3.5, which emphasizes self-enhancement values of high status and being admired by others. In contrast, a horizontal-individualistic orientation predicts better liking for the message appeal in figure 3.6, which emphasizes openness values of being independent and expressing one's uniqueness.[37]

Similarly, although appeals to self-transcendence values (emphasizing collective concerns with the welfare of others and of nature) and conservation values (emphasizing collective concerns with maintaining traditions) seem equally appropriate in collectivistic cultures, appeals to self-transcendence values are more appealing for consumers with a horizontal-collectivistic orientation, but less so for those with a vertical-collectivistic orientation. In contrast, appeals to conservation values are more appealing for consumers with a vertical-collectivistic orientation, but less so for those with a horizontal collectivistic orientation.[36] For example, a horizontal-collectivistic orientation predicts a better liking for the message appeal in figure 3.7, which emphasizes self-transcendence values of caring for the environment and for others. In contrast, a vertical-collectivistic orientation predicts better liking for the message appeal in figure 3.8, which emphasizes conservation values of honoring traditions.[37]

Don't just wear
boring white.

Express yourself.

Jones.com allows you to design your own t-shirts.
Pick your color, pick your message, pick your style

Figure 3.6 Openness Appeal

Be green, save the world,

and look good doing it

Using Wallace bags not only looks good, you're also doing your part to save the environment. Wallace bags are made from recycled and fair-trade materials. Reusing your Wallace bag means less plastic bags and less resources wasted.

Figure 3.7 Self-Transcendence Appeal

Mmmm…
Pancakes just like the
Ones Mom always made.

Donna's Syrup is the same great syrup your family has used for decades to create that delicious, quality taste. Our great tasting recipe has been a family secret since 1857. Keep the tradition alive in your family by using our syrup for your Sunday breakfasts, holidays, and special events. Show your family that you care by buying **Donna's Syrup** today.

Figure 3.8 Conservation Appeal

Table 3.1 Psychological Characteristics of Each Cultural Orientation

Psychological Domain	Cultural Orientation			
	Horizontal-Individualism	*Vertical-Individualism*	*Horizontal-Collectivism*	*Vertical-Collectivism*
View of the Self	• Independent • Same status as others	• Independent • Different status from others	• Interdependent • Same status as others	• Interdependent • Different status from others
Perception of Others and the World	• Decontextualized • Focus on focal objects and their attributes • Causal explanation based on object's attributes	• Decontextualized • Focus on focal objects and their attributes • Causal explanation based on object's attributes • Stereotyping processing	• Contextualized • Focus on object-context relationships • Causal explanation based on situational factors • Individuating processing	• Contextualized • Focus on object-context relationships • Causal explanation based on situational factors
Organization of Knowledge in Memory	• Unitary • Based on object's attributes	• Unitary • Based on object's attributes	• Context-bound • Based on relationships between objects	• Context-bound • Based on relationships between objects
Self-Presentation	• Capable of being self-reliant	• Establishing one's achievement, status, and power	• Appearing as socially appropriate	• Appearing as being dutiful and responsible
Major Motivational Concern	• Self-reliance	• Power and status-seeking	• Interdependence and helping undifferentiated others	• Duties and obligations toward in-groups
Regulation of Behavior toward Goal Achievement	• Pursuit of gains and aspirations toward ideals	• Achievement of hopes and aspirations	• Avoiding non-gains and fulfilling duties	• Prevention of attitudes and behaviors that impair the fulfillment of duties
Abstract Image of Preferred Advertising Messages	• Openness messages of being free and living an exciting life	• Self-enhancement messages emphasizing status and achievement	• Self-transcendence messages focused on the welfare of others and of nature	• Conservation messages focused on maintaining traditions

CHAPTER SUMMARY

This chapter provides a framework for understanding in detail how consumers from different cultures differ in a variety of psychological domains. Table 3.1 summarizes the psychological characteristics of the different cultural orientations that emerge from the horizontal-vertical distinction nested within the individualism-collectivism classification. It describes how the different cultural contexts shape people's self-definition, perception, knowledge organization, self-presentation, motivation, self-regulation, and message preference.

CHAPTER 4

CONSUMERS' REACTIONS TO THE CULTURAL MEANINGS IN BRANDS

Attracted by a youthful, growing population of 70 million, *Mango*, the iconic Spanish clothing brand whose ads feature Penelope Cruz, opened its first store in central Tehran in April 2009. Although wearing a *Mango* miniskirt in public is grounds for being arrested, the aisles were crowded soon after the store opening, and the venture was anticipated to quickly become profitable.[1] The sudden success of the *Mango* store stands out against an apparent negative sentiment toward Western fashion brands doing business in Iran—seen by politicians as a bad influence on women—which even resulted in the torching of a *Benetton* store during anti-Western demonstrations earlier the same year. These situations illustrate the mixed reactions of consumers to the cultural meanings in brands. Exposure to brands loaded with cultural meanings can bring culture to the fore of the mind, which in turn can facilitate the framing of situations in cultural terms. In some cases, this *cultural framing* can induce an assimilation of consumers' judgments and actions to implicit cultural values and norms. However, on other occasions, framing a situation in cultural terms can create a contrast and elicit exclusionary responses. Furthermore, all of this can occur without consumer awareness of culture as a driver of the effects. This chapter reviews the psychological mechanisms underlying consumers' reactions to the cultural meanings in brands. It starts with a review of basic assimilatory processes triggered by exposure to cultural symbols. This is followed by a discussion of the increasingly common situations in which symbols of multiple cultures are juxtaposed in the same object (e.g., a bicultural product) or situation. The chapter closes with an analysis of the individual and situational factors that moderate the exclusionary responses to the cultural meanings in brands.

CULTURAL FRAMING

As stated earlier in the book, *culture* can be defined as shared elements that provide the standards for perceiving, believing, evaluating, communicating, and acting among people who share a language, a historic period, and a geographic location (see chapter 2). It has also been said that culture shapes people's self-definition, perception, knowledge organization, self-presentation, motivation, self-regulation, and message preferences (see chapter 3). But how is culture internalized by the individual to have such effects? Adopting a dynamic constructivist approach, this book considers that culture is internalized in the form of a loose network of domain-specific knowledge structures, such as values, beliefs, implicit theories, and mental processes.[2] In the same way that people acquire knowledge about the natural world and mentally organize it in the form of categories (e.g., animals, plants, fluids, solids, etc.), people, with some direct or indirect experiences with a certain culture, will develop a mental representation of that culture.[3] As depicted in figure 4.1, this mental representation consists of a central concept (e.g., American culture) and a network of associated beliefs (e.g., each individual is unique), values (e.g., independence and freedom to choose one's goals), implicit theories (e.g., people's

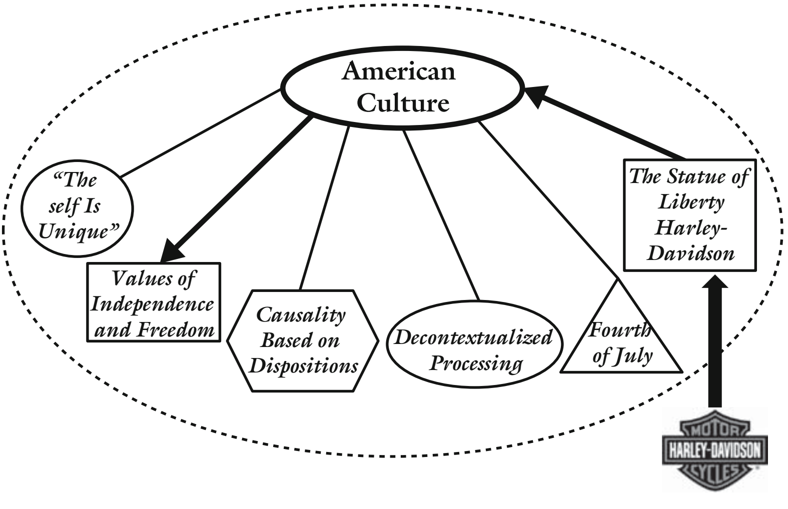

American Culture
"The self Is Unique"
Values of Independence and Freedom
Causality Based on Dispositions
Decontextualized Processing
Fourth of July
The Statue of Liberty Harley-Davidson

Figure 4.1 Internalization of Cultural Knowledge and Subsequent Activation

actions are driven by their dispositions), mental processes (e.g., separate focal objects from their context), events (e.g., the Fourth of July or the Super Bowl), as well as iconic objects, figures, and locations (e.g., the Statue of Liberty, *Harley-Davidson*, Elvis Presley, or the Yorktown battlefield).

Considering that culture is internalized as a mental, category-like structure carries with it important consequences. First, it suggests that culture does not operate as an overall mentality that uniformly guides people's actions across contexts. Instead, culture would color people's perceptions, as well as drive their opinions and actions, only when stimuli present in the environment or chronic personal tendencies bring its associated knowledge to the fore of the mind. In other words, people do not wear a cultural glass all the time and in every situation. Instead, the cultural framing of people's perceptions and behaviors occur when cultural knowledge is made readily accessible by the situation.

As illustrated in figure 4.1, American culture might be represented in memory as a categorical structure linked to a variety of beliefs, values, implicit theories, mental processes, events, objects, and places. Encountering a *Harley-Davidson* logo would spread activation throughout the knowledge network that is associated with American culture, bringing to the fore of the mind the elements in the network. This process is referred to as *cultural activation* or *cultural priming*. For instance, exposure to the *Harley-Davidson* logo can cause values of independence and freedom to become salient in people's minds. In turn, the salience of these values could cause individuals to frame the situation at hand in cultural terms (i.e., cultural framing) and apply the salient cultural values in subsequent judgments (e.g., evaluating more favorably advertisements that contain freedom themes) and behaviors (e.g., making product choices that reflect one's independence).[2] Furthermore, this can occur outside of conscious awareness or without conscious deliberation about cultural framing being the driver of the effects.[4,5] The process triggered by the exposure to the *Harley-Davidson* logo illustrates how *priming* with cultural icons can induce cultural framing. This occurs because icons of a culture are like "magnets of meaning" that connect many diverse elements of cultural knowledge.[6,7]

Another consequence of considering that culture is internalized as a mental, category-like structure is that people can develop mental representations of the different cultures they encounter. This is evident in bicultural individuals. These individuals internalize two cultures, either because of being of mixed racial heritage (e.g., Asian Americans who were born in the United States) or being born in one culture but raised in a second (e.g., Asian immigrants living in the United States).[8,9] For these individuals, exposure to symbols of one culture can trigger the adoption of its associated cultural frame to the exclusion of the other. This phenomenon is also known as *cultural frame switching*.[2,10,11] For instance, Chinese American biculturals exposed to American icons (e.g., American flag) exhibit judgments and behaviors aligned with implicit theories of American culture (e.g., lower attribution of behavior to external social pressure), whereas exposing the same individuals to Chinese icons (e.g., Chinese opera singer) leads them to align with Chinese culture (e.g., higher attribution of behavior to external social pressure).[5]

With globalization, the number of individuals with direct or indirect knowledge about two (bicultural) or more (multicultural) cultures as opposed to a single culture (monocultural) is rapidly on the rise.[9,12] According to the World Tourism Organization,[13] international arrivals worldwide have more than doubled since 1990, rising from 435 million to 675 million in 2000, and to 940 million in 2010 (approximately 13 percent of the world population). During the same period, Internet usage has grown at a staggering rate of 75,566 percent, as the number of Internet users has risen from about 3 million in 1990 to 361 million in 2000, and to 2,267 million in 2010 (approximately 32 percent of the world population).[14] This tremendous growth in Internet access increases the availability that people have to information about lifestyles, customs, and developments around the world. With increasing exposure to foreign cultures, so-called monocultural individuals who have not lived for extended periods in a foreign culture can internalize certain aspects of these cultures through international travel and media exposure, and hence exhibit cultural frame switching effects similar to the ones just described among traditional biculturals.[4]

ASSIMILATION TO A CULTURAL FRAME

As stated earlier, similar to other cultural icons, exposure to a culturally symbolic brand can bring to the fore of the mind its associated cultural knowledge.[15–17] In turn, this accessible cultural knowledge can induce people to behave in culturally consistent ways. This is illustrated in a study of American consumers.[17] Participants were asked to write a story about the meaning of being an American, one that could convey to those unfamiliar with American culture the shared values and beliefs that are important to Americans, or the elements that define being a person of worth in American culture. As a part of the task, participants were presented with three brands and asked to use them when writing their stories. One group of participants was presented with culturally symbolic brands (*Coke*, *Nike*, and *Levi's*), whereas another group was presented with American brands that lack a strong cultural meaning (*Kodak*, *JanSport*, and *Tombstone*). After writing the story, participants were asked to indicate how easy it was for them to write the story and how well the story described to others the shared values and beliefs that are important to Americans.

Results showed that, when writing about their culture, participants were more fluent in idea generation when they could include in their story culturally symbolic brands than when they included brands that lacked strong cultural meanings. This result was found in both self-reports of communicative fluency as well as in the number of ideas included in the story. The communicative effects of brand iconicity extended from communicative fluency to communicative effectiveness. Participants who used brands high in cultural symbolism included more important American values in their stories and felt that their stories communicated American culture more effectively. These findings illustrate how exposure to culturally symbolic brands can bring to the fore of the mind its associated cultural knowledge, which in turn can result in assimilation of such knowledge as requested by the situation.

Exposure to iconic brands or products can also induce assimilation to culturally appropriate judgments and behaviors. Prior studies have shown that Hispanic American women presented with an advertisement in Spanish are more likely to endorse self-sufficient descriptors of behavior that reflect what is appropriate among modern Latinas than when presented with the same advertisement in English.[18] This occurs presumably because the advertisement in Spanish activates Latin culture, whereas the one in English does not. Consistently, Hong Kong Chinese participants presented with a *McDonald's* advertisement were more likely to prefer an individualist message over a collectivist one compared to participants shown an advertisement containing Chinese symbols.[15] This effect occurs presumably because the iconic American brand activated American cultural values (i.e., individualist values) and thus elicited culturally consistent judgments.

Certain consumption situations can also trigger assimilation to a cultural frame. This can occur when the situation heightens the relevance of culture for the decision at hand. A study about the food choices of Chinese American and Mexican American consumers illustrates this phenomenon.[19] Participants were asked about their food choices for a dinner with either business associates or their parents. The food options included ethnic foods (relevant for each cultural group) or non-ethnic foods. Participants were more likely to choose the ethnic food for a dinner with parents than for the same dinner with business associates. These results were driven by a heightened awareness of Mexican or Chinese culture when anticipating a dinner with parents—a situation in which culture is highly instrumental for making a good decision.

BICULTURAL PRIMING

The *Starbucks* Coffee in Beijing's Forbidden City Palace closed in July 2007 following a massive online protest led by Rui Chenggang, an anchorman for China Central Television. According to Rui,[20] "The Forbidden City is a symbol of China's cultural heritage. Starbucks is a symbol of lower middle class culture in the West. We need to embrace the world, but we also need to preserve our cultural identity. There is a fine line between globalization and *contamination*." When *Starbucks* closed its shop in the Forbidden City, Rui's article has attracted more than half a million readers and inspired more than 2,700 commentaries, mostly of which are written in Chinese and are sympathetic to his cause. The negative reactions to *Starbucks* in the story contrasts with the otherwise favorable attitudes toward *Starbucks* among Chinese consumers—the *Starbucks* in New World Plaza, just a couple of subway stations away from the Forbidden City, is often bustling with local customers.

The story illustrates an increasingly common situation brought about by globalization, one in which symbols of two different cultural traditions are juxtaposed in the same time and space. In this context, the internalized mental representations of both cultures will be brought to the fore of the mind.[15] This phenomenon is often referred to as bicultural priming.[21] For example, for the Chinese people, seeing a *Starbucks* Coffee in the Forbidden City Palace in Beijing may call out the mental representations of both American and Chinese culture: *Starbucks* Coffee activates the perceiver's representation of American culture, while the Forbidden City calls out the cognitive representation of Chinese culture.[22] Likewise, Americans may experience similar dual cultural-activation effects when they see a tequila bottle (a symbol of Mexican culture) with the *Budweiser* brand (a symbol of American culture).[16]

Enlargement of Perceived Cultural Differences and Cultural Stereotyping

When two cultural representations are brought to mind simultaneously, the perceiver will use culture as an organizing theme in their perception. As a result, the perceivers' attention is drawn to the defining characteristics of the two cultures. The individual tends to attribute a high level of internal coherence to the two cultures, which enlarges the perceived differences and incompatibility of the two cultures. In other words, the two cultures are likely to be perceived as two discrete entities, each with its distinct characteristic traits. On the other hand, simultaneous activation enhances the perceived incompatibility of the cultures. In particular, the use of culture as a central theme for organizing perceptions and judgments leads the consumer to expect members of his or her culture to possess the beliefs, values, and behaviors characteristic of the culture—referred to as cultural stereotyping.[23] These processes are less likely to occur when only one cultural representation is activated, even when that representation is one of a foreign culture.[15]

The bicultural priming phenomenon is illustrated in a study with Chinese consumers in the Beijing area.[15] Chinese participants were asked to evaluate a *McDonald's* (a symbol of American culture) hamburger advertisement that was placed either next to another *McDonald's* hamburger advertisement (monocultural priming) or next to a Chinese mooncake (a traditional Chinese confection) advertisement (bicultural priming). Evaluation of the advertisement for the culturally symbolic American brand brings to mind knowledge about American culture, whereas evaluation of the advertisement for the Chinese mooncake brings to mind knowledge about Chinese culture (see figure 4.2). The consumer becomes aware of all the discriminating characteristics of American and Chinese cultures retrievable from memory and is inclined to believe that these characteristics are correlated—if American and Chinese cultures differ on their nurtured views of the self, the values that they promote, or the icons that symbolize them, then these cultural attributes must be correlated with each other.[24] In short, bicultural priming heightens perceptions of culture as a coherent system of meanings organized around an identifiable central theme.

