

**Why Coolness Should Matter to Marketing and
When Consumers Desire a Cool Brand:
An Examination of the Impact and Limit to
the Perception of Brand Coolness**

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The University of St. Gallen, School of Management, Economics, Law, Social Sciences and International Affairs hereby consents to the printing of the present dissertation, without hereby expressing any opinion on the views herein expressed.

St. Gallen, October 24, 2016

The President:

Prof. Dr. Thomas Bieger

To my dear parents

Aldona & Edward Budzanowski

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Being a PhD student at the University of St.Gallen is a privilege. It allows an in-depth study of whatever grasps your mind, while learning entrepreneurial skills. This journey has had its ups and downs, good and bad decisions; but the truth is, you need all to make an adventure exciting.

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ABSTRACT

Throughout the history of time, success stories of coolness shine brightly and are thus inevitable. Brands like Apple, Harley-Davidson and Nike profoundly demonstrated that coolness is more than just a school's backyard adjective, but a topic for boardrooms that reflects the consumer's desirability and a company's performance. While some may bargain the perception of coolness as an unfathomed "lusus naturae" granted to only special ones, other worship the cool factor as the symbolic currency adding value and driving trends in the marketplace. However, because we live in a time where points of difference are increasingly diluting in consumers' minds, it is thus becoming indispensable to gain a profound understanding of what drives uniqueness in the marketplace.

For decades, the cool factor has been attracting the attention of marketing professionals and academia, resulting in an emergence of numerous publications uncovering the origin and antecedents of coolness. However, only scarce empirical research documents the positive effects of coolness and examines the environments where the cool factor sparks excitement and desirability. This is where this dissertation's endeavor is grounded.

Based on the established fundamental concept that inferences of nonconformity lead to enhanced inferences of coolness, five experiments were conducted. More precisely, Experiment 1a herein involved existing brands, and documented that high levels of coolness are reflected in high levels of brand equity ratings. A more rigid test of the relationship between brand coolness and brand equity is found in Experiment 1b. Findings show that consumers are willing to pay substantially more for a product they consider cool. The subsequent experiments then delved into the analysis of boundary conditions. In sum, the underlying experiments showed that coolness is relevant when social concerns are highly salient to the consumer. More precisely, Experiment 2 demonstrated that consumers seek only cool brands when consumption is public. Experiment 3 placed identity-relevance at the center of attention and outlined that the cool factor is crucial for products that consumers use to signal their identity. Experiment 4 completed these findings by demonstrating the inferences of coolness are diluted if the brand is associated with a dissimilar reference group.

To the best of the author's knowledge, this is the first empirical work adducing the essential evidence of an economic value of the cool factor and documenting positive effects of brand coolness in real market data. This is also the first research examining environments where consumers do and do not desire cool brands.

ZUSAMMENFASSUNG

Die Erfolgsgeschichten von Coolness sind aus unserem Alltag nicht mehr wegzudenken: Marken wie Apple und Harley-Davidson, zeigen, dass Cool nicht nur ein jugendsprachliches Adjektiv ist, sondern eine Wahrnehmung, die massgeblich den Erfolg einer Marke beeinflussen kann. Während einige den Faktor Cool als eine unergründbare „Laune der Natur“ betrachten, verehren andere Coolness als die symbolische Währung, die Wert generiert und Markttrends konstituiert. Wir leben in einer Zeit, wo der „gewisse Unterschied“ zwischen Marken zunehmend verwässert wird. Daher ist es unabdinglich ein tiefes Verständnis zu entwickeln, was Einzigartigkeit heutzutage ausmacht.

Seit Jahren erregt der Begriff „Cool“ die Aufmerksamkeit von Marketingmanagern und Wissenschaftlern, was zahlreiche Publikationen und Definitionen mit sich führte. Allerdings wird schnell klar, dass die empirische Forschung, den Faktor Cool durchaus ausser Acht gelassen hat. Fundamentale Fragen wie – Welchen Wert birgt Coolness für Unternehmen? Und in welchen Umgebungen entfacht Coolness Begeisterung und Begehrlichkeit? – sind bis heute unbeantwortet.

Hier setzt die vorliegende Dissertation an und bereichert die Marketingliteratur, indem sie nicht nur den ökonomischen Wert von Coolness aufzeigt, sondern auch die Rahmenbedingungen empirisch untersucht, wann Verbraucher coole Marken begehren. Basierend auf der Annahme, dass die Wahrnehmung von Nichtkonformität die Wahrnehmung von Coolness antreibt, wurden fünf Experimente durchgeführt. Experiment 1a stützte die Annahme, dass eine starke Wahrnehmung von Coolness, zu einem hohen Markenwert beiträgt. Experiment 1b verifizierte dieses Ergebnis und zeigte, dass der Kunde bereit ist, mehr für die wahrgenommene Coolness zu zahlen. Weiters wird dargelegt, dass Coolness besonders relevant ist, wenn soziale Impressionen beim Kunden salient sind. Daher zeigte Experiment 2 auf, dass Verbraucher coole Marken begehren, wenn der Konsum öffentlich ist. Experiment 3 erweiterte dies und zeigte, dass Coolness eine wichtige Rolle bei Produkten spielt, die Verbraucher zur Kommunikation ihrer Identität verwenden. Experiment 4 vervollständigte das Bild und legte dar, dass wenn die Marke mit einer artungleichen Referenzgruppe assoziiert wird, dies die Wahrnehmung von Coolness verwässert.

Nach bestem Wissen des Autors ist dies die erste empirische Untersuchung, die den wirtschaftlichen Wert von Coolness, sowie einen positiven Effekt von Coolness in echten Marktdaten dokumentiert. Dies ist auch die erste Forschung, die aufzeigt wann Verbraucher nach Coolness streben und wann nicht.

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LIST OF ABBREVIATIONS

ANOVA	Analysis of variance
e.g.	Exempli gratia (for example)
etc.	Et cetera (and the rest)
et al.	Et alii (and others)
ff.	Folio (following page)
ff.	Folio (following pages)
H	Hypothesis
i.e.	Id est (that is)
<i>M</i>	Mean
<i>N</i>	Total sample size
<i>p</i>	Probability value
p.	Page
pp.	Pages
SE	Standard error
α	Cronbach's alpha
β	Unstandardized regression coefficient

Whenever you find yourself on the side of the majority,
it is time to pause and reflect.

—Mark Twain

1 Introduction

1.1 Problem Orientation and Relevance

In the 1990s, Levi's, the world's oldest and largest denim brand – and the face for an entire generation of teenagers, cowboys, railroad workers, rockers, and hippies – hit the ground. While the reason for this downturn was an obvious loss in market share, it was also evidently linked to the fact that Levi's lost its “cool factor“ (Fortune, 1999b). Levi's learned the hard way that kids do not want to express their rebellion wearing the same jeans as their parents. “The mistake we made was to make one brand for everyone – it ended up being nothing to anyone,” said Robert Holloway, Head of Youth Market Division in America (Fortune, 1999a).

While the brand managed to restore its credibility (Nancarrow, Nancarrow, & Page, 2002), the rise and fall of Levi's showcased that coolness is more than just a school's backyard topic, but also a matter for boardrooms because it is the ultimate point of difference (e.g., Grossman, 2003; Kerner & Pressman, 2007). Profits depend on what may seem like a petty and faddish distinction to many people. Yet, coolness has an impressive and pervasive impact on education, media, the economy and it even influences the real estate market (Campanella, 2014). Kerner and Pressman summarize and write “everyone wants it, even if they can't define what “cool” actually is” (2007, p. xii).

Because we live in a time where products and services are becoming more and more homogeneous with dwindling points of differences, a rigorous understanding what fuels uniqueness is becoming fundamental. Consumers do not only purchase products for their functionality but for what they symbolize (e.g., Bellezza & Keinan, 2014; Holt, 2003; Levy, 1959). Some of the most powerful papers in the field of consumer research have studied the role that brands and products play in expressing desired identities and making inferences about the identities of others (e.g., Belk, 1988; Fournier, 1998; Holt, 1995; Kleine, Kleine, & Allen, 1995; Levy, 1959; Richins, 1997). The well-known designer and book author, Daniel Pink, describes this situation as follows: “For businesses, it's no longer enough to create a product that's reasonably priced and adequately functional. Anybody can do that. Today, it must also be beautiful, unique and meaningful ... in an age of abundance, appealing simply too rational, logical and functional needs is insufficient. If those things, experiences or

images aren't also ... compelling to the soul, fewer people will buy them" (Mooth, 2008).

The marketplace values the cool factor as it inspires consumers and managers, adds symbolic currency, and drives trends (e.g., Frank, 1997; Gladwell, 1997; Heath & Potter, 2004; Kerner & Pressman, 2007; Leland, 2004; Olson, Czaplewski, & Slater, 2005; as cited in Warren & Campbell, 2014). It is the cool image that leaves marketers in awe when thinking about brands like Nike or Harley-Davidson, what made Mountain Dew an iconic brand (Holt, 2003) and what keeps Apple so far ahead of its competitors, potentially creating the world's first trillion-dollar brand (Forbes, 2015) while positioning the brand in the number one spot of "the best global brands" (Interbrand, 2015). Moreover, it is assumed that brands "that possess the cool factor have a powerful advantage over their competitors" (Olson et al., 2005) and are able to command remarkably high prices or sell in volumes that outshine less pretentious products (Austin & Devin, 2010; Devin & Austin, 2012). But what exactly is cool? And what makes coolness such a long-lasting desirable commodity? Does the cool factor generate high profit margins, great sales and immunity from commoditization?

Following the preceding discussion, three facts can be synthesized about coolness: First, consumers and management practice value the cool factor because it does not only reflect consumers' desirability but also a company's performance. Second, although sought-after, there is an apparent mysteriousness around the term cool as neither management, theory or consumers themselves are not able to provide an adequate explanation of what cool is and what it is not; and third, managers assert that the cool factor sells products and generates economic value.

Cool is rarely outdated and has motivated numerous publications (e.g., Berger, 2013; Bergh & Behrer, 2011; Heath & Potter, 2004; Kerner & Pressman, 2007; Leland, 2004; Quartz & Asp, 2015). Past research analyzed coolness as a personality trait (Dar-Nimrod et al., 2012), an attitude (e.g., Belk, Tian, & Paavola, 2010; Pountain & Robbins, 2000), a stage in adolescence (Danesi, 1994), a cultural phenomenon (Frank, 1997), or as a design goal in technological products (Sundar, Tamul, & Wu, 2014). Moreover, some researchers also put much effort to uncover the origins of coolness (e.g., Belk et al., 2010; Nancarrow et al., 2002; O'Donnell & Wardlow, 2000; Pountain & Robbins, 2000), and to understand its associative traits (e.g., Dar-Nimrod et al., 2012; Rahman, 2013), as well as its antecedents (e.g., Warren & Campbell, 2014). Although scholars have troubles to agree on a specific definition, some researchers argued that the perception of coolness is (partly) reducible to a personality mirrored in autonomous, rebellious, and countercultural associative traits (e.g., Warren

& Campbell, 2014). There are notorious examples of success stories that relied on a relationship to the rebel world: Artists like James Dean or Andy Warhol and brands like Apple and Harley-Davidson stand out for rebellion against a dominant mainstream.

However, despite these efforts, there is still a striking lack of research uncovering the impact and boundary conditions of coolness. What is the cool factor worth? Also, when do or do not consumers desire cool brands? This is the point where the dissertation's endeavor is established and thus seeks to contribute valuable insights, presenting the first empirical analysis that goes beyond a simple account of what is cool by uncovering the impact as well as the boundary conditions to the perception of coolness.

1.2 Research Question and Overview of the Dissertation

The main purpose of this dissertation is to not only provide a comprehensive picture of what cool means but – more importantly – to pinpoint the economic value and boundary questions of enhanced inferences of coolness. In a first step, it is important to gain a profound understanding what fuels the perception of coolness in the eye of an observer. Given the fact that consumers define what is cool and what is not, yet are unable to provide a coherent definition or identity influencing factor that enhance inferences of coolness, presents some major challenges to this dissertation project. While coolness has been associated with a multiplicity of meanings, Warren and Campbell (2014) recently demonstrated that inferences of enhanced autonomy increase perceived coolness. Building on an extensive literature review, this research collects this perspective and embeds it in the research field of nonconformity (e.g., Bellezza, Gino, & Keinan, 2014; Snyder & Fromkin, 1977; Tian, Bearden, & Hunter, 2001). This consequently allows for studying the underlying processes aiming at identifying factors that may have an inhibitory impact on the perception of coolness.

Although Warren and Campbell (2014) and others (e.g., Belk et al., 2010) also examined the coolness, past research focused almost exclusively on the antecedents of coolness. In contrast, this dissertation seeks to extend previous work meaningfully by demonstrating the economic value of coolness as well as highlighting some essential boundary conditions to the perception of coolness. More formally, the following research questions are addressed:

Research Question 1:

What defines a cool brand, and how can it be translated into a brand-related context?

Research Question 2:

What is the impact of brand coolness, and does coolness lead to favorable consumers' evaluations, choice behavior and purchase intention?

Research Question 3:

When does perceived brand coolness backfire for a brand, and does not lead to favorable consumers' evaluations, behavior and choices?

In addressing these questions, this dissertation pursues two main goals: (1) developing and presenting a refined conceptual understanding of the coolness phenomena, and (2) providing worshipers and critics with empirical evidence that the perception of coolness not only generates economic value to firms but may also encounter limits because coolness can only occur in particular environments.

Based on these endeavors, this research project is necessary for both consumer research and management practices in various ways. This project contributes to the theoretical understanding of coolness and how and when consumers chose cool brands. Relating to these objectives, this research also cedes to the understanding how symbolic meaning rather than a product's functionality drives the consumer's purchasing decision.

As previously outlined, most research efforts in the field of coolness are based on conceptual, qualitative research methods or focused on the manipulation of fictional brands. Current research differentiates from prior work by applying an experimental approach towards the coolness phenomenon and examining effects of coolness on real market data. This method does not only open an alternative research approach to study

the phenomena but also it increases the validity of a myth that seemed difficult – if not impossible – to define.

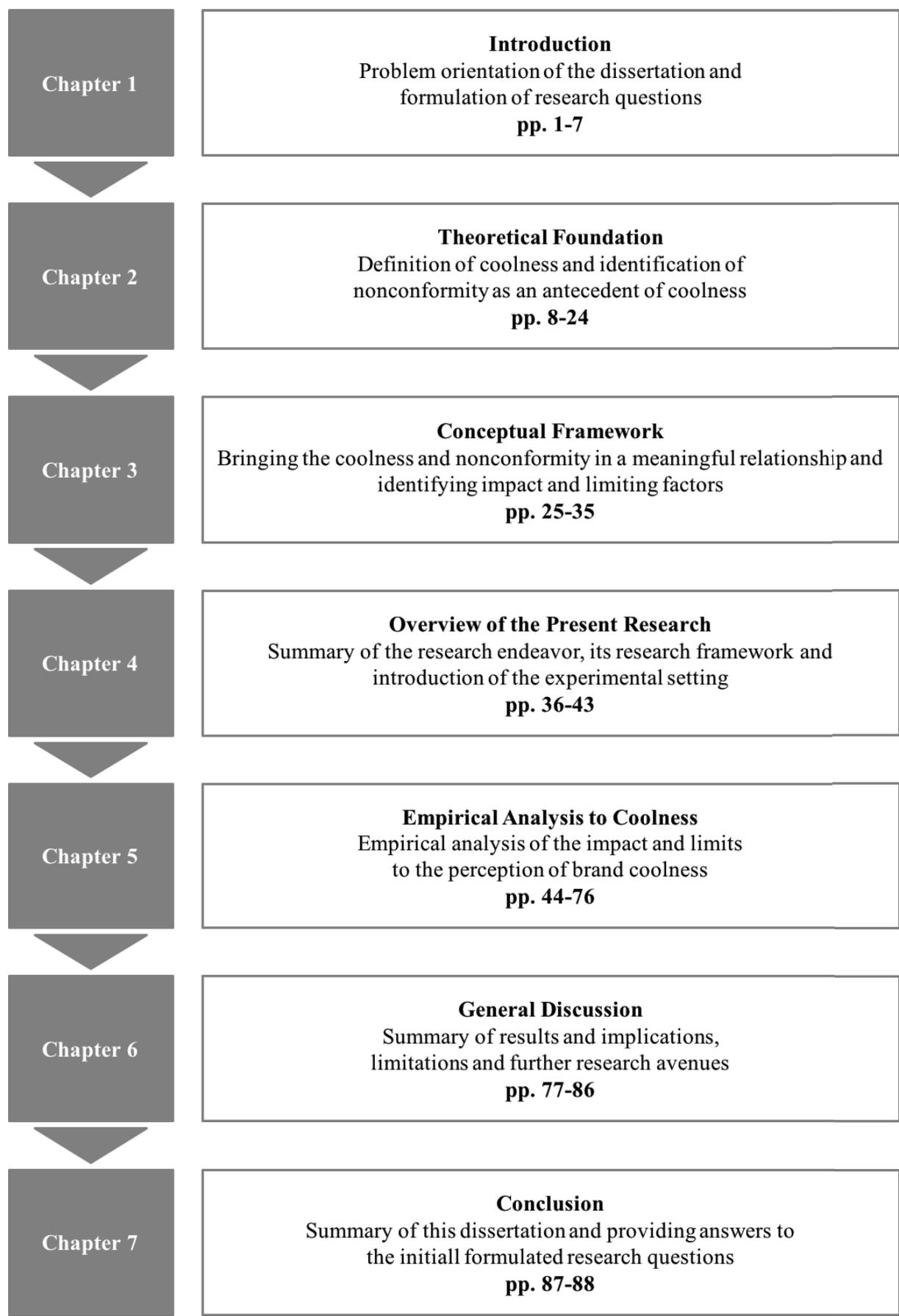
Every year, firms invest millions in developing marketing campaigns aiming to become a cool brand. Although desired and valued by consumers and marketing practice, there is no consent on what cool means or signifies, beyond a hot marketing topic. This dissertation seeks to generate valuable insights for managers and marketing experts on the cool factors. As Holt (2003) wrote “Brands win competition not because they deliver distinctive benefits, trustworthy service, or innovative technologies. Rather, they succeed because they forge a deep connection with the culture. In the essence, they compete for culture share” (p. 43).

Following these research goals, this dissertation is consequently structured as followed. Chapter 1 provides an introduction to the topic, highlights the problem setting and relevance of this research endeavor. Furthermore, three research questions are defined which will give guidance to this dissertation. Chapter 2 builds the theoretical fundament of coolness and its conceptualization in the realm of inferences of nonconformity. Thereby, each construct is discussed in most details and from the perspective of an observer. Chapter 3 brings both the construct of coolness and nonconformity into a meaningful relationship and thereby builds up the conceptual framework for the present dissertation project. More importantly, it is emphasized that coolness generates economic value and that the perception of coolness is facing various boundary conditions that are driven by identity and social concerns. Chapter 4 then summarizes the research endeavor of this dissertation project and its framework – and ultimately introduces the experimental settings. Building upon the idea that inferences of nonconformity lead to enhanced inferences of coolness, Chapter 5 contains the empirical analysis.

In sum, five experiments are conducted. More precisely, while the first series of experiments (Experiment 1a & 1b) examine the economic value of coolness, the other three experiments (Experiment 2, 3 and 4) focus on the boundary conditions and how consumers do not always desire the cool brand. Experiment 1a examines the relationship of perceived brand coolness and brand equity ratings with secondary data and documents that high levels of brand coolness are associated with high levels of brand equity. Experiment 1b complements these results through price premium as a proxy for brand equity. Experiment 2 then delves into the review of the boundary conditions and demonstrates that consumers chose the cool brand only when consumption is public, because it raises concern about how others might evaluate the individual. Experiment 3 then extends this identity perspective and shows that only

when identity concerns are salient in consumers' minds do inferences of nonconformity lead to enhanced inferences of coolness. Finally, Experiment 4 manifests the identity account by looking into the impact of group associations and thereby proves that information about a dissimilar social group dilutes the positive effect of nonconformity and coolness. Chapter 6 concludes with a summary of the dissertation's findings and outlines implications for management and theory. Furthermore, limitations and an outlook for future research avenues – including some interesting preliminary results – are discussed. Finally, Chapter 7 provides a summary of this dissertation as well as answers to the initially formulated research questions. Figure 1-1 provides an overview of this structure.

Figure 1-1: Structure of the Dissertation



2 Theoretical Foundation

This chapter builds the foundation of this dissertation project and aims to formulate the conceptual framework. Regarding this objective, the following section outlines a foundational understanding of the perception of coolness (Chapter 2.1). By determining norm-breaking behavior as a main driver of coolness, fundamental research on (non)conformity in sociology, psychology, consumer research and branding literature is discussed (Chapter 2.2). In sum, the forthcoming review clearly outlines that inferences of nonconformity lead to enhanced inferences of coolness. Subsequently, it will be argued that this effect may only occur in particular environments. The sum of these considerations flows into the development of the conceptual framework and the development of concrete research hypotheses (see Chapter 3).

2.1 Theoretical Foundation of Coolness

The perception of coolness has been studied by diverse disciplines and thus literature offers a broad and qualitative account on what cool signifies (e.g., Belk et al., 2010; Danesi, 1994; Frank, 1997; Nancarrow et al., 2002; Pountain & Robbins, 2000). While some researchers studied the origins of coolness (e.g., Belk et al., 2010; Nancarrow et al., 2002; O'Donnell & Wardlow, 2000; Pountain & Robbins, 2000), other explored its associative traits and vernacular usage (e.g., Dar-Nimrod et al., 2012; Rahman, 2013) in order to identify antecedents (e.g., Warren & Campbell, 2014).

The term “cool” and closely related ideas can be found throughout history. The jazz scene of the 50s stood exemplary for coolness, where it represented a black musician who used a “cool mask” (Belk et al., 2010, p. 185) as a shield to resist exploitation and discrimination (e.g., Nancarrow et al., 2002; Pountain & Robbins, 2000). For them, it was a mean to dissociate themselves from the largely white audience and disconnect from the restrictive culture they lived in (e.g., Belk et al., 2010; Nancarrow et al., 2002). At that time, the perception of coolness was representing icons like Miles Davis and James Dean, who refined cool as a *mélange* of a certain music style and a particular attitude (Pountain & Robbins, 2000, p. 32). As the journey of cool continued in history, it discharged in a multi-faceted construct with sustainable impact. Today, people use the term cool when they encounter something unique (Belk et al., 2010), special (Devin & Austin, 2012), or otherwise desirable, trendy and up-to-date (Runyan, Noh, & Mosier, 2013).

Despite the scarcity of rigorous empirical research, a considerable amount of literature agrees on four attributes of coolness (see Warren & Campbell, 2014). First, the perception of coolness is a social construct (Warren & Campbell, 2014). Similar to other socially constructed phenomena, such as status or popularity (Estrada, Brown, & Lee, 1995; Hollander, 1958), objects or brands may only be cool to the extent to which others evaluate them as cool (Belk et al., 2010). Thus, coolness is not an inherent feature of an object or a person (Pountain & Robbins, 2000), but an impression-related perception, which requires validation by a peer audience (Belk et al., 2010).

Second, the perception of coolness is subjective, thus, lies in the eye of the observer (Warren & Campbell, 2014). Although brands and products are designed to be cool, the consumer ultimately decides what is cool and what is not (Gladwell, 1997; Wooten & Mourey, 2013). This might also explain why not everyone can radiate coolness (Belk et al., 2010), why consumers and managers see coolness as an enviable point of difference (Olson et al., 2005) and why coolness presents to be “an important source of status in consumer culture – especially among adolescents” (Wooten & Mourey, 2013). Moreover, consumers with similar backgrounds and interests tend to agree on what is cool (Leland, 2004; Warren & Campbell, 2014). Despite this subjective nature, consumers can easily recognize the cool factor when they see it (Belk et al., 2010). In accordance with Amabile (1982) and the consensual assessment technique of creativity, Warren and Campbell (2014), for instance, suggested that the perception of coolness can be measured by asking a “group of consumers the extent to which they perceive something or someone as cool or uncool” (p. 544). Also, similar to creativity or originality, the perception of coolness is continuous and contextual (Warren & Campbell, 2014).

Third, coolness is dynamic and the things what are considered to be cool change constantly across time (e.g., Belk et al., 2010; Rahman, 2013; Wooten & Mourey, 2013). It explains why the perception of coolness has been identified as a “moving target” with an expiration date (Wooten & Mourey, 2013). Once a cool thing becomes commonplace among consumers the perception of coolness dissipates. This circularity is also closely related to the lifecycle of fashion trends – it is the act of discovering coolness, what causes it to disappear (Gladwell, 1997). This dynamic nature particularly emphasize that the perception of coolness is cultivated by imitation but simultaneously threatened by duplication (Belk et al., 2010; Lacayo & Bellafante, 1994; Wooten & Mourey, 2013).