Following the bicultural (or monocultural) exposure, the participants were presented with two commercial messages for *Timex*, one appealing to individualist values and one to collectivist values (see figure 4.3). The participants rated how likely a Chinese would

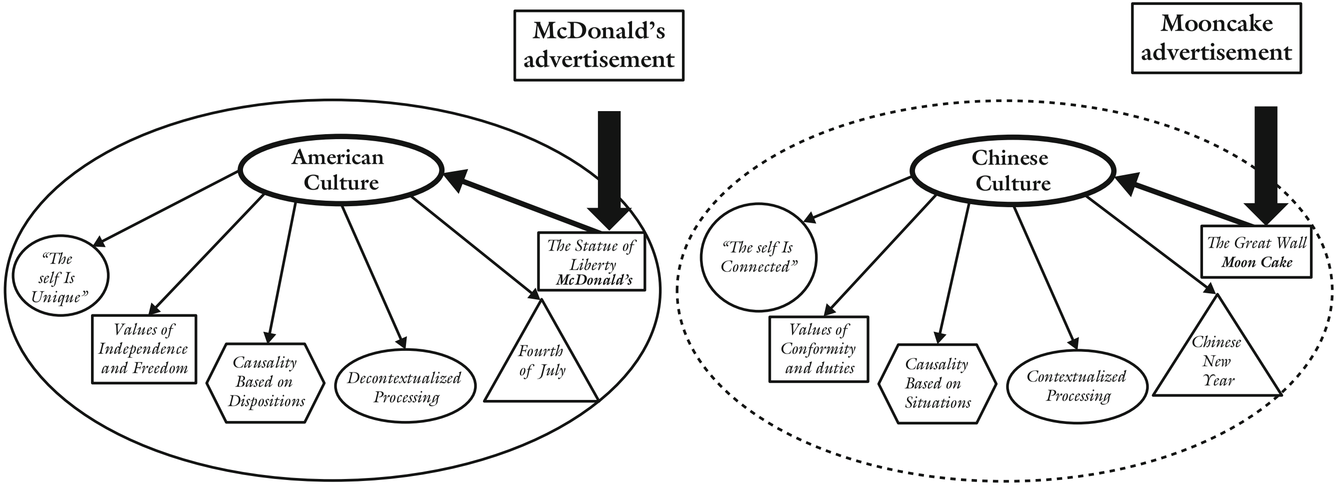
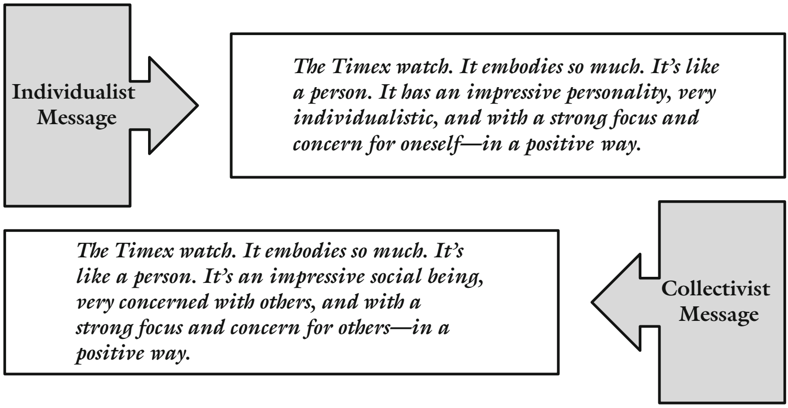

McDonald's advertisement
American Culture
The Statue of Liberty McDonald's
"The self Is Unique"
Values of Independence and Freedom
Causality Based on Dispositions
Decontextualized Processing
Fourth of July
Mooncake advertisement
Chinese Culture
The Great Wall Moon Cake
"The self Is Connected"
Values of Conformity and duties
Causality Based on Situations
Contextualized Processing
Chinese New Year

Figure 4.2 Bicultural Priming and the Simultaneous Activation of Knowledge about Two Cultures



The Timex watch. It embodies so much. It's like a person. It has an impressive personality, very individualistic, and with a strong focus and concern for oneself—in a positive way.

The Timex watch. It embodies so much. It's like a person. It's an impressive social being, very concerned with others, and with a strong focus and concern for others—in a positive way.

Figure 4.3 Individualist or Collectivist Messages

choose the individualist and collectivist messages for designing a Chinese website for Timex. As stated in chapter 3, individualist messages are more popular and persuasive in individualistic cultures (e.g., American culture) than in collectivistic cultures (e.g., Chinese culture), whereas collectivist messages are more popular and persuasive in collectivistic cultures. Thus, a high estimation for the collectivist (vs. individualist) message would indicate a greater tendency to attribute a culture-typical quality to a Chinese. As expected, compared to those under monocultural priming (i.e., who saw the *McDonald's* ad next to another *McDonald's* ad), those under bicultural priming (i.e., who saw the *McDonald's* ad next to a mooncake ad) believed that other Chinese consumers were more likely to choose the collectivist message.

Similar effects are obtained in a separate study with American consumers.[21] Participants completed a survey of new products introduced by global companies. Half of the participants evaluated three products that were icons of American culture (high cultural symbolism condition): running shoes, jeans, and breakfast cereal. The remaining participants reviewed three products that lack cultural meaning for Americans (low cultural symbolism condition): table lamps, toasters, and umbrellas. Half of the participants in each cultural symbolism condition were told that the products were products made in China ("products manufactured in China by Chinese corporations"). To make the cover story believable and to increase the products' associations with Chinese culture, the products were given Chinese brand names: *Chenxiao* for breakfast cereal, *Qinjin* for running shoes, *Xenshi* for jeans, *Beihua* for toaster, *Zhongyan* for table lamps, and *Wufeng* for umbrellas. For comparison purposes, the remaining participants were presented with U.S.-made products with novel English brand names (*Uncle Bob* for breakfast cereal, *Aspire* for running shoes, *Nine Zero* for jeans, *Schonbek* for table lamps, *Robin* for toaster, and *Murray* for umbrellas) that looked real but conveyed little meaning. Note that participants exposed to bicultural products including Chinese brands of culturally symbolic American products were under bicultural priming—by being exposed to both Chinese culture (through country of origin and brand name) and American culture (through the product category), whereas participants in the remaining conditions were exposed to one culture only (i.e., monocultural priming)—by being exposed to Chinese or American brands of products that lack cultural meanings, or to American brands or products that are also American symbols.

After evaluating the products in terms of favorability, participants rated how likely an American would choose the individualist and collectivist messages in figure 4.3, when designing an American website for *Timex*. The tendency to attribute culture-characteristic value preference to Americans would be reflected in the tendency to estimate strong preference for the individualist message and weak preference for the collectivist message. As was the case for Chinese consumers, simultaneous exposure to symbols of American culture (iconic products of America) and Chinese culture (Chinese brands) in bicultural products increased American participants' tendency to attribute culture-typical characteristics to other Americans and the perceived incompatibility of American and Chinese cultures. Participants expected other Americans to be less likely to adopt a culturally-incongruent collectivist message after evaluating bicultural products. However, these effects were absent for products that lack American symbolism (i.e., monocultural priming via Chinese or American brands). In short, when two cultural representations are activated simultaneously, the perceivers tend to use culture as a theme to organize their perception of culturally pertinent information and tend to attribute culturally consistent attributes to members of the activated cultures.

Perceptual Nature of Bicultural Priming Effects

Bicultural priming is a perceptual phenomenon driven by the simultaneous activation in memory of knowledge about two contrastive cultures, which enlarges the perceived differences and incompatibility of the two cultures. Bicultural priming effects emerge regardless of whether the cultures involved include one's own culture or two foreign cultures. This is illustrated in a study of American consumers' evaluations of new products.[21] Participants evaluated British products likely to be introduced in the Mexican market. Half of the participants evaluated two British brands (with novel British names *Williams* and *Jones*) of products that were icons of Mexican culture (tequila and corn tortillas—bicultural products that induce bicultural priming). The remaining participants evaluated two products (with the same British names) that were not Mexican icons (backpack and toaster—monocultural priming condition). After evaluating the products, participants completed an "unrelated" study about "intercultural relationships," in which they answered to a measure of perceived cultural distance. Specifically, participants drew a bubble on half a letter-sized sheet in any way they deemed appropriate to represent each of the following cultures: Mexican, Puerto Rican, Canadian, and British. British and Canadian, as well as Mexican and Puerto Rican cultures, were similar to each other; whereas British and Canadian cultures were very different from Mexican and Puerto Rican cultures. The distance, in millimeters, between each pair of bubbles drawn by participants to represent the cultures served as the measure of perceived cultural distance. Participants under the effect of bicultural priming (i.e., who previously evaluated the bicultural products that included British brands of Mexican-iconic products) drew the bubbles representing dissimilar cultures farther apart than did the participants under monocultural priming (i.e., who previously evaluated British brands of culturally neutral products). In contrast, there was no difference as a function of bicultural or monocultural priming for the distances between the bubbles representing similar cultures. This indicates that the cultural exposure manipulation did not produce a generalized tendency to place the bubbles apart, but just to perceive that contrastive cultures are farther apart (i.e., more different) under the influence of bicultural priming.

EXCLUSIONARY REACTIONS TO THE CULTURAL MEANINGS IN BRANDS

It is well-known that when consumers dislike the central cultural concept symbolized by a brand, they signal their animosity toward the associated culture by boycotting the brand.[25,26] Although such reactions are often evident among consumers of cultures with a history of hostile relations with another culture (e.g., reactions of consumers from the Chinese city of Nanjing toward Japanese brands),[26] similar reactions are seen when consumers perceive foreign brands or products as threats to the survival of the local culture.[27–29] This reaction is captured in the negative response of Chinese consumers against the *Starbucks* store that opened in the Forbidden City mentioned earlier and that resulted in its later closing.[20] The fear that foreign cultural symbols may contaminate the local culture can escalate to extremes and even result in violent acts—such as the torching of the *Benetton* store in central Tehran. What triggers these negative responses to cultural symbols? Recent studies have uncovered the following contextual and psychological factors that foster exclusionary reactions to the cultural meanings in brands: salience of intercultural competition,[30] simultaneous activation of two cultures (i.e., bicultural priming),[21,31] evoking a culture-defense mind-set,[21] and individual-level ethnocentrism.[28] Let us elaborate next on each of these factors.

Salience of Intercultural Competition

Negative reactions toward foreign icons can be incited by the salience of intercultural competition. Salient intergroup competition highlights in-group versus out-group boundary and heightens a sense of distrust of out-groups.[32,33] This can result in more unfavorable attitudes toward brands that symbolize foreign cultures compared to a context in which intercultural competition is not salient. A study of the brand preferences of Chinese consumers during the 2008 Beijing Olympics illustrates this phenomenon.[30] Mainland Chinese participants evaluated brands that symbolize either Chinese (e.g., *Li Ning*) or American cultures (e.g., *Nike*), as well as indicated their identification with Chinese culture, immediately before and after the Beijing Olympics. Before the Olympics, only respondents who were highly identified with Chinese culture showed favoritism for Chinese- (over American-) symbolic brands (see chapter 5 for a discussion about the role of brands for fulfilling the need to connect with a cultural identity). However, as the Olympics progressed, presumably because of the salient rivalry between the United States and China, participants who were both high and low in their identification with Chinese culture exhibited favoritism of Chinese- (over American-) symbolic brands. This finding suggests that, in the face of salient intercultural competition, people shifted their preferences in favor of brands that symbolize the local culture over brands that symbolize a competing foreign culture.

Bicultural Priming

As explained earlier, bicultural priming, or the simultaneous activation of two contrastive cultures, heightens perception of cultural differences. In turn, this can increase defensive, exclusionary reactions to brands that are perceived as a threat to the heritage culture.[21,22,30,34] This occurs because bicultural (relative to monocultural) priming heightens perceptions of cultural differences and sensitizes participants to the role of foreign icons as potential sources of cultural contamination. This phenomenon is illustrated in a study with American consumers.[16] Participants were asked to evaluate either a bicultural (*Sony* cappuccino machines—the *Sony* brand is iconic of Japan, whereas cappuccino machines are iconic of Italy) or a monocultural product (*Sony* toaster oven—only the Japanese *Sony* is culturally symbolic). Results showed that although the two products offered the same level of moderate fit with the *Sony* brand, the bicultural *Sony* cappuccino machine was evaluated less favorably than the monocultural *Sony* toaster oven. Subsequent studies demonstrated that this unfavorable evaluation was driven by the subjective experience of disfluency triggered by the simultaneous activation of representations of the two cultures. That is a feeling of unease or a sense that the new product does not feel right, resulting in an unpleasant processing experience.

Another study with mainland Chinese consumers demonstrates more directly how bicultural priming triggers less favorable evaluations of a foreign company perceived as a cultural contaminant.[31] Participants were either put under the influence of bicultural priming (via presentation of side-by-side symbols of American and Chinese cultures) or exposed to symbols of a single culture (monocultural priming) prior to evaluating a fictitious New York–based publisher planning to set up an Asian headquarter in China. Only in the bicultural priming condition did participants evaluate the publisher less favorably if they perceived that the publisher intended to promote American culture. This occurs presumably because bicultural priming increases perception of cultural differences, and thus sensitizes participants of the cultural contamination that the publisher potentially brings to the local culture.

Evoking a Culture-Defense Mind-set

Perception of cultural contamination is also heightened by evoking a culture-defense mind-set, such as that triggered by thoughts of one's own death.[21] When reminded of their mortality, people adhere to and defend their cultural worldview as a way to achieve symbolic immortality.[35] This in turn encourages aggression against those who violate the cultural worldview[36] and evokes intolerance of using cultural icons in an inappropriate way (e.g., using the crucifix as a hammer, for Christians).[35] Extending this notion to the bicultural-priming situations discussed earlier, several studies show that people are particularly intolerant of contamination of brands that symbolize their culture when they are under the joint influence of bicultural priming and mortality salience.[21] For instance, in one study, American participants were induced to think about their mortality by means of asking them to "describe the emotions that the thought of your own death arouses in you" and to "jot down, as specifically as you can, what you think will happen to you physically as you die and once you are physically dead." Another group (used as a comparison) answered parallel questions concerning the experience of dental pain. Next, participants were presented with the new product survey of Chinese brands of symbolic (bicultural priming) or nonsymbolic products (monocultural priming) described earlier. That is, half of the participants evaluated bicultural products (i.e., Chinese brands of American iconic products—running shoes, jeans, and breakfast cereal), whereas the other half evaluated monocultural products (i.e., Chinese brands of culturally neutral products—table lamps, toasters, and umbrellas). After that participants were presented with an "unrelated" study about "perception of marketing managers," in which their evaluative reactions to cultural contamination of an American iconic brand were measured. This was done by asking participants to respond to the following business case: The marketing VP of *Nike Inc.* in the Middle East had developed an out-of-the-box marketing plan to "strengthen *Nike* brand's connection to Arab values." The plan included the following actions: (1) Launch a new line of products under a new brand name using Arabic characters without the "Swoosh" mark from the product; (2) Replace the *Nike* brand name that lacks a semantic meaning in Arabic with the Arabic word for "Sportsmanship"; (3) Launch the new campaign in an alliance with local brand names that would further boost the connection between the new brand and traditional values of the Arab world; (4) Use well-known local soccer players (soccer is a popular sport in the Middle East) as endorsers of the new line of products; (5) Develop advertisements in which the endorsers wear traditional Islamic attire and a pair of "Sportsmanship" running shoes; and (6) Adopt the slogan "Dress Modestly, the Islamic Spirit" (in Arabic). Participants evaluated the marketing plan in terms of its likelihood of success and its ability to favorably impact *Nike*'s financial results. Results showed that, only upon making mortality salient, participants evaluated the marketing plan less favorably following bicultural priming (i.e., after previously evaluating bicultural products) than following monocultural priming (i.e., after previously evaluating monocultural products). These findings suggest that bicultural priming and worldview defense can jointly enhance negative reactions to the inappropriate use of a cultural icon—*Nike*'s iconic logo and slogans.

Individual-Level Ethnocentrism

Some consumers are more likely than others to spontaneously frame situations in terms of cultural conflicts. People high in ethnocentrism have a tendency to view their own cultural group as the center of the universe, to interpret their social interactions using their cultural group as a frame of reference, and to reject those who are culturally dissimilar.[37] Ethnocentrism is rooted in concerns with the survival of groups and their cultures, and in the view that dissimilar groups threaten the survival of the local culture. Ethnocentric individuals tend to close themselves to the people, values, and artifacts of other cultures; to be culturally prejudiced; and to exhibit high levels of devotion to their own culture.[27]

Consumer ethnocentrism is an economic form of ethnocentrism used to describe consumers' responses to the marketing of local and foreign brands. Ethnocentric consumers believe that is inappropriate, and even immoral, to buy products from foreign countries.[28] These consumers' exhibit high levels of concern for their own culture and fear the harmful effects that foreign products can bring to the local culture. For highly ethnocentric consumers, buying foreign products is a moral problem that poses a threat to their personal welfare and that of the domestic economy.[27]

OVERCOMING NEGATIVE REACTIONS TO CULTURAL CONTAMINATION

As stated earlier, cultural priming effects are largely automatic processes that occur without conscious elaboration about cultural implications.[2,4,38,39] As a result, culture's influence on judgment and behaviors is often stronger when people process information in a cursory, spontaneous manner, but its effects can dissipate when people engage in more deliberative thought processes.[40] Engaging in thoughtful elaboration can attenuate the emergence of exclusionary reactions to foreign culture described earlier. Consistent with this idea, follow-up studies of American participants' attitudes toward the actions of *Nike* (an American icon) in the Middle East discussed earlier[41] showed that both chronic and temporarily salient tendencies to engage in thoughtful elaboration attenuated perceptions of cultural contamination of the iconic brand. In one study, under the *joint* influence of bicultural priming and mortality salience, only participants who scored low in the need for cognition scale reacted defensively to the potential contamination of American culture vis-à-vis *Nike* (an iconic U.S. brand). Need for cognition is an individual difference variable reflecting the extent to which people have a chronic tendency to engage in and enjoy effortful cognitive activities.[42] Participants who scored high in need for cognition did not exhibit the exclusionary responses, presumably because they spontaneously engaged in thorough elaboration about the information. In another study,[41] perceptions of cultural contamination were also reduced by prompting people to engage in thoughtful elaboration about cultural complexities prior to introducing participants to a situation depicting a cultural contrast.

Because perceptions of cultural contamination emerge in part from the threat that the foreign culture poses to the local culture (e.g., loss of jobs and markets or a declining interest in cultural traditions and values),[28] exclusionary reactions to foreign cultures are attenuated by reassuring people that such fears are not warranted. Thus, threats of cultural contamination are reduced by reassuring individuals of the vitality of the local culture in spite of globalization. A recent study of mainland Chinese consumers' attitudes toward a New York–based publisher planning to set up an Asian headquarters in China illustrates this contingency.[31] Some of the participants expressed their opinions about the publisher after reading a passage highlighting how the local culture maintains its vitality in spite of globalization. The remaining participants stated their opinions after reading a neutral passage. Results showed that participants who were reaffirmed with the vitality of the local culture exhibited less unfavorable attitudes toward the American publisher than those who did not. In sum, there is converging evidence that negative reactions to foreign cultures due to perceptions of cultural contamination can be attenuated. This can be achieved by engaging in thoughtful elaboration about cultural complexities and by reassuring individuals of the vitality of the local culture.

CHAPTER SUMMARY

In summary, this chapter discusses how incidental exposure to culturally symbolic brands (or to culturally charged situations) can spontaneously activate associated cultural knowledge (i.e., cultural priming), and in turn facilitate the framing of situations in cultural terms (i.e., cultural framing). Cultural framing can induce assimilation to culturally appropriate behaviors when culture is instrumental for the task at hand. However, consumers can and would react unfavorably to a culturally symbolic brand that is perceived as a cultural contaminant. Perceptions of cultural contamination are more likely (1) when intercultural competition is made salient; (2) when people are under the effects of bicultural (vs. monocultural) priming; (3) under the influence of a culture-defense mind-set (such as that triggered by thoughts of one's own death); and (4) when people have ethnocentric tendencies. Exclusionary reactions triggered by perceptions of cultural contamination are attenuated when consumers engage in thoughtful elaboration about cultural differences, and also when these consumers are reassured of the vitality of the local culture in spite of globalization.

CHAPTER 5

BRANDS AND THE FULFILLMENT OF CULTURAL-IDENTITY NEEDS

As a consumer, John can have multiple identities (e.g., a father, an engineer, a male, an American), some of which he more strongly associates with than others. Those identities that more centrally define who he is are more likely to be salient in his mind in different contexts. However, certain situations can make salient any given social identity that matters to him. For instance, although John might consider being an engineer as a defining aspect of himself, which probably affects how he pragmatically thinks about events and the physical environment, his identity as an American would likely dominate his thoughts when he is with his family at a Fourth of July fireworks celebration of American independence. In this context, John might think differently about *Volkswagen* versus *Ford* cars. Although John might normally value *Volkswagen*'s well-known engineering expertise (based on his engineer identity), the Fourth of July might increase the value that he sees in *Ford* cars, which symbolize the salient American identity. A central issue discussed in this chapter is the extent to which consumers' valuation of a brand (e.g., evaluations, purchase intentions, or willingness to pay for branded products) responds to the brand's ability to fulfill social identity needs that are salient in the situation. We start by introducing the notions that consumers have social identity needs and that brands have an important function of helping consumers fulfill such needs. This is followed by a discussion about the role of culturally symbolic brands in helping consumers build their cultural identities.

THE SOCIAL IDENTITY NEEDS OF CONSUMERS

It was stated in chapter 3 that people can view the self as either separate from others or in relation to others. Although certain cultures nurture one view of the self over the other, all individuals hold both views of the self and use them to interpret the world around them—as called out by the situation. This explains why people from every culture are not only worried about their personal accomplishments but also about protecting their collective identity as a member of a valued social group—even by dying for the sake of the group. This extension of the self beyond the level of the individual is a basic tenet of social identity theory.[1] This theory postulates that people define the self at varying levels of inclusiveness, from a personal identity to a hierarchical arrangement of social identities that have the entire human group as the most abstract social category (see figure 5.1). Personal identities (e.g., being tall or being smart) are descriptions that focus on traits, characteristics, and goals that are unrelated to membership in a social group. In contrast, social identities (e.g., being an engineer or an American) are contextualized descriptions of traits, characteristics, and goals linked to a social role or social group to which the person belongs or aspires to.[2] For instance, John's view of himself can shift from his personal identity as John (e.g., 5'10", white-skinned, smart, or avid reader) toward a social identity as an exemplar of a number of social categories. Some of these categories barely overlap with each other (e.g., a father and an engineer), whereas others are more inclusive and higher in abstraction (e.g., being a Southerner, an American, or a member of the human group).[3]

Moving away from a personal toward a social identity implies a depersonalization of the self, as well as a realization that one shares a set of characteristics with other group members. This implies a shift in which *I* becomes *we*, as the individual becomes sensitive to the similarities shared with others in the social group.[4] How people define themselves at a given moment depends on the identity that is implied by the situation. Any given context can make salient a particular social identity, which will then provide a basis for comparing the self to others and establish group membership. For instance, in the example of John attending the fireworks on the Fourth of July, the American identity is likely to provide a frame of reference that highlights the similarities between John and other fellow Americans attending the same celebration, as well as the differences with tourists from a foreign culture who might also be attending the same event. However, the

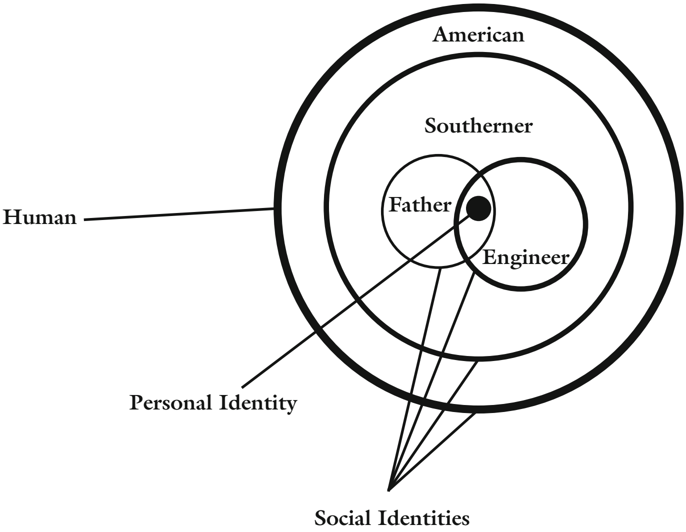


Figure 5.1 Extension of the Self from Personal to Social Identities

same American identity is unlikely to provide John with valuable social information when he is at the playground playing with his daughter during the following week. In this context, John might be more aware of the similarities between him and other parents in the same situation, even if they look foreign-born, as well as the differences with people without kids who might be passing by. Thus, a salient social identity increases the mutually perceived identity and attraction between in-group members, as well as their perceived dissimilarity and separation from out-group members. In turn, these perceptions provide a meaningful organization of the social environment for taking action.[3]

Salient Social Identities and In-Group Attraction

Imagine yourself visiting a foreign culture, and you encounter some individuals from your own culture. Most likely, you will feel attracted to these other individuals and compelled to establish a friendly conversation with them. This example captures the social nature of humans. Indeed, any collection of individuals is more likely to think about themselves as a group to the degree that the subjectively perceived differences between them are less than the differences perceived between them and others in the same setting.[3] In the foreign travel example, encountering others from the same culture makes salient the similarities with these others, as well as the differences with those in the surrounding environment. In turn, this increases the likelihood of defining the self in terms of cultural group membership.

All the previous examples demonstrate that the context can determine which categorization seems more suitable to provide a meaningful organization of the social environment (e.g., attending the Fourth of July fireworks, being at a playground, or encountering fellow countrymen in a foreign trip) and hence which social identity (e.g., an American, a father, or a cultural group member) becomes salient to frame subsequent perceptions and behaviors. Perceiving the self as an aspect of a social category not only causes people to attend to the differences between in-groups and out-groups, but also to positively evaluate the in-group. The tendency to evaluate more favorably in-group (vs. out-group) members emerges from the need to maintain a positive image of the self, which is enhanced by a favorable evaluation of one's own group.[5] Providing a positive group identity increases the identification that one has with the group, as well as strengthens the bonds and facilitates the cooperation between group members.

Although maintaining a positive group identity is a desirable state, not all inter-group comparisons can be objectively positive. Indeed, a group membership can jeopardize a positive sense of self when it compares unfavorably to other relevant groups. For instance, although psychology students could establish a positive identity when comparing their intelligence with art students, they might feel inferior in intelligence compared to physics students.[6] Thus, the social context not only provides a basis for making a social category salient but can also determine the resulting evaluative implications. When the social position of the salient in-group is higher than that of other groups, the individual is likely to feel secure and even superior. This can promote the public association with the group, as when college students wear more school-identified apparel after their school's football team has been victorious.[7] In contrast, a social identity that is inferior relative to other relevant groups can induce a threat to the self.[8] How people react to these feelings depends on how central the identity is for the individual (i.e., how committed the individual is to the social identity). Individuals who are more committed to a salient social identity are more motivated to express it in meaningful ways (e.g., by displaying symbols of the group). In the case of an undervalued identity, more committed individuals respond by displaying even stronger group affiliation.[9]

Identity-Based Motivation

Social identities help in interpreting social situations and motivate people to engage in identity-congruent action—something that can occur without conscious deliberation about the extent to which such actions are identity-appropriate.[10] A salient social identity brings to mind situationally relevant behaviors that fit the identity (i.e., the kind of things *we* do) and that do not require further reflection. For example, in a study about charitable fundraising among women and men, people donated a higher amount when they learned that a previous donor of the same gender (i.e., in-group member) had contributed to the cause. This occurs presumably because individuals assimilated the behavior of the in-group donor as being normative (i.e., the kind of things we do).[11]

Endorsing identity-congruent opinions or enacting identity-congruent behaviors signifies inclusion in the in-group, which carries positive identity consequences. The value of such positive social identity consequences can even override the negative effects that enacting the action might have at the personal level.[2] This is illustrated in a study about the health-related choices of ethnic minority Americans. In American society, health promotion is a behavior more likely to be associated with white, middle-class social identity than with ethnic minority, low-income identity (e.g., Latinos or blacks with low socioeconomic status). Because health promotion is not the kind of things ethnic minority, low-income individuals do, reminding such ethnic minority individuals of their social identity increases feelings of fatalism about their future chances for good health (e.g., everyone gets fat, so there is no way of avoiding being obese in the future). Although these feelings might signify that one adheres to the ethnic minority identity, doing so might come at the expense of negative consequences for one's health (i.e., lack of effort in terms of exercising more or having a healthy diet).[12]

As stated earlier, identity-congruent behaviors are more likely to emerge among individuals who are committed to a salient social identity. Across varied situations, these individuals are concerned with displaying the identity as a statement of how important the identity is to the self. What happens when the individual feels that he is not living up to the identity standards? This should be an unsettling feeling, likely to motivate the individual to take corrective actions. Let us illustrate this phenomenon using the example about John introduced earlier. John considers being an engineer an important aspect of who he is, so he is probably highly committed to this social identity. Consider what happens if John fails at solving an engineering problem at work. He will likely feel that he is not living up to the standards of being an engineer—an important social identity for him. Research shows that such *feelings of incompleteness* in relation to the identity will motivate him to symbolize the identity in a different way.[13] That is, John will likely acquire alternative symbols of the engineer identity capable of reinstalling a sense of completeness in relation to the identity. For instance, he might wear an MIT cap (*Massachusetts Institute of Technology*—a symbol of superior engineering) for an outing with friends. Wearing the *MIT* cap signifies the repossession of the self-relevant engineer identity. Perceiving a deficit in the possession of an important social identity heightens the need to symbolize the identity (i.e., point to its possession) in any way deemed appropriate (e.g., by acquiring other symbols).[14] Thus, social identities can be viewed as goals that individuals willfully pursue through self-symbolizing (i.e., emphasizing the characteristics of their identities).

BRANDS AS SYMBOLS THAT AID IN FULFILLING SOCIAL IDENTITY NEEDS

It was stated earlier in the book (see chapters 1 and 3) that consumers often buy brands as a way of signaling to the self and others those aspects of their personality that are self-defining. For instance, a consumer might buy an *Apple* iPhone as a way of signaling the importance of being creative (a core association with *Apple* brand) in her self-definition. This matching of brand images with consumers' valued characteristics is a basic notion for developing successful advertisements.[15] Extending this notion to the matching of salient social identities with the meanings of brands for a social group suggests that consumers can use brands to symbolize to the self and others a salient social identity.[16]

When social identities correspond with cultural categories in a society, we refer to them as cultural identities. Thus, a cultural identity relates to the membership in a particular cultural, or subcultural, group that is clearly distinguishable from other cultural groups.[17] As discussed in chapter 2, culturally symbolic brands are public expressions of the abstract meanings of a cultural group. Because culturally symbolic brands symbolize the beliefs, ideas, and values of a cultural group, consumers with a heightened need to symbolize a cultural identity will judge culturally symbolic brands as highly instrumental for fulfilling such needs. By being a patron of a culturally symbolic brand, one can emphasize the possession of the cultural identity and the alignment with and adherence to the culture.

Liking for Culturally Symbolic Brands

Making salient a cultural identity triggers favorable attitudes toward objects that are identity-congruent. For instance, when making an ethnic identity salient (e.g., Asian), consumers evaluate more favorably advertisements that are targeted to the ethnic in-group (e.g., by means of the copy or the images in the ad)[18] or that include a spokesperson from the ethnic in-group,[19] than when the identity is not made salient. Because commitment to a cultural identity makes the identity more likely to be salient in different contexts, highly identified consumers are especially motivated to favor culturally symbolic brands (over nonsymbolic ones) to fulfill their salient cultural-identity needs.[20–22] Some recent studies illustrate how people develop favorable attitudes toward culturally symbolic brands (over nonsymbolic ones) to fulfill their salient cultural-identity needs. In one study,[23] European American consumers were divided in two groups. One group was reminded of their American identity, whereas the other group was not. This was done by having them read either a story highlighting positive accomplishments by Americans and American society (e.g., "Fight the tyranny of Adolf Hitler" and "Fighting poverty and injustice around the world"), or an identity-neutral story about grasshoppers. After this, in an unrelated study about consumer opinions, participants were presented with two pairs of brands and evaluated them on a three-item, seven-point Likert scale (1 = poor / unfavorable / bad, 7 = excellent / favorable / good). The brands were chosen to be either moderately high or low in cultural symbolism for Americans. The brands were chosen from product categories of a similar nature (i.e., products commonly found in grocery stores), within a similar price range ($1–$7), and matched in terms of the extent to which consumers feel involved with the task of buying them. The brands in the moderately high cultural-symbolism condition were *Cheerios* (breakfast cereal) and *Campbell's* (canned soup) and those in the low cultural-symbolism condition were *Chicken of the Sea* (canned tuna) and *Tombstone* (frozen pizza). Results showed that participants reminded of their American identity (i.e., for whom this identity was salient in their minds) evaluated more positively brands that were moderately high in cultural symbolism than their counterparts that were not reminded of the cultural identity. In contrast, there were no differences in evaluation of brands low in cultural symbolism between the two groups of participants. In other words, consumers with a salient cultural identity evaluated brands that are symbolic of the American culture more favorably but were indifferent toward brands that, although generally associated with America, are low in cultural symbolism.

The favorable attitudes toward brands that symbolize a self-relevant cultural identity emerge not only when symbolizing one's national identity but also for expressing higher level global identities.[24–26] For instance, a study with Indian consumers[24] shows that, among consumers identified with a global culture of conspicuous consumption and status seeking, brands perceived as having a nonlocal (Western) country of origin were more favorably evaluated compared to brands perceived to be local. Similarly, another study with American consumers demonstrates that making salient a global identity triggers higher preferences for products that symbolize the global culture (i.e., that are available worldwide) relative to local products.[26] This state of affairs may help to explain why, in rapidly transitioning economies, Westernized appeals are increasingly common. For example, appeals to youth/modernity, individuality/independence, and technology are rather salient in Chinese advertisements,[27] as well as frequently employed by contemporary Taiwanese advertising agencies.[28]

Because social identity goals can potentially substitute one another,[13,29] people can connect with culturally symbolic brands in response to feelings of incompletion in relation to other types of social identities. That is because consuming culturally symbolic brands signifies the possession of a self-relevant identity that can compensate for the loss of another social identity.[29] One study with American college students illustrates this notion.[21] Half of the participants in the study were induced to feel a heightened need to repair a tarnished group identity. They were asked to think about a recent decision (a week before the study was conducted) from their university's board of trustees to ban the appearance of the 80-year-old university mascot on future sports or public events. The other half of the participants were asked to think about an issue unrelated with social identities. Because the university's mascot is a unique symbol of the participants' student identity,[7,29] thinking about the ban would heighten feelings of incompleteness as related to the student identity and hence increase the participants' tendency to symbolize their social identity. Immediately after, they were asked to evaluate brands that were high (e.g., *Budweiser* or *Nike*) or low (*JanSport* or *New Balance*) in their symbolism of American culture. Because incompleteness in a social identity (e.g., college student identity) can be compensated by symbolizing another relevant social identity (e.g., American identity), it was anticipated that participants reminded of the ban (i.e., with an incomplete college student identity) could achieve completeness by symbolizing their American identity through their liking for culturally symbolic brands. Indeed, results showed that, compared to those who were not given the reminder, those who were reminded of the ban favored more the brands that symbolize American culture.

Spontaneous Valuation of Culturally Symbolic Brands

A salient cultural identity increases the desirability of brands that symbolize it, which causes consumers to value culturally symbolic brands. Several recent studies illustrate this effect. In one study,[20] Minnesotan college students (U.S. Upper Midwest) were either reminded of their Minnesotan identity or not. After that, and as part of an unrelated study, they were told about a research study on new types of promotional activities. They were informed that the promotional activity being tested was paying college students to carry a brand logo on their backpacks. Half of the participants in this study were told that the brand involved in the activity was *Target* stores (a retailer brand with high cultural symbolism for Minnesotans), whereas the other half were told it was *Dasani* bottled water (lacking cultural symbolism for Minnesotan identity). Participants were asked to indicate the amount in dollars that they would require as a payment to participate in this promotional activity. Results showed that participants were willing to receive *less* money (i.e., more willing to promote the brand in need of less in exchange) to carry the *Target* logo on their backpacks when the Minnesotan identity was salient than when it was not. In contrast, participants asked for a similar dollar amount for carrying the *Dasani* logo on their backpacks regardless of whether the Minnesotan identity was salient or not. In a follow-up study, participants reminded of their Minnesotan identity were willing to pay more money for a set of poker chips that carried the *Target* logo. These findings are consistent with the notion of a higher valuation of identity-symbolic brands when specific consumer identities are salient.

Furthermore, because a salient social identity brings to mind identity-consistent decisions that do not require further reflection, the higher valuation of culturally symbolic brands occur rather automatically and without conscious deliberation. In other words, consumers process information about a culturally symbolic brand easily and feel that it is right to favor the brand. In turn, this feeling results in a pleasing processing experience and an accompanying enhanced brand valuation.[30,31] The spontaneous nature of identity-congruent brand evaluations is evident in recent studies on brand extensions. In one of the studies,[32] American consumers were exposed to one of six new product ideas for well-known brands (*Giorgio Armani* or *Burberry*). Some of the new product ideas were congruent with the cultural identity of the brand (e.g., cappuccino-macchiato maker for the Italian *Giorgio Armani*, or tea brewer for the British *Burberry*), whereas others were incongruent (e.g., cappuccino-macchiato maker for the British *Burberry,* or tea brewer for the Italian *Giorgio Armani*) or neutral (e.g., toaster oven). After being exposed to the product idea, participants were encouraged to give their "gut reaction" by rating the ease with which they could process the product idea. They then evaluated the presented product idea. After controlling for prior attitudes toward the brand, results showed that the culturally congruent products were evaluated more favorably than either the neutral or the incongruent ones. Furthermore, these effects were driven by the ease with which the participants processed the information about the new product idea.

Bonds That Consumers Form with Culturally Symbolic Brands

Consumers' continued reliance on culturally symbolic brands for fulfilling salient cultural-identity needs should result in the development of strong self-brand relationships. One study demonstrates that consumers form strong bonds with culturally symbolic brands that fulfill chronic cultural-identity concerns.[20] In the study, European American and Chinese participants each spontaneously named their favorite brand. After that, they rated the extent to which they had established a strong bond with the brand (i.e., self-brand connection), the extent to which the brand was widely perceived to be a symbol of their national culture (i.e., cultural symbolism), as well as their commitment to their national identity (i.e., cultural identification). Results confirmed that consumers with a salient cultural identity (i.e., high chronic identification with their national culture) are not only more likely to spontaneously recall brands that are associated with that identity but also exhibit stronger levels of self-brand overlap with identity-congruent brands. Participants high in identification with America (China) reported stronger bonds with spontaneously recalled brands that symbolized American (Chinese) culture to a greater extent. For them, the more a brand symbolizes their culture, the stronger the relationship they form with the brand. In contrast, among participants low in cultural identification (for which the national identity is unlikely to be chronically salient), the level of self-brand connection was unrelated to the brand's level of cultural symbolism. For these participants who did not particularly identify with their culture, the extent to which the brand symbolizes their culture was not an important factor in defining their brand relationships.

A key benefit of strong consumer-brand relationships is their ability to protect the brand from negative publicity.[33,34] Forming a bond with a culturally symbolic brand, due to its cultural-identity meaning, should shield the brand against negative publicity when cultural-identity needs are salient. In other words, consumers should be more likely to resist negative information regarding an iconic brand when their cultural identity is salient. We find evidence for this premise in a study about consumers' reactions to negative brand information.[16] In this study, American participants were exposed to negative information (or no information) about an iconic American brand (*Dell*) after making salient either an interdependent or independent view of the self. Participants with a salient interdependent self showed no changes in their attitudes toward the brand upon reading about the negative brand information, presumably because feelings of interdependence made the American identity salient—which led them to challenge the negative information about a cultural symbol. In contrast, a focus on an independent view of the self, in which the collective American identity was less salient, caused a drop in participants' brand evaluation after reading about the negative brand information.