Finally, coolness is “more than merely another way of saying that something is good or desirable – it comes with baggage.” (Pountain & Robbins, 2000, p. 32). While the

term cool is today mostly associated with an adjective evaluating something as visually appealing, there are some qualities that go beyond what consumers can see. Indeed, Robert Thompson, an art historian at Yale University, wrote “Beauty is a part of coolness, but beauty does not have the force that character has” (R. Thompson, 1979 as cited in Pountain and Robbins (2000)). He also noted that the idea of cool originated in ancient Western Africa where it was linked to a spiritual concept called “*itutu*”, which means “control, composure, detachment, beauty and inner peace” (Pountain & Robbins, 2000 p. 36). In a more contemporary version, Rahman (2013) and Nancarrow, Nancarrow, and Page (2002) complemented that the perception of coolness has an aesthetically, outer layer and a personal, inner layer. While the outer layer is mostly associated with attainable symbolic representations such as fashion and hairstyles (Pountain & Robbins, 2000; Rahman, 2013), the inner layer contains a set of specific behavioral characteristics (e.g., Bird & Tapp, 2008; Danesi, 1994; Dar-Nimrod et al., 2012; Pountain & Robbins, 2000). In a qualitative account, Dar-Nimrod *et al.* (2012) confirmed that the perception of coolness does not only merely reflect desirability, but is giving individuals and objects specific and desirable characteristics or trait-like information.

Taken together, the foregoing discussion highlighted three important facts about coolness. First and foremost, although desired by marketing practice and consumer literature is not able to provide a definition of what coolness is. Second, a canvas of literature suggested that coolness is a subjective, socially constructed, dynamic construct that goes beyond simple likeability. Finally, in contrast to today’s general perception of coolness does not exclusively depend on the visual appearance but is strongly determined by an object’s personality and whether it evokes associations to concepts and ideas that are central to the perception of coolness. Thus, it is proposed that an individual’s response to a cool thing is motivated by some strongly held values rather than merely visual appeal.

2.1.1 What makes things cool?

Across various literature streams, a variety of antecedents for coolness has been identified and discussed, amongst others, authenticity (Southgate, 2003), aesthetic appeal, originality, creativity and innovativeness (Bird & Tapp, 2008), as well as popularity (Wooten & Mourey, 2013) and fashionable, eye-catching, entertaining (Rahman, 2013). Pountain and Robbins (2000), two pioneers in the field of coolness, linked the concept of coolness to a combination of ironic detachment, narcissism, and hedonism. The authors defined ironic detachment as a strategy for concealing one’s

feeling by suggesting the opposite – for example, expressing boredom when facing danger or expressing amusement in the face of insult. Belk *et al.*'s (2010) extended this emotion and defined it as a “dispassionate control of intense emotions together with an air of disengagement and nonchalance aiming to create an impression of superiority” (p. 186). According to the authors, this suppression of emotions presented a way of retaining pride, dignity, and masculine ideals of toughness (Holt & Thompson, 2004) – something that may be linked to the black history of cool. This emotion seems to be glued with the definition of narcissism – “an exaggerated admiration for oneself, particularly for personal appearance, which gives rise to the feeling that the world revolves around your and shares your mood” (Pountain & Robbins, 2000, p. 26). Originally defined as a personality disorder, narcissism found favor in various research streams, including in the consumer context (for review, see Cisek *et al.*, 2014; Vazire, Naumann, Rentfrow, & Gosling, 2008) and is today defined as an “agentic, egocentric, self-aggrandizing, dominant, and manipulative orientation” (Cisek *et al.*, 2014). Because narcissists are driven by an unrealistically positive self-view, they assume to be special and to differ from the mainstream due to their grandiosity (Krizan & Bushman, 2011). In order to maintain their highly inflated self-view, narcissists “flaunt their material possession and associate with high-status” (Cisek *et al.*, 2014, p. 3; and see also Holtzman, Vazire, & Mehl, 2010) and seek the “latest and greatest products” (Sedikides, Cisek, & Hart, 2012; Sedikides, Gregg, Cisek, & Hart, 2007, p. 255) as well as “limited edition” (Lee, Gregg, & Park, 2013).

Furthermore, various authors linked coolness also to cultural knowledge (Belk *et al.*, 2010) or cultural capital (Nancarrow *et al.*, 2002). Different from social and economic capital, cultural capital is composed of a set of socially rare and distinctive cognitions (e.g., tastes, skills, knowledge) and practices (Holt, 1998). With reference to the culture of hipster and indie, Arsel and Thompson (2011), for example, summarized cultural capital as a deep understanding of cultural products (e.g., music, fashion, media) and their histories; the ability to judge and critique culture in relation to the appropriate aesthetic ideals; a natural feel for the status game in terms of comportment and improvised interactions (p. 797). It can be argued that individuals may fulfill their desire to be cool by demonstrating profound expertise in a particular domain (Holt, 1995; Tian *et al.*, 2001). Given this, it seems also likely that the demonstration of cultural knowledge also fuels inferences of coolness.

In addition, coolness has also been linked to norm-breaking, rebellious behavior: “Cool is a rebellious attitude, an expression of a belief that the mainstream mores of society have no legitimacy and do not apply to you” (Pountain & Robbins, 2000, p.

23). According to Belk *et al.* (2010, p. 193), cool people, cool subcultures and countercultures are distinguished “as opposing and rebelling against commercialism and the consumer culture it promotes” (Holbrook, 1986). According to the authors (and see also Heath & Potter, 2004), this holds true for actors like James Dean, artists like Andy Warhol (Warren, 2010), revolutionaries and outlaws like Che Guevara or Bonnie and Clyde (Belk *et al.*, 2010), and consumer groups like surfers (Beattie, 2001; Canniford & Shankar, 2007) and skateboarders (Moon & Kiron, 2002) as well as countercultural leaders like Steve Jobs (Belk & Tumbat, 2005). A study by Belk and Tumbat (2005) even found that consumers believed that buying Apple products were a rebellion against corporate capitalism. This consideration is also in line with Thompson and Haytko (1997, p. 22) who argued that “to stay ahead in the realm of fashion trends” requires resisting conformity and drop fashion trends that catch on while simultaneously seeking emerging innovations (Tian *et al.*, 2001). Moreover, only recently, Warren and Campbell (2014) used an experimental approach to examine the empirical relationship between perceived coolness and inferences of autonomy – a construct closely related to the idea of nonconformity. The authors defined autonomy as a willingness to pursue one’s course irrespective of the norms, beliefs, and expectations of others (see, p. 544). In a series of studies they found that behaviors expressing autonomy increased inferences of coolness when behaviors, people, and products were deviating from a common norm while maintaining a level of socially acceptable appropriateness.

Taken together, literature offers a wide variety of explanations and identifying coolness as a complex, dynamic and partly mysterious construct. This becomes even more evident when you look in a dictionary: While *Merriam-Webster Online Dictionary* (2016) defines cool as

“steady dispassionate calmness and self-control, lacking ardor or friendliness, marked by restrained emotion and the frequent use of counterpoint”,

the *Dictionary of Slang* (2016) in contrast, defines cool as

“an adjective referring to something that is very good, stylish, or otherwise positive. It is among the most common slang terms used in today’s world”.

Given the multiplicity of meanings and the fact that researchers, management practice, and consumers have troubles to agree on a common definition, various scholars consequently argued that coolness possess two different meanings with different qualities, connotations, and properties (Belk *et al.*, 2010; Frank, 1997; Warren, 2010).

The following section synthesizes insights from past research and introduces both meanings of coolness and brings them into a meaningful relationship.

2.1.2 The Sweet Spot of Coolness

Originally identified by Belk and his colleagues (2010), Wooten and Mourey (2013) introduced the distinction between “standing-out cool” and “fitting-in cool”. Scholars argued that this distinction should help to explain the various contradictory themes associated with the term cool, and consequently provide a clear understanding of the two different end of the coolness continuum (Wooten & Mourey, 2013).

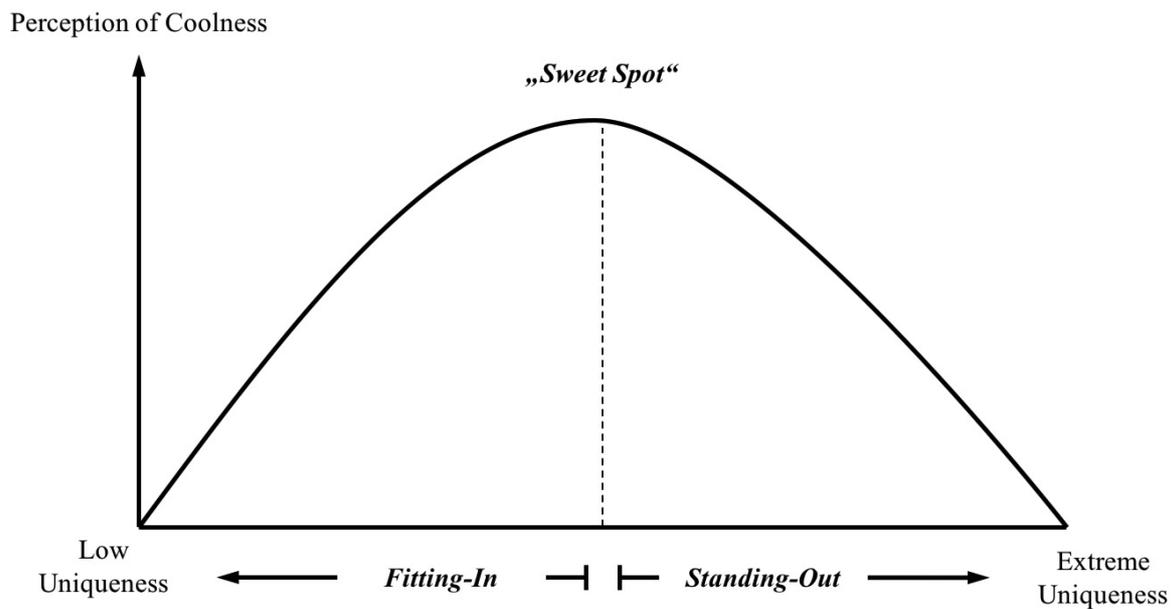
On one side of the continuum, there is fitting-in cool. Fitting-in is manifested in efforts to gain acceptance through emulative consumption behavior (Wooten & Mourey, 2013). This type of coolness is electrified by social concerns (Fenigstein, Scheier, & Buss, 1975), prone to interpersonal influence (e.g., Bearden & Etzel, 1982), and depends on social comparison information (e.g., Irmak, Vallen, & Sen, 2010). Fitting-in cool has also been termed as the “inauthentic commercial” cool (Belk et al., 2010, p. 193) and heavily used as a synonym that something is good or otherwise attractive and may be closely linked to inferences of popularity or social validation. Work in the field of imitation showed that information about similarity towards others drives behavioral actions (Snyder, 1992) and holds positive effects (e.g., Chartrand, Maddux, & Lakin, 2012; Tanner, Ferraro, Chartrand, Bettman, & Baaren, 2008) as well as some inhibitory consequences (e.g., Dalton, Chartrand, & Finkel, 2010; White & Argo, 2011). White and Argo (2011), for instance, found, that when consumers are aware that their possessions have been imitated, individuals react with dissociation response such as possession disposal intentions, re-customization behavior, and exchange behavior. This notion is consistent with Wooten and Mourey (2013), who argued that imitation is a part of a validation process required for something or someone to be recognized as being cool. However, increased duplication can also threaten the perception of coolness. Because imitation appears to have both a facilitating and inhibitory effect on coolness, research assumes that the relationship between the number of imitators and coolness perceptions resembles an inverted u-shape curve (Wooten & Mourey, 2013; and see preliminary results in Chapter 6.2.).

On the other side of the continuum, there is standing-out cool. In contrast to fitting-in cool, standing-out cool is motivated by a perception that separates one from the masses because we do not like when we feel identical to other people. Belk *et al.* defined it also as the “authentic countercultural” cool (2010, p. 193) linking the term to its origin

in black culture. According to Wooten and Mourey (2013), standing-out cool is reflected in the face of positive rebellion and conciliated with traits such as detachment from others, indifference towards others (e.g., Pountain & Robbins, 2000) or innovative consumption behavior (Tian et al., 2001). In contrast to its counterpart, standing-out cool is embodied by innovators or early adopters (of products and styles) who radiate creativity, confidence and charisma (Wooten & Mourey, 2013), and are thus motivated to try new things as well as abandon preferences shared with majorities (Berger & Heath, 2007). These people identify or even create new trends and styles that others will adopt. Those who display standing-out cool are closely linked to personality traits such as independence, rebelliousness, autonomy and counterculture (Dar-Nimrod et al., 2012).

Despite some emerging efforts, research is not clear if standing-out and fitting-in are two distinctive types of coolness that act independently or if they embrace a symbiotic relationship (Belk et al., 2010; Warren & Campbell, 2014; Wooten & Mourey, 2013). In support of the prior discussions, present research, therefore, proposes that the perception of coolness interacts in the sweet spot between uniqueness and belonging. More precisely, it is suggested that the perception of coolness is reflected in an inverted U-shaped relationship with opposing levels of uniqueness at each end of the continuum (see Figure 2-1). Although both sides acclaim the term cool, it is evident that each meaning appears to have very different connotations and properties. The left end of the curve reflects feelings of fitting-in and fuels an individual's need for belonging (White, Argo, & Sengupta, 2012) by consuming cool brands and products that are particularly popular. While social validation is high, the level of uniqueness or distinctiveness is rather low. In contrast, the right side is fueled by inferences of independence, rebelliousness, and autonomy (e.g., Schlosser, 2009). Extreme levels of fitting-in or extreme levels of standing-out are dysfunctional to coolness perception because consumers will become confused and respond unfavorably. On the one hand, society rewards people who exhibit – but not extreme – divergence (Snyder, 1992). On the other hand, it is not desirable feeling identical with to other people.

Figure 2-1: The Sweet Spot of Coolness



Although new to the perspective on coolness (Belk et al., 2010), the idea of fitting-in and standing-out is indeed one of the oldest and most fundamental research fields in consumer research and social psychology (e.g., Eastwick & Hunt, 2014; Goldstein, Cialdini, & Griskevicius, 2008; Griskevicius et al., 2007; Griskevicius, Goldstein, Mortensen, Cialdini, & Kenrick, 2006; Griskevicius, Tybur, & van den Bergh, 2010; Y. Wang & Griskevicius, 2014; Zimbardo, 1973). According to an evolutionary perspective, standing-out and fitting-in are driven by two fundamental human motives: mate attraction and self-protection (e.g., Griskevicius & Kenrick, 2013; Griskevicius et al., 2007, 2009, 2010; Kenrick, Neuberg, Griskevicius, Becker, & Schaller, 2010; Y. Wang & Griskevicius, 2014). To successfully attract a mate, it is necessary to differentiate oneself positively from one's rival (Buss, 2003). Standing-out can be an effective mating method to attract attention and to show distinction to a larger group (e.g., Griskevicius et al., 2006). In contrast, fitting-in is associated with self-protection. To survive it is often necessary to strategically mimic others and avoid standing out from the crowd (e.g., Griskevicius et al., 2006). Research showed that these two fundamental motives also drive consumption practice. In a series of experiments, Griskevicius and his colleagues (2009), for instance, examined how protection motives versus mating motives influence choice behavior. Results showed that people desire social proof appeals (e.g., choosing the most popular restaurant) in protection context, but wish for scarcity in romantic contexts (e.g., choosing "limited editions").

Given the importance of these evolutionary and often competing motives, past research has been keenly interested in understanding how and when individuals seek to stand-out or fit-in (e.g., Berger & Heath, 2008). Although it is well documented how consumers fit-in or stand-out, little is known how these conflicting motives interact. Only recently, Chan, Berger and his colleagues (2012) demonstrated that consumers not only pursue assimilation or differentiation but often both motives within one purchase instead. According to the authors, consumers assimilate on one dimension while differentiating on another dimension. For instance, consumers select Apple products because it allows them to be associated a desired social identity or reference group while simultaneously differentiating on attributes such as color, form or material of the sleeve.

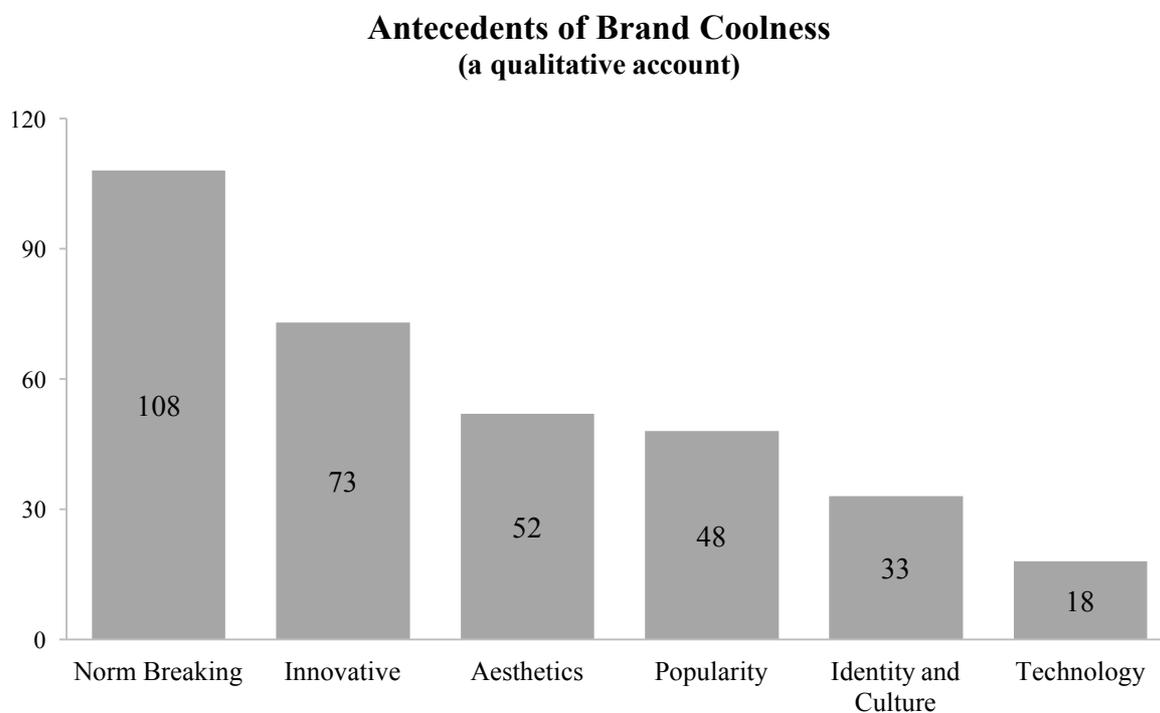
Current research focuses on the right side of the inverted u-curve, because “rebellion and seduction in the outlaw mystique here as well as a pursuit of something that seems more authentic and exciting” (Belk et al., 2010, p. 202; and see also Holt, 2003). Thereby, it is argued that the perception of coolness is fueled by inferences of norm-breaking or nonconforming behavior. More precisely, it is proposed that coolness is defined by deliberately breaking norms within the realm of commonly accepted behavior without serious disruption or violation. This proposal is closely linked to some recent research of Warren and Campbell (2014) who postulated that perceived autonomy – the willingness to pursue one’s course – influence inferences of coolness. To gain a better understanding when and under which condition the pursuit of coolness flourishes or potentially even fail, present dissertation integrates inferences of rebelliousness or norm-breaking behavior in the well-known research field of conformity. This is in line with previous remarks suggesting that the perception of coolness is not merely a reflection of desirability and visual appeal (Nancarrow et al., 2002; Pountain & Robbins, 2000) but donating specific and desirable characteristics or trait-like information such as independence and a sense of rightness (e.g., Bird & Tapp, 2008; Danesi, 1994; Dar-Nimrod et al., 2012; Pountain & Robbins, 2000).

Numerous research streams profoundly established that conformity and nonconformity drive behavior, consumption as well as purchase decision in the marketplace (e.g., Berger & Heath, 2007; Griskevicius et al., 2006; Snyder & Fromkin, 1977; White & Dahl, 2007). Humans have learned that harming norms is inappropriate and associated with punishment while conforming to norms is rewarded. However, an emerging research stream indicates that a positive outcome stems from breaking norms (e.g., Abrams, de Moura, Marques, & Hutchison, 2008; Popa, Phillips, & Robertson, 2014; van Kleef, Homan, Finkenauer, Blaker, & Heerdink, 2012; van Kleef, Homan,

Finkenauer, Gündemir, & Stamkou, 2011; and see van Kleef, Wanders, Stamkou, & Homan, 2015 for a review). From this perspective, it seems interesting that deliberately breaking norms helps a brand foster its image and enhance inferences of coolness.

To provide some first empirical evidence for the relationship between norm-breaking behavior and coolness, an exploratory study was conducted. The goal of this study was not to define coolness, but to demonstrate that people tend to relate cool brands with the rebel world. Three hundred and seventy-eight participants ($N = 378$, 58.7% Male; $M_{\text{age}} 32.42$, Range: 18-82; all in the United States) completed this study as part of a bigger experiment, in exchange for small payment. 48 participants were excluded from the analysis because they did not provide any answer or because their answer could not be categorized. In an open-end question, participants were asked to describe what characterizes a cool brand in their words. In a multi-step analysis procedure, each response was evaluated and categorized. In sum, 23 categories were identified. Figure 2-2 shows the number of references made to seven particular categories or concepts.

Figure 2-2: Antecedents of Brand Coolness



This study provides a variety of vital implications. One important insight from this first study – and this is not surprising given past findings (e.g., Belk et al., 2010; Dar-

Nimrod et al., 2012) – is that people tend to define coolness in multiple, and sometimes contradictory ways. Because people use cool in various contexts to evaluate people, objects, and brands, there is a lack of consensus in literature and among consumers what cool means. This presents a major challenge: consumers define what is cool and what not, yet there are unable to agree on a common definition or pinpoint on influencing factors that lead to inferences of enhanced coolness in the eyes of a consumer. Moreover, while participants associated coolness with a wide variety of benefits, such as performance, innovativeness, novelty or design, brands are considered to be cool when they connect to themes closely related to norm-breaking behavior or rebelliousness. About 29% of the participants specifically described a cool brand as “*does its own thing*”, “*breaking rules and traditions*”, “*against modern expectations*”, “*controversial*”, “*going beyond the norm*”. Fundamentally, these findings match prior ideas on coolness (e.g., Frank, 1997; Pountain & Robbins, 2000; C. Thompson & Haytko, 1997; Warren & Campbell, 2014).

In sum, various research streams (e.g., Warren & Campbell, 2014) as well as the presented qualitative study demonstrated that inferences of norm-breaking behavior lead to enhanced inferences of coolness. Based on this premise, the following section reviews relevant literature streams in the field of Nonconformity.

2.2 Theoretical Foundations of (Non)Conformity

Norms are the pillar of every civilized society and thus guide our behavior and interactions without the enforcement of the law to grant proper conduct (Cialdini & Goldstein, 2004). Over decades, humans have learned that harming norms is inappropriate and associated with punishment while conforming to norms is rewarded. In fact, conformity is one of the most widely discussed principles in social psychology and defined as changing one's behavior to match other responses (Cialdini & Goldstein, 2004). Researchers across various disciplines recognized similar tendencies under different names, including in sociology (e.g., behavioral mimicry or the chameleon effect Chartrand & Bargh, 1999; Tanner et al., 2008), in economics (e.g., herd behavior, Banerjee, 1992), and marketing (e.g., category norms Barone & Jewell, 2012). According to Berger and Heath (2008) various research models implicitly apply the dynamics of conformity to explain the diffusion of innovations and cultural taste (e.g., Rogers, 2003). Latane's (1996) dynamic social impact theory for instance predicts, that individuals assimilate their behavior and attitude over time to those around them.

Indeed, the most well known studies in social psychology demonstrated the power of conformity and compliance to norms by following the opinions and behaviors of others¹(Cialdini & Goldstein, 2004; Griskevicius et al., 2006; Popa et al., 2014). For instance, Asch's (1955) classic experiment analyzed line length judgments where the incorrect consensus of a group was played against an obvious correct response. This experiment documented that people often conform because it is easier to follow the crowd rather than facing the consequences of being rebellious (Crutchfield, 1955). An even more powerful but questionable experiment comes from Zimbardo's (1973) classic Stanford Prison experiment where participants behaved accordingly to their assigned roles as guards and prisoners. The results of another experiment by Sherif (1935) postulated: "Even in a minimally social setting, groups create social norms, the influence of which persists even in the group's absence" (Rachlinski, 1999, p. 1548). Milgram's (1963) work on obedience to authority showed that "ordinary individuals can be induced to brutalize others against all norms of civilized conduct" and common sense (Rachlinski, 1999, p. 1557). In sum, these research projects suggest that people are more likely to engage in behavior the more they see others doing it (Berger & Heath, 2007).

¹ This dissertation is limited to non-legal violations. Research on legal violations, primarily found in the domains of law and criminology, is thus outside the scope the present research endeavor.

These basic experiments did not only demonstrate the natural paradigm of conformity, but they have been guiding numerous subsequent studies since. Scholars have devoted their attention to establishing a profound understanding of conformity, its antecedents as well as focused on the benefits of norm compliance and the negative consequences of norm violation (e.g., Anderson, Ames, & Gosling, 2008). Conformity and compliance to norms showcased, for example, research on pro-social behavior such as donating money (e.g., Griskevicius et al., 2007) and environmentally friendly behavior like participating in an eco-conservation program (e.g., Goldstein et al., 2008; Griskevicius et al., 2010; White & Simpson, 2013). Conforming individuals are motivated by a desire for the social approval of others (e.g., Eastwick & Hunt, 2014) and the reward of group acceptance and social inclusion (Cialdini & Goldstein, 2004), consequently strengthening their sense of belonging and self-esteem (Cialdini & Goldstein, 2004). It is part of an impression management strategy when people try to fit in (e.g., Bellezza et al., 2014; Nail, MacDonald, & Levy, 2000; Schlosser, 2009).

However, while conformity dynamics and processes are pervasive in our lives, they cannot explain the world where individuals purposely break norms or seek a relationship with the rebel world (e.g., Holt, 2003). People ignore dress codes, put their feet up on the table or talk loud in movie theaters. Nonconformity defines a behavior or belief that deviates from others' opinions (Nail et al., 2000) while following own personal attitudes (Schlosser, 2009; Tian et al., 2001). Individuals act autonomously and independently regardless of the impression made on others and rebel against social influence by behaving in ways incongruent with norms and standards (e.g., Ariely & Levav, 2000; Berger & Heath, 2007; Griskevicius et al., 2006; Nail et al., 2000; Schlenker & Weigold, 1990; Tian et al., 2001; Warren & Campbell, 2014).

While nonconformity is associated with risky and costly behavior, social disapproval, rejection and punishment (e.g., Anderson et al., 2008; Jetten & Hornsey, 2014; Lin, Dahl, & Argo, 2013), it also allows people to distinguish themselves from the masses and establish uniqueness (e.g., Berger & Heath, 2007, 2008; Snyder & Fromkin, 1977; Tian et al., 2001; White & Dahl, 2006, 2007). For example, consumers often decide to choose different items than the choice another consumer just made (e.g., a group is placing orders in a restaurant) (e.g., Ariely & Levav, 2000; Griskevicius et al., 2006). A growing research stream in psychology, consumer perceptions and organizational psychology embarked a journey to expose the positive inferences of norm-breaking behavior (e.g., Abrams et al., 2008; Berger & Heath, 2007, 2008; Hollander, 1958; Popa et al., 2014; Stone & Cooper, 2009; van Kleef et al., 2012, 2011, and see 2015

for a review; White & Dahl, 2006). More specifically, scholars argue that under certain conditions, inferences of nonconformity can be more advantageous than efforts towards conforming behavior. Bellezza *et al.* (2014) provided some valuable insights why nonconformity leads to attractive perceptions and explains the duality with the signaling theory. Because nonconformity often bears high costs and risks (e.g., Anderson *et al.*, 2008), “observers may infer that a nonconforming individual is in a powerful position that allows them to risk social costs of nonconformity without fear of losing their place in social hierarchy” (Bellezza *et al.*, 2014, p. 35). According to the signaling theory, a signal must be costly and observable to others (e.g., Feltovich, Harbaugh, & To, 2002; Zahavi & Zahavi, 1997). By treating nonconformity as a costly and observable signal, deviation becomes a particular form of conspicuous consumption that leads to attractive inference (Bellezza *et al.*, 2014). In line with Veblen’s classic theory of conspicuous consumption, humans use prominent and visible evidence to display their ability to afford the luxury. In this sense, providing visible evidence of nonconformity and displaying that individuals can afford to follow their own volition, can fuel objects and subjects with a vigorous and powerful meaning. At the same time diverging from the common enables individuals to distance themselves from others (e.g., Berger & Heath, 2008), which can satisfy a person’s need for uniqueness (Snyder & Fromkin, 1980).

Although norm-breaking behavior confers numerous disadvantages and risk to individuals, preceding lines of discussion also highlights the benefits of nonconformity. From this perspective, it seems counterintuitive that deliberately breaking norms helps a brand foster an attractive image. This duality raises an important question: When and under which condition does nonconformity facilitate positive inferences?

2.2.1 Positive Consequences of Norm Violation

Even though the majority of research in social psychology proved that norm violation triggers negative emotions in violator and observer (e.g., Ersoy, Born, Derous, & van der Molen, 2011; Giguère, Lalonde, & Taylor, 2014), recent research highlights that norm-breaking behavior creates positive emotions and leads to effective responses (Bellezza *et al.*, 2014; e.g., Popa *et al.*, 2014; W. Thompson & Thompson, 2014). More importantly, while a vast amount of research mainly focused on why individuals diverge (e.g., Berger & Heath, 2008), this research examines how nonconforming behavior is perceived in the eye of the consumer (see Bellezza *et al.*, 2014).

Past research suggested that the behavioral response to and judgment of a rule breaker depends on various moderating factors, including characteristics of the observer (e.g., importance and salience of the norm, similarity between violator and observer, potential benefit and reward to the observer), characteristics of the norm (e.g., scope of norm violation, restrictiveness of the context, intentionality) or characteristics of the norm violator (e.g., perceived confidence and perceived autonomy) (for review, see Popa et al., 2014; van Kleef et al., 2015).

Norm-breaking behavior also plays an important role in groups. People generally seek to maintain a positive group identity (Marques, Yzerbyt, & Leyens, 1988) and therefore judge ingroup norm violation more negatively than outgroup norm violation (Reese, Steffens, & Jonas, 2013). This so-called “black sheep effect” also explains why ingroup alcoholics are judged more harshly than outgroup ones (Cranmer & Cranmer, 2013). However, a recent study on gossip documented that while gossiping is generally judged as immoral, this effect disappears when the gossip is intended to warn and protect a group (Beersma & van Kleef, 2012). This stream of research shows that ingroup norm obedience is essential for group identification and breaking norms becomes acceptable if it warns and protects a group.

Norm violations may also hold positive consequences to the violator – especially when the norm is not perceived as essential to the observer (Joly, Stapel, & Lindenberg, 2008), is within an acceptable scope of behavior (Popa et al., 2014) or contributes to the benefits of the overall good (van Kleef et al., 2012). An impressive body of research has documented that nonconformity is positively associated with power and status (for review see van Kleef et al., 2011). In various contexts, research showed that powerful individuals tend to socially inappropriate behavior. One series of experiments revealed that norm violations, such as drinking coffee from another person mug, violating the rules of bookkeeping, dropping ashes on the floor or putting one’s feet on the table encourages observers to perceive the individual as more powerful – but only if the act is perceived as intentional (van Kleef et al., 2011; Bellezza et al., 2014). The authors suggested that high-status and powerful individuals can “afford to deviate from conventional behavior and common expectations” without the ferocity of social disapproval or sanctions (Bellezza et al., 2014; Galinsky, Magee, Gruenfeld, Whitson, & Liljenquist, 2008; Rucker, Galinsky, & Dubois, 2012).

A recent work by Bellezza and her colleagues documented the empirical evidence of the relationship between breaking norms in dress codes and status and competence. The authors showed that individuals who enter a luxury store wearing gym rather than elegant clothing and individuals who wear red sneakers rather than professional

business attire in a professional setting (e.g., a professor of a top-tier university) were ascribed with higher status and competence (2014). More interestingly, the positive inferences from norm violation disappeared when the nonconforming behavior was portrayed as unintentional, the observer was not an expert in the environment, or in the absence of strong norms (such as a formal event) (Bellezza et al., 2014).

2.2.2 Norm-Breaking Behavior in a Consumer Brand Context

While past literature focused on nonconformity in human-to-human interactions – such as violating a dress code or dropping ashes on the floor – little is known how norm violation is translated in the marketplace. Following prior discussions, it is suggested that consumer and brands voluntarily manifest nonconformity in their behavior and consumption practice.

In the domain of consumer research, past research profoundly demonstrated that motives to assimilate and conform drive consumption practice and choices in the marketplace (e.g., Bellezza et al., 2014). Consumers behave similarly to those around them – listen to music their friends listen to and purchase the latest trends that help them to fit in and signal a desired identity (Ariely & Levav, 2000; Berger & Heath, 2007; Escalas & Bettman, 2005). However, at the same time consumers want to be different and set themselves apart from the mass (Snyder & Fromkin, 1980; Snyder, 1992; Tian et al., 2001). Lots of literature, including research on the most well-cited uniqueness theory (Snyder & Fromkin, 1980), intergroup differentiation (e.g., Hornsey, Jetten, McAuliffe, & Hogg, 2006; Jetten & Spears, 2003), and the theory on optimal distinctiveness (e.g., Brewer, 1991) predict that individuals harbor a fundamental need to see oneself as unique and distinct from others (Berger & Heath, 2008). Divergence from the mass or acting incongruent with norms and standards enables one to express uniqueness (e.g., Griskevicius et al., 2006; Snyder & Fromkin, 1980) and to distance oneself from dissimilar, disliked or unattractive others (e.g., Berger & Heath, 2007, 2008). A vast stream of research documented that consumers use consumption practice and brands to signal divergence from others.

While research feels confident in explaining why people diverge (e.g., Berger & Heath, 2008) or break norms (e.g., Bellezza et al., 2014), research on nonconformity in a marketing context is rare. This may be due to the implicit assumptions that norm violations of a brand will trigger disapproval and negative reactions with consumers. Although literature to date has not yet directly examined the positive outcome or the

inferences consumers make from norm-breaking brands, it provides some valuable insights into the factors that generate positive reactions.

Barone and Jewell (2013), for instance, found that innovative brands that violate category norms by utilizing atypical marketing strategies generate positive attributes. In one study the authors manipulated norm violation with different levels of price skimming strategies (see Study 3, pp. 129–30). To promote the perception that price skimming was a categorical violation (norm), participants were told that just a few (many) companies charge a high price for a new product and that only 15% (about 80%) of American companies use price skimming for new products. Results showed that the violating brand did not only escape the penalty associated with using an atypical marketing strategy but received benefits in the form of more favorable attitudes.

In another research project, Barone and Jewell (2012) documented that the persuasiveness of comparative advertising depends on whether or not the advertising strategy is viewed as a marketing strategy that conforms to category advertising norms. Results showed that comparative advertising used in violation to category advertising norms led to a negative perception because it was seen inappropriate. However, this effect was found to be reversed for individuals who seek counter-conforming in the marketplace and who thus respond more favorably to the advertising that violated rather than conformed to category advertising norms.

Based on the preceding discussion, norm-breaking brand behavior requires not only an understanding of the category in which the brand operates, but also if certain key characteristics are found with the brand and the consumer. This is also in line with prior assumptions that the perception of coolness can only occur in particular environments.

Pursuant to the fundamental premise that inferences of nonconformity lead to enhanced inferences of coolness, the forthcoming section introduces the conceptual framework of this dissertation.

3 Conceptual Framework

Following the preceding discussions on coolness and nonconformity, in the forthcoming chapter the sum of these considerations will build the conceptual model of this dissertation (see Chapter 4). Thereby concrete research hypotheses are formulated that set the fundament for the empirical analyses (see Chapter 5).

3.1 Effects of Nonconforming Brand Behavior on Brand Coolness

Based on the idea that inferences of rebelliousness drive coolness, it is hypothesized that nonconformity rather than conformity leads to enhanced inferences of coolness in the eyes of consumers. Thereby, research suggests that the idea of breaking norms (or divergences from standards) needs to be within the realm of commonly accepted behavior without causing harmful disruption or a violation (e.g., Popa et al., 2014; Snyder, 1992; Warren & Campbell, 2014).

Of particular relevance to the present research is Warren and Campbell's (2014) recent publication. The authors applied an experimental approach and concluded that inferences of autonomy determine the perception of coolness. In six studies they found that behaviors expressing autonomy increase the perception of coolness, but only when autonomy is bounded – meaning, within the realm of appropriateness. While present research agrees on the fact that autonomy is crucial to the perception of coolness, it is argued that the perception of autonomy play only a mediating role in an overarching field for three reasons. First, the concept of autonomy “connotes an inner endorsement of one's actions, the sense that they emanate from oneself and are one's own. The more autonomous the behavior, the more it is endorsed by the whole self and is experienced as action for which one is responsible” (Deci & Ryan, 1987, p. 1025). In the context of coolness it is of central concern whether individuals are motivated by a feeling that his or her actions are “self-chosen, self-governed and self-endorsed” (autonomous behavior) (Deci & Ryan, 2000; Ryan & Deci, 2000; Thomson, 2006, p. 106) or are pressured and controlled by “intrapersonal or interpersonal forces” (controlling behavior, e.g., by governmental regulations) (Deci & Ryan, 1987, p. 1025). Second, acting independently and resisting group pressure (Berger & Heath, 2008) is generally perceived as an admirable gesture (Magee & Galinsky, 2008) and also explain why consumers feel more attached to brands which enhance a person's feelings of autonomy (Thomson, 2006). Finally and most importantly, past research indicated that consumers typically infer autonomy from behaviors that are rebellious or diverge from the norm (Bellezza et al., 2014; Griskevicius et al., 2006; Phillips &

Zuckerman, 2001; C. Thompson, Rindfleisch, & Arsel, 2006). To gain a better understanding when and under which condition the pursuit of coolness flourishes or potentially even fail, the present dissertation integrates inferences of rebelliousness or norm-breaking behavior in the overarching and well-known research field of conformity.

Building on prior work that nonconforming behavior fuels the perception of power, status and competence (e.g., Bellezza et al., 2014; van Kleef et al., 2011) and recent theorizing that perceived autonomy, as a proxy of nonconformity, affords the perception of coolness (Warren & Campbell, 2014), it is proposed that inferences of nonconformity lead to enhanced inferences of brand coolness. More formally:

H₁: Inferences of nonconforming lead to greater inferences of coolness as opposed to inferences of conformity.

3.2 The Economic Value of Coolness

Conventional wisdom and various research streams argue that coolness holds a variety of benefits (e.g., Olson et al., 2005). In their book, Devin and Austin (2012) propose that “special products and services” are often able to command a premium price (e.g., a Bang & Olufsen TV) or sell in volumes that outshine less pretentious products (e.g., Apple’s iPod). “Some of these products and services appear immune from the progression toward commoditization” (Devin & Austin, 2012, p. 59). While general wisdom prophesies a power of coolness, at this juncture, research has not yet measured consumers’ feelings towards coolness nor did it specify, how or when the perception of coolness affects consumers’ purchase intention. For example, assume that a brand is perceived to be cool. Does coolness elicit favorable attitudes and, more interestingly, does it translate into economic wealth for brands? Despite tremendous interest in coolness and its praised, pervasive value, there is a clear lack of empirical research uncovering the power and impact of coolness.

A steadily growing literature identified brand equity as the most important performance measure and over decades researchers have studied its implications for brand management (for a recent review, see Christodoulides & de Chernatony, 2010; Keller, 1993). Brand equity is defined as “a set of assets and liabilities linked to a brand, its name, and symbol, that adds to or subtracts from the value provided by a product or service to a firm and/or to that firm’s customers” (Aaker, 1991, p. 15) or, in simple words, “the incremental utility or value added to a product by its brand name”

(Yoo, Donthu, & Lee, 2000, p. 195). Fundamentally, high levels of brand equity have been positively associated with consumer satisfaction and brand loyalty (Aaker, 1991, 1996), the ability of the brand to command a price premium (Erdem & Louviere, 2002; Park & Srinivasan, 1994), brand diversification and brand extension (Aaker & Keller, 1990; Park, Milberg, & Lawson, 1991; Pitta & Katsanis, 1995), positive response to various marketing mix elements (Yoo et al., 2000), and ultimately showing an impact on sales, profits, and stock value (e.g., Ailawadi, Lehmann, & Neslin, 2003; Simon & Sullivan, 1998).

According to Keller (1993), a powerful brand personality contributes to the consumer-based brand equity (see also, Buil, de Chernatony, & Martínez, 2008). For decades the concept of brand personality has been residing in front row marketing literature and practice. A considerable literature stream demonstrated that a favorable brand personality enhances brand strength, brand attitudes, brand preference and brand usage, purchase intentions, consumer trust, and loyalty (Fournier, 1998; Freling, Crosno, & Henard, 2011; Freling & Forbes, 2005; Kim, Han, & Park, 2001; Sirgy, 1982; van Rekom, Jacobs, & Verlegh, 2006) which in turn positively affects a brand's overall equity (Keller, 1993; Lieven & Hildebrand, 2016). This is because humans associate personality traits with brands and thus form relationships (Fournier, 1998) that provoke trust and ultimately an increased choice likelihood and purchase intention (Lieven, Grohmann, Herrmann, Landwehr, & van Tilburg, 2014). Despite its importance to marketing literature and management, empirical research demonstrating a direct link between brand personality and brand equity is scarce (e.g., Grohmann, 2009; Lieven et al., 2014). A recent cross-cultural study by Lieven and Hildebrand (2016), for instance, found that highly masculine brands generate higher brand equity in individualistic countries, whereas highly feminine brands generate higher brand equity in collectivistic countries.

Literature postulated that to be appealing and eventually to influence purchase decisions, a brand's personality must be accessible and recognizable to the consumer (e.g., Freling et al., 2011; Lieven et al., 2014). Research in the field of coolness consent that the perception of coolness is a highly salient trait, and that despite its subjective nature, individuals are able to easily recognize coolness when they see it (Belk et al., 2010; Dar-Nimrod et al., 2012; Leland, 2004; Warren & Campbell, 2014). This suggests that consumers consider coolness – and its related characteristics and impression-related effects – in their judgment and decision-making processes.

Taken together, research and management practice proclaim that coolness has a significant influence on the economic health of brands. Present research wished to test

experimentally whether coolness actually generates economic value. Building on the salience of coolness-related characteristics to the consumer and their relation to positive evaluations promoted by marketing literature and practice, and based on the fact that brand personality is one main antecedent of consumer-based brand equity (Keller, 1993), it is likely that consumers draw on perceived brand coolness in their evaluation of brands. Because brand coolness dimensions are evident (e.g., Dar-Nimrod et al., 2012), it should, thus, increase brand appeal (Freling et al., 2011). Consequently, it is proposed that brand coolness relates positively to brand equity. More formally:

H_{2a}: *A high level of brand coolness is positively related to higher ratings of brand equity.*

A more rigid examination of the link between brand coolness and brand equity is through price premium as a proxy for brand equity (Aaker, 1996; Ailawadi et al., 2003; Christodoulides & de Chernatony, 2010). According to Aaker (1996), “price premium may be the best single measure of brand equity available” (p. 107). Price premium is defined as the price a customer is willing to pay more for a brand in comparison to an equivalent offering from a similar brand (Aaker, 1996). Price premium research found that consumers often use price as an indicator to evaluate brands. For example, researchers demonstrated that consumers are willing to pay a higher price for higher quality (e.g., Rao & Monroe, 1989) or a brand with positive brand associations (Erdem & Louviere, 2002).

The price premium, however, does not necessarily reflect the actual consumer price. Studies by Agarwal and Rao (1996) and Ailawadi *et al.* (2003) demonstrated that a price premium is relatively stable over time, reflects a brand’s health, and also correlates with other global measures of brand equity (Anselmsson, Bondesson, & Johansson, 2014; Anselmsson, Johansson, & Persson, 2007; Yoo et al., 2000). The authors concluded that a price premium was the best measurement to explain brand choice at a consumer level and aggregated market level (Anselmsson et al., 2014, 2007). As a result, it is proposed that brand coolness is related positively to a price premium. More formally:

H_{2b}: *A high level of perceived coolness will have a positive impact on consumers’ willingness to pay a price premium.*

3.3 The Influence of Social Visibility

When facing consumption decisions, consumers frequently purchase products not only for the purpose of consumption (private utility) but also for inferences of indirect (social) effects that arise from other people's reactions and appreciation for those products (social utility) (Ireland, 1994; Levy, 1959; D. Thompson & Norton, 2011). According to literature on signaling (Dubois, Rucker, & Galinsky, 2012, p. 1053), the meaning of consumption is influenced by whether consumption is public or private (e.g., Richins, 1994; J. Wang & Wallendorf, 2006). This notion is in line with Veblen's classic theory of conspicuous consumption, which posits that humans use prominent and visible evidence to display their ability to afford luxury (Veblen, 1899).

The importance of social visibility may also be examined within the realm of impression management theory (e.g., Goffman, 1959; Gordon, 1996; Schlenker, 1980). A vast body of research on impression management postulates that people strategically change their behavior to present oneself in a positive light (Leary & Kowalski, 1990; D. Thompson & Norton, 2011). In fact, the presence of others promotes concerns with the impression others are forming (e.g., Puntoni & Tavassoli, 2007). To present oneself in a positive light, consumers regularly make an effort and engage in impression management behaviors, such as lying (Sengupta, Dahl, & Gorn, 2002) or purchasing certain products (Leigh & Gabel, 1992). Argo, Dahl, and Manchanda (2005), for example, demonstrated that a mere presence of others – like another shopper in a grocery aisle – motivates consumers to choose the more expensive and higher-quality brand. These positive impressions are crucial to people because they are rewarding (Chen, Shechter, & Chaiken, 1996) and reduce feelings of embarrassment (Dahl, Manchanda, & Argo, 2001).

Hence, scholars across social sciences have demonstrated that consumer behaviors, attitudes and choices differ in private and public consumption contexts (e.g., Ariely & Levav, 2000; Berger & Heath, 2008; Berger & Ward, 2010; Dubois et al., 2012; Gao, Winterich, & Zhang, 2016; Griskevicius et al., 2010). In particular, past research in the field of consumer research showed that individuals are motivated by social concerns and thus seek out products that signal positive characteristics to others. Thompson and Norton (2011) found that consumers desire feature-rich products in public situations because it radiates positive impressions – such as consumers' technological skills and openness to new experiences – to others. Also, asking people to imagine a public consumption setting (as opposed to a private consumption setting) decreased preference of products associated with a dissimilar reference group (see also Chapter

3.5, The Influence of Group Association) (White & Dahl, 2006) and anticipating a decision to be judged in public motivated consumers to look for more variety in order to make favorable impressions on others – even if it meant choosing less favorite items (Ratner & Kahn, 2002). In sum, these findings indicate that consumers are sensitive to public scrutiny because it triggers impression management concerns that lead to adjustments in their choices and behaviors to form positive impressions in the eyes of others (e.g., D. Thompson & Norton, 2011).

In another – but equally important – context, it has been argued that positive inferences of nonconformity, such as status and competence (Bellezza et al., 2014), can only unleash its full potential in public. According to the signaling theory, a signal must be observable by others to be effective (e.g., Feltovich et al., 2002; Zahavi & Zahavi, 1997). Because nonconformity often bears high costs and risk (e.g., Anderson et al., 2008; Jetten & Hornsey, 2014; Lin et al., 2013), norm-breaking behavior – as a costly and observable signal – “becomes a particular form of conspicuous consumption” that leads to attractive inferences in the eye of the observer (Bellezza et al., 2014, pp. 35–36). By providing visible evidence that an individual can afford to follow one’s violation, norm-breaking behavior becomes part of an impression management strategy.

Consistent with the previous theorizing, the present research argues that people’s expectations of how other people will form impressions or evaluate their decision influence consumption choices. Because the desire to present a positive self-image to others is more pronounced in public rather than in private (e.g., Berger & Heath, 2008; Ratner & Kahn, 2002; D. Thompson & Norton, 2011; White & Dahl, 2006; Wooten & Reed, 2004), it is anticipated that the tendency to choose cool brands is more salient when consumption occurs in the presence of others (i.e., in public). When consumption takes place in the absence of others (i.e., in private), however, self-presentation and impression-related concerns should be diminished, and thus consumers should be less likely to choose the cool brand. Therefore, it is predicated that:

H₃: *People will choose the cool brand when its consumption is subject to public scrutiny, as opposed to when consumption is private.*

3.4 The Influence of Identity Relevance

The brands we buy, the group we associate with and the preferences we have can act as a signal of identity and provide observers with relevant information about us. For quite some time now, research showcased that consumers purchase products for their functional benefits as well as their symbolic meaning (e.g., Bellezza & Keinan, 2014; Berger & Heath, 2007; Holt, 2003; Levy, 1959). Consumers use brands to express a desired identity (e.g., Belk, 1988; Escalas & Bettman, 2003, 2005; Fournier, 1998; Holt, 1995; Kleine et al., 1995; Richins, 1997) or to make inferences about others based on their consumption habits (e.g., Belk, Bahn, & Mayer, 1982). This is why we associate Birkenstock wearers with liberal politics, Harley-Davidson with long-haired, overweight outlaw bikers, and Volvo drivers with Democrats. Because of its pervasive impact, identity has been defined as a fundamental and powerful motivator of behavior (Bhattacharjee, Berger, & Menon, 2014).

According to Berger and Heath (2007), certain product domains are particularly suitable to communicate information about someone's identity (e.g., Escalas & Bettman, 2005). Traditionally, brands and products communicate an image (Park, Jaworski, & MacInnis, 1986); that may differ in the degree to which they appeal to functionality or symbolism (e.g., Homburg, Schwemmler, & Kuehnl, 2015; Park et al., 1991; Shavitt & Nelson, 1999; Shavitt, 1990). In contrast to a functional benefit that stresses utilitarian attitudes, a symbolic concept seeks a social-identity function (e.g., emphasizing identity and values) (P. Agarwal, Sung Youl, & Jong Ho, 2011; Shavitt, 1990). Research showed that social identity products, compared to utilitarian products, elicit more relevant information about another person (Shavitt & Nelson, 1999). In one study, Berger and Heath (2007) asked students to make choices in various product domains (e.g., hairstyles, favorite CD, stereos, toothpaste). In each domain three options, with an indication about the popularity, were presented: Option A was owned by 65% of other students, Option B was owned by 25% and 10% owned Option C. Results demonstrated that people expressed divergence from the mass by choosing Option C in product domains that communicated information about someone's identity (e.g. haircut, favorite music artist) in contrast to domains such as dish soap. However, any product can be positioned with a functional or symbolic image. For example, shoes may be seen as more functional when thinking about shoes to wear for hiking in the mountains (less identity relevant) as opposed to going out with friends in the city (more identity relevant).