Chapter Summary

People define the self at varying levels of inclusiveness, from a personal identity to a hierarchical arrangement of social identities that have the entire human group as the most abstract social category. Personal or contextual factors can make salient any given social identity, which in turn provides the basis for a meaningful organization of the social environment. Social identities help in interpreting social situations and motivate people to engage in identity-congruent action—something that can occur without conscious deliberation about the extent to which such actions are identity appropriate. Perceiving a deficit in the possession of an important social identity heightens the need to symbolize the identity in any way deemed appropriate. Thus, social identities can be viewed as goals that individuals willfully pursue through self-symbolizing (i.e., emphasizing the characteristics of their identities). When social identities correspond with cultural categories in a society, we refer to them as cultural identities. Because culturally symbolic brands are public expressions of the abstract meanings of a cultural group, consumers with a heightened need to symbolize a cultural identity judge culturally symbolic brands to be highly instrumental for fulfilling such needs. In turn, this results in more favorable evaluations, higher valuations, and the development of stronger bonds with culturally symbolic brands.

SECTION 3

Building, Leveraging, and Protecting Cultural Equity

CHAPTER 6

PUTTING IT ALL TOGETHER: WHY AND HOW TO BUILD AN ICONIC BRAND

Although most companies aspire to build brands that eventually get etched in the culture of the society and become cultural icons, very few succeed in this endeavor.[1] Iconic brands have captured much attention from marketing practitioners and consumers alike, and one can easily find numerous recommendations from marketing consultants for building iconic brands. Unfortunately, because these recommendations often lack a strong theoretical basis, they are very difficult to implement without the help of the expert advice proposing them. A key reason for this state of affairs is the ambiguity in the definition of an iconic brand. The label "iconic" is frequently used when referring to powerful brands with dominant positions in their markets and very high levels of brand awareness.[2,3] Iconic brands have also been referred to as timeless brands with long-standing traditions.[4] These popular conceptualizations of an iconic brand are not very distinctive because they are just synonymous with brands with a recent or long history of high brand equity (see chapter 1).

Recently, some clarity has emerged in the definition of an iconic brand by acknowledging the distinction between *identity brands* and *iconic brands.* An identity brand is one that represents desirable lifestyles, values, or personality traits; whereas an iconic brand goes one step beyond to symbolize the abstract image valued by an entire cultural or subcultural group.[5,6] This highlights that a key, distinctive aspect of an iconic brand is its symbolism of abstract characteristics of a cultural group. In chapter 2, I discussed in great detail the defining aspects of an iconic brand and how these aspects can be condensed under the term *cultural equity*. Thus, an iconic brand is one with a high level of cultural equity or with a superior potential for eliciting favorable and distinctive consumer responses due to its rich cultural meanings. This chapter discusses in detail the steps that marketers can take to build such iconic brands or to build cultural equity into their brands. But before doing this, let us summarize the reasons for building such brands in the first place.

WHY BUILD AN ICONIC BRAND?

At the opening, this book stated the importance of building strong brands for successfully competing in the complex markets of the twenty-first century. The strength of a brand is reflected in its level of equity, or the differential effect that brand meanings have on consumer response to the marketing of the brand (see chapter 1). Cultural equity is an important aspect of brand equity that relates to abstract cultural meanings capable of eliciting favorable consumer responses (see chapter 2). Brands that reach an iconic status become consensus expressions of the abstract values of a cultural group. Because of their rich symbolic meanings, iconic brands can be used to symbolize important aspects of consumers' self-views (i.e., the abstract values and characteristics that they symbolize). Furthermore, as cultural icons, these brands also have the distinctive ability of fulfilling salient cultural identity needs of consumers (i.e., by symbolizing the possession of the cultural identity, see chapter 5). As depicted in figure 6.1, beyond providing functional benefits, iconic brands connect with consumers through two different paths. First, iconic brands fulfill self-expressive needs of consumers through their

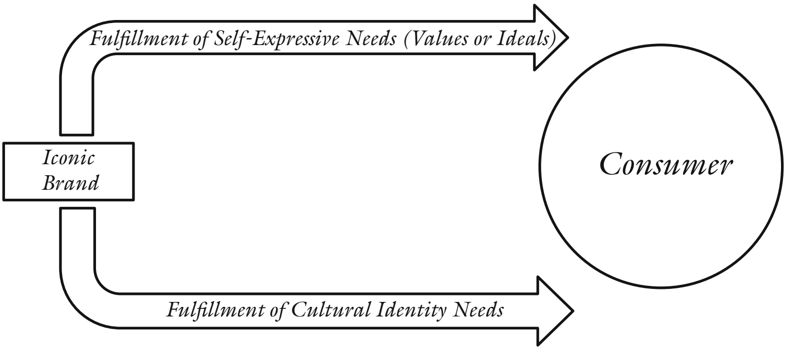

Fulfillment of Self-Expressive Needs (Values or Ideals)
Iconic Brand
Consumer
Fulfillment of Cultural Identity Needs

Figure 6.1 Paths through which Iconic Brands Connect with Consumers

symbolism of cherished values and ideals. Second, iconic brands help in fulfilling consumers' cultural-identity needs by signaling the possession of a self-relevant identity. In contrast, identity brands that, although highly symbolic of lifestyles and values, lack strong cultural meanings connect with consumers only through a single route (i.e., the self-expressive function). As a result, iconic brands are capable of developing stronger bonds with consumers that better shield them against competitors' threats.[7]

An Icon of What and for Whom

As stated earlier, a cultural icon not only symbolizes abstract values, personalities, and ideas but also embodies the essence of a cultural group. A brand has cultural equity to the extent that consumers distinctively associate the brand with a given cultural group and consensually agree that the brand captures the abstract image that defines the group. In other words, an iconic brand does not exist in isolation based on its symbolism of abstract values and personalities but emerges when it is consensually perceived that its abstract image represents a certain cultural group. For instance, although both *Nike* and *New Balance* are American brands of athletic shoes that symbolize commitment to an athletic lifestyle,[8,9] only *Nike* is regarded as a cultural icon for Americans.[10] By capitalizing on Americans' obsession with celebrities (athletes in this case), competition, and winning,[11] *Nike* has risen to the level of an icon that transcends its high-performing athletic image. Interestingly, although *New Balance* is often associated with baby boomer consumers,[12] these associations do not seem to be symbolic enough to raise the brand to the status of an icon of this subcultural group.

The example above reminds us about the dependence of cultural equity on the level of group categorization adopted (see chapter 2). Brands can become icons of any cultural group established by dividing the human community using meaningful criteria, such as gender, age, social class, ethnicity, nationality, or regionality.[13–15] Thus, the first step for a marketer attempting to build an iconic brand is choosing the cultural group the brand aims to symbolize. Some cultural groups are broader in scope (e.g., Americans or Europeans), whereas others are more narrowly defined (e.g., Upper Midwestern Americans or young Italian women). Although the human community can be segmented into cultural categories by means of many different criteria and marketers are advised to use those criteria that best fit their understanding of the cultures in which they operate, figure 6.2 depicts a broad-level

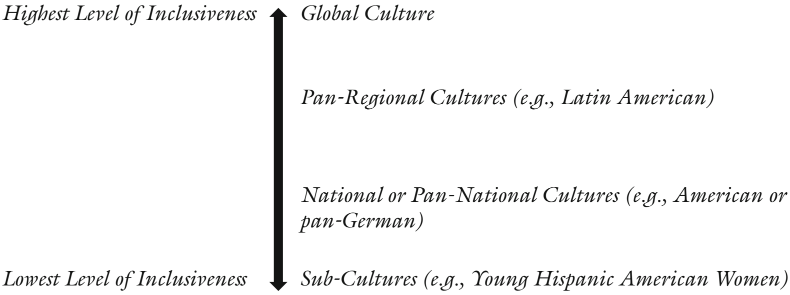

Highest Level of Inclusiveness
Global Culture
Pan-Regional Cultures (e.g., Latin American)
National or Pan-National Cultures (e.g., American or pan-German)
Lowest Level of Inclusiveness
Sub-Cultures (e.g., Young Hispanic American Women)

Figure 6.2 Cultural Categories at Varying Levels of Inclusiveness

classification of cultural categories at varying levels of inclusiveness. The lowest level of inclusiveness contains subcultural groups within a nation or a geographic region established on the basis of gender, ethnicity, social class, age, or any other meaningful social distinction (e.g., Asian Americans, young Hispanic American women, or Latinas, etc.). Cultural categories above this level include national groups (e.g., Americans or Italians) or pan-national groups of a common ethnic background (e.g., Pan-Germanism across German-speaking countries in Europe). Immediately after this level, one can find pan-regional groups of individuals that although diverse share a common cultural and historical background (e.g., Latin Americans of a Spanish heritage comprising most of Central and South America). Finally, the highest level of inclusiveness consists of all those individuals who share a common global identity characterized by cosmopolitanism and modernity that transcends national and geographic boundaries.

For which cultural group should a brand aspire to become an icon? The answer to this question is rarely explicitly articulated by the marketer. Iconic brands that successfully target cultural categories often do so guided by the intuition of advertising agencies, as opposed to driven by calculated actions included in a marketing plan.[16] Over time, the lack of a carefully planned strategy to build cultural equity makes it difficult for the brand to stay in the right path for achieving this goal. Thus, building cultural equity requires the crafting of a sound brand strategy with such an objective in mind.

THE CULTURAL AUDIT

Before deciding which cultural group should be the target of iconic-building efforts, the marketer should start by conducting a thorough cultural audit. A cultural audit is the aspect of a *brand audit*,

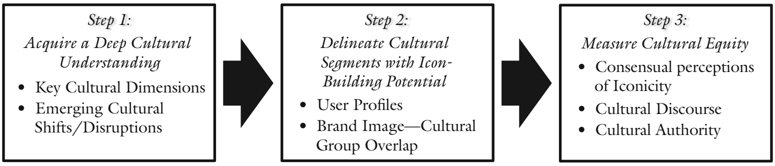

Step 1:
Acquire a Deep Cultural Understanding
• Key Cultural Dimensions
• Emerging Cultural Shifts/Disruptions
Step 2:
Delineate Cultural Segments with Icon-Building Potential
• User Profiles
• Brand Image—Cultural Group Overlap
Step 3:
Measure Cultural Equity
• Consensual perceptions of Iconicity
• Cultural Discourse
• Cultural Authority

Figure 6.3 Key Steps for Conducting a Cultural Audit

the collective actions aimed at measuring brand equity (see chapter 1), that focuses on assessing distinctive cultural meanings that can potentially generate favorable consumer responses (i.e., assessing cultural equity). As discussed in chapter 2, measuring cultural equity is a complex process that often requires the use of multiple methods. Furthermore, because cultural equity depends on the level of group categorization adopted, conducting a cultural audit requires a deep understanding of the cultural categories of relevance for the brand at hand. This is particularly challenging when attempting to build iconic brands in culturally diverse environments in which the marketer might lack cultural insights.

Figure 6.3 summarizes the key steps for conducting a cultural audit. The first step consists in acquiring a deep understanding of the cultures and subcultures in the markets served by the brand. This cultural understanding would guide the delineation of cultural segments with icon-building potential based on the brand characteristics. Measuring cultural equity for each of these cultural segments would provide the baseline for future icon-building efforts.

Acquiring a Deep Cultural Understanding

What are the key cultural dimensions delineating the different cultural and subcultural groups? Are there any emerging cultural shifts affecting the different groups? What are the cultural contradictions that group members struggle to resolve? For marketers that have been immersed in their own local culture, these questions are often answered implicitly based on their naïve understanding of the cultural reality. Although all members of a cultural group have a good understanding of the values, beliefs, and ideas shared by the majority of the culture,[17] understanding of the cultural realities of different subgroups might be distorted by the nature of intergroup relationships.[18] Members of majority groups often hold stereotypical images of minority-group members that are far detached from their cultural realities. For instance, mainstream marketers in America often view

Hispanics as a homogeneous ethnic group that is urban, not well-off, and Spanish-speaking. In reality, Hispanics are a culturally diverse group (e.g., Mexicans are different from Colombians, and second-generation Hispanics are different from their immigrant parents) that has an increasing presence in suburbs and working-class cities. In the past decade, upscale Hispanic households have more than doubled to roughly three million, and their members account for a quarter of all Hispanic consumers. In addition, second-generation Hispanics tend to be English-dominant.[19]

One way to gain insights into the realities of different subgroups in a culturally diverse market is to hire marketing professionals with the relevant cultural background. This explains why the growth in the Hispanic population in the United States has prompted American companies to look for Hispanic marketing professionals to help them tap into this expanding market.[20] Companies can also hire advertising agencies and marketing consultants that can provide them with insights into cultural subgroups. For example, Hispanic advertising agencies have seen a significant growth in business as corporate and institutional brands increasingly target the growing U.S. Hispanic population.[21] Another approach that companies can take to become culturally savvy is to immerse their brand teams into the cultural world. For instance, the early success of *Bud Light* has been attributed in part to the strong presence of Midwestern guys who shared their target's sense of humor.[16]

Whatever the means, a marketer conducting a cultural audit should gain a deep understanding of the key cultural characteristics of the target markets. This understanding should go beyond descriptive information about behaviors and opinions of cultural group members to uncover key cultural dimensions that explain such behaviors and opinions. For instance, using the concepts introduced in chapters 2 and 3, a marketer can determine the extent to which the cultural dimensions of individualism, collectivism, verticality, or horizontality can account for the descriptive behaviors and opinions of target groups, or the extent to which observed behaviors are identity-motivated (see chapter 5). Doing so can help to hypothesize about the psychological process underlying observed behaviors and opinions, which can then be corroborated by conducting market research. Engaging in this process facilitates grounding decisions in theoretical models that can be used across situations, as opposed to basing decisions on descriptive behaviors of consumers in a particular context. For example, it has been observed that three quarters of Hispanics in the United States (or Latinos) prefer to speak at least some Spanish.[22]

This observation can prompt a marketer of laundry detergent to describe Latinos as primarily Spanish-speaking and to consider hiring a Spanish-speaking spokesperson to promote the product across markets where Latinos are present. This decision seems reasonable for the naïve marketer pretending to understand Latinos based on cumulative knowledge about their descriptive behaviors. A culturally savvy marketer goes a step beyond and tries to understand the cultural factors underlying this observed behavior. He might uncover that Hispanics' preferences for using Spanish are partly driven by the identification of first-generation Hispanics (i.e., those born outside the United States) with their home cultures. This theoretical insight would help him to explain why preferences for a laundry detergent promoted by a Hispanic spokesperson only emerge in markets where Hispanics are minorities.[23,24] Because the minority status makes their Hispanic identity chronically salient (i.e., common social interactions continuously remind them about their foreignness), a message from an in-group member is evaluated more favorably as a way to express allegiance to their culture (see chapter 5). Guided by theory, the marketer can then decide to only use a Hispanic spokesperson in markets where Hispanics are minorities.

Acquiring a deep cultural understanding of consumer markets can also help to identify emerging cultural shifts or disruptions to support building a first-mover cultural strategy. For instance, during the Reagan Revolution (1980s), the United States experienced a cultural change characterized by an imbalance between a corporate elite who profited handsomely from restructuring efforts and American workers who were left with low-paying jobs. *Snapple* capitalized on this cultural disruption by pushing the message that big corporations, and the overpaid elites who ran them, were not needed anymore. By promoting itself as a company run by amateurs who cared more about engaging the customer and less about profiting from them, *Snapple* was able to build a loyal base of consumers who were inspired by this insightful cultural image.[6]

Delineating Cultural Segments with Icon-Building Potential

After acquiring a deep understanding of the cultural factors influencing the markets served by a brand, cultural segments with icon-building potential will become apparent. Because most brand managers have a very good understanding of the different segments in the markets they serve, and given that segmentation is often done, at least in part, using demographic factors that also delineate cultural categories (e.g., gender, age, or ethnicity), this step can involve a cultural interpretation of previously identified market segments. However, for brands that rely more on functional-based segmentation approaches, existing segments may not be as culturally informative. In this case, the marketer may try to gain further insights by conducting cultural analyses on the profile of brand users and non-users. Do consumers in different segments form a cultural group? Do they experience feelings of affiliation and identification with the group? Is there an overlap between the brand image and the abstract characteristics of a consumer group? Does the brand have any cultural meaning for the group? The answers to these questions can help to identify those cultural segments with icon-building potential for which cultural equity can be measured.

Let us illustrate this step of a cultural audit with an example. *Starbucks* has emerged in the last decade as the leader in the coffeehouse market in the United States. As of 2012, this market includes 183 million coffee drinkers.[25] Coffee drinking is a lifelong habit that starts at a young age (76 percent of adult coffee drinkers began drinking coffee by the time they were 24) and that is popular among both genders and most ethnic groups. How is such a market segmented? Using a combination of demographic and psychographic segmentation approaches, *Starbucks* segments the market based on income and consumers' desires for social approval. Their main target market, bringing almost half of their total business, comprises high-income men and women between the ages of 25 to 40 who value trendiness and social approval.[26] A more careful analysis of the customer profile further suggests that this segment mainly includes upper-middle-class white Americans. They tend to be white-collar professionals with above-average personal income and advanced educational degrees. In applying a cultural analysis to this segment, the first question we need to ask is whether this segment constitutes a cultural group. The answer is yes. Upper-middle-class white Americans form a cultural group with a clear sense of belongingness and that is distinct from other groups of whites with a lower income and also from other ethnic groups with the same income. This is the cultural group traditionally associated with images of independence, personal advancement, and dominance that characterize American culture.[27] How well does *Starbucks*' image fit the abstract image of this cultural segment? There seems to be a substantial overlap between *Starbucks'* brand image and the abstract characteristics that define upper-middle-class white Americans. *Starbucks*' contemporary and sophisticated image[9] seems to fit well with the status-oriented values that characterize the cultural segment.[11]

Thus, the cultural analysis of this segment suggests that this is indeed a cultural group with icon-building potential for *Starbucks*. Furthermore, given that this cultural segment is highly representative of the entire American culture, *Starbucks* should also have icon-building potential at the national cultural level.

Will the same cultural analysis apply to other U.S. coffeehouse brands? Not necessarily. Because cultural equity depends on the level of group categorization adopted (see chapter 2), each coffeehouse brand in the market might face a unique cultural reality. Consider for instance *Caribou Coffee*, the second largest U.S. coffeehouse, which originated in Edina, Minnesota (U.S Upper Midwest). With the cabin-like feeling of its stores and its homey and down-to-earth brand personality, *Caribou Coffee* successfully penetrated the U.S. Midwest market and undertook a nationwide expansion, reaching more than 500 stores.[28] However, after years of mixed results in several markets, the company decided to close 80 stores and concentrate its presence mainly in the Midwest (Minnesota, North Dakota, South Dakota, western Wisconsin, Iowa, and Kansas).[29] Although *Caribou Coffee*'s target market demographically resembles that of *Starbucks*, and in spite of the similarities between the brand's pricing, distribution, and product strategies, their differences in brand images and geographic success rates points to dissimilar cultural realities. Indeed, *Caribou Coffee*'s down-to-earth image seems to fit well with the more horizontal culture that characterizes parts of the Midwest (and the Upper Midwest in particular).[30,31] This analysis suggests that the Upper Midwesterner cultural segment should offer icon-building potential for *Caribou Coffee*. As a result, because this cultural segment is less representative of the national culture, *Caribou Coffee* might have less icon-building potential at the national culture level.