Taken together, consumers choose products and brands partly to communicate a favorable identity, form favorable impressions to others and to be socially accepted by others (Wood & Hayes, 2012). Moreover, identity concerns seem to be particularly salient when products or brands appeal to a symbolic function, rather than being utilitarian.

Because identity is sensitive to an individual and hence especially likely to influence attitudes and behaviors (LeBoeuf, Shafir, & Bayuk, 2010), it is proposed that in situations where identity concerns – as opposed to functional benefits – are salient to the consumer, inferences of nonconformity lead to enhanced inferences of coolness.

In different words, it is suggested that inferences of coolness might play a more crucial role for products that consumers use to signal their identity (e.g., clothing) as opposed to products that do not provide relevant identity signals (e.g., washing machine). Therefore, it is predicted that people should be more likely to infer coolness from inferences of nonconforming in domains where others deviate identity signals. More formally:

H_{4a}: *Inferences of nonconforming (compared to conformity) lead to increased perceived coolness ratings if identity relevance (compared to functionality) is prominent to the consumer.*

H_{4b}: *Only when identity relevance (compared to functionality) is prominent to the consumer, inferences of nonconformity lead to higher consumer evaluations and higher purchase intention.*

3.5 The Influence of Group Association

Although this research attests and reinforces the notion that nonconformity fuels the perception of coolness, past studies treated coolness as a one-dimensional phenomenon. However, this perception may not necessarily reflect consumers' evaluation processes realistically. In fact, assuming that a nonconforming subject or object is cool just because it expresses a norm-breaking behavior, provides a somewhat naive, unrealistic and inconclusive picture how consumers evaluate what is cool. That is, consumers not only draw upon the norm-breaking behavior, but may also take into account the individuals who are associated with that brand. This is because coolness is a social construct and impression-related perception requiring validation by an audience (e.g., Belk et al., 2010). This suggests that a positive evaluation by a peer

group is central to the perception of coolness. More importantly, this consideration is in line with past research which highlighted that when it comes to communicating identity-relevant information, information about associated social groups become crucial (e.g., Bearden & Etzel, 1982; Berger & Heath, 2007, 2008; Childers & Rao, 1992; Englis & Solomon, 1995; Escalas & Bettman, 2003, 2005; Turner, 1991; White & Argo, 2011; White & Dahl, 2007, 2006).

Consider the following examples. Although the Australian surfer brand Billabong is manifested by a somewhat rebellious surfer image and most people might consider the brand to be cool, a suburban dad would not purchase the brand because it would link him to a certain outgroup (young, nonconforming, dazzling, long-haired surfer-hobos) that he does not want to be associated with. Similarly, it has been argued that Apple's famous iPhone is losing its coolness factor with Millennials. This is because "no teen wants to show up dressed identically as the science teacher" and more importantly, "they don't want the same device as their mom, dentist, and coffee barista" (Forbes, 2013). So, just because someone or something is breaking norms, it does not necessarily mean that this thing or person is cool. In fact, it seems rather that reference groups can play a critical role in shaping the perception of brand coolness.

Prior research suggested that reference groups are psychologically important for an individual's behavior, attitude and choices (e.g., Turner, 1991) and that "consumers use others as a source of information for arriving at and evaluating one's beliefs about the world, particularly others who share beliefs and are similar on relevant dimensions" (Escalas & Bettman, 2005, p. 379). Notably, a sizable literature focused on positive reference groups (i.e., membership groups or aspirational groups that individuals wish to be associated with) and their role they play in consumer decision-making (e.g., Escalas & Bettman, 2003). Past research, for instance, demonstrated that positive reference groups influence the choice and usage of brands (e.g., Bearden & Etzel, 1982; Burnkrant & Cousineau, 1975; Childers & Rao, 1992). This comes as no surprise, because people tend to listen to music their friends listen to and purchase the latest trends that help them fit into a desired group.

However, recent research efforts also highlight that not only positive but also negative reference groups (i.e., groups which the individual wishes to avoid being associated with) are influential on consumer evaluations, behaviors and choices (e.g., Berger & Heath, 2008; Escalas & Bettman, 2005; White & Argo, 2011; White & Dahl, 2006, 2007). More specifically, research found that individuals consciously avoid brands or products that are linked with a certain outgroup to avoid being associated with that group. For example, White and Dahl (2006) found that men avoid a 10-oz. steak

labeled as “ladies’ cut steak” versus “chef’s cut” because it is associated with the negative (i.e., female) reference group. In another context, Berger and Heath (2008) demonstrated that individuals abandon products they own if a dissimilar group adopts them. In one experiment, they distributed the yellow Livestrong wristbands to students in a student dorm and asked them to wear the wristbands to show their support for cancer awareness. A week later, the researchers sold the same wristbands to “geeky” students. Results show that students in the target dorm stopped wearing their wristbands once the “geeks” adopted the wristbands. In another series of studies, Escalas and Bettman (2005) and White and Dahl (2007) showed that negative reference groups are not only influential on consumer evaluations and choices but also on self-brand connection. That is, consumers do not form connections with brands that are associated with dissimilar others (i.e., negative self-brand connection). In a more related context, research on similarity and norm-breaking behavior further suggested that an audience reacts more positively towards a norm violator perceived as similar rather than dissimilar to oneself (Popa et al., 2014, pp. 353–354).

In sum, literature demonstrated that people seek to increase their connection with people they view positively (e.g., Cialdini et al., 1976) but decrease connection with others they view negatively (e.g., Berger & Heath, 2008). These findings are built upon work on the balance theory (Heider, 1946) which posits that “if a disliked other (or group) likes a certain cultural taste, people should be more likely to dislike that taste themselves” (Berger & Heath, 2008, p. 594; for similar consideration, see also Escalas & Bettman, 2005; Hammerl, Dorner, Foscht, & Brandstätter, 2016).

Consistent with these suggestions, present research proposes that the perception of coolness depends, at least to some extent, on the similarity or dissimilarity of the reference group to the individual. More specifically, it seems likely that the desire to avoid dissimilar reference groups will influence consumers’ evaluations of coolness and choice behavior. Therefore, it is anticipated that if a dissimilar outgroup holds the brand, nonconformity does not lead to a favorable evaluation of coolness or purchase intentions. More formally:

H_{5a}: *Inferences of nonconformity (in contrast to conformity) do not increase perceived coolness ratings if the brand is associated with a dissimilar other group.*

H_{5b}: *Inferences of nonconformity (in contrast to conformity) do not lead to favorable consumer evaluations and higher purchase intention if the brand is associated with a dissimilar other group.*

In summary, in this chapter five major research fields were examined to study the dissertation's endeavor: (1) research in the field of coolness; (2) research on perception of nonconformity (3) research on brand equity and brand personality; (4) research on the meaning of consumption in private and public context; (5) research on the impact of identity concerns; (6) research on reference groups and their influence on behavior, attitude and choice. Table 3-1 provides an overview of the examined research streams. The next section summarizes the stated hypotheses and connects them in an overall conceptual model.

Table 3-1: Overview of Literature Streams

Research Field	Exemplary Literature
Coolness	Belk, Tian et al. (2010); Dar-Nimrod, Hansen et al. (2012); Grossman (2003); Pountain and Robbins (2000); Warren and Campbell (2014)
Nonconformity	Barone and Jewell (2012), (2013); Bellezza, Gino et al. (2014); Berger and Heath (2007), (2008); Berger and Ward (2010); Cialdini and Goldstein (2004); Griskevicius, Goldstein et al. (2006); Popa, Phillips, et al. (2014); Ryan and Deci (2000); van Kleef, Wanders, et al. (2015)
Economic Value	Aaker (1996), (1997); Aaker and Keller (1990); Agarwahl and Rao (1996); Christodoulides and de Chernatony (2010); Fournier (1998); Keller (1993); Lieven, Grohmann et al. (2014)
Social Visibility	Berger and Ward (2010); Dahl, Manchanda, et al. (2001); Griskevicius, Tybur et al. (2010); Ratner and Kahn (2002); Richins (1994); Thompson and Norton (2011); Wooten and Reed (2004)
Identity Relevance	Berger and Heath (2007); Bhattacharjee, Berger et al. (2014); LeBoeuf, Shafir et al (2010); Richins (1997); Shavitt and Nelson (1999); Wood and Hayes (2012)
Group Association	Bearden & Etzel (1982); Berger and Heath (2008); Escalas and Bettman (2003), (2005); Turner (1991) White and Argo (2011); White and Dahl (2006), (2007)

4 Overview of the Present Research

4.1 Overall Conceptual Model

In Chapter 1, the research questions were formulated as the basis for this dissertation. The main aim of this dissertation is not only present a comprehensive picture of the meaning of coolness, but also to identify the impact and boundary conditions to perceived brand coolness. Based on these premises, Chapter 2 outlined the theoretical foundation of coolness and defined inferences of nonconformity as the main antecedents. Based on this foundation, eight hypotheses were formulated within the context of brand equity, social visibility, identity relevance and group association. Table 4-1 presents an overview of the hypothesis. Figure 4-1 summarizes and visualizes the conceptual model and thereby depicts their overall interrelation of the presented hypothesis. The following section gives an introduction to the applied research procedure and experimental settings.

Figure 4-1: Conceptual Model and Hypotheses

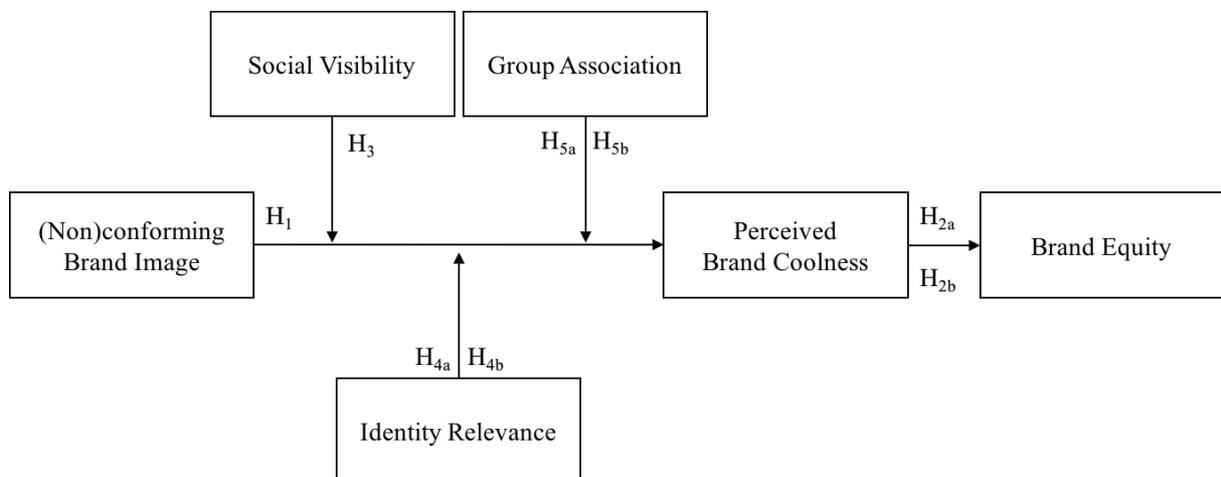


Table 4-1: Overview of Hypothesis

Hypothesis	Experiment	Pages
H₁ <i>Inferences of nonconforming lead to greater inferences of coolness as opposed to inferences of conformity.</i>	Preliminary study and 2, 3, 4	54–78
H_{2a} <i>A high level of brand coolness is positively related to higher ratings of brand equity.</i>	1a	47–50
H_{2b} <i>A high level of perceived coolness will have a positive impact on consumers' willingness to pay a price premium.</i>	1b	50–54
H₃ <i>People will choose the cool brand when its consumption is subject to public scrutiny, as opposed to when consumption is private</i>	2	54–60
H_{4a} <i>Inferences of nonconforming (compared to conformity) lead to increased perceived coolness ratings if identity relevance (compared to functionality) is prominent to the consumer.</i>	3	61–69
H_{4b} <i>Only when identity relevance (compared to functionality) is prominent to the consumer, inferences of nonconformity lead to higher consumer evaluations and higher purchase intention.</i>	3	61–69
H_{5a} <i>Inferences of nonconformity (in contrast to conformity) do not increase perceived coolness ratings if the brand is associated with a dissimilar other group.</i>	4	69–78
H_{5b} <i>Inferences of nonconformity (in contrast to conformity) do not lead to favorable consumer evaluations and higher purchase intention if the brand is associated with dissimilar other group.</i>	4	69–78

4.2 Research Procedure and Experimental Settings

The hypothesis and theoretical framework, presented in Figure 4-1, are tested in five experimental studies in various contexts of branding. While experiment 1a and 1b focus on the impact of coolness, the remaining three experiments document the boundary conditions to the perception of coolness.

Experiments are chosen as a methodical approach for several reasons. First, experiments allow examining causality of relationships (Field, 2009, pp. 7–14).

Second, prior research was mainly focusing on analyzing the descriptive definition of coolness. While qualitative research provided a somewhat comprehensive understanding of what coolness means (e.g., Runyan et al., 2013), the perception of coolness is quite novel to the experimental setting (e.g., Warren & Campbell, 2014). More importantly, given its importance and implications to managers and firms, it seems to be of particular relevant to gain a better understanding how brands can actively and consciously influence the perception of coolness. Third, to study the underlying psychological processes of these phenomena, experiments are especially popular in consumer research. In this context, experiments enable to showcase very specific effects that might be difficult to explain to the human consciousness. Thus, the experimental approach does not only support the underlying research questions of this dissertation, but also the outlined research gap in the examined research field.

According to conventional wisdom, there is a fine line between stepping outside the boundaries in a way that consumers find attractive. In this vein research of Bellezza *et al.* (2014) focused on behavioral manipulation of nonconforming that entails some deviance from the norm but is within the realm of appropriateness. Present research respects the scope of appropriateness and formulates nonconforming behavior within the realm of commonly accepted behaviors without harmful disruption or violation. Present research, therefore, borrows from Tian *et al.*'s (2001) conceptualizations of uniqueness that introduced three forms of nonconformity. First, "creative choice counter-conformity" refers to the choice of original, novel, or unique products to achieve differentness. Second, "unpopular choice counter-conformity" reflects the choice or the usage of products and brands that behave in ways incongruent with group norms and standards. Finally, "avoidance of similarity" induces the loss of interest in or discounting use of brands or products that are perceived to be commonplace in order to reestablish one's differentness. For example, a brand may embrace "creative choice counter-conformity" by communicating that their product is made of an original, novel or unique material. In line with these considerations, text manipulations in this dissertation are adopted from manipulations found in Warren and Campbell's recent article (2014).

In general, experiments are based on between-subjects design. Respondents are recruited from the American-based online panel Amazon Mechanical Turk. With some deviation, the applied experimental approach follows a basic paradigm. In an introductory text of the experiment, respondents will be informed about the research procedure and learn about a brand. To reduce the influence of potential predispositions, fake brands are created. Participants are then randomly assigned to a

brand-related text (fictional advertisement) that is either marked by conforming or nonconforming brand behavior. It is important to note that throughout all series of experiments, participants will only see the brand-related text but no concrete products associated with the brand.

After the reading task participants are asked to indicate how cool they perceive the brand. Following the operationalization of Warren and Campbell (2014) the perception of coolness was measured on two 7-point scales anchored by uncool/cool: “How cool or uncool do you consider the brand?” and “How cool or uncool would your friends consider the brand”. In addition, perceived nonconformity is measured based on a 5-item scale: “The brand is different from the norm”, “The brand is unique”, “The brand shows independence”, “The brand is conforming to its environment” and “The brand is unconventional” (1 = strongly disagree, 7 = strongly agree) (Bellezza et al., 2014; Warren & Campbell, 2014). Ratings of perceived coolness and perceived nonconformity are aggregated across the respective items into one coolness index and one nonconformity index. Table 4-2 provides a summary of the main measures used in the experiments as well as an average level of reliability across all studies.

Table 4-2: Overview of Measurement Scales

Measurement	# of Items	Found in Experiment	Avg. Reliability	Source
Dependent Variable				
Perceived Coolness	2	1, 2, 3, 4	.87	Warren & Campbell, 2014
Consumer Evaluation	3	3, 4	.97	White & Dahl, 2006; 2007
Purchase Intention	1	3, 4	-	Zhao, Hoeffler, & Zauberan, 2011
Independent Variable				
(Non)Conformity	5	2, 3, 4	.70	Warren & Campbell, 2014; Bellezza et al., 2014

4.3 Summary of Experiments

Based on the fundamental premises that inferences of nonconformity lead to enhanced inferences of coolness (H_1), the formulated research framework is tested in a series of five experiments. The first two sets of studies delve into the unique relationship between coolness and brand equity. While Study 1a seeks to establish a direct link between brand coolness and brand equity ratings (H_{2a}), Study 1b further specifies the relationship between brand coolness and brand equity through price premium as a proxy for brand equity (H_{2b}). The subsequent series of studies then focus on the boundary conditions of coolness and examines the environments when consumers do or do not choose cool brands. In particular, Experiment 2 looks into whether inferences of coolness are subject to social visibility (H_3). Experiment 3 puts identity relevance in the center of attention and uses priming manipulation to ascertain if perception of coolness is more relevant with products that appeal to social-identity functions as opposed to utilitarian ones (H_4). Eventually, the fourth experiment further examines the possibility that choice of a cool brand is closely related to the reference group associated with that brand (H_5). The following section documents the aim of each experiment, its design, stimuli, and procedure as well as outlines and discusses the results of each experiment. Figure 4-2 provides an overview of each experiment and outlines the key results.

Figure 4-2: Overview of Experiments and Results

Experiment 1a: The Effect of Brand Coolness on Brand Equity

- **Design & Scenario:** Participants were randomly assigned to evaluate a set of 20 (of 100) well-known brands in terms of coolness.
- **Participants:** N = 507; 55.8% Male; M_{age} 32.82, range: 18–76; all in the United States
- **Hypothesis:**
 - H_{2a} *A high level of brand coolness is positively related to higher ratings of brand equity.*
- **Results:** This study found that high levels of perceived brand coolness are associated with high levels of brand equity. More importantly, this effect was not influenced by the number of brand ratings ($p > .10$). Brand equity data were provided by a leading market research company.
- **Pages:** pp. 47–50.

Experiment 1b: The Willingness to a Pay Premium for Cool Products

- **Design:** 2 (conforming design vs. nonconforming design) X 2 (Brand Familiarity: familiar vs. non-familiar)
- **Scenario:** Participants viewed a water bottle that was marked by either conforming or nonconforming design from a familiar (Starbucks) or unfamiliar (Baratti) brand. After, participants had a limited 10-second time frame to indicate their willingness to pay for the bottle. Eventually, they evaluated the bottle in terms of coolness.
- **Participants:** N = 236; 64.8% male; M_{age} 31.2, range: 18–69; all in the United States
- **Hypothesis:**
 - H_{2b} *A high level of perceived coolness will have a positive impact on consumers' willingness to pay a price premium.*
- **Results:** In line with past research, the results reveal that a product whose design differed from common norms seemed cooler to the individuals than a product whose design conformed to norms. More importantly, results further demonstrate that consumers are willing to pay significantly more ($M_{\text{price uncool}} = \text{USD } 1.73$, $M_{\text{price cool}} = \text{USD } 4.83$, $p < .001$) more for a cool product as opposed to an uncool product.
- **Pages:** pp. 50–54.

Experiment 2: The Influence of Social Visibility

- **Design:** 2 (conforming vs. nonconforming brand) X 2 (social visibility: private vs. public consumption)
- **Scenario:** Participants were asked to either imagine a private or public consumption situation and were asked to indicate how likely they would choose the presented brand that was either marked by conformity or nonconformity, in this situation.
- **Participants:** N = 189; 42.3% Male; M_{age} 36.66, Range: 18–72; all in the United States
- **Hypothesis:**
 - H_1 *Inferences of nonconforming lead to greater inferences of coolness as opposed to inferences of conformity*
 - H_3 *People will choose the cool brand when its consumption is subject to public scrutiny, as opposed to when consumption is private*
- **Results:** When people were in the private consumption condition, individuals were more likely to choose the conforming (uncool) brand ($M_{\text{conformity private}} = 4.60$ vs. $M_{\text{nonconformity private}} = 3.86$; $t(95) = 2.103$, $p < .05$). However, when choice was publicly visible to other, participants preferred the cool brand. ($M_{\text{conformity public}} = 3.51$ vs. $M_{\text{nonconformity public}} = 4.32$; $t(90) = 2.117$, $p < .05$).
- **Pages:** pp. 54–60.

Experiment 3: The Role of Identity Relevance

- **Design:** 2 (conforming vs. nonconforming brand) X 2 (Prime: Functional vs. Identity relevant)
- **Scenario:** Participants were first asked to write few sentences about a product that either provides functional purpose or identity signals. In a second, unrelated survey, participants were then asked to evaluate a brand which was either marked by a conforming or nonconforming.
- **Participants:** N = 172; 43.6% Male; M_{age} 38.59, Range: 18–72; all in the United States
- **Hypothesis:**
 - H_{4a} *Inferences of nonconforming (relative to conformity) lead to increased perceived coolness ratings if identity relevance (relative to functionality) is prominent to the consumer's mind.*
 - H_{4b} *Only when identity relevance (compared to functionality) is prominent to the consumer, inferences of nonconformity lead to higher consumer evaluations and higher purchase intention.*
- **Results:** When people were primed to think about products that serve a functional purpose, the perception of nonconformity did not lead to high levels of perceived coolness. But when people were primed to think about products that are identity relevant, nonconformity influenced the perception of coolness. More importantly, identity relevance significantly increased coolness ratings ($M_{\text{nonconformity_functionality}} = 4.50$ vs. $M_{\text{nonconformity_identity}} = 5.13$; $t(83) = 2.363$, $p < .05$).
- **Pages:** pp. 61–69.

Experiment 4: The Influence of Group Association

- **Design:** 2 (conforming vs. nonconforming brand) X 2 (Others' identity: Control vs. Dissimilar others)
 - **Scenario:** Participants were then asked to evaluate a brand that was either marked by a conforming or nonconforming brand image. In addition, they received information about a reference group that suggested that the brand was positively evaluated either by dissimilar social group or by just people in general.
 - **Participants:** N = 176; 46.6% Male; M_{age} 37.43, Range: 18–74; all in the United States
 - **Hypothesis:**
 - **H_{5a}** *Inferences of nonconformity (relative to conformity) do not increase perceived coolness ratings if the brand is associated with dissimilar other group.*
 - **H_{5b}** *Inferences of nonconformity (relative to conformity) do not lead to favorable consumer evaluations and higher purchase intention if the brand is associated with dissimilar other group.*
 - **Results:** Results demonstrate that the identity of the brand's reference group plays an important role in the perception of coolness. More specifically, when information about a dissimilar social group was given, the positive inferences associated with coolness (including consumer's brand evaluation and purchase interest), dissipate.
 - **Page:** pp. 69–78.
-

5 Experimental Analysis

Following the previous discussions, this chapter documents the empirical experiments conducted to examine the present research endeavor. While the first series of experiments focused on providing evidence of the economic value of coolness (Experiments 1a & 1b), the subsequent ones rule out under which circumstances a cool brand is refused (Experiments 2, 3 and 4). In sum, these five experiments show that coolness does not only generate economic value but that the perception of coolness inherits some limits that may be linked to an identity-signaling account.

5.1 Experiment 1: The Economic Value of Coolness

Although conventional wisdom strongly promotes that coolness positively affects consumer responses – and thus brand-related performance measures – empirical research has not yet been able to find a direct effect from coolness on brand equity. Brand equity has been identified as the most important performance measure and over the last decades a sizeable literature had provided substantive evidence that high levels of brand equity influence various outcome variables such as consumer satisfaction and brand loyalty, the ability of the brand to command a price premium, and ultimately sales, profits, and share price (e.g., Aaker, 1996; Ailawadi et al., 2003; Erdem & Louviere, 2002; Park et al., 1991). According to the aforementioned literature, a powerful brand personality contributes to the consumer-based brand equity (e.g., Buil et al., 2008; Keller, 1993) only if it is salient to the consumer (e.g., Freling et al., 2011).

Given that brand coolness is accessible and recognizable to consumers (e.g., Belk et al., 2010), and because brand personality is one main driver of consumer-based brand equity (Keller, 1993), it proposed that consumers draw on brand coolness in their evaluation of brands. Building on these findings, it is suggested that people consider coolness in their judgment and decision-making process. More specifically, as stated in H_{2a} and H_{2b}, it is therefore predicted that high levels of brand coolness relate positively to brand equity and to the willingness to pay a premium (as a proxy of brand equity). This is the first research examining and demonstrating the economic value of coolness. Additionally, to the authors' best knowledge, this is also the first empirical work examining a relationship between coolness and brand equity.

5.1.1 Experiment 1a: The Effect of Brand Coolness on Brand Equity

Over the last decades, literature qualified brand equity as the most important performance measure (Aaker, 1991, 1996; Keller, 1993) and have linked high levels of brand equity to favorable consumer satisfaction and brand loyalty, the ability of the brand to command a price premium, and sales, profits, and stock value (e.g., Ailawadi et al., 2003; Park & Srinivasan, 1994; Pitta & Katsanis, 1995; Yoo et al., 2000). The first study examines the direct relationship between brand coolness and brand equity with secondary data. Following H_{2a} it is anticipated that brands which are considered to be cool generate a higher level of brand equity than brands that are considered to be less cool.