Measuring Cultural Equity

Once the cultural segments with icon-building potential have been identified, the next step in a cultural audit is to measure the brand's cultural equity for each of the segments. As discussed in chapter 2, measuring cultural equity often requires a multi-method approach. As a first step, the marketer should identify any brand association likely to have cultural meanings for the cultural segment under analysis. For instance, in the *Caribou Coffee* example, the fact that the brand is known by its Upper Midwestern roots provides a first indication of its cultural significance. Similarly, when considering *Starbucks*' equity for

American culture, its well-known American roots suggest some level of cultural symbolism. Although country or region-of-origin associations do not always transfer into cultural meanings, when these associations are strong and spontaneously recalled by consumers, they can point to some baseline level of cultural equity.

The next step when measuring cultural equity is to assess the degree of overlap between the brand image and the abstract representation of the cultural group. The greater the overlap, the more likely it is that the brand may gain cultural significance for the group. In the *Starbucks* and *Caribou Coffee* examples, we discussed how well each brand matches the abstract characteristics of the corresponding cultural groups (i.e., white upper-middle-class Americans and Upper Midwesterners, respectively). The brand's cultural equity can be measured by asking consumers to rate the sharedness of the brand's cultural meanings for the corresponding group (see chapter 2 for details on the procedures). Indeed, when doing so, one finds that *Starbucks* is perceived to be relatively high in its symbolism of American culture, whereas *Caribou Coffee* lacks such symbolism.[32] In contrast, *Caribou Coffee* scores high in its symbolism of the Upper Midwest culture.

The two examples illustrate the importance of having a deep understanding of the cultural characteristics of the different market segments in order to identify those segments with the highest potential for iconic-building purposes. However, in many cases, brands have symbolic meanings that lack strong cultural significance. This often occurs when brands build such symbolic meanings as abstract ideals detached from well-defined cultural categories. Consider for instance the *New Balance* example discussed earlier. *New Balance* seems to have built an image of functionally oriented athletic performance that can appeal to different cultural segments in the United States. For different reasons, this image seems to resonate more with baby boomer consumers. However, *New Balance* does not seem to intend to turn the brand into an icon of baby boomer America (a well-defined cultural category). On the contrary, the brand has recently taken steps to intentionally broaden its appeal to a younger demographic[12]—perhaps to increase the chances for sustained future growth. One could argue that *New Balance* is not concerned about turning the brand into a cultural icon for any particular group but to turn it instead into an icon of a particular lifestyle (i.e., functional-based athleticism). To the extent that *New Balance* desired to achieve an iconic status, it would need to carefully consider the cultural segments in which the brand can aspire to develop cultural authority.

Having cultural authority is an important aspect of cultural equity. Brands with cultural authority are judged to be worthy of authoring cultural stories. For instance, *Coke*'s cultural authority is evident in the buzz generated by how well some of its commercials tell stories that reflect American culture's desires and anxieties. With highly successful slogans such as "The Great National Temperance Beverage" in 1906 (reflecting a time when U.S. society was veering away from alcoholic beverages and *Coca-Cola* provided a nice alternative), or 1986's "Red, White & You" (mimicking the colors of the American flag—red, white and blue), Coke has demonstrated its authority to tell American stories.[33] In today's interconnected world, such culturally generated buzz can be reasonably measured through the media traffic in online public forums or in mass media channels (e.g., news or opinion programs—see chapter 2).

CRAFTING A CULTURAL POSITIONING FOR THE BRAND

A cultural audit provides the marketer not only with the cultural mind-set to better understand the iconic-building potential for the brand but also with a baseline measure of the brand's cultural equity in relation to relevant cultural segments. When this baseline measure of cultural equity does not satisfy the iconic-building objectives for the brand, the marketer would need to decide on the *cultural positioning* that best fits such objectives. Positioning statements describe the desired space for a brand in the minds of target consumers.[34] A cultural positioning refers to how the marketer wants target consumers to think of the brand's cultural symbolism. In other words, a cultural positioning captures the intended cultural meaning of the brand in the mind of target consumers. As stated earlier, marketers rarely articulate their objectives in relation to sustainably building cultural equity. Lacking a cultural focus, brands often exhibit wide variations in their levels of cultural equity over time.[16] Such objectives should be explicitly stated in a brand-positioning statement. Such statements should include the following two elements: a clearly delineated cultural group that is targeted for the purposes of building a distinctive iconic status, as well as the brand's attributes/characteristics that will support such distinctive cultural meanings.

Choosing Target Cultural Segments

The first step for developing a brand's cultural positioning emerges directly from the cultural audit. That is determining the cultural segments that the brand should target in its quest for achieving a distinctive iconic status. In some cases, brands might already have some baseline level of cultural equity in some segments. For instance, in the 1970s, *Harley-Davidson* probably enjoyed some level of cultural equity among working-class white Americans—who saw the brand as an icon of their struggles and desires. However, the company did not seem to have nurtured and leveraged this cultural symbolism until the late 1970s.[16] After doing so, *Harley-Davidson* has stayed true to its patrons, which in turn has solidified its status as a symbol of white male America. Developing such iconic status has also helped *Harley-Davidson* in becoming an American symbol—due to the dominance and representativeness of white male Americans for the supra-level American culture (see chapter 2). This example illustrates how carefully choosing the right cultural segment for iconic-building purposes can help to develop cultural equity at different cultural levels (i.e., subcultures as well as entire cultures).

Due to the rise in globalization, people are increasingly recognizing the commonalities rather than dissimilarities among people around the world. The emergence of a global culture, characterized by cosmopolitanism and a zest for wide international experience, is evident in the growing number of individuals who identify themselves with people from around the world.[35] Many companies are trying to take advantage of this trend and trying to build icons of this global culture. Although consumers who identify themselves with this global identity tend to be more affluent and educated,[36] and hence constitute a minority segment in most markets, on aggregate they are a large cultural segment that comprises around 23 percent of worldwide consumers.[37] Luxury brands such as *Louis Vuitton* or *Gucci*, although associated with European culture, strive to become *global icons* that symbolize the cultural ideals of an imaginary global identity that people share with like-minded individuals. Building an iconic brand at this high level of abstraction is unlikely to result in large levels of market share in any market, but support instead a leadership position on a global scale.

In the same way that choosing a cultural segment for iconic-building purposes can help to develop cultural equity across multiple cultural levels, it can also hinder a brand's ability to acquire a widespread iconic status in society. However, developing a more focused iconic status might be the appropriate approach given the brand objectives. For example, *Victoria's Secret* has emerged as a cultural symbol for female America, as American women use this brand to reinforce their feminine identity.[38] As discussed in chapter 2, the emergence of the brand as a cultural symbol for female Americans would hinder its possibilities to reach an iconic status for the larger American culture—due to the intersubjective understanding that masculinity, as opposed to femininity, characterizes American culture. However, because *Victoria's Secret* is firmly focused on targeting women (it is hard to see in the horizon a line of *Victoria's Secret* underwear for men), building an iconic status among female consumers seems fully aligned with the brand strategy. Having cultural authority among American women would strengthen the bond with target consumers, which would give the brand an edge against competitors.

In some cases, brands might have cultural equity for the wrong cultural segment given the brand objectives. This may be the case when existing cultural equity gets in the way of broadening the brand's appeal to more desirable cultural segments. For instance, the fact that *Cadillac* has traditionally been a cultural icon for older Americans (as a symbol of the status earned after a successful career) has made it very difficult for the brand to appeal to young, white-collar Americans. Over the years, brands such as *BMW* or *Porsche* developed stronger cultural meanings among members of this cultural group. *Cadillac* has spent many years and has committed a significant marketing budget in trying to change its cultural equity.[39]

Identifying Brand's Attributes/Characteristics Supporting the Cultural Positioning

Once a brand has chosen a target cultural segment for purposes of building an iconic status, it should identify the distinctive brand attributes and characteristics that help in achieving such cultural status. These distinctive characteristics often emerge from brand imagery associations and from the cultural insights provided by such associations.[34] Because iconic brands symbolize the abstract characteristics that distinguish a cultural group (see chapter 2), developing a brand image around these distinctive characteristics helps in positioning the brand as a cultural icon. Of course, this cultural positioning is only distinctive to the extent that no competing brands own that brand image in the mind of consumers. This is not something that happens easily in today's hypercompetitive markets. However, a brand can always strive for communicating such cultural imagery more clearly and in a more compelling fashion than competitors. For instance, automobile brands in the United States often promote images of independence, style, and power that resonate with the values of American culture. However, for many years the *Ford Mustang* seems to have embodied these images better than competitors, which explains why the brand is often considered an American icon.[40]

Although many brands may attempt to adopt a culturally relevant image, only few succeed at leveraging this image for generating cultural insights. This is an important step in supporting a cultural positioning. Turning into a cultural authority, the brand becomes renowned for telling stories that help consumers address their cultural-identity desires and anxieties.[16] Consumers' recognition of a brand's cultural authority feeds into perceptions of the brand as a cultural symbol that is worthy of authoring cultural stories. For example, as discussed earlier, *Snapple* capitalized on the cultural disruption taking place in America in the 1980s by pushing the message that big corporations, and the overpaid elites who ran them, were not needed anymore. By promoting itself as a company run by amateurs who cared more about engaging the customer and less about profiting from them, *Snapple* was able to build a loyal base of consumers who were inspired by this insightful cultural image.[6]

MARKETING PROGRAMS TO BUILD CULTURAL EQUITY

Once a brand has clearly articulated a distinctive cultural positioning, the next step entails identifying and implementing the different marketing actions that will help in creating the desirable image in consumers' minds. This section discusses how marketing activities can be optimally designed to build cultural equity. Specifically, the following actions are commonly included in a marketing program:[41] product strategy, choice of brand elements, communication strategy, channel strategy, and pricing strategy.

Product Strategy

In the same way that brands acquire cultural meanings, products can also gain a cultural symbolism. Certain cultural traditions involve the use of products that get imbued with the values of the culture. For instance, in America, to express that something embodies the qualities that are thought to be typical of American culture, people often use the expression "as American as apple pie."[42] That is because an apple pie is an American icon in the same way that *arepas* (corn dough made into a flat, round patty that is baked or grilled) are a Venezuelan icon, *basmati* rice is an Indian icon, and perfumes are a French icon. For historic and cultural reasons, certain products become associated with the values, beliefs, and ideas of a culture. Products that acquire cultural meanings can reach the level of a cultural symbol, and we refer to such products as culturally symbolic or iconic products.[43]

Because iconic products are loaded with cultural meanings, brands can build their cultural equity by establishing connections with such iconic products. Indeed, brands of iconic products are oftentimes iconic brands themselves. For instance, *arepas* are a cultural icon for Venezuelans, and *Harina PAN* (the market leader in the category) is one of the most iconic Venezuelan brands.[32] Similarly, jeans are considered to be an American icon,[10] and *Levi's* enjoys a relatively high level of brand iconicity for Americans.[44] Thus, one approach for a brand to increase its cultural equity is to associate itself with products that symbolize the target cultural segment. This can be done by introducing new products in iconic categories. Consider for instance *Kashi*, the U.S. manufacturer of breakfast cereal, snack bars, crackers, and pizza.[45] This is a relatively new brand that might try to build cultural equity by highlighting its presence in the breakfast cereal category, a culturally symbolic category for Americans.[10] Although it may be difficult for *Kashi* to compete for this role with well-established corporate brands such as *General Mills* or *Kellogg's*, it might attempt to claim an iconic status among the more narrowly defined cultural segment that includes organic-conscious Americans (an emerging segment with an increased sense of common identity).[46]

Another approach for creating cultural equity is by establishing partnerships and alliances with culturally symbolic brands based on the fit or complementarity of product portfolios. For example, *Best Western*, the international hotel chain headquartered in Phoenix, Arizona, has partnered with *Harley-Davidson* (an American icon) to serve as the official lodging partner of *Harley*'s motorcycle travelers. *Best Western* has more than 1,200 Rider Friendly® hotels throughout North America, which offer a free wipe-down motorcycle towel and access to a washing station upon check-in. The hotel chain also offers motorcycle enthusiasts *Best Western* Ride Rewards, a special segment of its *Best Western* Rewards® loyalty program. *Harley* Owners Group (H.O.G.) members receive additional benefits, including an automatic upgrade to platinum status and 15 percent bonus points.[47] By establishing this alliance, *Best Western* not only gains preferential access to a sizable market segment but also might increase its cultural symbolism by highlighting its connection to the iconic *Harley* brand.

Choosing Brand Elements

Brand elements refer to anything that identifies the brand including name, web URLs, logos, symbols, characters, slogans, jingles, packaging, and signage.[48] Brand elements are important tools for building brand equity in general, as they can enhance consumers' brand awareness or facilitate the creation of favorable brand associations. Three key criteria for choosing brand elements that can help in building brand equity are memorability, meaningfulness, and likability. *Memorability* refers to the ease with which consumers can recall the brand element. *Meaningfulness* relate to how suggestive the brand element is of desirable attributes and characteristics. Finally, *likability* denotes how appealing is the brand element.[49]

For the purposes of building cultural equity, we are going to focus on the *meaningfulness* criterion. Specifically, brand elements can be chosen to signify the cultural group targeted for iconic-building purposes. This is based on the notion that the sounding of certain names can evoke certain cultural groups. For example, French-sounding names can evoke French culture and its associated hedonic values.[50] Similarly, Japanese-sounding names can evoke Japanese culture and the high quality that characterizes its products.[32] Companies can use the cultural meanings evoked by the sounding of certain names to increase their associations with the evoked cultures, and in turn to increase their cultural equity. For instance, with its Danish-sounding name, *Häagen-Dazs* might not only reinforce its hedonic image (i.e., driven by the link between Danish culture and hedonic food consumption) but also increase its symbolism of European culture. For its American owner, *General Mills*, this might offer an opportunity for leveraging cultural equity in a way that an American-sounding name might not accomplish. This might be useful in some Middle Eastern markets in which European culture is appreciated better than American culture.

Communication Strategy

A communication strategy includes all the advertising and other promotion actions that a company undertakes in order to achieve the desired brand knowledge in consumers' minds. Advertising in its different forms (mass media, direct response, online, or point-of-purchase) is often the central action for this purpose, but other actions such as publicity, event marketing, and personal selling are also important for communicating a brand's positioning.[48] A communication strategy for building cultural equity focuses on informing consumers about the imagery associations and the cultural insights that support the brand's distinctive cultural meanings. Below, I'll discuss how communication strategies can fulfill these objectives.

Communicating Imagery Associations

Some imagery associations are more culturally relevant than others. To build cultural equity, a brand should communicate those images that represent the abstract characteristics of the culture it wants to represent. Chapter 2 discussed how combining the horizontal-vertical distinction with the individualism-collectivism classifications provides a framework for identifying the brand images, in terms of human values representations, likely to represent the abstract cultural characteristics of a variety of cultures throughout the world. Let us now discuss how companies can use this framework for building cultural equity into their brands.

Horizontal-individualistic cultures can be characterized by *openness* brand images of stimulation (i.e., excitement, novelty, and challenge in life) and self-direction (i.e., independent thought and action-choosing, creating, and exploring). Promoting such images supports the creation of cultural equity among cultural segments that are high in horizontal individualism. For instance, *Quiksilver*, the iconic Australian brand of surfwear and other boardsport-related equipment, uses a communication strategy that promotes an openness image of excitement and freedom. Using ads with taglines such as "Knock your freedom out" or "Surf fast, rock hard," along with images of surfers riding waves and snowboarders flying in the air, the brand communicates an openness image that builds cultural equity in the horizontal-individualistic Australian culture. The brand also leverages this image to build an iconic status outside of Australia by targeting subcultural groups of young consumers who tend to endorse a horizontal-individualistic orientation.

Target, the Minneapolis-based U.S. retailer, offers a large-scale example of how to build an image that supports developing an iconic status among subcultures of horizontal-individualistic consumers. In trying to differentiate from *Walmart*, the world's largest retailer, *Target* has positioned itself as a mass merchandiser of affordable chic goods. By building an openness image that is younger, edgier, and more hip and fun than its competitors, the company has made itself very appealing to the segment of young, educated, down-to-earth consumers (mainly women) who value trend-forward merchandise.[51] Consumers with this profile fit a horizontal-individualistic cultural orientation and, due to immigration patterns from Scandinavian countries, constitute a sizeable cultural group in the U.S. Upper Midwest where *Target* originated.[30] The cultural relevance of *Target*'s image for horizontal-individualistic Midwestern consumers explains in part why the brand is regarded as a cultural icon in this region of the United States.[7]

Vertical-individualistic cultures can be represented by *self-enhancement* brand images of power (i.e., social status and prestige, control or dominance over people and resources) and achievement (i.e., personal success through demonstrating competence). Communicating such images helps in building cultural equity among vertical-individualistic segments of consumers. For instance, *Nike*, the iconic American brand of shoes and apparel, has traditionally adopted a communication strategy that promotes a self-enhancement image of personal success, dominance, and superiority. In 1973, University of Oregon running star Steve Prefontaine became the first athlete sponsored by *Nike*. Prefontaine symbolized the dominant and success-oriented image that *Nike* wanted to promote, which, along with taglines such as "Somebody may beat me but they are going to have to bleed to do it," reinforced the cockiness and pride at the heart of *Nike*'s image.[9] Since then, sponsorship of top athletes has become the bread and butter of *Nike*'s communication strategy to instill in the minds of consumers a self-enhancement brand image of power and achievement. The fact that this image highly resonates with the vertical-individualistic values that characterize mainstream American culture has certainly been a key contributor to *Nike*'s ability to build its status as an American icon. Observing the communication strategies of other American iconic brands provides further evidence that promoting self-enhancement brand images of power and dominance can be successful for building cultural equity in the vertical-individualistic American culture. For example, *Ford* has consistently used this approach for building the iconic status of its flagship F-150 line of trucks, using slogans such as "Brute strength," "Ford is the leader," or "Built Ford tough" Similarly, *Cadillac* has recently tried to reclaim its former iconic status by promoting images loaded with power and status themes, such as those used for the CTS featuring Kate Walsh asking, "When you turn your car on, does it return the favor?"