5.1.2 Design, Stimuli, and Procedure

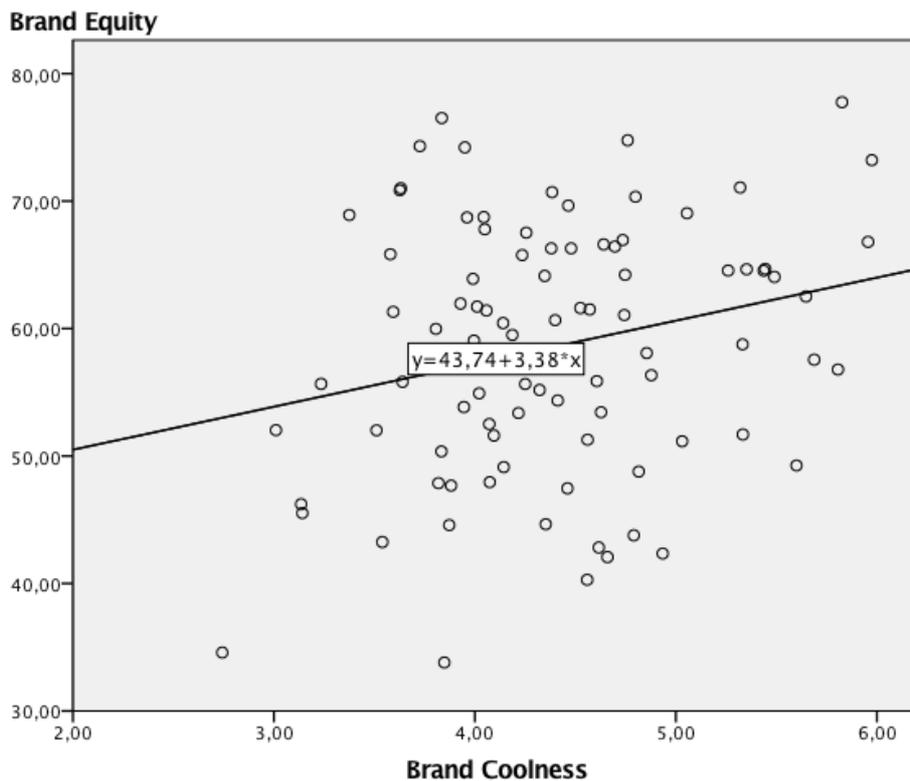
Study 1a examined the relationship between brand coolness and brand equity. An online study measured brand coolness for 100 well-known brands across eight categories (automotive, beverages, consumer electronics, fashion apparel, finance, food, health and beauty products, and household goods and services) (see Lieven et al., 2014 for a similar procedure). In exchange for small payment, 507 participants were recruited from Amazon's Mechanical Turk (mTurk) ($N = 507$; 55.8% Male; $M_{age} = 32.82$, range: 18–76; all in the United States). Each participant was randomly assigned to a set of 20 (of 100) well-known brands and asked to evaluate the brands in terms of coolness on two 7-point scales: "How cool or uncool do you consider the brand?" and "How cool or uncool would your friends consider the brand?" (1 = uncool; 7 = cool). Both items were consequently aggregated to one coolness rating for each brand. To ensure brand familiarity, participants indicated first their brand familiarity ("Do you know [name of the brand]?"). Brands, which were less than 70 times rated (equivalent to eight brands²), were excluded from further analysis. In total, this procedure resulted in 8,865 brand evaluations, while each brand was rated 96 times on average. Brand equity data were provided by a leading market research company (EquiTrend), that measured brand equity (Reynolds & Phillips, 2005) via an aggregated rating of brand familiarity, brand quality and purchase consideration provided for over 1,000 brands across 42 categories among 19,000 U.S. consumers.

² Four brands were evaluated between 50 and 64 times; the other four brands were evaluated less than 25 times.

5.1.3 Results

No significant correlations were found between the number of participants who rated a brand (N) and brand coolness, respectively ($p > .10$). This suggests that the number of brand ratings did not influence the results. Next, the relationship between brand coolness and brand equity was evaluated by running a regression with brand equity as the dependent variable and brand coolness ratings as the predictor. An analysis between brand equity and brand coolness revealed a significant relationship ($F(1, 90) = 5.566$, $R^2 = .06$, $p < .05$; $\beta = .241$, $t(91) = 2.359$, $p < .05$) (see Figure 5-1). As hypothesized in H_{2a} , Study 1a found that high levels of coolness are associated with high levels of brand equity.

Figure 5-1: Relationship between Brand Equity and Perceived Brand Coolness



5.1.4 Discussion

Based on a sample of 92 well-known brands and on brand equity data provided by a leading market research company, Study 1a provided the first empirical evidence that brand coolness actually generates economic value. Study 1a assessed that high levels of perceived brand coolness are positively associated with high levels of brand equity,

as hypothesized in H_{2a}. Moreover, the observed relationship between brand coolness and brand equity was not influenced from the number of brand ratings. The finding affirms the general assumption proposed by literature and practice, that the pursuit of coolness strengthens a brand's equity and thus, the economic wealth of a brand. This is the first empirical research demonstrated positive effects of coolness in real market data. A more rigorous test of the relationship between brand coolness and brand equity is through price premium as a proxy for brand equity (e.g., Aaker, 1996), which will be subsequently examined.

5.2 Experiment 1b: The Willingness to Pay More for Coolness

Experiment 1b takes into account that there is another way to measure consumer-based brand equity, namely through price premium (e.g., Aaker, 1996; Christodoulides & de Chernatony, 2010). In a two-step process, Experiment 1b further manifests the relationship between coolness and brand equity through a link between brand coolness and willingness to pay a premium (as a proxy of brand equity). More precisely, following H_{2b}, it is expected that consumers are willing to pay more for an object they consider cool. This experiment is based on the premises that inferences of nonconformity lead to enhanced inferences of coolness. In the present context, it is proposed that a design that deviates from norms and known standards fuels inferences of coolness.

Accurately gauging the consumers' willingness to pay (WTP) has been a critical topic in research (Miller, Hofstetter, Krohmer, & Zhang, 2011). While literature offers several approaches to measure WTP, such as open-ended question (OE) format (e.g., Sudman, Mitchell, & Carson, 1991), the choice-based conjoint (CBC) analysis (Louviere & Woodworth, 1983), or the BDM mechanism (BDM is short for Becker–DeGroot–Marschak) (Becker, DeGroot, & Marschak, 1964), the scientific community is not sure which method assesses most accurately the consumers' real WTP (Miller et al., 2011). This research takes this account in careful consideration and applies a new method based on the idea of Nordgren and Dijksterhuis (2009) that deliberation leads to more consistent evaluations of preference (Rüppell, Hofstetter, & Häubl, 2015). The authors argue, that a consumer, for instance, might find at one point a design attractive and later less. As a result, it is argued that intuitive, as opposed to deliberate price evaluation, reflects consumers' real willingness to pay. Based on this suggestion, this experiment will embrace intuition by providing only a ten-second time frame to indicate the willingness to pay for an object presented.

5.2.1 Design, Stimuli, and Procedure

The objective of Experiment 1b is to verify if perceived coolness enables to command price premium. Thereby, this study builds upon the first study of Warren & Campbell (2014). In a first step, a pretest ($N = 50$; 48% male; $M_{\text{age}} 34.9$, range: 19–74; all in the United States) was performed to identify two bottle designs that differ in terms of conformity but were similar in attitude (Warren & Campbell, 2014). More specifically, design conformity and attitude was assessed on a seven-point scale: “The design is different from the norm”, “The design is unique”, “The design shows independence” (1 = strongly disagree; 7 = strongly agree) while attitude was determined by “I like the design”, “I would want to drink water from a bottle like this” (1 = strongly disagree; 7 = strongly agree) (see Warren & Campbell, 2014, first experiment, p. 547-549). Participants liked both bottle designs almost equally ($M_{\text{conformity}} = 4.56$, $M_{\text{nonconformity}} = 5.09$; $p < .10$) but evaluated the design significantly different regarding conformity ($M_{\text{conformity}} = 2.21$, $M_{\text{nonconformity}} = 4.79$; $p < .001$)

In the second step, two hundred and thirty-six participants were recruited from Amazon’s Mechanical Turk ($N = 236$; 64.8% male; $M_{\text{age}} 31.2$, range: 18–69; all in the United States) and were asked to indicate their willingness to pay for the bottle presented. The study employs a 2 (conforming vs. nonconforming design) X 2 (familiar brand vs. unfamiliar brand) between-subjects design. More specifically, participants read that either a coffee retailer Baratti (unfamiliar brand) or Starbucks (familiar brand) are changing the design of its water bottles (see Warren & Campbell, 2014). Then, they viewed either the conforming or nonconforming water bottle. Next, participants were asked to indicate their willingness to pay for the bottle presented. In order to catch the intuitive reaction towards the price, participants had only ten seconds to indicate how much they are willing to pay (in USD) for the bottle and read: “In order to capture your spontaneous intuition the following question will be only displayed for 10 seconds”. After, participants were asked to rate the design of the bottle in terms of coolness on two 7-point scales: “How cool or uncool do you consider the brand?” and “How cool or uncool would your friends consider the brand?” (1 = uncool; 7 = cool). Ratings of perceived coolness were aggregated across both items ($\alpha = .92$). Also, participants were invited to indicate their overall experience with the coffee retailer based on a 3-item scale anchored by unfamiliar/familiar, inexperienced/experienced and not knowledgeable/knowledgeable (Machleit, Allen, & Madden, 1993). Ultimately, participants reported their gender and age. Table 5-1 summarizes the design and the research procedure of the experiment.

Table 5-1: Procedure of Experiment 1b

Experiment 1b: The Willingness to Pay More for Coolness
<p>1. Introduction to the Experiment</p> <p>Participants are told that they are participating in a study on design and that a coffee retailer (familiar or unfamiliar brand) changes its water bottle design.</p>
<p>2. Manipulation of Coolness</p> <p>Participants view a bottle whose form either conformed to standards or diverged from common norms.</p>
<p>3. Willingness to pay</p> <p>Participants are asked to indicate the amount of money (in USD) they are willing to pay within a time frame of 10 seconds.</p>
<p>4. Measurement of Coolness</p> <p>Participants are asked to evaluate the brand in terms of coolness on a 2-item scale.</p>
<p>5. Measurement of Familiarity and Demographics</p> <p>Participants are asked to indicate their familiarity with the presented brand as well as report information on gender and age.</p>

5.2.2 Results

In line with results from Warren & Campbell (2014), the bottle that diverged from the common norm was perceived to be cooler than the bottle that conformed to the norm ($M_{\text{conformity}} = 3.64$, $M_{\text{nonconformity}} = 5.12$, $F(1, 235) = 7.354$, $p < .05$). This effect occurred irrespective of brand familiarity – that is, for the highly familiar brand Starbucks and the unfamiliar brand Baratti ($p > .10$; see Table 5-2).

Next, the willingness for paying price premium was assessed. Three participants did not indicate any price and one participant entered an error term. All four participants were consequently not considered in further evaluations. The indicated prices ranged from 0 up to USD 50.00, with a price range of 0.25 – USD 5.00 for the conforming bottle design and a price range of 0 – USD 20.00 for the nonconforming bottle design. As predicted, participants were significantly willing to pay more for the nonconforming design than the conforming one ($M_{\text{price_conformity}} = \text{USD } 1.73$, $M_{\text{price_nonconformity}} = \text{USD } 4.83$, $p < .001$). In fact, as presented in Table 5-2, the average

price of the cool bottle was almost three times higher than the price for the uncool bottle design.

Table 5-2: Stimuli and Results for Experiment 1b

	Conforming design			Nonconforming design		
	Unfam.	Fam.	Average	Unfam.	Fam	Average
Familiar Brand	 					
Unfamiliar Brand						
Pretest						
Divergence	/	/	2.21	/	/	4.79***
Attitude	/	/	4.56	/	/	5.09
Main study						
Coolness (mean)	3.41 (.183)	3.87 (.201)	3.64 (.137)	5.36*** (.132)	4.87*** (.175)	5.12*** (.110)
Familiarity (mean)	1.26 (.091)	5.51 (.169)	/	1.33 (.115)	5.62 (.153)	/
Price (mean)	1.21 (.077)	2.25 (.844)	1.73 (.421)	4.46*** (.483)	5.22** (.616)	4.83*** (.389)

Note: Asterisks indicate significant mean differences for the brand between the conforming and nonconforming condition: *Mean Differences are significant on $p < .05$, **Mean Differences are significant on $p < .01$, *** Mean Differences are significant on $p < .001$ level; n.s. Mean Differences are *not* significant $p > .10$; Standard Errors (SE) in parentheses

5.2.3 Discussion

Although coolness is a personality trait relevant to brands, managers and consumers, a direct effect of coolness on brand equity has not been yet established. In sum, the first two experiments demonstrated the influence of brand coolness on brand equity. While Study 1a established a direct link between coolness and brand equity data, Experiment 1b tested the relationship between brand coolness and brand equity through price premium as a proxy for brand equity. More precisely, in line with Warren and Campbell's first experiment (2014, pp. 547–549), a product whose design differed from common expectations and norms (i.e., a high level of nonconformity) seemed cooler to individuals than a product whose design conformed to norms (i.e., a low level of nonconformity). More importantly, results further demonstrated that consumers are willing to pay significantly more for a cool product as opposed to an uncool one. In sum, Experiment 1a and 1b demonstrated that coolness generates economic value. More precisely, a high level of coolness is positively associated with high levels of brand equity ratings and a premium price. These results thus support the proposed hypothesis H_{2a} and H_{2b} .

5.3 Experiment 2: The Influence of Social Visibility

Research on impression management (e.g., Gordon, 1996) and literature on signaling (e.g., Ireland, 1994) indicate that the meaning of consumption differs in public and private settings (e.g., J. Wang & Wallendorf, 2006). This is because the presence of others (i.e., public consumption settings) raises concerns about the impression others are forming (e.g., Puntoni & Tavassoli, 2007). To signal positive characteristics to others, consumers, thus, engage in impression management behaviors and purchase the more expensive and higher-quality brand (e.g., Argo et al., 2005) because it feels rewarding (Chen et al., 1996) and reduces feelings of embarrassment (Dahl et al., 2001). Moreover, past research in the consumer context demonstrated that the awareness that one's decision is publicly observed by others or will be evaluated by others leads to more variety-seeking (even for the less favorite items) (Ratner & Kahn, 2002), a desire for more feature-rich products (D. Thompson & Norton, 2011) and a decreased preference for products associated with a dissimilar reference group (White & Dahl, 2006). Taken together, these findings indicate that consumers are highly sensitive to public scrutiny because it triggers impression management concerns that influence choices and behaviors in order to present oneself in a positive light.

Because the desire to present a positive self-image to others is more pronounced in public rather than in private due to social concerns (e.g., Berger & Heath, 2008; Ratner & Kahn, 2002; D. Thompson & Norton, 2011; White & Dahl, 2006), it is anticipated that the tendency to choose cool brands is more vivid when consumption occurs in the presence of others (i.e., in public). When consumption takes place in the absence of others (i.e. in private), however, self-presentation and impression-related concerns should be diminished, and thus consumers should be less likely to choose the cool brand. While past studies used mainly products frequently consumed in public (e.g., Warren & Campbell, 2014), this experiment directly examines the influence of public scrutiny by taking the product and explicitly manipulating whether consumption is public (i.e., easily visible by others) or private (i.e., rather not visible to others). Ultimately, in line with findings of the preliminary qualitative study (see Chapter 2.1.2, pp. 12–17), Experiment 2 seeks to testify the relationship between inferences of nonconformity and perception of enhanced coolness in an experimental setting.

5.3.1 Design, Stimuli, and Procedure

One hundred and ninety-eight individuals were recruited on Amazon's mTurk to conduct the study in exchange for small payment (N = 198; 42.3% Male; M_{age} 36.66, Range: 18–72; all in the United States). Participants were randomly assigned to one of the four experimental conditions in a 2 (coolness: conforming vs. nonconforming brand image) X 2 (social visibility: private vs. public consumption) between-subjects design.

First, participants were introduced to a study on “Choice Behavior” and they were told that they would receive an advertisement of a brand. The fictional advertisement differed in terms of perceived conformity. Specifically, participants in the conforming conditions read: “We try hard to follow norms. We rely on extensive market research and trend analysis to create a shoe that suits mainstream consumer needs. There is nothing atypical or controversial about our products. Our shoes are common and conventional. We don't break traditions. We want to be accepted.” In contrast, the nonconforming condition stated: “We follow our own style and ideas to create a shoe that is atypical and controversial. We disregard market place opinion and create products that feel right to us. Our shoes are uncommon and unique. We want to break traditions – even if we are the only one doing it. We want to be rebellious.” Manipulations were adopted from Warren and Campbell (2014). Then, participants completed the two 7-point scales to evaluate the brand in terms of coolness: “How cool or uncool do you consider the brand?” and “How cool or uncool would your

friends consider the brand?” (1 = uncool; 7 = cool). Ratings of perceived coolness were aggregated across both items ($\alpha = .92$).

Next, the role of private versus public consumption context was exemplified. Participants were asked to either imagine a private or public consumption situation and were invited to indicate on a 7-point scale “how likely they would choose the presented brand in this situation?” (1 = very unlikely; 7 = very likely). Specifically, while participants in the private condition were asked to “imagine you are going out to run some errands in your car, and no one else would see your shoes”, participants in the public condition were asked to “imagine you are going out with a bunch of your peers in the city for a party and all of them would see your shoes”. To further emphasize privacy, individuals in the private consumption condition were further assured that “responses are completely anonymized”. These manipulations follow Berger and Ward (2010; and see also Gao et al., 2016).

To ensure that participants read all instructions carefully, participants were subsequently asked to “describe briefly in your own words the place that was mentioned earlier, where you went with the shoes of the presented brand and how it made you feel”. Based on this, 11 respondents were excluded from the sample because they either did not answer the question ($N = 5$) or were not paying attention to the consumption context (for a similar line of argumentation, see also Goodman, Cryder, & Cheema, 2013; Henderson, 2013).

In the last section, participants completed a manipulation check for nonconformity based on a 5-item scale which were consequently aggregated: “The brand is different from the norm”, “The brand is unique”, “The brand shows independence”, “The brand is conforming to its environment”, “The brand is unconventional” (1 = strongly disagree, 7 = strongly agree) (Bellezza et al., 2014; Warren & Campbell, 2014). Eventually, participants were invited to report their gender, age, and nationality. Table 5-3 summarizes the design and the research procedure of the experiment.

Table 5-3: Procedure of Experiment 2

Experiment 2: The Influence of Social Visibility	
1. Introduction to the Experiment	Participants are told that they are participating in a study on “Choice Behavior”.
2. Manipulation of Coolness	Participants receive a fictional advertisement that is either marked by conformity or nonconformity.
3. Measurement of Coolness	Participants are asked to evaluate the brand in terms of coolness on a 2-item scale.
4. Manipulation of Social Visibility	Participants are asked to either imagine a private consumption context (i.e., running some errands) or public consumption context (i.e., going out with friends).
5. Measurement of Choice Behavior	Participants are asked to indicate on a 7-point scale “how likely they would choose the presented brand in this situation”.
6. Measurement for Manipulation Check and Demographics	Participants are asked to indicate a manipulation check for (non)conformity based on a 5-item scale as well as report gender and age.

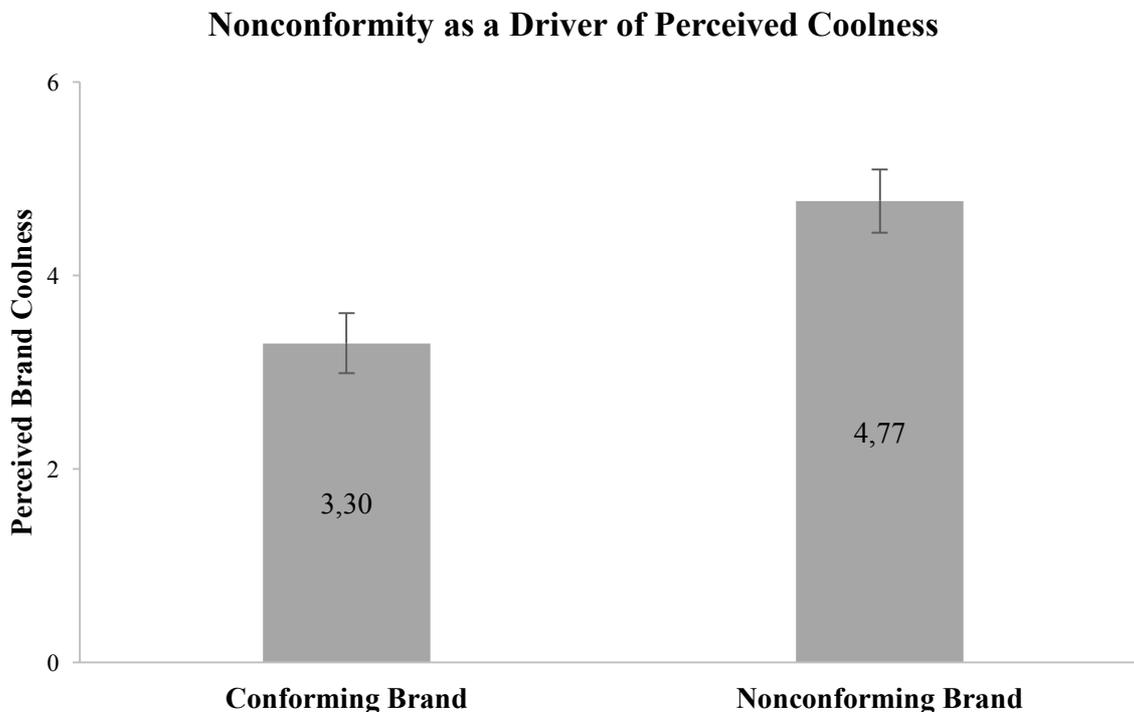
5.3.2 Results

Manipulation Check: Nonconformity. In a first step, the effectiveness of the conformity manipulation was assessed. The five conformity items were aggregated into one index ($\alpha = .70$). As expected, participants generally perceived the conforming brand as more conforming than the nonconforming brand ($M_{\text{conformity}} = 3.31$, $M_{\text{nonconformity}} = 5.18$, $t(187) = 11.215$, $p < .001$).

Perception of Coolness. In a second step, the impact of inferences of nonconformity on perceived coolness was evaluated. More importantly, in line with prior studies, the analysis revealed that inferences of nonconformity significantly influenced the perception of coolness. In other words, the nonconforming brand was perceived to be

significantly cooler than the conforming brand ($M_{\text{conformity}} = 3.30$ vs. $M_{\text{nonconformity}} = 4.76$; $t(187) = 6.456, p < .001$). Results are shown in Figure 5-2.

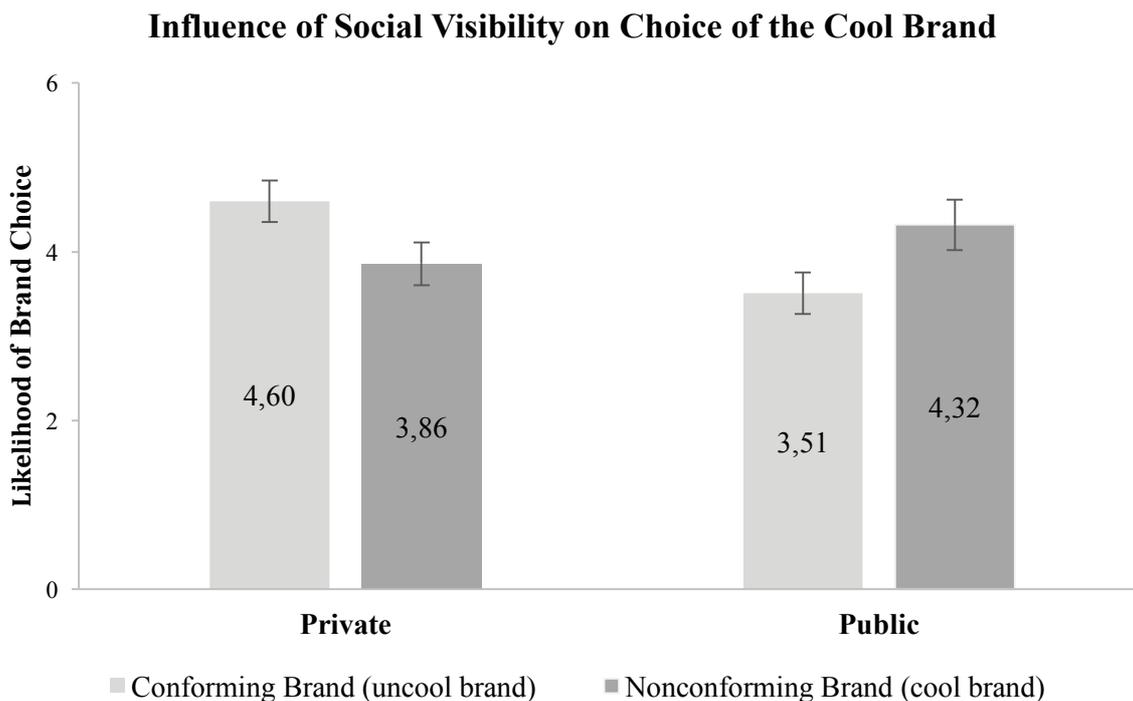
Figure 5-2: Perceived Nonconformity as a Driver of Perceived Brand Coolness



Likelihood of Brand Choice. Next, participants received information whether consumption was private or public. More specifically, while one half of the group imagined running errands in their car, the other half of participants imagined going out in the city with friends. Results were analyzed based on a 2 (conforming brand vs. nonconforming brand) X 2 (private consumption vs. public consumption) between-subjects ANOVA using likelihood of choice as the dependent variable. The analysis revealed no main effect of conformity ($F(3, 185) = .018, p > .10$) and no main effect of social visibility ($F(3, 185) = 1.479, p > .10$) on likelihood of brand choice. However, as predicted, there was a statistically significant interaction effect of conformity and social visibility on likelihood of choice ($F(3, 185) = 8.921, p < .05$). In other words, participants were more likely to choose the cool brand when consumption was public but not when consumption was private. More precisely, when consumption occurred in the absence of others (i.e., in private), participants chose preferably the conforming brand (uncool brand) ($M_{\text{conformity_private}} = 4.60$ vs. $M_{\text{nonconformity_private}} = 3.86$; $t(95) = 2.103, p < .05$). In contrast, when consumption occurred in the presence of others (i.e.,

in public), participants preferred the nonconforming brand (cool brand) ($M_{\text{conformity_public}} = 3.51$ vs. $M_{\text{nonconformity_public}} = 4.32$; $t(90) = 2.117$, $p < .05$). In addition, when comparing the two nonconforming conditions (cool brand) as well as the two conforming conditions (uncool brand), results show that social visibility influenced the choice for the uncool brand ($M_{\text{conformity_private}} = 4.60$ vs. $M_{\text{conformity_public}} = 3.51$; $t(93) = 3.133$, $p < .01$) but not for the cool brand ($M_{\text{nonconformity_private}} = 3.86$ vs. $M_{\text{nonconformity_public}} = 4.32$; $t(92) = 1.192$, $p = .23$). In sum, results demonstrated that, when people were in the private consumption condition, such as going out to run some errands, individuals were more likely to choose the conforming (uncool) brand. However, when choice was publicly visible to other, like going out with friends in the city, participants preferred the cool brand. The results are presented in Figure 5-3.