Horizontal-collectivistic cultures can be characterized by *self-transcendence* brand images of social concerns (i.e., protection for the welfare of all people) and concerns with nature (i.e., protection of the environment). Promoting such images supports the creation of cultural equity in horizontal-collectivistic cultural segments. One brand that has successfully built an iconic status by promoting a self-transcendence image is *Hallmark*, the largest manufacturer of greeting cards in the United States. With its communal, sincere, and caring image, *Hallmark* has won the hearts of American women.[52] Because American women tend to endorse a horizontal-collectivistic cultural orientation,[53] *Hallmark*'s self-transcendence image resonates with this cultural segment. The cultural relevance of its brand image explains why *Hallmark* is often regarded as a cultural icon among American women.[38]

Finally, vertical-collectivistic cultures can be represented by *conservation* brand images of tradition (i.e., respect and acceptance of the customs and ideas that traditional culture provides), conformity (i.e., restraint of actions likely to violate social expectations or norms), and security (i.e., safety and stability of society, relationships, or self).[54] Communicating such images helps in building cultural equity among vertical-collectivistic segments of consumers. This is evident in multiple examples of iconic brands in Latin America, a region of the world in which vertical collectivism is a dominant cultural orientation.[55] For example, *Harina PAN*, the leading brand of corn flour in Venezuela (a traditional staple in Venezuelan culture), has consistently adopted a communication strategy loaded with images of traditional families engaged in traditional activities (e.g., having breakfast together or enjoying a baseball game—the most popular sport in Venezuela).[56] By promoting a conservation image of tradition, Harina *PAN* has built high levels of cultural equity in the vertical-collectivistic Venezuelan culture.[14] Similarly *Bimbo*, the leading Mexican baking brand, has developed a family-oriented image linked to Mexican traditions (e.g., soccer or family events) that has helped in building its cultural equity in the Mexican market.

Communicating Cultural Authority

As discussed earlier in the chapter, although many brands may successfully adopt a culturally relevant image, only few succeed at leveraging this image for gaining the cultural authority needed to claim an iconic status. How do brands reach the status of a cultural authority? One approach is by becoming renowned for telling stories that help consumers address their cultural-identity desires and anxieties.[6] In other words, the brand is constantly vigilant for identifying emerging cultural shifts or social contradictions and responds with an insightful visual story explaining how the brand helps consumers address these changes and contradictions. For example, as described by Douglas Holt in his analysis of *Budweiser* genealogy,[16] *Budweiser* is a brand that throughout its history not only has remained vigilant to the changes in U.S. culture but has also developed culturally insightful visual stories via mass advertising. They did it first in the 1960s, under the cultural changes in the face of U.S. economic, military, and political failures, by offering itself as a model of optimism and superiority for men longing for the return of U.S. power through its slogan "The King of Beers." Their cultural insightfulness is also evident in their communication efforts in the late 1970s, at a time when the United States bottomed out and Ronald Reagan emerged with a call for the United States to return to its roots. *Budweiser*'s response to working-class American men was a tribute to their hard work and dedication with the "This Bud's for You" campaign. By saluting working men and highlighting their central role in American culture, *Budweiser* elevated itself as a cultural leader of America's working men.

The *Budweiser* example illustrates how brands can use their communication strategy to not only promote a brand image but also to demonstrate its cultural insightfulness. At times of cultural shifts, demonstrating cultural insightfulness can help to increase a brand's cultural authority. However, brands can also increase their cultural authority by embedding themselves in the fabric of the culture in more subtle ways. This can be done by strengthening its associations with culturally important issues, events, and institutions in a way that turns the brand into an important cultural actor. This can be illustrated by the actions of *Polar*, the leading Venezuelan beer. With a communication strategy promoting sensuality, obsession with beauty, and the celebratory spirit that characterizes Venezuelan culture, *Polar* is recognized as a Venezuelan icon.[32] Beyond its success promoting a culturally relevant image, *Polar* owes its iconic status in part to its efforts of being a ubiquitous actor in Venezuelan culture. Through the *Polar* Enterprises Foundation, the company has become a key factor in community development by fostering community leadership and sponsoring community advance projects. It plays an important role in supporting a variety of educational programs (from school infrastructure to vocational education) and is the official sponsor of countless popular entertainment and sport events. In summary, the brand permeates so many domains of Venezuelan culture and in such a relevant way that it is widely recognized as a key cultural actor.

A brand can also acquire cultural authority by partnering with its target consumers for embracing their struggles and desires. *Harley-Davidson* illustrates how this can be done. In the 1980s, the brand decided to embrace the outlaw biker image idealized by blue-collar white men comprising their core target market, and to co-create with this segment the brand cultural meanings. With this objective in mind, the company took over the rider's organization, not without some resentment among users, and in turn gained authority over the cultural process, shaping its emergence as an icon.

Once a brand has acquired cultural authority, it can confidently promote this achievement through explicit communication of its iconic status. Of course, even a brand lacking cultural authority can claim an iconic status through advertising. Indeed, many firms refer to their brands as icons in public relations releases and promote them explicitly as icons. Although in the short-term this can increase personal perceptions of a brand as a cultural symbol, this strategy is unlikely to significantly affect the consensual view of the brand's cultural symbolism—and particularly so if the brand lacks an image that is culturally appealing. Over time, claiming an iconic status that is not supported by a brand's attributes or level of cultural authority is likely to become irrelevant in the mind of consumers. However, brands that achieve an iconic status can and often should remind consumers of their status. This helps in strengthening the brand's cultural equity. For example, the iconic Venezuelan *Harina PAN* promotes itself as "the brand of birth of all Venezuelans."[56] This is certainly a claim that the brand has earned and that can resonate with Venezuelan consumers due to its authenticity and sincerity, and hence generate favorable consumer responses. Similarly, *Budweiser*'s explicit mentions of its American heritage in promotional campaigns such as "America's Beer Supports America's Heroes" or "Budweiser: Made in America Events"[57] feel authentic in view of the brand cultural status.

Channel and Pricing Strategy

The strategy that a firm adopts for distributing its products and services can have a profound impact on its ability to create brand equity. A channel strategy contemplates the different organizations and actions involved in the process of making a product or service available to consumers.[48] In the context of building cultural equity, channel decisions can help to support the cultural positioning of the brand. For example, in its quest for becoming a cultural icon for Venezuelans, *Polar* established a complex distribution network of independent truck owners (franchisees) for delivering beer in the shanty towns of Caracas and other big cities, areas that traditional distribution channels can hardly reach.[58] Because a sizeable segment of the population lives in such inaccessible areas, it is important for *Polar* to establish a closer connection with consumers in these areas in order to support its cultural meaning for all Venezuelans.

A pricing strategy can also be used to reinforce a brand's cultural positioning. Broadly defined, pricing refers to the sum of all the values that consumers exchange for the benefits of having or using the product or service.[41] The pricing that a brand charges serves as a signal to consumers of the intrinsic value of the products it sells. In some instances, pricing decisions are inherent in a brand-positioning statement. In such cases, companies need to make sure that pricing decisions are aligned with the brand positioning. For example, in the previous example about *Target*, it was indicated that the brand has positioned itself as a mass merchandisers of affordable, chic goods. Implicit in this positioning is the expectation that the pricing for the products sold at *Target* stores would be slightly higher than those in *Walmart* stores (that adopts an "everyday low prices" strategy), but lower than those in more upscale department stores such as *Macy's*. Implementing such a pricing strategy would help in building an image that is appealing to the segment of young, educated, down-to-earth consumers (mainly women) who value trend-forward merchandise.

CHAPTER SUMMARY

Marketers often aspire to build iconic brands that can yield higher returns. Because iconic brands connect with consumers both through the fulfillment of self-expressive as well as cultural-identity needs (vs. the self-expressive needs fulfilled by identity brands), iconic brands develop stronger consumer-brand bonds that better shield them against competitors' threats. However, lack of clarity on what it means to be an iconic brand, as well as expert advice for building such iconic brands that often lacks a strong theoretical basis, makes it very difficult to fulfill marketers' aspirations. By integrating the concepts discussed in previous chapters into an actionable framework, this chapter offers theoretically grounded guidelines for building cultural equity into brands. Figure 6.4 describes the different steps involved in the process of building cultural equity. The first step involves conducting a cultural audit, or the aspect of a brand audit that focuses on measuring cultural equity. This starts by acquiring a deep cultural understanding of the different market segments touched by the brand. The goal is to identify the key cultural characteristics and concepts that explain people's behaviors and opinions. After acquiring this deep understanding of the cultural factors influencing the markets served by the brand,

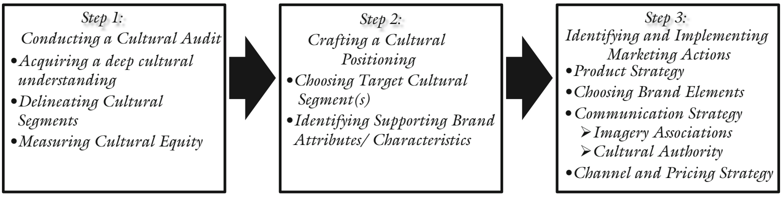

Step 1:
Conducting a Cultural Audit
•Acquiring a deep cultural understanding
•Delineating Cultural Segments
•Measuring Cultural Equity
Step 2:
Crafting a Cultural Positioning
•Choosing Target Cultural Segment(s)
•Identifying Supporting Brand Attributes/ Characteristics
Step 3:
Identifying and Implementing Marketing Actions
•Product Strategy
•Choosing Brand Elements
•Communication Strategy
➢Imagery Associations
➢Cultural Authority
•Channel and Pricing Strategy

Figure 6.4 Steps Involved in the Process of Building Cultural Equity

cultural segments with icon-building potential will become apparent. In this regard, a cultural interpretation of market segments previously identified through traditional segmentation and targeting exercises might help to identify the cultural segments likely to be targeted for building cultural equity. Once a cultural audit has been conducted, the second step consists in crafting a cultural positioning for the brand. This relates to the intended cultural meaning of the brand in the mind of target consumers. A cultural positioning includes the following two elements: a clearly delineated cultural group that is targeted for the purposes of building a distinctive iconic status, as well as the brand's attributes and characteristics that will support such distinctive cultural meanings. These distinctive characteristics often emerge from brand-imagery associations and from the cultural insights provided by such associations. The third step for building cultural equity entails identifying and implementing the different marketing actions that will help in creating the desirable image in consumers' minds. This includes product strategy, choice of brand elements, communication strategy, channel strategy, and pricing strategy.

Chapter 7

Leveraging and Protecting Cultural Equity

Marketers build equity into their brands with the expectation that this equity can be further leveraged to generate future growth. This is consistent with the notion that brands are assets capable of generating future streams of revenues for the firm (see chapter 1).[1] Leveraging brand equity refers to the implementation of growth strategies that fit with the equity built into the brand. Adopting H. Igor Ansoff's product-market expansion grid,[2] growth strategies are often classified according to the extent to which they involve existing or new products or markets. As depicted in figure 7.1, depending on the combination of products (existing or new) being offered to different types of markets (existing or new), the following four growth strategies emerge: market penetration, product development, market development, and diversification.

	Existing Products	New Products
Existing Markets	*Market-Penetration Strategy*	*Product-Development Strategy*
New Markets	*Market-Development Strategy*	*Diversification Strategy*

Figure 7.1 Ansoff's Product-Market Growth Strategies

Market penetration is an effort to grow sales among consumers in the existing target market. This can be done by either convincing existing consumers to buy more of the branded products (e.g., more repeated purchases or consume larger quantities of the product) or persuading new target-market consumers to buy the branded products (i.e., increasing market share). *Market development* is a strategy in which the brand attempts to sell its products to new target segments (e.g., consumers in other geographic regions or new target markets in the existing geographic markets). *Product development* involves bringing new products that can be appealing to the existing target market (e.g., introducing brand extensions to the existing target market). Finally, a *diversification* strategy implies bringing new products to new target markets.

A market-penetration strategy often involves increased efforts in the implementation of the same marketing actions used to create brand equity. For example, the brand might increase its promotion budget to reach more target consumers with its message. Another approach is to add more distribution channels in order to get products into the hands of more consumers. Because these actions were already discussed in detail in chapter 6, I will focus here on the other three cells of the matrix in figure 7.1.

LEVERAGING CULTURAL EQUITY USING BRAND EXTENSIONS

When a company introduces a new product, it can decide to launch it using a new brand name or to do it under an existing brand name. The latter is one of the most common approaches used by companies to leverage the equity that is already built into their brands. A *brand extension* is when a company introduces a new product under an established brand name.[3] Brand extensions are an important avenue for growth in today's highly competitive marketplace, especially for well-known brands with established leadership positions and iconic status. They are used as an attempt to transfer the equity built into the brand to the new product or to associate the new product with the brand-related attributes, characteristics, opinions, and emotions residing in consumers' minds.

Managers of high-equity brands often favor brand extensions over developing a new brand for two broad reasons. First, brand extensions can be the most cost-effective action that can quickly generate a positive cash flow. By borrowing from existing brand-related images, opinions, and emotions residing in the minds of consumers, the marketer can simply focus on linking these images, opinions, and emotions to the new product. In other words, investment in brand-image creation is minimized and marketing resources can be concentrated on creating awareness and communicating product features. Second, brand extensions can also provide feedback benefits to the parent brand by enhancing and revitalizing its image.[4]

When deciding on whether to introduce a new product using an existing or a new brand, one of the critical factors in the decision is the *perceived fit* between the new product and the existing brand. When consumers perceive that the new product fits with the brand, they tend to transfer their knowledge of the brand, or its equity, to the new product. In turn, this increases the likelihood of acceptance of the new product by consumers.[3] Perceptions of fit between the brand and the new product emerge from different reasons. Products that contain the brand's distinctive attributes or benefits are perceived to have high levels of fit with the brand.[5] For example, a hypothetical *Häagen-Dazs* cream liqueur extension might offer a high level of fit given that "creamy" is an attribute distinctively associated with the *Häagen-Dazs* brand and that also seems important for the acceptance of the new product. Products that are similar, or that belong to similar categories, to those strongly associated with the brand can also be perceived to fit with the brand.[6] For instance, *Ivory* shampoo might be perceived to have high fit given that shampoo and soap bars evoked by the *Ivory* name are both personal care products. Products that reflect the brand's prestige are also perceived at high levels of fit.[7] For instance, *Porsche* sunglasses may be perceived high in fit not because *Porsche* has expertise making sunglasses but because sunglasses can communicate the prestige already associated with *Porsche* cars.

The above examples illustrate how different aspects of brand equity (e.g., attributes, prestige, functionality, etc.) can be leveraged in order to increase consumers' acceptance of new products. Can cultural equity also be leveraged through brand extensions? If so, which new products benefit from being introduced by an iconic brand? The answer to the first question is yes. However, as discussed next, the process by which cultural equity can be leveraged is slightly different from the one just described (i.e., the one driven by perceived fit). Regarding the second question, new products that benefit from being introduced by a brand that is high in cultural symbolism are those that belong to the same cultural network (i.e., that are culturally symbolic as well). Importantly, such products benefit from being introduced by an iconic brand even when they don't share the same brand attributes or when they belong to categories dissimilar to those associated with the brand.

As discussed in chapters 2 and 3, people do not always wear cultural glasses to see the world and respond to it, nor do they ruminate about what culture prescribes before taking action. Instead, culture is brought to the fore of the mind by environmental stimuli (e.g., by exposure to an iconic brand) and operates in the background to influence people's perceptions, judgments, and behaviors. In other words, culture often operates rather automatically without the need of conscious deliberation about what the culture prescribes. As a result, a brand's cultural equity can be leveraged for introducing new products through a more automatic process that does not require conscious deliberation about the fit between the brand and the new product. Furthermore, because a brand's cultural equity is not an attribute or a feature directly related with the function of its associated products, people rarely reflect on a brand's cultural symbolism during product encounters.[8] Thus, when people see a new product introduced by an iconic brand, the iconic brand brings to mind its associated culture (i.e., induces cultural framing—see chapter 4). If the new product lacks any cultural meaning, then culture is unlikely to provide any expedited reasons to like or dislike the new product. As a result, the consumer is likely to attend to the product features or the key attributes for product success and compare them with the brand image in memory for rendering a judgment about fit. If perceived fit is judged to be high, then consumers are likely to transfer favorable brand associations in memory to the new product and judge it favorably. In contrast, if the product is judged to offer low fit with the brand, favorable brand associations are not transferred to the product and the consumer will likely evaluate the new product negatively. However, something very different will happen when the product is also culturally symbolic.

As stated in chapter 6, in the same way that brands acquire cultural meanings, products can also gain cultural symbolism. Culturally symbolic products belong to the memory network containing all the knowledge (including knowledge about iconic brands) that consumers have linked to a central cultural concept (e.g., American culture—see chapter 4). When a new product is introduced under an iconic brand symbolic of the same culture, something very interesting occurs.[9] The iconic brand brings to mind knowledge about its associated culture, which includes knowledge about the culturally symbolic product belonging to the same cultural network. Because knowledge about the new product is now salient in the consumer mind, the information about the new product is processed more easily or fluently. This feeling of fluency or familiarity with the new product results in a spontaneous favorable evaluation of the product. Importantly, if the context involves lower involvement or motivation conditions, such as those typically prevalent in the marketplace, people are even more likely to rely on this fluency experience for their evaluations.[10] This psychological phenomenon is similar to what somebody can experience when attending a party with strangers and finding a familiar face in the audience. Although they might not truly know each other, the feeling of familiarity with the face still triggers a spontaneous favorable attitude toward the person—which might in turn induce that person to approach the familiar face in order to establish a conversation.[11]

One example that illustrates this phenomenon is the introduction by *Budweiser* in 2006 of its own line of barbecue sauces.[12] This is something that can be considered a bit unusual for a beer manufacturer. Although beer and barbecue sauce can be considered companion products that may be consumed together, and beer can certainly be added to meats during grilling, the fit between barbecue sauce and *Budweiser* is possibly moderate at best. However, the product is still around after seven years and seems to enjoy good reviews by consumers.[13] It can be argued that these favorable reviews among American consumers may be due, at least in part, to the cultural congruity between the iconic barbecue sauce and *Budweiser*'s American symbolism.

Several recent studies about hypothetical brand extensions illustrate more directly how consumers can favor culturally symbolic products introduced by brands that are also high in their symbolism of the same culture—also known as culturally congruent products.[9] In one study, American consumers were divided into four groups and were exposed to one of four hypothetical brand extensions for the *Sony* brand. Two of the extensions were culturally congruent extensions into products that symbolized Japanese culture, whereas the other two extensions were culturally neutral products unrelated to Japanese or any other culture. In addition, two of the products were moderate in fit with the *Sony* brand, whereas the other two were ill-conceived extensions with very low fit with *Sony*'s attributes, characteristics, and product lines. The products presented to each group of participants were: *Sony* electric car (culturally congruent and moderate fit), *Sony* toaster oven (culturally neutral and moderate fit), *Sony* sushi serving set (culturally congruent and low fit), and *Sony* food serving set (culturally neutral and low fit). Participants in the study were asked to evaluate the hypothetical brand extension and to write down their thoughts about it. Results demonstrated that, for each level of perceived fit, participants evaluated the culturally congruent extensions more favorably than the culturally neutral ones. That is, they evaluated more favorably the culturally congruent electric car than the culturally neutral toaster oven (both product extensions with a moderate level of fit with the *Sony* brand). Similarly, participants evaluated more favorably the culturally congruent sushi serving set than the culturally neutral food serving set (both product extensions with a low level of fit with the *Sony* brand).

Another study illustrates more directly the process by which cultural equity can be leveraged into culturally congruent extensions.[9] American participants evaluated hypothetical extensions of *Giorgio Armani* (an Italian icon) and *Burberry* (a British icon) into either culturally congruent products (e.g., cappuccino-macchiato maker for *Giorgio Armani* and tea brewer for *Burberry*) or culturally neutral products (toaster oven). After being exposed to the new product, participants evaluated the product and indicated the extent to which processing information about the new product was easy. Results showed that for both brands, the culturally congruent product was evaluated more favorably than the culturally neutral product. Furthermore, these more favorable evaluations were driven by the ease with which participants processed the information about the culturally congruent products (i.e., increased processing fluency).