Figure 5-3: Influence of Social Visibility on Choice



5.3.3 Discussion

The implications of the second experiment are threefold. First, findings detect that inferences of nonconformity profoundly influence the perception of coolness. Consistent with H_1 and some preliminary qualitative results (see Chapter 2.1.2, pp. 12–17), the results of Experiment 2 demonstrated that individuals perceived a brand that

breaks norms and traditions as cool as compared to a conforming brand that followed rules and traditions. Second, Experiment 2 displayed how consumers do not always desire brands they perceive to be cool. The results showed that, although consumers perceived the nonconforming brand to be significantly cooler as the conforming brand, they chose the conforming brand when consumption was private but not when it was public. In support of H₃, results indicate that participants' choice towards cooler brands partly depends on social visibility. When individuals are concerned about how they are evaluated by others (i.e., in public), cool brands are preferred. In contrast, when consumers are not exposed to others evaluations, consumers may also prefer the less cool brand. These results demonstrate that when consumers know that others will observe their decisions, they seek cool brands. Third, besides its contribution to understanding coolness, this experiment also extends research on impression management (e.g., Gordon, 1996) and signaling theory (e.g., Ireland, 1994) by demonstrating changes in consumers' behaviors, attitudes and choices in private and public consumption context.

Consumers are sensitive to public scrutiny and desire to convey that they are interesting people through their selection of a product or brand. Because individuals are exposed to others' judgments and evaluations, they may thus feel pressure to make interesting choices in public consumption settings. Indeed, past research demonstrated that social concerns led individuals to prefer products and brands that are linked to a superior brand image (Argo et al., 2005), include feature-rich options (D. Thompson & Norton, 2011), with a higher price (Chao & Schor, 1998) and are associated with a positive group (White & Dahl, 2006). In addition, consumers also incorporate more variety into their decisions or even choose non-favorites because they expect that other people will evaluate them and their decision more favorably (Ratner & Kahn, 2002). In group settings, consumers sometimes decide to diverge from the choices' others just made (e.g., a group is placing orders in a restaurant) (Ariely & Levay, 2000). From this perspective, it seems likely that consumers chose cool brands in public situations because expressing nonconformity or divergence from the common mass should be visible and salient to others and thus, generates positive inferences (e.g., Bellezza et al., 2014; Zahavi & Zahavi, 1997).

The fact that the cool brand was more desired when consumption was public further highlights the importance of social signaling in coolness perception (e.g., Berger & Heath, 2007). Experiment 3 seeks to complement these results by putting identity relevance in a more prominent position. More precisely, it is argued, that the perception of coolness is subjective to identity concern as opposed to functionality.

5.4 Experiment 3: The Influence of Identity Relevance

While most studies in the past (e.g., Warren & Campbell, 2014) as well as in this dissertation project treated identity relevance as a static construct in coolness perception (e.g., Warren & Campbell, 2014), the third experiment puts this possibility in the center of its research attention. If the perception of coolness is driven by identity concern, then coolness should differ depending on whether people see a particular product domain as a good way to signal identity-relevant information (e.g., Belk, 1981; Berger & Heath, 2007; Berger & Ward, 2010; Shavitt, 1990).

Experiment 3 examines this approach by motivating participants to think either of a product with a functional purpose or as more identity relevant. In a two-step procedure, participants are first asked to write a few sentences about a product/products they possess that either provide a functional purpose or expresses identity-relevant information. In a second, ostensibly unrelated survey, participants are asked to evaluate a brand that was either marked by a conforming or nonconforming brand image. Based on the hypothesis H_{4a} and H_{4b} , it is anticipated that when identity relevance is prominent, inferences of nonconformity enhance inferences of coolness as well as positively affect consumer evaluations and purchase intentions. In contrast, if functional benefits are salient in the consumer's mind, inferences of nonconformity do not enhance inferences of coolness or influence consumer evaluations and purchase intention. As predicted in H_{4b} , identity concerns should strengthen purchase intention and generate positive consumer evaluations with the nonconforming brand but not in the conforming condition.

5.4.1 Design, Stimuli, and Procedure

One hundred and seventy-two individuals were recruited on Amazon's Mechanical Turk ($N = 172$; 43.6% Male; $M_{age} = 38.59$, Range: 18–72; all in the United States) and were randomly assigned to one of the four conditions in a 2 (conforming brand vs. nonconforming brand) X 2 (functional prime vs. identity prime) between-subjects design. They completed two ostensibly unrelated surveys as part of a larger study for a small payment. In total, 28 participants were excluded from the sample because they either (1) did not answer the first manipulation question ($N = 3$), (2) did not provide an appropriate answer for either a functional or an identity relevant product ($N = 18$), or (3) because they were not paying attention to the survey and provided unrelated answers ($N = 7$). Scholars argued that compared to student samples, participants completing experiments on Amazon's Mechanical Turk are significantly less likely to

pay attention to experimental materials, presumably because they are unsupervised by the researcher when conducting the survey (e.g., Henderson, 2013). Therefore, it is assumed that participants who failed to follow the instructions appropriately were not paying attention to the task, and were thus excluded from further analysis (for a similar line of argumentation, see Goodman et al., 2013; Henderson, 2013).

In line with the experimental paradigm of Berger and Heath (2007, see Study 4, pp. 130–131), participants completed first a “Product Ownership Survey”, in which they were asked to write few sentences about products they possess. They were told that this research is “interested in the way people describe products they own,” and read in the functional (identity) conditions: “Sometimes people choose things based on how well that thing performs a specific function (expresses their identity). In the space below, please write 5–7 sentences about something or things you own that you bought for the functional benefits it provides (expresses who you are to people around you). Also, write about why you decided to purchase that particular type/brand. For example, some people may buy a specific pair of shoes to wear for hiking in the mountains because they are built extra tough for long excursions through rugged terrain (for going out with their friends). These shoes aim to protect you from injuries and pain (to express the type of person they are)”.

After the writing task, participants were invited to complete a second ostensibly independent study on “New Brand Testing”. Specifically, they were told that the examiner for the study was interested in “your attitude towards a new shoe brand, which will be introduced to the market” and that they will be presented with an advertisement for that brand. To avoid inferences from brand familiarity, a fake brand was created. The conditions differed in the extent to which the brand was either expressing a conforming or nonconforming behavior. In the conforming condition, participants read: “We try hard to follow norms. We rely on extensive market research and trend analysis to create a shoe that suits today’s mainstream consumer needs. There is nothing atypical or controversial about our products. We have gained the approval of many consumers. We want to be accepted.” The nonconforming condition stated: “We follow our own style and ideas to create a shoe that is atypical and controversial. We disregard market place opinion and create products that feel right to us. We do not imitate products that are just popular but break traditions – even if we are the only one doing it. We want to be rebellious.” Manipulations were adopted from Warren and Campbell (2014).

In line with prior studies in this research, participants then completed a number of dependent measurements regarding coolness, consumer’s brand evaluation and

purchase intention toward the brand. Specifically, participants were asked to evaluate the brand in terms of coolness on two 7-point scales anchored by uncool/cool: “How cool or uncool do you consider the brand?” and “How cool or uncool would your friends consider the brand?”. Ratings of perceived coolness are aggregated across both items. Consumer evaluated the brand on a 3-item based on a 7-point scale anchored by unfavorable/favorable, dislike/like, and bad/good (White & Dahl, 2006, 2007). Both items were aggregated into one coolness index ($\alpha = .81$) and one evaluation index ($\alpha = .96$). Purchase intention was measured by asking participants to indicate “how interested they would be in purchasing a product of the brand” on a 7-point scale (1 = not at all; 7 = very much so) (Zhao, Hoeffler, & Zauberger, 2011).

In the last section, participants completed a manipulation check for perceived (non)conformity based on a 5-item scale: “The brand is different from the norm”, “The brand is unique”, “The brand shows independence”, “The brand is conforming to its environment”, “The brand is unconventional” (1 = strongly disagree, 7 = strongly agree) (Bellezza et al., 2014; Warren & Campbell, 2014). Eventually, participants were invited to report their demographics, including gender and age. Table 5-4 summarizes the design and the research procedure of the experiment.

Table 5-4: Procedure of Experiment 3

Experiment 3: The Influence of Product Domain	
1. Priming Manipulation	Participants complete a “Product Ownership Survey” and are asked to write few sentences about products that either have a functional purpose or are identity relevant.
2. Introduction Study on “New Brand Testing”	In the second ostensibly independent study, participants view a fictional advertisement that is either marked by conformity or nonconformity.
3. Measurement of Coolness	Participants are asked to evaluate the brand in terms of coolness on a 2-item scale.
4. Measurement of other Dependent Variables	Participants are further asked to indicate purchase intention and consumer evaluations.
5. Measurement for Manipulation Check and Demographics	Participants are asked to indicate a manipulation check for (non)conformity based on a 5-item scale as well as report gender and age.

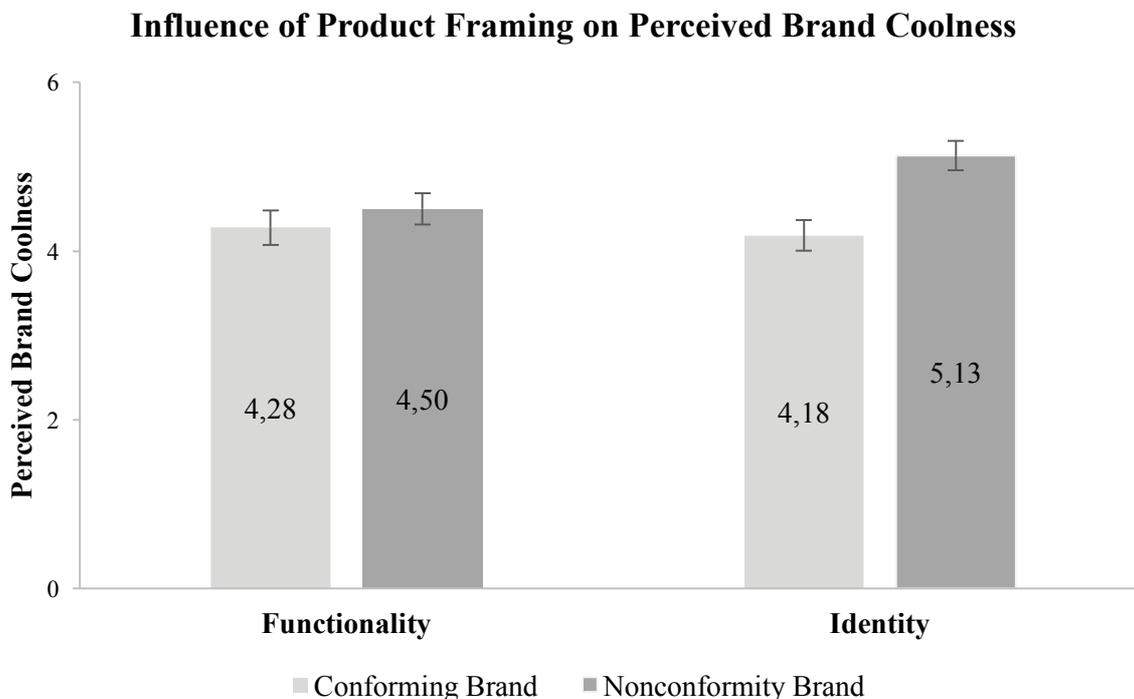
5.4.2 Results

Manipulation Check: Nonconformity. First, the effectiveness of the conformity manipulation is assessed. The five conformity items were aggregated into one index ($\alpha = .72$). As anticipated, participants perceived the conforming brand as more conforming than the nonconforming brand ($M_{\text{conformity}} = 3.48$, $M_{\text{nonconformity}} = 5.10$, $t(170) = 9.70$, $p < .001$). In order to further assess the success of the manipulation (Perdue & Summers, 1986) a 2 (conforming brand vs. nonconforming brand) X 2 (functional prime vs. identity prime) between-subjects ANOVA using ratings of conformity as the dependent variable was performed (see Bellezza et al., 2014). As anticipated, the analysis revealed a significant main effect only for conformity ($F(3, 168) = 93.396$, $p < .05$) but not for prime manipulations ($F(3, 168) = .276$, $p > .10$) or for an interaction between those two factors ($F(3, 168) = .137$, $p > .10$).

Perception of Coolness. Next, results were analyzed based on a 2 (conforming vs. nonconforming) X 2 (functionality prime vs. identity relevance prime) between-

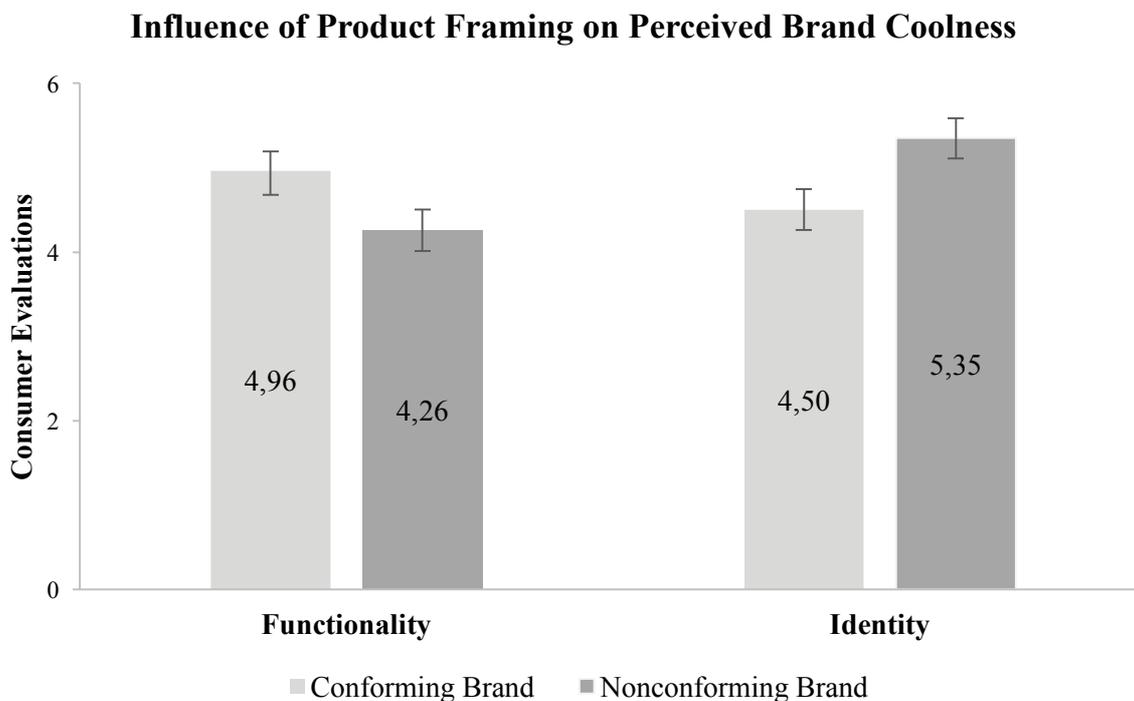
subjects ANOVA using the coolness ratings as dependent variable. The analysis revealed a main effect of conformity ($F(3, 168) = 9.252, p < .01$) but no main effect of prime manipulation ($F(3, 168) = 1.984, p > .10$). However, as predicted there was a statistically significant interaction effects of (non)conformity and prime on perceived coolness ($F(3, 168) = 3.681, p < .05$). Specifically, as presented in Figure 5-4, participants' coolness ratings were influenced when participants were primed to think of identity relevant products ($M_{\text{conformity_identity}} = 4.18$ vs. $M_{\text{nonconformity_identity}} = 5.13$; $t(84) = 3.743, p < .001$). In contrast, there was no significant difference in coolness ratings between the two conditions when participants were primed to think about products with a functional benefit ($M_{\text{conformity_functionality}} = 4.28$ vs. $M_{\text{nonconformity_functionality}} = 4.50$; $t(84) = .750, p > .10$). More importantly, comparing the two nonconforming conditions, results showed a significant influence of identity relevance on coolness ratings ($M_{\text{nonconformity_functionality}} = 4.50$ vs. $M_{\text{nonconformity_identity}} = 5.13$; $t(83) = 2.363, p < .05$). In contrast, a comparison of the two conforming conditions did not show any significant differences ($M_{\text{conformity_functionality}} = 4.28$ vs. $M_{\text{conformity_identity}} = 4.18$; $t(85) = .359, p > .10$). That means when identity concerns are activated in consumers' mind, inferences of nonconformity led to significant higher coolness ratings.

Figure 5-4: Influence of Product Framing on Perceived Brand Coolness



Consumer Evaluations. For consumers' evaluations of the brand, a two-way analysis of variance (ANOVA) showed no main effect for (non)conformity ($F(3, 168) = .092, p > .10$) or prime ($F(3, 168) = 1.726, p > .10$), but a significant interaction between the two factors (non)conformity and prime ($F(3, 168) = 10.631, p < .001$). Specifically as presented in Figure 5-5, when people were primed to think of products serving a functional benefit, the conforming brand image led to significantly higher evaluations as opposed to the nonconforming brand image ($M_{\text{conformity}} = 4.96$ versus $M_{\text{nonconformity}} = 4.26$; $t(84) = 2.018, p < .05$). However, when people were primed to think about products as identity relevant, nonconformity led to higher evaluations than conformity ($M_{\text{conformity}} = 4.50$ versus $M_{\text{nonconformity}} = 5.35$; $t(84) = 2.619, p < .01$).

Figure 5-5: Influence of Product Framing on Consumer Evaluations



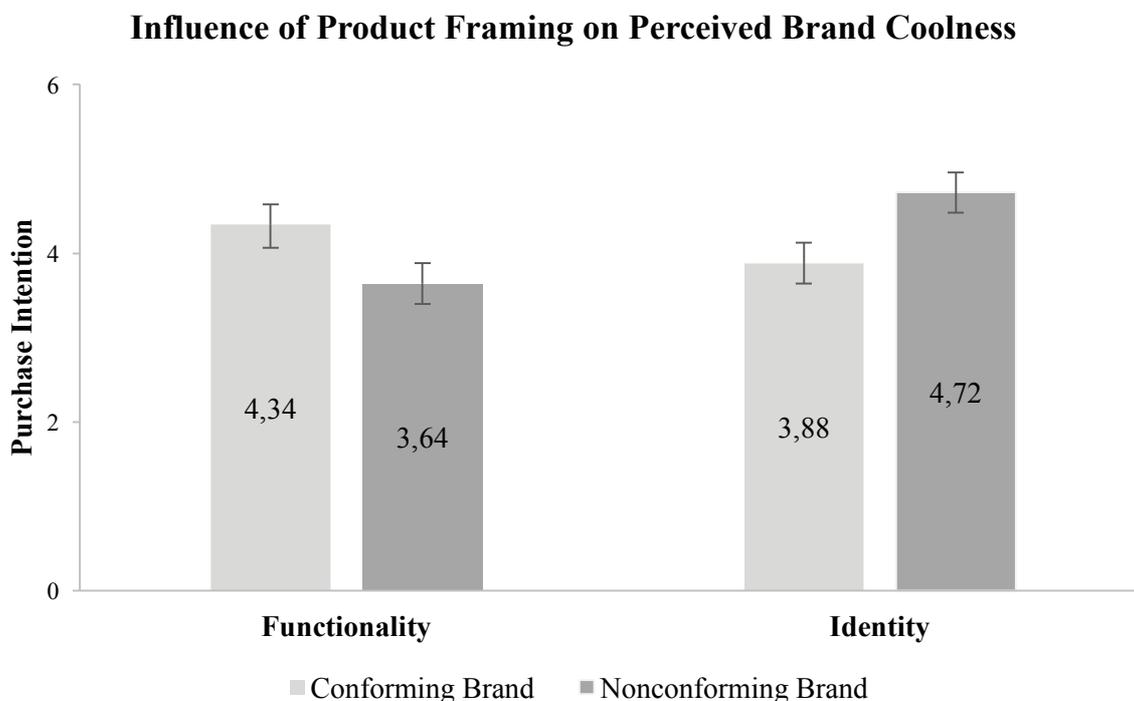
Purchase Intention. Next, a similar analysis, using purchase intention as a dependent variable, was performed. The result revealed no main effect of conformity ($F(3, 168) = .078, p > .10$) or prime ($F(3, 168) = 1.545, p > .10$) but did show the expected significant interaction between the two factors ($F(3, 168) = 9.444, p < .01$). Specifically, when people were primed to think of products serving functional benefit, the conforming brand image led to significantly higher purchase intention as opposed to the nonconforming brand image ($M_{\text{conformity}} = 4.34$ vs. $M_{\text{nonconformity}} = 3.64$; $t(84) =$

1.916, $p < .05$). However, when people were primed to think about products as identity relevant, inferences of nonconformity led to higher purchase intentions than conformity ($M_{\text{conformity}} = 3.88$ vs. $M_{\text{nonconformity}} = 4.72$; $t(84) = 2.449$, $p < .01$).

In addition, when comparing the two nonconforming conditions as well as the two conforming conditions, results show that identity relevance significantly increased purchase for the nonconforming brand ($M_{\text{nonconformity_functionality}} = 3.64$ vs. $M_{\text{nonconformity_identity}} = 4.72$; $t(83) = 2.945$, $p < .01$) and marginal for the conforming brand ($M_{\text{conformity_functionality}} = 4.34$ vs. $M_{\text{conformity_identity}} = 3.88$; $t(85) = 1.343$, $p = .18$). This means that identity concerns generated positive consequences for inference of nonconformity but not for conformity. In contrast, thinking about functionality led to higher preference for the conforming brand in contrast to the nonconforming brand.

In summary, results showed that when identity concerns were salient, inferences of nonconformity generated higher purchase intention. However, when people thought about functional benefits, and identity concerns were silent in the consumer's mind, inferences of conformity generated higher purchase intentions. The results for purchase intention are depicted in Figure 5-6.

Figure 5-6: Influence of Product Framing on Purchase Intention



5.4.3 Discussion

Experiment 3 demonstrated that the perception of coolness becomes less relevant when a product or a brand is seen as functional rather than identity-relevant. Consistent with hypothesis H_{4a} and H_{4b}, results showed that participants' coolness, purchase intention, and evaluations differed when respondents were primed to think of products as identity relevant or as serving functional benefits (see also Berger & Heath, 2007). More specifically, when consumers were asked to think about products that hold functional benefits, inferences of nonconformity did not lead to high levels of perceived coolness, nor high consumer evaluations or high purchase intention. However, when people were asked to think about products that are identity relevant, inferences of nonconformity profoundly influenced the perception of coolness and consequently led to favorable evaluations and purchase intention. That means identity concerns generated positive consequences for inference of nonconformity but not for inferences of conformity. In contrast, thinking about functional benefits, generated positive effects for inferences of conformity but not for inferences of nonconformity. This might be due to the fact that when consumers seek functionality, conformity may act as an indicator for quality.

This finding further reinforces the notion that the perception of coolness is driven, at least to some extent, by identity signaling (e.g., Berger & Heath, 2007, 2008; Berger, 2008; Warren & Campbell, 2014). Table 5-5 provides a summarizing overview over the mean values and its levels of significance of Experiment 3.

Table 5-5: Overview of Mean Values and Levels of Significance in Experiment 3

	Functionality		Identity	
	Conformity (Uncool brand)	Nonconformity (Cool brand)	Conformity (Uncool brand)	Nonconformity (Cool brand)
Coolness	4.28 (.198)	4.50 (.208)	4.19*** (.186)	5.14*** (.173)
Consumer Evaluation	4.96* (.222)	4.26* (.272)	4.50* (.246)	5.35* (.212)
Purchase Intention	4.34* (.237)	3.64* (.279)	3.88* (.245)	4.72* (.238)

Note: Asterisks indicate significant mean differences for the brand within the conforming and nonconforming condition: *Mean Differences are significant on $p < .05$, **Mean Differences are significant on $p < .01$, *** Mean Differences are significant on $p < .001$ level; n.s. Mean Differences are *not* significant $p > .10$; Standard Errors (SE) in parentheses

Experiment 4 seeks to complement the perspective of social signaling by including information about a dissimilar reference group. More precisely, it is proposed that the desire to avoid an association with a dissimilar reference group will influence consumers' evaluations of coolness and choice behavior.

5.5 Experiment 4: The Influence of Group Association

Although this research attests and reinforces the notion that nonconformity fuels the perception of coolness, present research proposes that consumers do not only draw on the norm-breaking behavior, but also on the characteristics the associated social groups of that brand. The fourth experiment looks into whether coolness is also partly driven by the identity of the group associated with the brand. A vast body of research demonstrated that positive and negative reference groups can be highly influential (e.g., Bearden & Etzel, 1982; Berger & Heath, 2008; Burnkrant & Cousineau, 1975; Childers & Rao, 1992; Escalas & Bettman, 2005; White & Argo, 2011; White & Dahl, 2006, 2007) because people use others as a point of reference when it comes to making choices, intentions, attitudes and behaviors. That is why men do not choose a steak labeled "ladies' cut" (White & Dahl, 2006) and why athletic students abandon wearing a yellow wristband once the "geeks" adopt it (Berger & Heath, 2007).

Consistent with these findings, present research proposes that the perception of coolness is moderated the people who are associated with the brand. Therefore, it proposed that the desire to avoid dissimilar reference groups will significantly influence consumers' evaluations of coolness and choice. More precisely, the fourth experiment examines how the similarity or dissimilarity to the identity of the reference group associated with a nonconforming brand influences the perception of coolness and ultimately choice behavior. Based on the hypothesis H₅, it is predicted that when a brand is linked to a dissimilar reference group as opposed to a similar group, nonconformity does not fuel favorable evaluations of coolness.

5.5.1 Design, Stimuli, and Procedure

Participants were recruited on Amazon's Mechanical Turk (mTurk) to conduct this study in exchange for small payment (N = 176; 46.6% Male; M_{age} 37.43, Range: 18–74; all in the United States). Participants were randomly assigned to one of the four experimental conditions in a 2 (conforming brand vs. nonconforming brand image) X 2 (control vs. dissimilar others) between-subjects design.

This experiment followed a similar paradigm of Berger and Heath's fourth study (2007). Participants were told that they are participating in a study on "New Brand Testing". They were told that "we are interested in your attitude towards a new shoe brand, which will be introduced to the market" and that they would receive an advertisement of that brand as well as "results of some received focus group testing" as a proxy for reference group information (see Berger & Heath, 2007, Study 4, pp. 130–131).

To convey a coherent story to the participants about the similarity and dissimilarity to the reference groups, respondents were also told that they would first be asked "questions about you and your interests and tastes in order to evaluate if you are part of the brand's target group". Thereupon, they reported their demographic information, including gender, age, level of education and nationality as well as answered some general questions about taste and interests such as favorite shoe brand, favorite music genre, favorite city (visited or to visit), favorite holiday destination and favorite free-time activity³.

This procedure was preferred over other applied paradigms (e.g., Berger & Heath, 2007) where participants were exposed to a specific dissimilar group, such as a specific gender (in a gender-relevant context) or business executives (in a student context). The applied procedure thus allowed crystalizing the impact of similarity and dissimilarity while controlling for potential negative connotations. Moreover, because participants on mTurk are known for being highly heterogeneous (Goodman et al., 2013) it was vital to find a reference group that was consistently perceived as similar or dissimilar reference group across all participants. Given these circumstances and requirements, the presented procedure provided some guarantee that participants felt either similar or dissimilar to the reference group while simultaneously avoiding negative connotations to a specific group. Ultimately, participants evaluated the reference group based on liking (1 = very negative; 7 = very positive) and perceived similarity (1 = not very similar; 7 = very similar) (Berger & Heath, 2007).

In line with previous studies, the fictional advertisement differed in terms of perceived conformity. Specifically, participants in the conforming conditions read: "We try hard to follow current trends and styles to create an attractive shoe that helps you to express

³ Participants were asked five questions about their interest and taste. More specifically, they were asked to indicate their favorite shoe brand, music genre, city (visited or to visit), holiday destination and free-time activity. For each question five single choice answers were provided as well as one text entry option. For example, the question "What is your favorite music genre?" provided the following possibilities "Jazz, Rock, Pop, Hip Hop, Classic, Other [Please state your answer here]". This schema was applied to each of the five questions.

the type of person you are. There is nothing atypical or controversial about our products. We imitate what is popular. Our products fit the mainstream consumer. We want to be accepted.” In contrast, the nonconforming condition stated: “We follow our own style and ideas to create an attractive shoe that helps you to express the type of person you are. We disregard market place opinion and create products that feel right to us – even if we are the only one doing it. We want to be rebellious and controversial.” Manipulations were adopted from Warren and Campbell (2014).

Next, information about the focus group was used to communicate information about the social group associated with the brand (Berger & Heath, 2007) and to convey either similarity or dissimilarity to this group. The provided information suggested that the brand was positively evaluated either by a dissimilar social group or by just people in general (control). Specifically, participants in the dissimilar (control) condition read: “The brand was recently tested among a group of individuals dissimilar to you and your peer group (individuals) and 78% of the participants reported that they could see themselves wearing shoes from the brand. In addition, 68% of the participants suggested that brand fits what they desire” (see Berger & Heath, 2007).

Prior research highlighted that information about associated groups are particularly crucial when it comes to communicating identity-relevant information (e.g., White & Dahl, 2006). Following the results of the third experiment and prior research (e.g., Berger & Heath, 2007), shoes, for example, may be seen as less identity-relevant when thinking about what to wear when going hiking in the mountains as opposed to going out for dinner in town. To foster the identity relevance in the participants’ minds, an extra statement was added to the manipulation. Specifically, participants read “... and to create an attractive shoe that helps you to express the type of person you are”. In addition, to avoid inferences from brand familiarity, a fake shoe brand was created.

After the reading task, all participants evaluated a number of dependent variables, including (1) the perception of coolness (2) consumer evaluation and (3) purchase intention. In line with previous studies, coolness was measured by two 7-point scales anchored by uncool/cool: “How cool or uncool do you consider the brand?” and “How cool or uncool would your friends consider the brand?” (1 = uncool; 7 = cool). Three items assessed consumers’ evaluations of the brand based on a seven-point scale anchored by unfavorable/favorable, dislike/like, and bad/good (White & Dahl, 2006, 2007). Both items were aggregated into one coolness index ($\alpha = .86$) and one evaluation index ($\alpha = .96$). Purchase intention was measured by asking participants to indicate, “how interested they would be in purchasing a product of the brand” on a seven-point scale (1 = not at all; 7 = very much so (Zhao et al., 2011)).

In the last section, participants completed a manipulation check for perceived nonconformity based on a 5-item scale: “The brand is different from the norm”, “The brand is unique”, “The brand shows independence”, “The brand is conforming to its environment”, “The brand is unconventional” (1 = strongly disagree, 7 = strongly agree) (Bellezza et al., 2014; Warren & Campbell, 2014). Eventually, participants were invited to report their demographics, including gender, age, and nationality. Table 5-6 summarizes the design and the research procedure of the experiment.

Table 5-6: Procedure of Experiment 4

Experiment 4: The Influence of Group Association
<p>1. Introduction to the Experiment</p> <p>Participants are told that they are participating in a study on “New Brand Testing”.</p>
<p>2. Questions to convey (Dis)similarity</p> <p>To convey a coherent story about the (dis)similarity to the reference groups, participants are asked five general questions as well as demographics.</p>
<p>3. Manipulation of Coolness</p> <p>Participants receive a fictional advertisement that is either marked by conformity or nonconformity.</p>
<p>4. Manipulation of (Dis)similarity to Reference Group</p> <p>Participants receive information suggested that the brand is positively evaluated either by dissimilar social group or by just people in general (control).</p>
<p>5. Measurement of Coolness</p> <p>Participants are asked to evaluate the brand in terms of coolness on a 2-item scale.</p>
<p>6. Measurement of other Dependent Variables</p> <p>Participants are further asked to indicate purchase intention and consumer evaluations.</p>
<p>7. Measurement for Manipulation Check</p> <p>Participants are asked to indicate a manipulation check for (non)conformity based on a 5-item scale.</p>

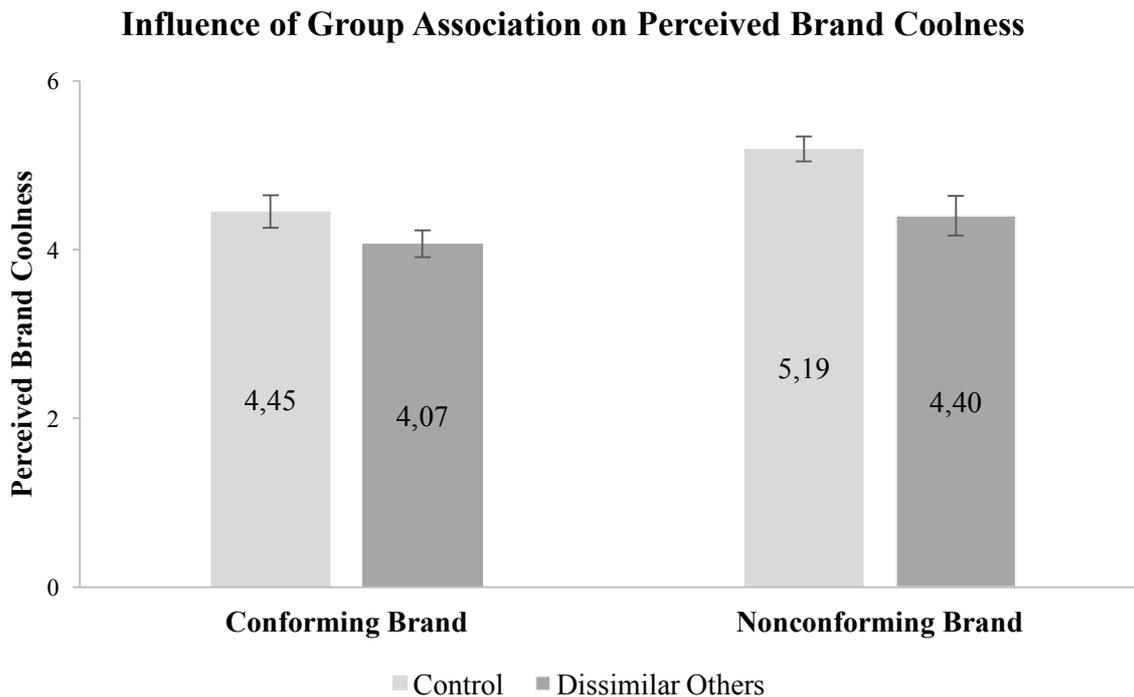
5.5.2 Results

Manipulation Check: Nonconformity. In a first step, a manipulation-check was performed. Similarly, to previous procedures, the five conformity items were aggregated into one index ($\alpha = .70$). A t-test revealed that overall individuals perceived the conforming brand as more conforming than the nonconforming brand ($M_{\text{conformity}} = 3.73$, $M_{\text{nonconformity}} = 5.00$, $t(174) = 7.455$, $p < .001$). In order to further assess the success of the manipulation (Perdue & Summers, 1986) a 2 (conforming brand vs. nonconforming brand) X 2 (control vs. dissimilar others) between-subjects ANOVA using ratings of conformity as the dependent variable was performed (see Bellezza et al., 2014). As anticipated, the analysis revealed a significant main effect only for conformity manipulation ($F(3, 172) = 54.851$, $p < .001$) but not for dissimilarity of the group ($F(3, 172) = .060$, $p > .10$) or for an interaction between those two factors ($F(3, 172) = .007$, $p > .10$).

Manipulation Check: Dissimilarity. To assess whether manipulation of dissimilarity was successful, a short manipulation check was performed. Specifically, participants were asked to evaluate the reference group based on liking (1 = very negative; 7 = very positive) and perceived similarity (1 = not very similar; 7 = very similar). As expected, participants liked both the control group and dissimilar group almost equally ($M_{\text{liking_control}} = 5.00$ and $M_{\text{liking_dissimilar}} = 4.23$) but felt significantly closer to the control group as opposed to the dissimilar group ($M_{\text{similarity_control}} = 4.73$ and $M_{\text{similarity_dissimilar}} = 3.39$, $p < .001$).

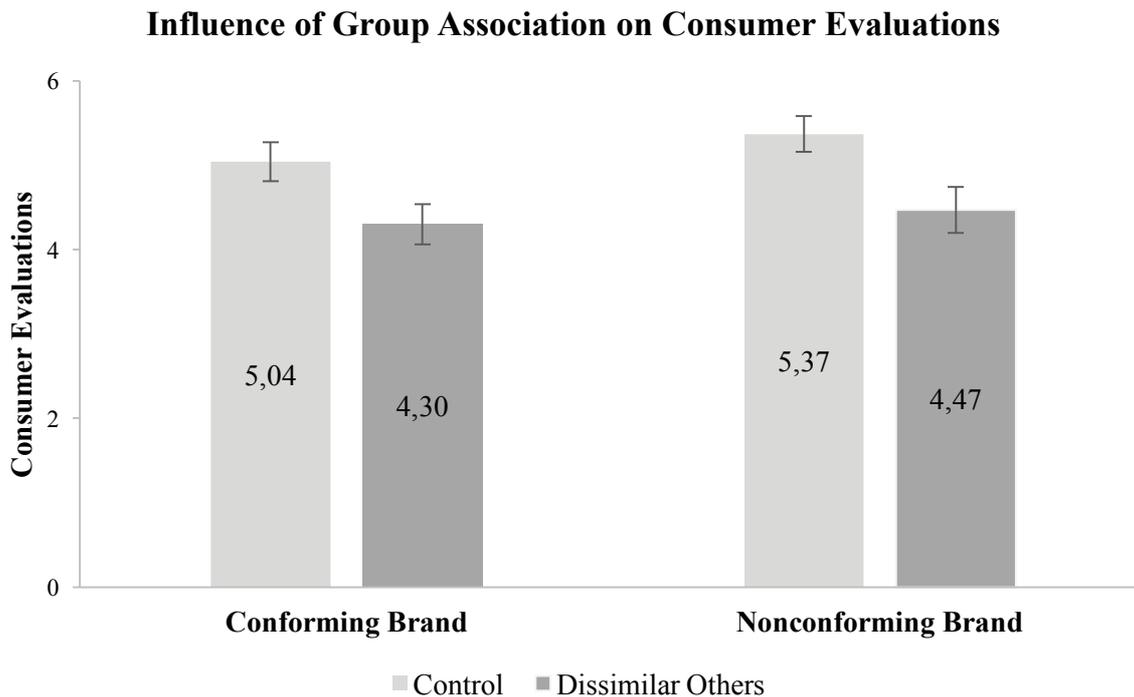
Perception of Coolness. Next, the influence of dissimilar references group on perceived coolness was analyzed. Specifically, as presented in Figure 5-7, information about a dissimilar other group significantly influenced the perception of coolness. As predicted, there is a significant difference in coolness ratings when participants received information about a dissimilar other group in the nonconforming condition ($M_{\text{nonconformity_control}} = 5.19$ vs. $M_{\text{nonconformity_others}} = 4.40$; $t(87) = 2.836$, $p < .01$) and a marginal influence in the conforming condition ($M_{\text{conformity_control}} = 4.45$ vs. $M_{\text{conformity_others}} = 4.07$; $t(87) = 1.508$, $p = .13$). That means, information about a dissimilar other reference group diluted the positive effect of nonconformity on perceived coolness. In addition, a two-way analysis of variance (ANOVA) using the coolness ratings as a dependent variable was performed. The analysis revealed a main effect for (non)conformity ($F(3, 172) = 8.054$, $p < .01$) and a main effect of group association ($F(3, 172) = 9.810$, $p < .005$) and an insignificant interaction between these factors ($F(3, 172) = 1.472$, $p = .22$).

Figure 5-7: Influence of Group Association on Perceived Brand Coolness



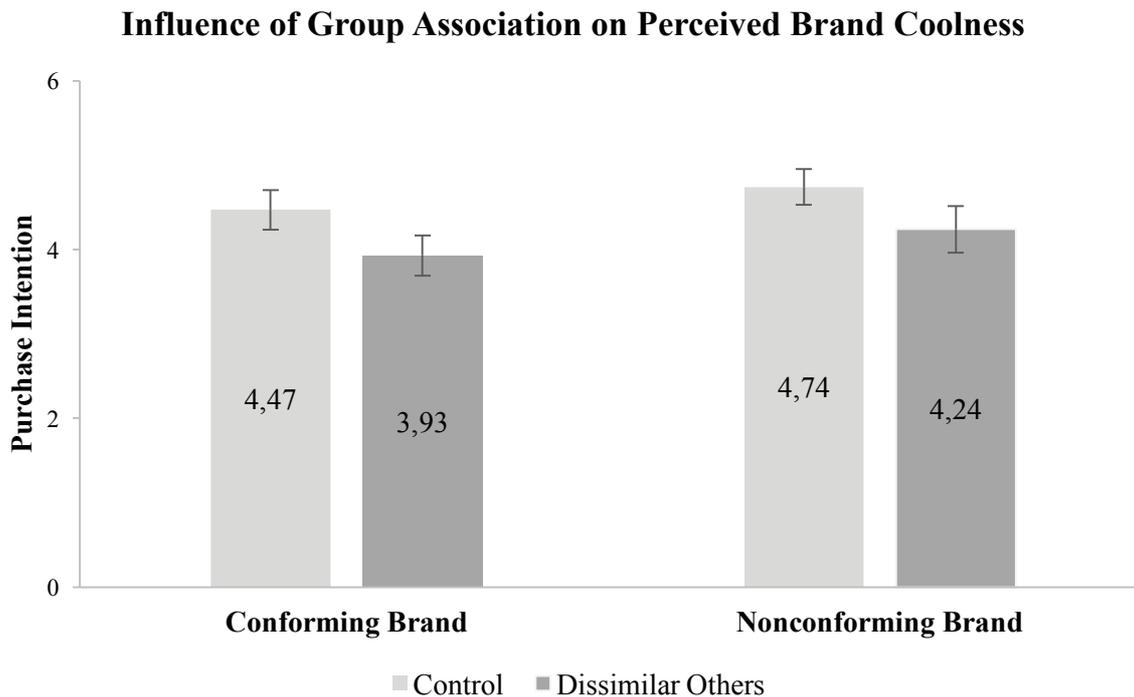
Consumer Evaluations. As predicated, there is a significant difference in consumers' brand evaluations when participants received information about a dissimilar other group in both, the nonconforming condition ($M_{\text{nonconformity_control}} = 5.37$ vs. $M_{\text{nonconformity_others}} = 4.47$; $t(86) = 2.718, p < .01$) as well as in the conforming condition ($M_{\text{conformity_control}} = 5.04$ vs. $M_{\text{conformity_others}} = 4.30$; $t(86) = 2.484, p < .01$) (see Figure 5-8). In addition, a two-way analysis of variance (ANOVA) using the consumer evaluations as dependent variable was performed. The analysis revealed no main effect for (non)conformity ($F(3, 172) = 1.257, p = .26$), a main effect for reference group ($F(3, 172) = 13.560, p < .001$) and an insignificant interaction between these factors ($F(3, 172) = .123, p > .10$).

Figure 5-8: Influence of Group Association on Consumer Evaluations



Purchase Intention. Next, a similar analysis was performed to analyze the influence of information about a dissimilar other group on purchase information. As presented in Figure 5-9, the analysis revealed a marginal effect in both, the nonconforming condition ($M_{\text{nonconformity_control}} = 4.74$ vs. $M_{\text{nonconformity_others}} = 4.24$; $t(86) = 1.438$, $p = .15$) as well as in the conforming condition ($M_{\text{conformity_control}} = 4.47$ vs. $M_{\text{conformity_others}} = 3.93$; $t(86) = 1.610$, $p = .11$). In addition, a two-way analysis of variance (ANOVA) using the purchase intention as dependent variable was performed. The analysis revealed no main effect for (non)conformity ($F(3, 172) = 1.510$, $p = .22$) and a main effect for reference group ($F(3, 172) = 4.630$, $p < .05$) and an insignificant interaction between these factors ($F(3, 172) = .006$, $p > .10$).

Figure 5-9: Influence of Group Association on Purchase Intention



5.5.3 Discussion

The fourth experiment provided further evidence that coolness, driven by inferences of nonconformity, may encounter substantial limits and that reference groups can play a critical role to the perception of coolness. It was proposed that people not only draw on the perception of norm-breaking behavior but also take taste holders of that brand into account when evaluating a brand regarding coolness. Consistent with H_{5a} , results revealed that the identity of the reference group plays a major role in the perception of coolness. More specifically, when information about a dissimilar social group was given, the positive effects, driven by inferences of nonconformity, of coolness as well as consumer evaluations and purchase intention, dissipate. In contrast, when a brand was associated with people in general (control), results of previous studies were replicated. That means, inferences of nonconformity, as opposed to conformity, led to enhanced coolness ratings ($M_{\text{conformity_control}} = 4.45$ vs. $M_{\text{nonconformity_control}} = 5.22$; $t(86) = 3.158$, $p < .01$). In contrast to the expectations, a similar analysis further revealed insignificant differences in consumer evaluations ($M_{\text{conformity_control}} = 5.04$ vs. $M_{\text{nonconformity_control}} = 5.37$; $t(86) = 1.147$, $p = .25$) as well as purchase intention ($M_{\text{conformity_control}} = 4.47$ vs. $M_{\text{nonconformity_control}} = 4.74$; $t(86) = 3.158$, $p = .38$). An explanation of these insignificant differences between conformity and nonconformity

in the control group may be reflected in the elaborated ‘Sweet Spot of Coolness’ (see Figure 2-1 as discussed in Chapter 2.1.2). More specifically, it can be argued that the information, that a majority of people accepted the brand (control group) signal popularity to individuals. Thereupon, popularity acts as a catalyst and leads to positive consumer evaluations and purchase intention – even for conforming brands.

Ultimately, these results highlight that it is hard – if not impossible – to seem cool simultaneously to everybody equally because what’s perceived as cool by one group of people may not be by another. Therefore, it is important for managers to gain an understanding of the target audience. Although the results of Experiment 4 are promising, the expected effects could not be fully shown for all dependent variables. As anticipated, information about a dissimilar other group diluted the positive effect of nonconformity on coolness. In contrast to the expectations however, results did not show higher consumers evaluations nor higher purchase intention. Accordingly, H_{5a} is supported, whereas H_{5b} is not supported.

Besides, this study provides further evidence that consumers value coolness as a signal for status and identity (Berger & Heath, 2007; Warren, 2010) and that the perception of coolness is an impression-related perception, which requires validation by a favorable and relevant peer audience (Belk et al., 2010). By examining the role of the reference groups in this context, this experiment sought, on the one hand, to provide a somewhat more conclusive and realistic picture how consumers evaluate coolness. On the other hand, this experiment also extends previous research results on references groups by highlighting their impact on consumers’ choice behavior (e.g., Berger & Heath, 2008; Escalas & Bettman, 2005; White & Argo, 2011; White & Dahl, 2006, 2007). Table 5-7 provides a summarizing overview over the mean values and its levels of significance of Experiment 4.

Table 5-7: Overview of Mean Values and Levels of Significance in Experiment 4

	Conformity		Nonconformity	
	Control	Dissimilar other	Control	Dissimilar other
Coolness	4.45 (.189)	4.07 (.161)	5.19** (.147)	4.40** (.236)
Consumer Evaluation	5.04** (.207)	4.30** (.215)	5.37** (.196)	4.47** (.263)
Purchase Intention	4.47 (.233)	3.93 (.239)	4.74 (.211)	4.24 (.274)

Note: Asterisks indicate significant mean differences for the brand within the conforming and nonconforming condition: *Mean Differences are significant on $p < .05$, **Mean Differences are significant on $p < .01$, *** Mean Differences are significant on $p < .001$ level; n.s. Mean Differences are *not* significant $p > .10$; Standard Errors (SE) in parentheses

From another perspective, one may criticize and argue that information about group identity holds a greater influence on coolness, than inferences from nonconformity (e.g., Belk et al., 2010). To provide empirical evidence that nonconformity is one of the main components to the perception of coolness, a short follow-up analysis was conducted. This analysis aimed to show that nonconformity contributes above and beyond information about group identity (for a similar approach, see Lieven et al., 2014). The relative impact of group identity on brand coolness was examined in a linear regression model with brand coolness as the outcome variable and group identification as the predictor ($R^2 = .049$; $F(1, 174) = 9.024$, $p < .05$; $\beta = -.222$, $t(175) = -3.004$, $p < .01$). Adding information about nonconformity significantly improved the model fit ($R^2\Delta = .091$, $\Delta F(2, 173) = 8.711$, $p < .001$). When brand coolness was regressed on nonconformity only, the model was significant and replicated the positive effects of nonconformity on coolness, as presented in the other studies ($R^2 = .04$; $F(1, 174) = 7.271$, $p < .05$; $\beta = .200$, $t(175) = 2.697$, $p < .01$).