In summary, cultural equity can be leveraged through product extensions into culturally congruent products that are high in cultural symbolism. However, should brands explicitly point to the cultural connection to promote the new product? An understanding of the fluency-based process driving these results suggests that this might not be a good idea. Spontaneous, favorable attitudes driven by feelings of ease of processing or a sense of familiarity with an object or person tend to be discounted when people are pointed to the source of the feeling. For example, on a sunny day people tend to report greater life satisfaction than on a rainy day. This occurs because people tend to be in a better mood during sunny days. However, if before asking people about their life satisfaction they are warned that a sunny day might pump up their optimism, they no longer report greater happiness during a sunny day.[14] In this context, people discount the feeling as uninformative and correct their judgment. Similarly, explicitly asking consumers to identify the link between an iconic brand and a culturally symbolic product extension could cause people to discount the informativeness of the cultural connection for their more favorable spontaneous product opinions. One study illustrates this notion.[15] American consumers were divided in two groups and exposed to one of two ads for a hypothetical product: *Nike* cola—a culturally congruent extension for the American icon into the culturally symbolic cola category. One of the ads highlighted the connection between sports and cola consumption by promoting the product in the context of a football game. The other ad highlighted explicitly the cultural connection between the brand and the product using the slogan: “An American icon for the American Spirit” and images of the Statue of Liberty against a background of fireworks for the Fourth of July (other American icons). Results showed that people evaluated less favorably the ad with an explicit cultural rationale for the product extension than the one with a rationale based on companionship products (i.e., colas consumed at sport events).

LEVERAGING CULTURAL EQUITY FOR DEVELOPING NEW MARKETS

Brands can leverage their cultural equity for developing new market segments. Once a firm has penetrated its target market in a geographic region, it is relatively easy to look for similar target markets in other regions. This often involves crossing cultural boundaries. In the case of iconic brands, cultural equity can be easily leveraged by going after market segments that have a distinctively favorable view of the culture symbolized by the brand and also by developing new market segments that are culturally close to the current target market.

Developing Markets with a Favorable View of the Culture

Consumers often hold favorable views of certain cultures with which they are familiar. These favorable views can be general opinions that extend across domains (e.g., “I like everything that is associated with the global culture”) or can be domain-specific (e.g., “I like German engineering”).[16] There are multiple examples of national cultures that have a positive equity in the minds of worldwide consumers.[17] For example, people tend to have a favorable view of French and Italian cultures, and particularly so in the domain of hedonic consumption (e.g., fashion or foods).[18] As a result, Italian and French iconic brands in the fashion industry often leverage their cultural equity when developing new markets.[19] Similarly, because consumers tend to have a favorable view of German engineering, iconic German auto brands such as *Volkswagen* explicitly promote this fact for developing new foreign markets—with their slogan “That’s the Power of German Engineering.”

Harley-Davidson, the iconic American brand, offers another example of how to leverage cultural equity in new market segments. *Harley-Davidson* leverages its American iconic status to gain the acceptance of worldwide consumers who have favorable attitudes toward American culture. *Harley-Davidson*'s rugged, adventurous, and free-spirited image is the same in the United States as it is abroad. Although such an image might not be appealing to mainstream consumers in all markets, carving a niche in every market it develops has helped to turn *Harley-Davidson* into a worldwide leader in the heavyweight motorcycle category.

Some global brands, often from the Western world, capitalize on their cosmopolitan and widely international image to transcend their national culture and become global icons. Brands that symbolize the global culture are very successful at leveraging their cultural equity for developing new markets on a global scale. By appealing to the growing number of worldwide consumers who identify themselves with people from around the world, global brands such as *Apple* or *Google* often downplay their national connection in favor of building an international or global image. For instance, *Apple*'s website in a variety of countries has the same look and feel that promotes an upscale and cosmopolitan image that is appealing to global consumers of any nation or culture. Outside the United States, and by transcending its American connection in favor of a more global image, *Apple* can aspire to a worldwide iconic status among the segment of upscale and cosmopolitan consumers who comprise Apple's target market.

Developing Culturally Similar Segments

Another approach to leveraging cultural equity is to develop new market segments that are culturally similar to the current target segments. In trying to develop these new market segments, the brand might need to make only slight adjustments to its image in order to appeal to the new segments' cultural values—as the brand image already matches similar cultural values in the current market. Although identifying culturally similar segments can be done by attending to the history of the peoples in certain geographic regions (e.g., South American countries such as Venezuela, Colombia, and Ecuador shared the same history during their independence from Spain), the cultural framework introduced in chapters 2 and 3 offers a more robust approach for this purpose. Combining the horizontal-vertical distinction with the individualism-collectivism classifications provides a framework for identifying four broad-level patterns of cultural variability. Countries and societies fitting any given cultural pattern are culturally similar to each other.

In their quest for new market segments for leveraging cultural equity, marketers can use the cultural description of the world in figure 2.1 to identify culturally similar segments in new markets.

These segments might be located in geographic regions that are close to existing markets as well as in faraway areas of the world. For example, *Harina PAN*, the iconic Venezuelan brand of precooked corn flour, is now the market leader in neighboring Colombia. This is a remarkable accomplishment considering that the brand started developing this market only 15 years ago and had to fight tough local competitors.[20] Undoubtedly, the status as an iconic Venezuelan brand and the cultural similarities between the Venezuelan and Colombian cultures played a role in helping *Harina PAN* reach this leadership position. Venezuela and Colombia are both vertical-collectivistic countries in which food preparation and consumption is viewed as a traditional way to demonstrate caring for the in-group. *Harina PAN* would need to make very little adjustments to its image, except perhaps for downplaying some of the Venezuelan-specific slogans it often uses in its communications, in order to be culturally appealing to Colombians. Over time, the brand can also aspire to an iconic status in this new cultural segment by following the steps described in chapter 6.

Cultures do not need to share borders to be culturally similar. For instance, Mexican and Brazilian cultures do not share the same historical roots. Mexican culture is shaped by the Spanish colonization of advanced Native American civilizations in North America (e.g., the Aztecs). In contrast, Brazil is the only South American country with a Portuguese cultural heritage. Nevertheless, both countries share a vertical-collectivistic cultural orientation that is particularly dominant in rural areas. As a result, Mexican telenovelas (or soap operas) loaded with vertical-collectivistic images (e.g., devotion to in-groups and respect for authority) can have a greater appeal in rural Brazil than Brazilian-made soap operas catering to the more cosmopolitan urban areas of the country (i.e., having less vertical-collectivistic images).[21]

Iconic brands can not only leverage their equity by developing segments with the same cultural orientation but also by developing segments that are culturally compatible. Culturally compatible segments are those sharing either a vertical or horizontal cultural aspect or an individualism or collectivism cultural aspect. As depicted in figure 7.2, horizontal-individualism is compatible with horizontal-collectivism due to its emphasis on same status among people. Vertical-individualism is compatible with vertical-collectivism in that both orientations share the view that there are status differentials among individuals in society. Horizontal-individualism and vertical-individualism are compatible with each other in terms of their emphasis on an independent view of the self. Similarly, horizontal- and vertical-collectivism share an interdependent view of the person.

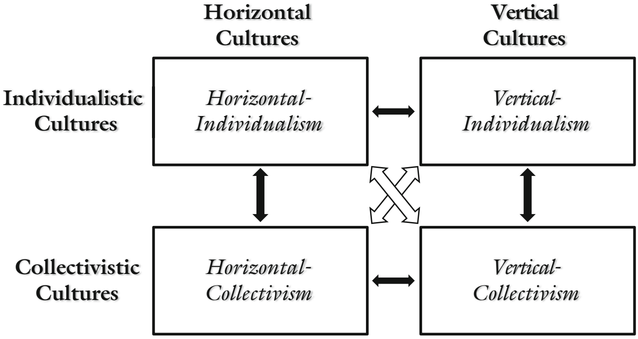


Figure 7.2 Compatibility between Cultural Orientations

A brand that symbolizes a vertical-individualistic culture can attempt leveraging its equity by developing a horizontal-individualistic segment. Take for instance *Harley-Davidson*, an icon of the vertical-individualistic American culture that is often characterized by a self-enhancement image of ruggedness, dominance, and powerfulness. *Harley* might try to develop a horizontal-individualistic segment by emphasizing those individualistic aspects of its brand image that are more relevant in a horizontal culture, such as freedom, independence, and exciting pursuits—consistent with an openness image. Indeed, these are aspects of *Harley*'s image that already exist in consumers' minds. As discussed in chapter 1, because self-enhancement and openness brand images are contiguous images in a brand-values circle (see figure 1.4), they are compatible with each other and can then be successfully integrated in marketing communications.[22] The cultural compatibility between vertical- and horizontal-individualistic cultures might contribute to *Harley-Davidson*'s sustained leadership position of the heavy motorcycle market in New Zealand,[23] where consumers tend to endorse a horizontal-individualistic cultural orientation.

The cultural equity of an icon of a vertical-individualistic culture can be leveraged in a culturally compatible vertical-collectivistic environment. For example, *Nike*, the American icon with a self-enhancement image of superior athletic performance, developed the Chinese market in the late 1990s by means of communicating the same superior performance through local athletes who were celebrated as local heroes.[24] This adaptation of *Nike*'s image to connect with cultural values of in-group pride and honoring the cultural heritage did not require a major departure from its iconic image, which facilitated leveraging its existing brand equity to successfully develop the Chinese market.

GERARD Luxury watches
An exceptional piece of adornment that conveys your status and signifies your exquisite taste

GERARD
FRANCE

Figure 7.3 Advertisement for a French Luxury Watch Promoting a Self-Enhancement Image

ANTOINE Luxury watches
The status quo in luxury watches. A tradition of classic designs and impeccable workmanship for 115 years.

ANTOINE
FRANCE

Figure 7.4 Advertisement for a French Luxury Watch Promoting a Conservation Image

A recent study with Chinese consumers further demonstrates that iconic brands with self-enhancement images can succeed by promoting a compatible conservation image.[22] Chinese consumers were exposed to different advertisements for French luxury watches, a product with a self-enhancement image. One of the advertisements restated the self-enhancement image of the luxury watch (figure 7.3), whereas the other advertisement added to this image a culturally relevant conservation image of tradition and classic designs (figure 7.4). Participants were asked to state their preferences by choosing one of the luxury watches. Results showed that Chinese consumers were more likely to choose the watch promoted with the culturally relevant conservation image than the one promoted with a self-enhancement image. This demonstrates that promoting an iconic brand with a self-enhancement image using conservation images can be a successful strategy for developing vertical-collectivistic segments of consumers.

Protecting Cultural Equity from Incompatible Market Growth Strategies

As discussed in the previous paragraphs, the cultural equity built into iconic brands can be successfully leveraged via extensions into culturally congruent products and the development of culturally similar or culturally compatible markets. However, cultural equity can also be a liability that hinders the success of growth strategies that are incompatible with the brand's cultural symbolism. Marketers should carefully consider the cultural implications of their market growth strategies to avoid diluting the cultural equity built into their brands. This section identifies growth strategies that can generate negative consumer reactions.

Extension into Culturally Incongruent Products

As stated earlier, when an iconic brand introduces a culturally congruent product extension, consumers process the new product information more fluently and develop a spontaneous favorable attitude toward the new product. What if the brand and the product extension belong to contrastive cultures? In this case, two cultural frames are simultaneously brought to mind, and the consumer is affected by bicultural priming. As discussed in chapter 4, bicultural priming heightens perceptions of cultural differences and can sensitize about the role of foreign icons as sources of cultural contamination. In turn, this can lead to negative reactions toward the bicultural stimuli—a brand extension in this case. Thus, in the same way that exposure to an iconic brand can lead to the fluent processing and a favorable opinion toward a culturally congruent product, it can also lead to the *dis*fluent processing and an unfavorable opinion toward a bicultural product.

Several recent studies illustrate this phenomenon.[9] In one study, American consumers were divided in four groups and were exposed to one of four hypothetical brand extensions for the *Sony* brand (a Japanese icon). Two of the extensions were culturally incongruent extensions into products that symbolized Japanese culture, or bicultural brand extensions in which the brand and the product belonged to different cultures. In contrast, the other two extensions were culturally neutral products unrelated to Japanese or any other culture, and hence constituted monocultural extensions of the Japanese iconic *Sony*. In addition, two of the products were moderate in fit with the *Sony* brand, whereas the other two were ill-conceived extensions with very low fit with *Sony*'s attributes, characteristics, and product lines. The products presented to each group of participants were a *Sony* cappuccino-macchiato maker (culturally incongruent and moderate fit), a *Sony* toaster oven (culturally neutral and moderate fit), a *Sony* cappuccino serving set (culturally incongruent and low fit), and a *Sony* food serving set (culturally neutral and low fit). Participants in the study were asked to evaluate the hypothetical brand extension and to write down their thoughts about it. Results demonstrated that, for each level of perceived fit, participants evaluated the bicultural brand extensions less favorably than the monocultural ones. That is, they evaluated more unfavorably the culturally incongruent *Sony* cappuccino maker than the culturally neutral *Sony* toaster oven (both product extensions with a moderate level of fit with the *Sony* brand). Similarly, participants evaluated less favorably the culturally incongruent *Sony* cappuccino serving set than the culturally neutral *Sony* food serving set (both product extensions with a low level of fit with the *Sony* brand).

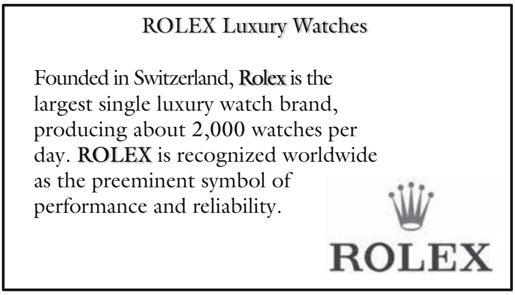
Another study demonstrates more directly the psychological process driving these negative reactions to bicultural product extensions as well as the unique role of cultural equity in such reactions.[9] American participants were divided into six groups and presented with one of six hypothetical brand extensions for a beer brand. Half of the participants were exposed to a new tequila product (a Mexican icon) or a new brandy product (a culturally neutral alcoholic beverage that is not strongly associated with any particular culture). Within each group, some participants were told that the product would be introduced under the *Budweiser* brand name (an American icon); other participants were told that the product would be introduced under the *Coors* name (an American brand that is relatively neutral in terms of its American symbolism); whereas a third group was told that the product would be introduced by a beer manufacturer. Notice that the only bicultural product is *Budweiser* tequila, in which both the brand and the product are culturally symbolic but of contrastive cultures (American and Mexican, respectively). The other products are either monocultural products in which only the brand or the product are culturally symbolic (e.g., *Budweiser* brandy, *Coors* tequila, or unbranded tequila from a beer manufacturer) or culturally neutral products in which neither the brand nor the product are cultural symbols (e.g., *Coors* brandy or unbranded brandy from a beer manufacturer). After writing down their thoughts about the hypothetical brand extension, participants evaluated and rated the ease with which they could process the hypothetical new product, as well as indicated their buying intentions. Results showed that participants evaluated the bicultural *Budweiser* tequila less favorably than its culturally neutral *Coors* and unbranded control counterparts because of its decreased processing fluency. These effects extended to participants' purchase intentions. Importantly, there were no differences in evaluations or purchase intentions for the different brandy versions. That is because none of the brandy extensions were bicultural products. In addition, significant differences in evaluation of *Budweiser* and *Coors* tequila emerged, even though both were associated with the same country, highlighting the unique role of *Budweiser*'s cultural equity in driving the negative reactions of a bicultural product.

Developing Less Culturally Compatible Markets

Iconic brands also need to carefully identify less culturally compatible markets that might be challenging to develop. That is because drastic adjustments to the brand image might be needed in order to increase the brand's cultural relevance in the new markets. Furthermore, these adjustments might cause negative consumer reactions due to their incompatibility with the existing brand image. Less culturally compatible segments are those not sharing either a vertical or horizontal cultural aspect or an individualism or collectivism one. They appear opposed to each other in the diagonals of figure 7.2. Horizontal-individualism, with its emphasis on openness values of independence and stimulation is less compatible with vertical-collectivism, with its emphasis on conservation values of tradition and conformity. Similarly, horizontal-collectivism, with its focus on interdependence, sociability, and prosocial concerns, is less compatible with vertical-individualism, and its emphasis on power, achievement, and dominance of others.

An iconic brand of a vertical-individualistic culture attempting to develop a horizontal-collectivistic market may need to add to its self-enhancement image of power and achievement (which is consistent with vertical-individualistic values—see chapters 2 and 6) a layer of self-transcendence meanings (i.e., prosocial concerns and concerns with nature). Similarly, an icon of a vertical-collectivistic culture that desires to develop a horizontal-individualistic market may need to add to its conservation image of tradition and conformity a layer of openness meanings (i.e., excitement, independence, and freedom). In each case, the new layer of brand meanings that is needed to increase the brand's cultural relevance opposes the existing brand image (see figure 1.4 and the discussion in chapter 1). Because simultaneous exposure to opposing value images triggers a motivational conflict (i.e., a feeling that the opposing values cannot be pursued concurrently), attempts to imbue brands with opposing values leads consumers to experience a sense of unease or disfluency, which in turn can result in unfavorable brand evaluations.[22]

Consider for instance *Tiffany & Co.*, an icon of vertical-individualistic American culture that is often characterized by a self-enhancement image of sophistication, status, and success. In order to develop horizontal-collectivistic cultural segments, the brand might be tempted to add to its image a layer of self-transcendence meanings. Because self-transcending meanings resonate with horizontal-collectivistic consumers, promoting *Tiffany & Co.* as a socially responsible brand that cares about equality in the world and the suffering of less privileged individuals might increase its cultural relevance in the new markets. Although on the surface this idea seems reasonable, I suspect the reader spontaneously feels skeptical about implementing it. As stated in the previous paragraph, the simultaneous exposure to the brand's self-enhancement image and the opposing self-transcendence promotional image creates a motivational conflict and a sense of unease with the promotional message. In turn, this feeling of unease or the disfluency when processing the message results in unfavorable brand evaluations. Recent research illustrates this phenomenon.[25] In one study, participants evaluated an advertisement for *Rolex* watches, the luxury Swiss icon with a self-enhancement image of success, upper class, and power. Half of the participants in the study saw the culturally neutral advertisement in figure 7.5, which simply stated some well-known facts about the brand. The other half saw the advertisement in figure 7.6,

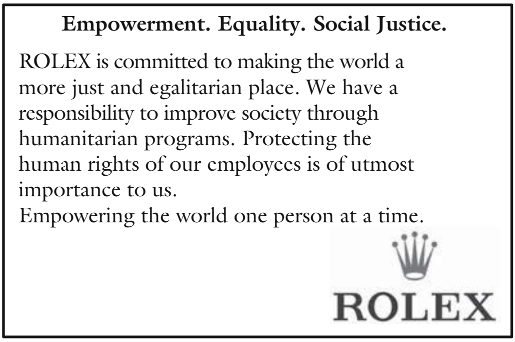


ROLEX Luxury Watches

Founded in Switzerland, Rolex is the largest single luxury watch brand, producing about 2,000 watches per day. ROLEX is recognized worldwide as the preeminent symbol of performance and reliability.

ROLEX

Figure 7.5 Culturally Neutral Advertisement for Rolex



Empowerment. Equality. Social Justice.