Based on the fundamental premises that inferences of nonconformity lead to enhanced inferences of coolness (H_1), five experiments were conducted to test the formulated hypothesis. Thereby it was demonstrated high levels of coolness are related to high levels of brand equity ratings (H_{2a}) and that consumers are willing to pay premium for products they consider cool (H_{2b}). The following experiments then delved into the analysis of the boundary conditions and the environments when consumers do or do not choose cool brands. In summary, it was illustrated that the perception of coolness depends on the social visibility of the aspired consumption (H_3), if the consumers may use the product to communicate identity-relevant information (H_4), and on the reference group that brand is associated with. In the following section, the results of these findings are discussed and evaluated.

6 General Discussion

The following chapter provides a summarizing discussion of the empirical examination on the impact and limits of perceived coolness. While the first series of experiments focused on the economic value of coolness (Experiments 1a & 1b), the subsequent three experiments demonstrated that consumers do not always desire the cool brand (Experiments 2, 3 and 4). The remainder of this chapter is structured as follows: First of all, a review of the five conducted experimental studies is presented. Next, the theoretical and managerial implications are outlined and discussed. Eventually, the last section discusses the limitations of the experimental examination and reveals potential avenues for future research.

6.1 Summary of Results

Although Warren and Campbell (2014) and others (e.g., Belk et al., 2010) also scrutinized the coolness phenomenon, past research almost exclusively focused on the origin and antecedents of coolness in their analysis. In contrast, in a first step this research analyzed the economic value of coolness. Furthermore, this dissertation delved into understanding the boundary condition and the environments where the perception of coolness sparks excitement and desirability. In line with some preliminary qualitative results (see Chapter 2.1.2, pp. 12–17) and prior literature (e.g., Belk et al., 2010; Warren & Campbell, 2014), this research is based on the fundamental premises that autonomous, rebellious behavior fuels the perception of coolness. Individuals, brands, and firms may thus decide to deviate from standards in an appropriate manner to evoke attractive inferences (Bellezza et al., 2014). In simple words, it is proposed that inferences of nonconformity (as opposed to conformity) lead to enhanced inferences of coolness in the eyes of consumers. Following this proposition, five experiments were conducted.

Discussion of Experiment 1

Despite tremendous interest in coolness, empirical research has not yet established any relationship between coolness and consumer responses or other brand-related performance measure. Study 1a and 1b provided a first strong evidence for the relationship between coolness and brand equity. A sizeable literature identified brand equity as the most important performance measure and over decades, researchers have examined its implication for brand management (e.g., Aaker & Keller, 1990; Aaker,

1991; Christodoulides & de Chernatony, 2010; Keller, 1993). Conventional wisdom and marketing experts argue that coolness holds a variety of benefits, among others the ability to command a premium price. Following these considerations, Study 1a established the direct link between coolness and brand equity using secondary data (e.g., Reynolds & Phillips, 2005) and demonstrated that brands associated with high levels of coolness command higher equity ratings. Most importantly, the observed number of brand evaluations did not influence the documented relationship between brand coolness and brand equity. Study 1b further qualified this relationship by providing a more rigorous test through price premium as a proxy for brand equity (e.g., Aaker, 1996). Findings demonstrated that consumers were willing to pay three times the price for a product they believe is cool.

The implications of these first two studies (1a and 1b) are threefold. First and foremost, this is the first empirical study demonstrating an economic value of perceived coolness. These studies showed that brands or objects with high levels of coolness elicit high levels of brand equity ratings. Brand equity ratings were determined by an aggregated rating provided by a leading market research company as well as through price premium. Most importantly, this finding reinforces the general assumption proposed by literature and practice, that the pursuit of coolness strengthens a brand. Second, experiment 1a included a large set of well-known existing brands (100 brands) in various product categories. The high number and variety of brands analyzed distinguishes this research. In contrast, past research focused mainly on the manipulation of fictional brands (e.g., Warren & Campbell, 2014) or provided a qualitative account of the concept of coolness (e.g., Belk et al., 2010; Runyan et al., 2013) and thus ignored real market environments. To the author's best knowledge, this research constitutes a unique endeavor to disclose positive effects of brand coolness in real market data. Third, besides pioneering on brand coolness effects, these studies also extend prior literature on brand personality (e.g., Freling et al., 2011; Keller, 1993) and brand equity (Aaker, 1996). Indeed, current work contributes to a rare but impactful research stream – impactful for both, marketing theory and practice – by providing a direct link between brand personality and brand equity (see Lieven et al., 2014; Lieven & Hildebrand, 2016). Thus, these studies not only stress the value of perceived coolness, but also highlight the positive consequences of a powerful brand personality.

Discussion of Experiments 2,3 and 4

While the first series of experiments focused on providing evidence of the economic value of coolness (Experiments 1a & 1b), the subsequent three experiments sought to examine the boundary conditions of perceived coolness. More specifically, the second experiment showed how consumers do not always desire brands they perceive to be cool and that this desirability partly depends on social visibility – when social concerns are prominent in the individual’s mind. Based on literature on impression management (e.g., Gordon, 1996) and signaling theory (e.g., Ireland, 1994), it was postulated that consumers are sensitive to public scrutiny and desire to convey that they are interesting people through their choice of a product or brand (e.g., Argo et al., 2005; Chao & Schor, 1998; Ratner & Kahn, 2002; D. Thompson & Norton, 2011; White & Dahl, 2006). Results showed that consumers cared more about acquiring a cool brand for brands or products consumed in public but not in private consumption situations where choices are invisible and are not evaluated by others. From this, it follows that consumers choose cool brands when expressing nonconformity and divergence from the common mass is more visible to others and thus may be more valued by others. The fact that cool brands were more desired in public highlights the important role of identity in this phenomenon.

The third experiment sought to complement these results by putting identity relevance in a more prominent position. Identity is sensitive and therefore a fundamental and powerful motivator to influence behavior and attitudes (e.g., Bhattacharjee et al., 2014; LeBoeuf et al., 2010). A great deal of research showcased that consumers use brands and products to express a desired identity (e.g., Belk, 1988; Escalas & Bettman, 2003, 2005; Fournier, 1998; Holt, 1995; Kleine et al., 1995; Richins, 1997) or to make inferences about others (e.g., Belk et al., 1982). Product domains that appeal to a symbolic function rather than a utilitarian one (e.g., Berger & Heath, 2007; Berger & Ward, 2010) are particularly suitable to communicate identity-relevant information (e.g., Escalas & Bettman, 2005). Building on this profound literature, Experiment 3 found that inferences of nonconformity only led to enhanced inferences of coolness when identity-relevance was made salient in the consumer’s mind. In contrast, when people were primed to think about products that served a functional purpose, inferences of nonconformity did not lead to high levels of perceived coolness. That means that brands that are used by consumers to communicate identity-relevant information are especially susceptible to the perception of coolness.

Eventually, Experiment 4 accounted for the fact, that when coolness is evaluated, consumers do not only draw on the norm-breaking behavior but also on the

characteristics of the reference group associated with that brand (e.g., Berger & Heath, 2008; Escalas & Bettman, 2005; White & Argo, 2011; White & Dahl, 2006, 2007). Research in this context profoundly established that individuals tend to evaluate brands or products linked to a dissimilar reference group less favorably. This experiment extends classic reference group research by examining the impact of reference groups in the context coolness. Building on these previous results, the fourth experiment demonstrated that when information about a dissimilar social group was given, inferences of nonconformity did not lead to inferences of enhanced coolness. In contrast, when a brand was associated with people in general (control), results of previous studies were replicated. In addition, a short follow-up analysis showed that inferences of nonconformity significantly contribute to the perception of brand coolness and thus, manifesting the idea that nonconformity is an essential ingredient when analyzing coolness perception.

The implications of these three studies (Experiments 2, 3 and 4) are twofold. First and foremost, this is the first empirical research that goes beyond a simple account of what is cool. The experiments delved into the examination of boundary conditions and demonstrated in which environments inferences of coolness are considered in consumer choice and purchase behavior. Second, these findings indicate that some brands are particularly sensitive to the perception of coolness. That is, brands that are used (1) to communicate identity-relevant information and (2) are consumed in public may exceptionally be prone to consumers' evaluations of coolness. These findings, however, also highlight that coolness may encounter some limits. Last, but not least, these experiments stress that the perception of coolness inherits some limits that are linked to an identity-signaling account, where identity goals and social concerns are salient to the consumer (Berger & Heath, 2007). Therefore, when a person is facing the evaluation of others – such as in a public consumption situation – people seek to link themselves to attractive, cool brands. Thus, these studies do not only promote when consumers choose coolness but also highlight the importance of identity marketing in consumer research.

In sum, these five experiments document that coolness does not only generate economic value, but that the perception of coolness inherits some limits. This is the first empirical work proving that the perception of coolness serves as a signal of identity. Table 6-1 gives an overview of the hypotheses and related studies.

Table 6-1: Overview of Experiments and Hypotheses

Experimental Examination	Hypothesis	Study
The Economic Value of Coolness	H _{2a} & H _{2b}	1a & b
The Influence of Social Visibility	H ₁ & H ₃	2
The Role of Identity Relevance	H _{4a} & H _{4b}	3
The Influence of Group Association	H _{5a} & H _{4b}	4

6.2 Theoretical Contribution

From a theoretical perspective, this research project extends literature on nonconformity (e.g., Bellezza et al., 2014) and contributes to the emerging literature on coolness (e.g., Warren & Campbell, 2014) in various ways. First and foremost, this research sheds light on the mechanism behind the phenomenon of coolness. Building on prior work in this field, this research project further refines the understanding of coolness and – most importantly – qualifies not only the impact but also the limits. Past literature and strong evidence presented in this research project argue that inferences of nonconformity enhance inferences of coolness. Building upon this foundation, this research demonstrated a unique link between perceived coolness and brand equity (and willingness to pay a premium as a proxy for brand equity) and illustrated that inferences of nonconformity led only to favorable coolness evaluation (1) when consumption was public (as opposed to private), (2) when identity relevance rather than functionality was prominent in the consumer’s mind and (3) when the brand was not associated with a dissimilar reference group. Taken together, the underlying studies show that inferences of nonconformity do not always lead to enhanced inferences of coolness, and that consumers do not always desire the cool brand.

Second, this research examined the perception of coolness in two unique settings: (1) a market setting with real brands and (2) experimental panel studies. The great number and variety of brands reviewed in Experiment 1a distinguishes this research from past studies on brand coolness (e.g., Belk et al., 2010; Runyan et al., 2013; Warren & Campbell, 2014), which focused on the manipulation of fictional brands (e.g., Warren

& Campbell, 2014) or provided a qualitative account of the concept of coolness (e.g., Runyan et al., 2013). To the best of the author's knowledge, this is the first empirical research examining and identifying effects of coolness in real market data.

Third, current research extends classic (non)conformity research by looking into how (non)conforming behavior is interpreted in the eyes of consumers. Over decades, researchers across various disciplines devoted their efforts to understand why people conform to norms and what consequences accompany norm violation (e.g., Asch, 1955; Cialdini & Goldstein, 2004; Sherif, 1935). However, little is known how external observers interpret (non)conforming behavior. More interestingly, recent research effort also started to disclose some positive effects of breaking norms (e.g., Popa et al., 2014; van Kleef et al., 2012). For example, researchers found that violating a dress code on a formal event is associated with enhanced inferences of status and competence (e.g., Bellezza et al., 2014). While past literature focused on nonconformity in human-to-human interaction, only a few research papers document how norm-breaking behavior is interpreted in the marketplace. Barone and Jewell (2013), for instance, found that brands that violate promotional and pricing category norms are associated with innovativeness. For marketing professionals to make use of social norms in marketing, it is becoming important to understand under which conditions, nonconformity can provoke the desired behavior, and how to use different social norms in different situations. Given its impact on social psychology, it is valuable to examine how – and under which circumstances – a brand can demonstrate and profit from (communicating) nonconforming behavior (see suggestions for further research, Bellezza et al., 2014). Present research adds to these interesting, documented phenomena by analyzing the effects of a norm-breaking brand.

Last but not least, this research provides important theoretical contributions that go beyond a simple account on nonconformity and coolness. Current research seeks to contribute to the new marketing discipline in symbolic branding (e.g., Ariely & Norton, 2009). Consumers do not only purchase products for their functionality but also for what they symbolize (e.g., Holt, 1995; Levy, 1959). Some of the most influential papers in consumer research have studied the role that brands and products play in expressing desired identities and making inferences about identities of others (e.g., Belk, 1988; Fournier, 1998; Holt, 1995; Kleine et al., 1995; Levy, 1959; Richins, 1997). These research streams emphasize that much of the made decisions in the marketplace are driven by emotions and psychological needs rather than product functionality. Ariely and Norton, for instance, wrote that “in some sense, people have switched from consuming food to consuming ideas (2009, p. 476). Current dissertation

adds to a collection of research efforts that examine how signals associated with brands and products influence consumer behavior, attitude and choices and the inferences other people make. From this perspective, this research endeavor contributes to the field of symbolic consumption and branding in the consumer research literature.

6.3 Managerial Implication

In addition to these scientific contributions, present research offers implications to consumers who want to be cool – but more importantly, to marketers who want their brands to be cool. First, implications for brand communication can be derived. Past literature and strong evidence presented in this research proclaim that inferences of nonconformity enhance inferences of coolness. Notorious examples across time can be identified where inferences of norm-breaking lead to superiority. Actors like James Dean or Marlon Brando became famous by playing rebellious characters in “Rebel Without a Cause” and “The Wild One” during the 1950s (Warren, 2010); musicians like Bob Dylan or Bob Marley became cool because of their rebellion against “political corruption and economic inequality” expressed in their songs (Belk et al., 2010); and artists like Jackson Pollock, Pablo Picasso or Andy Warhol rebelled against dominant, mainstream art perceptions (MacAdams, 2012). Ultimately, this may also be one reason why Apple – driven by the identity of its countercultural leader, Steve Jobs, as well as marketing slogans like “think differently” or its famous “1984” ad – became a cool iconic brand; and why some consumer groups like Australian surfers (Beattie, 2001; Canniford & Shankar, 2007) or American skateboarders (Moon & Kiron, 2002) stand exemplary for what coolness means: a rebellion against a dominant mainstream (Belk et al., 2010).

Second, while some romanticize the perception of coolness and its impact on sales growth as the ultimate, others declared it as a cultural myth that is difficult – if not impossible – to define. Current research sought to address both the worshiper as well as the critics. Present research does not only provide strong evidence of an economic value for coolness, but also neutralized the phenomena by pointing to some boundary conditions which, depending on the nature of your product, may also backfire.

Ultimately – and most importantly, this research highlights that managers and marketing experts must understand that consumers not only evaluate an object’s surface features but are also concerned about its deeper meaning. As a consequence,

understanding the value of symbolic signals is becoming a core discipline for many business strategies.

6.4 Limitations and Further Research

Cultural Differences

One limitation refers to cultural variability and the fact that coolness is not necessarily a “universal currency” (Belk et al., 2010, p. 201). Belk *et al.* (2010), for instance, argued that while cool is used similarly across cultures, the meaning could be adopted locally. Current research examined the perception of coolness exclusively in Western culture, who is known for being more individualistic and thus valuing independence and characteristics that distinguish oneself from others (e.g., Hofstede, 1980; Markus & Schwartz, 2010). In contrast, consumers from East Asian and Latin American cultures embrace collectivism and romanticize over the desire to establish harmony with others. They put an emphasis on adjusting oneself to fit into an environment rather than trying to control it (e.g., Hofstede, 1980). Given the fact that nonconformity or divergence is an important part of the perception of coolness, it is unclear whether cultural differences will fundamentally change consumers’ perception of what is cool. Further research could address the perception of coolness under the light of cultural variability.

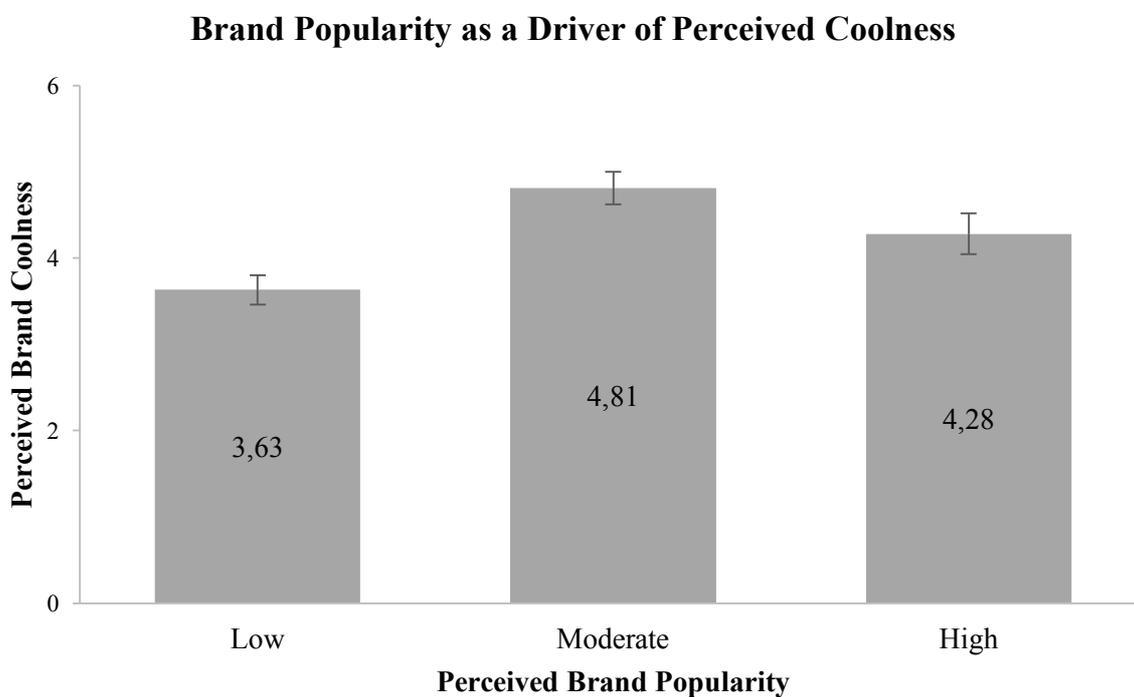
Perceived Popularity as an Antecedent of Coolness

Present dissertation limited the scope of research to the relationship between nonconformity and the perception of coolness. However, there seems to be another interesting perspective, which is central to the perception of coolness, namely perceived popularity (see discussion in Chapter 2.1.2, pp. 12–17). Work in the field of imitation showed that information about similarity toward others drives behavioral actions (Snyder, 1992) and holds positive effects (e.g., Tanner et al., 2008) as well as some inhibitory consequences (e.g., White & Argo, 2011). Since imitation appears to have both a facilitating and inhibitory effect, research assumes that the relationship between the number of imitators and coolness is reflected in an inverted u-shaped curve (Wooten & Mourey, 2013)

To test this hypothesis, a preliminary study was conducted. Participants (N = 119; 67.2% Male; M_{age} 31.85, range: 18–63; all in the United States) were randomly assigned to a brand-related text that was marked either by low, medium or high brand

popularity. Popularity was manipulated with indicators such as Facebook fans, popularity among peer groups, or distribution. After the reading task, participants were invited to evaluate the brand regarding coolness and to indicate the perceived popularity of that brand. As depicted in Figure 6-1, results show that the moderate popular brand is perceived to be cooler than the low ($M_{\text{low}} = 3.63$ vs. $M_{\text{moderate}} = 4.81$; $t(76) = 4.595, p < .001$) as well as highly popular brand ($M_{\text{moderate}} = 4.81$ vs. $M_{\text{high}} = 4.28$; $t(78) = 1.715, p = .08$).

Figure 6-1: Brand Popularity as a Driver of Brand Coolness



As companies are continuously focused on generating growth by extending their customer base to new segments or new even markets, it seems rather counterintuitive that a high level of brand popularity harbors some negative downstream effects to its symbolic value (Bellezza & Keinan, 2014). There are numerous examples of brands that tripped while trying to meet investors' expectations in growth as well as consumers' desire for exclusivity. One well-known and recent example is the brand Michael Kors, who simply became too common for many high-fashion consumers. After a stunning rise in recent years – thanks to its trendy handbags and watches – the widespread popularity of Michael Kors has been awarding the “kiss of death” for its coolness (Business Insider, 2015). Following this example as well as some first

preliminary results, it seems interesting to examine the impact of popularity on coolness and brand evaluations in general. In a time, where every brand is fighting for the highest numbers of followers and a widespread distribution, it seems counterintuitive that the popularity of a brand creates obstacles rather than advantages.

Characteristics of the Norm Violator

Another interesting research topic can be spotted in the sender's characteristics. Historically, the perception of coolness has been associated with an outlaw anthropomorphized by rebellious personalities such as James Dean, Pablo Picasso, or Bob Marley; or marked by consumer groups, like Australian surfers. They are outsiders, revolutionaries or other disenfranchised individuals characterized by low-status at the edge of society (Belk et al., 2010; Leland, 2004; Pountain & Robbins, 2000). However, there is another norm-breaking individual at the other end of this continuum – the top dog. Top dogs are high-status individuals who experience leeway to violate norms as they please. They engage in nonconforming or socially inappropriate behavior (e.g., van Kleef et al., 2011), such as choosing informal dress styles and wearing casual sweatshirts and jeans to business events (Bellezza et al., 2014) yet without the fear of earning sanctions or misjudgment (e.g., Abrams et al., 2008). Simultaneously, top dogs are characterized by the ability to retain resources like money, knowledge and support (Paharia & Thompson, 2014), which explains in part why individuals prefer to connect themselves to winners and disconnect from losers (Cialdini et al., 1976). In sum, both ends of the continuum – the low-status outlaw and the high-status top dog – may be considered to be cool, because they strive to set themselves apart as a nonconforming, rebellious individualist. Specifically, built upon these previous research efforts (e.g., see also Paharia, Avery, & Keinan, 2014; Paharia, Keinan, Avery, & Schor, 2011; Paharia & Thompson, 2014), it seems interesting to decipher how either high or low brand status influences the perception of coolness.

7 Conclusion

There are notorious examples – including Apple, Levi's, Nike or Harley-Davidson – that profoundly demonstrated that coolness is more than just a juvenile distinction, but instead a matter for boardrooms. What may seem like a trivial and teenaged adjective has proven to have a pervasive impact on businesses (e.g., Kerner & Pressman, 2007; Pountain & Robbins, 2000). Although the marketplace values the cool factor, scholars have troubles agreeing on a specific definition what cool means or signifies beyond being a hot marketing topic. This may be due to the fact that there is an intriguing absence of empirical research documenting the positive effects of coolness. The fundamental questions of managers are: what is cool and when do consumers desire cool brands? Does coolness contribute to high-profit margins, greater sales and protect the brand from commoditization? This is where this dissertation's endeavor is established.

The fundamental aim of this dissertation goes beyond a simple account of what is cool and what not. Following an extensive literature review, this research's foundation is built upon the fact that inferences of nonconformity (within the realm of commonly accepted and appropriate behavior) lead to enhanced inferences of coolness (e.g., Belk et al., 2010; Warren & Campbell, 2014). Based on this premise, this research demonstrates in a first step that the value of coolness is reflected in high levels of brand equity and a willingness to pay a premium for coolness. In a second step, this research project further delves into the analysis of boundary conditions and constitutes when consumers desire cool brands. Present findings show that coolness can only occur in particular environments, that are (1) visible to others, (2) with brands that put an emphasis on an individual's identity and (3) are not linked to a dissimilar reference group. In sum, these results indicate that coolness is particularly salient when social concerns are prominent and impressions can be formed. In contrast, this dissertation also shows that inferences of coolness may not be relevant for functional brands or brands consumed in private.

Although Warren and Campbell (2014) and others (e.g., Belk et al., 2010) also examined the phenomenon, past research almost exclusively focused on the antecedents of coolness in their analyses. To the best of the author's knowledge, this is the first empirical work demonstrating positive effects of brand coolness in a real market environment by examining the relationship between brand coolness and brand equity. This is also the first research examining environments where consumers do and do not desire cool brands. Ultimately, this dissertation adds to a collection of research

efforts studying the importance and influence of symbolic signals on consumer behavior, attitude and choices. From this perspective, this research's endeavor contributes to the field of symbolic consumption and branding in the consumer research literature.

Beyond these contributions, present findings have substantive implications for managers. First and foremost, this dissertation provides essential insights when consumers desire coolness and what this perception is worth. Building on this, managers can establish marketing strategies and create communication campaigns that foster their brand's coolness perception. In addition, in line with various research streams (e.g., Holt, 2003), this research shows that consumers actively seek relationships with the rebel world, and that brands can dare to break norms. Second, managers and marketing experts must understand that mastering the symbolic value of objects and brands is becoming a core discipline in today's business strategies. Consumers do not buy products for their functionality, but are also concerned about an object's 'soul'. When brands evoke characteristics associated with coolness they are more likely to stand out in today's lavished marketplace.

As a consequence, the present dissertation not only underscores important implications for managers, but also outlines a number of avenues for further research in the field of symbolic consumption. Following the initially proposed research questions, this dissertation provides an essential contribution to marketing practice and consumer research to understanding the value of coolness and the conditions under which consumers desire the cool brand. Ultimately, this dissertation sought to make a cultural myth sizeable and tangible to scholars, managers, and consumers.

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9 Curriculum Vitae

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