ROLEX is committed to making the world a more just and egalitarian place. We have a responsibility to improve society through humanitarian programs. Protecting the human rights of our employees is of utmost importance to us.
Empowering the world one person at a time.

ROLEX

Figure 7.6 Advertisement for Rolex Promoting a Self-Transcendence Image

BERTRAND Luxury watches
Supporting humanitarian programs in developing countries because we care about building a better world.

BERTRAND
FRANCE

Figure 7.7 Advertisement for a French Luxury Watch Promoting a Self-Transcendence Image

promoting the self-transcendence image of social responsibility and concerns with equality that is culturally relevant for horizontal-collectivists. After viewing the advertisement, participants evaluated the brand and reported the extent to which they processed the advertisement easily or fluently. Results showed that participants evaluated less favorably the *Rolex* brand when exposed to the socially responsible ad than when exposed to the culturally neutral ad. Furthermore, this negative reaction was driven by perceptions of disfluency or being unease when processing the socially responsible message for *Rolex*.

Another study investigated more directly how consumers with different cultural orientations react to the promotion of a socially responsible image by a self-enhancement brand.[22] American and Chinese consumers were exposed to different advertisements for French luxury watches. One of the advertisements restated the self-enhancement image of the luxury watch (figure 7.3), whereas the other advertisement promoted a self-transcendence image of concerns with equality and the welfare for others (figure 7.7). After viewing the ads, participants stated their preferences by choosing one of the watches. They also completed a scale to measure the extent to which they endorsed horizontal-collectivistic, vertical-collectivistic, horizontal-individualistic, and vertical-individualistic cultural orientations. Results showed an overall tendency to dislike and choose less the luxury watch promoted in self-transcendence terms. However, this tendency was partially attenuated among horizontal-collectivist consumers for which this ad was culturally relevant.

For the same reasons that a self-enhancement brand triggers negative consumer responses when promoting a self-transcendence image, consumers can react negatively to the attempts by an icon of a horizontal-individualistic culture to develop a vertical-collectivistic market—via added conservation meanings to the brand openness image. This phenomenon is illustrated in a study of American, Canadian, Chinese, and Turkish consumers.[22] Participants in the study were presented with several advertising slogans for well-known iconic brands of horizontal-individualistic cultural segments in each country and asked to rank the slogans from highest to lowest according to their personal preferences. These brands all shared the openness images of independence, freedom, and excitement that resonate with horizontal-individualistic consumer segments. For instance, the brands presented to American participants included *Coke* and *Apple*, iconic brands with openness images of freedom, excitement, or creativity. One of the slogans simply restated the openness brand image (e.g., *Coke*, "freedom to pursue your own goals in exciting ways"), whereas another slogan promoted a conservation image for the brand (e.g., *Apple*, "the certainty provided by the norm in electronic products"). Results indicated that participants in all countries disliked and ranked the lowest in preference the conservation slogan for an openness brand iconic of a horizontal-individualistic cultural segment.

The discussion in this section illustrates the perils involved in developing those new markets that are less culturally compatible with the brand's cultural equity. However, can these perils be overcome, or should an iconic brand stay away from less culturally compatible segments? Although developing culturally similar and culturally compatible segments should be the first choice for an iconic brand, there are still ways for developing less culturally compatible segments that offer an attractive growth potential. As discussed earlier in this chapter, an understanding of the fluency-based process driving the negative consumer responses to the mixing of incompatible brand images points to some mitigating marketing actions. Because spontaneous unfavorable attitudes driven by feelings of unease with the message tend to be discounted when people are pointed to the source of the feeling, building into the message the mechanisms to discount such spontaneous reactions can attenuate the negative responses. This is illustrated in one study about consumer reactions to luxury sunglasses.[25] Participants in the study were divided into two groups and presented with information about a hypothetical brand of luxury sunglasses, *Mitchell*. For the first group of participants, the first paragraph included information describing the self-enhancement brand image (e.g., *Mitchell* sunglasses are the epitome of class and the cutting edge, an exceptional piece of adornment that conveys status). In the second paragraph, half of the participants in this group read about the socially responsible actions undertaken by the brand in an attempt to add self-transcendence meanings to its image (e.g., "promote a diverse working environment" and "protecting the human rights of our employees and those in the communities we serve"), whereas the other half of participants in this group read about general brand information (e.g., number of employees and production facilities). The second group of participants followed exactly the same procedures, except that those presented with the socially responsible brand actions in the second paragraph were warned, prior to reading the two paragraphs containing brand information, that the message they were about to read could be difficult to process because of the content of the information provided in the two paragraphs. Results showed that for the first group of participants (i.e., those not warned about the spontaneous incompatibility between a self-enhancement brand image and a self-transcendence message), those presented with the self-transcendence information in the second paragraph evaluated the brand less favorably than those presented with general brand information. In contrast, participants forewarned about the potential motivational conflict between the two parts of the message (i.e., the self-enhancement brand description in the first paragraph and the self-transcendence, prosocial message in the second paragraph) evaluated the brand similarly when prosocial information was included versus not. This demonstrates that careful design of a self-transcendence message for a self-enhancement brand can help to add self-transcendence meanings needed to develop horizontal-collectivistic segments.

Another way of mitigating the negative reactions elicited by the motivational conflict between a self-enhancement brand image and a self-transcendence advertisement is to communicate the self-transcendence message through a sub-branding strategy. Brands have options for naming their new products and initiatives, including direct brands (e.g., a new product by *Kodak* could be named as *Kodak* filing cabinet) and sub-brands (e.g., *Excer* filing cabinets by *Kodak*). Sub-brands are known to be especially useful for launching inconsistent new products, increasing new product evaluations and decreasing brand dilution.[26] Sub-brands signal to consumers that a brand is engaging in inconsistent actions, which encourages sub-typing of the new information.[26] Sub-brands allow consumers to differentiate the new activities from the existing brand and result in the new activity becoming a subtype of the brand. Thus, promoting a prosocial image for a self-enhancement brand under a sub-brand strategy should spontaneously facilitate subtyping and reconciliation of the inconsistent prosocial information with the self-enhancement brand image. One study with American consumers illustrates how to successfully use a sub-branding strategy for promoting a self-transcendence image for a luxury brand.[27] Participants in the study were presented with information about *BMW* and evaluated the brand afterward. They read that *BMW* was a leader in revenues in its category in the last year. Next, half of the participants read about *BMW*'s prosocial actions (e.g., working to improve communities and promote social justice), whereas the other half read about the same actions from *Altica* by *BMW* (a sub-brand). Results showed that participants evaluated *BMW* more favorably when the self-transcendence brand meanings were communicated under a sub-branding strategy than when such meanings were directly communicated by the brand.

CHAPTER SUMMARY

Marketers built equity into their brands with the expectation of leveraging this equity to generate growth for the firm. This chapter demonstrates that cultural equity is an asset that can be leveraged for growth but also shows that a brand's cultural equity needs to be protected by refraining from certain actions that can elicit negative consumer responses. Managers of iconic brands should think in cultural terms when evaluating how growth strategies fit with the brand's cultural equity and give priority to actions that strengthen such equity. Figure 7.8 summarizes the general framework proposed in this book for leveraging and protecting cultural equity. When launching brand extensions, iconic brands can leverage their equity through culturally

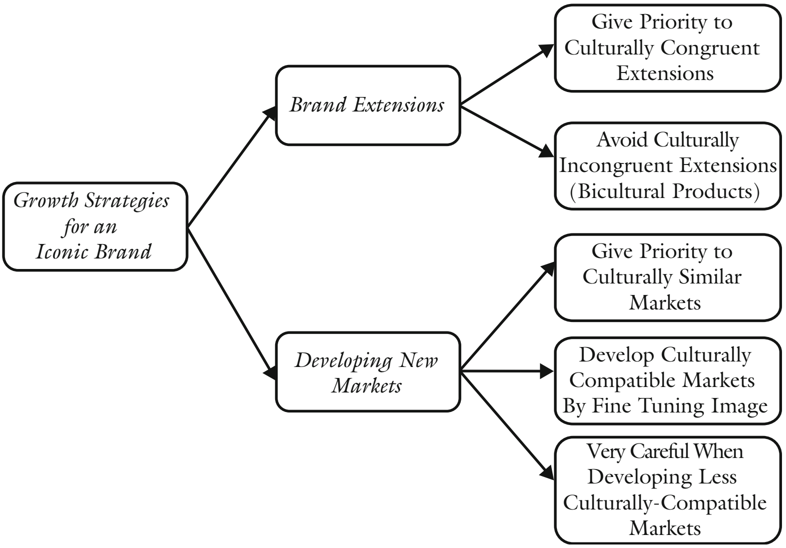

Growth Strategies for an Iconic Brand
Brand Extensions
Give Priority to Culturally Congruent Extensions
Avoid Culturally Incongruent Extensions (Bicultural Products)
Developing New Markets
Give Priority to Culturally Similar Markets
Develop Culturally Compatible Markets By Fine Tuning Image
Very Careful When Developing Less Culturally-Compatible Markets

Figure 7.8 General Framework for Leveraging and Protecting Cultural Equity

congruent products but should avoid bicultural products associated with contrastive cultures. Favorable responses to culturally congruent products occur through a spontaneous, fluency-based process that does not require conscious deliberation about the fit between the brand and the new product. Cultural equity can also be leveraged by developing new markets. In this regard, iconic brands should give priority to developing markets that are culturally similar (i.e., same cultural orientation as that of current target markets). This strategy can be pursued with minimal changes to the brand's cultural positioning. Cultural equity can also be leveraged by adding to the current image layers of compatible meanings that are relevant for culturally compatible markets (i.e., those sharing a vertical or horizontal cultural aspect or an individualism or collectivism aspect—same column or row in figure 7.2). The cultural analyses of new markets can be conducted using the cultural-orientation framework that focuses on the vertical-horizontal distinction nested within the individualism-collectivism cultural classifications (see chapters 2 and 3 for details). Companies should consider very carefully the development of less culturally compatible markets, as doing so can backfire and cause negative brand attitudes. This occurs because an attempt to add culturally relevant meanings for the new market creates a motivational conflict with the existing brand image. If the brand still desires to develop such markets, it should carefully design advertisements to counter the motivational conflict or to develop the market using a sub-branding strategy.

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INDEX

acculturation, 51
Apple, 7, 14, 24, 26–7, 31, 102, 142, 151
assimilation to a cultural frame, 82–3

Barnes and Noble, 8
Benetton, 79, 90
Best Western, 125
bicultural priming
  cultural contamination and, 91
  definition, 84
  enlargement of perceived cultural differences and, 85
  exclusionary reactions and, 91
  perceptual nature of, 88–9
  stereotyping and, 85
bicultural products, 79
biculturalism, 81–2
Bimbo, 129
Bling h_2O, 20
BMW, 15, 123, 152
brand
  abstract functionality of a, 14
  anthropomorphization, 14
  asset valuator, 32–3
  attachment, 24
  attitudes, 19
  audit, 114
  awareness, 6, 10, 28–9
  clarity, 21
  concept maps, 29–30
  concepts, 14
  cultural authority of a, 48–9
  cultural positioning, 121
  cultural symbolism, 22, 44
  definition, 3–4
  dominance, 32
  elements, 126
  emotional responses, 18–9
  evaluations, 19
  extensions, 136
  functions of, 3–6
  globalness, 46–7
  iconicity, 21–2
  imagery, 13–8
  leadership, 32
  personality, 14
  quality, 12, *see also* perceived quality performance
  recognition, 28
  resonance, 22–4
  salience, 28, *see also* brand awareness
  shared meanings of, 20–2
  social identity needs and, 102
  strength, 24
  symbolism, 20–2
  values, 15–8
brand equity
  building, 24, 124
  definition, 25
  measurement, 27–34
  sources of, 28
brand meanings
  layered model of, 23–4
  routes for creation of, 6–10
  types of, 10–24

branding, *see* brand equity building
Bud Light, 116
Budweiser, 49, 84, 104, 129–30, 131, 139, 147
Burberry, 106, 140

Cadillac, 8, 18, 21, 123, 128
Campbell's, 103
Caribou Coffee, 56, 119
Channel strategies, 131–2
Cheerios, 103
Chicken of the Sea, 103
Clorox, 14
Coke or Coca-Cola, 15, 18, 47, 50, 83, 121, 151
Colgate, 4
collectivism, 38–9, 62, 66, 70, 72, 74
Comcast, 19
conservation values, 15–7, 39, 48, 49, 51, 75–6, 129, 145, 148, 150–1
consumer
  bonds with culturally symbolic brands, 106
  physical and psychological needs, 14–5, 26
  social identity needs, 98
Coors, 147
Corona, 46
country of origin, 45
cultural activation, *see* cultural priming
cultural audit
  acquiring deep cultural understanding, 115
  definition, 114
  delineating cultural segments, 117
  measuring cultural equity, 119
  steps, 115
cultural authority, 45, 48, 54–5, 115, 121, 123, 124, 129
cultural categories, 114
cultural compatibility of markets, 142, 148
cultural contamination
  bicultural priming and, 91
  definition, 90
  overcoming negative reactions to, 93–4
  worldview defense and, 92–3
cultural equity
  different levels of group categorization and, 55–8
  brand elements choice and, 126
  brand extensions and, 136
  channel strategy and, 131
  communication strategy and, 126
  cultural audit and, 115
  cultural incompatibility of markets and, 148
  definition, 36, 42, 44, 111
  developing new markets and, 141
  dimensions of, 45–50
  general framework for leveraging and protecting, 153–4
  leveraging, 135
  marketing programs to build, 124
  measurement of, 50–5, 119
  pricing strategy and, 131
  product strategy and, 124
  protecting, 135
  steps for building, 132–33
  target cultural segments for building, 122
  see also culturally symbolic brand and iconic brands
cultural frame switching, 82
cultural framing, 79, 80
cultural icons, 36, 42, 81
cultural identity
  commitment to, 103, 106
  culturally symbolic brands and, 102
  definition, 102
cultural matching of values, 47–8, 73
cultural orientation, 38–40
cultural positioning, 121

cultural priming, 81
cultural symbolism scale, 50
cultural values and beliefs, 38
culturally congruent products, 139
culturally incongruent products, 146
culturally symbolic brand
  consumer bonds with, 106
  cultural identity and, 102
  definition, 22, 44
  evaluation, 103
  spontaneous valuation of, 105
  see also iconic brands and cultural equity
culturally symbolic products, 125
culture
  activation of, 81
  definition of, 36–7
  differences in judgments and, 74–5
  exclusionary reactions and, 89–90
  functions served by, 42, 43
  goals and, 71–2
  information processing and, 67–8
  internalization of, 80
  intersubjective view of, 41
  knowledge organization and, 69–70
  manifestations of, 43
  material objects as, 37–8
  message appeals and, 73–4
  motivation and, 71–2
  perceptions and, 65–6
  persuasion and, 73
  priming of, 81
  power and, 67–8
  self-presentation and, 70
  social institutions as, 38
  thinking styles and, 66
  values and beliefs as, 38
  views of the self and, 62–3
  worldview defense and, 93
culture-defense mindset, 91–2

Dasani, 105
Dell, 107
diversification strategies, 136
durability, 12

equality matching, 65
ethnocentrism, 93
exclusionary reactions to cultural meanings in brands, 89–90

Ford, 12, 48, 50, 98, 124, 128

General Mills, 7, 8, 46, 125, 126
Giorgio Armani, 106, 140
global icons, 122
globalization
  bicultural priming and, 84
  cultural knowledge and, 82
Google, 51, 142
Green Bay Packers, 56
Gucci, 18, 122

Häagen-Dazs, 46, 126, 137
Hallmark, 14, 18, 36, 51, 56, 57, 129
Harina PAN, 48, 51, 125, 129, 131, 143
Harley-Davidson, 8, 13, 14, 22, 23, 36, 44, 48, 57, 58, 80, 81, 122, 125, 130–1, 141–2, 144
Heinz, 51
holistic thinking, 66
Honkook, 19
horizontal collectivism, 39, 48, 65, 68, 71, 72, 75, 77, 128, 143, 144, 148
horizontal cultures, 39
horizontal individualism, 39, 48, 65, 70, 71, 75, 77, 127, 143, 144

iconic brands
  definition, 21–2, 111
  fulfillment of cultural identity needs and, 112
  global icons and, 122
  how to build, 112
  iconic products and, 125
  why to build, 112

iconic brands (*continued*)
  see also culturally symbolic brand and cultural equity
iconic products, 125
identity brands, 111
imagery, 13–8
incompatible market growth strategies, 145
independent self, 62–3, 65, 69, 72
individualism, 38–9, 62–3, 66, 67, 70, 72, 73, 74
individuating processing, 68
interbrand, 33–4
intercultural competition, 90–1
interdependent self, 63, 65, 69, 72
interpretive techniques for measuring brand knowledge, 30–1
intersubjective culture, 41
Ivory, 137

JanSport, 83, 104

Kashi, 125
Kellogg's, 125
Kodak, 83, 152

LA Gear, 21
leveraging equity, 135
Levi's, 83, 125
Li Ning, 90
Lone Star, 46
Louis Vuitton, 14, 20, 21, 122

Macy's, 132
Mango, 79
market development strategies, 136
market penetration strategies, 136
Marlboro, 14
Mavesa, 51
Mazeite, 51
McDonald's, 6, 83, 85
monocultural priming, *see* cultural priming
mortality salience, 92
multiculturalism, 82

New Balance, 104, 113, 120
NFL, 50
Nike, 21, 83, 90, 104, 113, 128, 140, 144

openness values, 15–7, 39, 48, 49, 75, 127, 144, 148, 150, 151

perceived fit in brand extensions, 137
perceived quality performance, 11–3
Perrier, 5
Play-Doh, 8
Polar, 130, 131
Porsche, 123, 137
power distance, 64, 74
price premiums, 31
Priceline, 7, 14
pricing, 131–2
product development strategies, 136
protecting equity, 135

Quiksilver, 127

Red Bull, 7, 14, 18
reliability, 12
RioStar, 4
Rolex, 149–50

Savoy, 48, 51
self-deceptive enhancement, 70
self-enhancement values, 15–8, 27, 39, 48, 49, 50, 51, 74–5, 128, 144, 145, 148–52
self-transcendence values, 15–8, 40, 48, 49, 75–6, 129, 148–53
serviceability, 12
shared reality, 20–1
Snapple, 117, 124
social identity
  brands and, 102
  culture and, 102
  definition, 98
  feelings of incompleteness and, 102

  goals, 102
  identity-based motivation and, 101
  incompleteness, 104
  ingroup attraction and, 100
  substitutability of, 104
  symbolizing of, 102
Sony, 91, 139, 146–7
Special K, 51, 56
Starbucks, 5, 8, 84, 90, 118
stereotyping processing, 67–8
surveys, 29

Target, 56, 105, 127, 132
Tiffany & Co., 148
Tiger, 46
Timex, 85
Tombstone, 83, 103
Toms, 15
Toyota, 12, 21

values, 71
vertical collectivism, 39, 48, 65, 71, 72, 75, 77, 129, 143, 144, 148
vertical cultures, 39, 64, 74
vertical individualism, 39, 48, 65, 68, 70, 71, 72, 75, 77, 128, 143, 144, 148
Victoria's Secret, 51, 56, 57, 123
Volkswagen, 45, 97, 141

Walmart, 127, 132
worldview defense, 93