What's Cool? Examining Brand Coolness And It's Consequences

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WHAT'S COOL? EXAMINING BRAND COOLNESS AND IT'S CONSEQUENCES

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TITLE: WHAT'S COOL? EXAMINING BRAND COOLNESS AND IT'S CONSEQUENCES

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The word cool is everywhere, in magazines, movies and in advertising. Although the origins of the word and its general relevance to marketing have been well discussed, there has been little scientific research of coolness and its consequences in the context of marketing of specific brands or product categories. The focus of this dissertation is to build the first theory driven and psychometrically sound measure of a brand's level of coolness in the form of a brand coolness index (BCI). The concept of cool as it applies to brands is defined and the five dimensions of cool are identified with the purpose of building the BCI. A model that investigates the effects of brand coolness on consumer attitudes and several behavioral consequences is proposed. BCI is a multidimensional instrument that will be a powerful diagnostic tool for both academics and practitioners. The proposed model emphasizes the importance of being a cool brand in relation to brand affect, brand trust, brand loyalty, willingness to pay a price premium and positive word of mouth.

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CHAPTER 1

INTRODUCTION

1.1. Importance and Purpose of the Study

The word cool is everywhere, on magazines, in movies and in advertising. Nancarrow, Nancarrow, and Page (2007) call it the zeitgeist of the new millennium, while Pountain and Robins (2000) see it as firmly embedded in popular youth culture. Although the origins of the word and its general relevance to marketing have been well discussed (Frank 1997; Nancarrow, Nancarrow and Page 2002; Pountain and Robins 2000), there has been little scientific research of coolness and its consequences in the context of marketing of specific brands or product categories.

Recently, market research firms and the media have shown a lot of interest in the identification and understanding of what is considered cool. Businesses want to understand what makes their brand cool, and market research firms strive to understand what the term means to consumers and how it affects their purchasing behavior. For example, *Superbrands*, an organization that publishes the annual "America's greatest brands" also publishes "Coolbrands", a list of the "*coolest*" brands in the United Kingdom. The popular television music channel, *MTV Networks*, surveys young consumers across several countries to identify the coolest brands. Brands are nominated across several categories and the top 10 brands receive awards yearly.

Firms invest heavily in both research and marketing efforts to make their brands cooler. In an effort aptly labeled "Appleization", computer and peripherals giant *Dell Inc*, hired a manager previously employed by *Apple Inc* to transform *Dell*'s boring image to a more edgy, cool one (Krazit 2006). Similarly, *Hewlett Packard* attempted to improve its

image with cool advertisements and viral marketing. Clearly, the importance of becoming a cool brand and maintaining that image is well recognized and understood by the business world. In fact, businesses spend vast sums of money on the practice of *coolhunting*, hiring experts to identify emerging trends among the youth predicted to become more widely accepted as cool in the near future.

Differentiating products based on their technical functionality and build quality is becoming increasingly difficult (Dumanine 1981; Veryzer 1995). As Govers (2005) states, quality controls have ensured that most products are capable of fulfilling their intended functions. However, the symbolic meaning that products hold provides a venue differentiating products in the eyes of the consumer rather than relying on features and functional aspects alone. A cool brand image could be one such differentiating factor that could lead to market success and sustained profits (Olson, Czaplewski and Slater 2005). The benefits of a cool brand include premium pricing, positive word of mouth and image enhancement for the firm (Levit 2007). Further, as an intangible and difficult to replicate or substitute resource, a cool brand image can also be a source of sustainable competitive advantage (Barney 1991).

Overall, the importance of understanding cool has been stressed by several authors, both in popular media and in the marketing literature (Nancarrow, Nancarrow and Page 2007; Pountain and Robins 2000; Southgate 2003). Southgate (2003) went so far as to say that cool is the anvil on which many brands are made popular. Some brands fail in their pursuit to be seen as cool (e.g. Microsoft's Zune), while others are ensured a long-lasting success as the "must have" brand (e.g. Apple's iPod). Cool has been referred to as a form of currency that all brands can leverage for profit (Southgate 2003; Olson,

Czaplewski and Slater 2005). Yet, there has been a paucity of studies on this topic in the marketing literature. The few published works are descriptive and heavily focused on the activity of coolhunting rather than the concept of cool (Gladwell 1997; Gloor and Cooper 2007; Southgate 2003). The purpose of this research is to take a scientific approach to the study of cool in order to gain a better understanding of this construct as it applies to the marketing of high tech brands and to develop an instrument to measure a brand's coolness.

Given the complexity of the concept of brand coolness a two phase approach is adopted by this dissertation. Specifically, in phase 1 the concept of cool as it applies to brands is defined and several dimensions of cool are identified with the purpose of building a Brand Coolness Index (BCI). In phase 2, a model that investigates the effects of brand coolness on consumer attitudes and several behavioral and attitudinal consequences is proposed and tested.

1.2 Context, Scope, and Research Questions

The very basic idea of "mine," the pursuit of individuality and the resistance of societal pressure is more reflective of western individualistic cultures than collectivist cultures (Carman 2000). To this extent, the propositions and models represented in this research are better suited for cultures that favor individualism over collectivism. Culture exerts considerable influence on consumer behavior, as many aspects of cultural values and beliefs are likely to affect the needs consumers attempt to satisfy through consumption (Roth 1995). Western cultures typically favor independence, individuality and hedonism while collectivist cultures favor emotional dependence, cohesion and value of the collective (Triandis 1994). Therefore, the importance of cool as described in this

study will be more relevant for western societies. That premise is not tested in this research but is left for some future study.

According to a Datamonitor (2005) report, the perceptions of cool also vary by age. While young consumers often mimic celebrities who are to be perceived as cool, most teenagers and adults view cool as a means to express their individualism. Older customers were found to view cool as synonymous with quality. While differences exist, both coolhunters and firms focus on studying cool in the youth market. Therefore, the study is limited to studying cool as it applies young consumers in the age group between 18-36. Given that coolness is inherently a social phenomenon (Pountain and Robins 2000), a category of products that are publicly consumed would make the best candidate for this research effort. Technology brands are chosen as the context for this dissertation based on the ubiquity of technology in today's society and the fact that technology products are often consumed publicly. Another important reason for this choice is the current use of technology as a medium for self-expression (Kozinets 2008). As Frank (1997) and Gladwell (1997) note, self-expression is a critical component of cool. Moreover, technology, in general, is considered cool (Rohde 2004) and technology brands top the list of brands that are considered cool by consumers (Superbrands 2004). It appears that coolness is nowadays more mentally linked to technology than any other category of products. In preliminary focus groups and interviews (see Appendix A), technology brands were repeatedly mentioned at the top of consumers' self-generated lists of cool brands. Furthermore, technology brands such as Apple and Google are among the most common examples of what is viewed as cool in marketing literature (Gloor and Cooper 2007).

The scope of this dissertation is limited to defining cool and developing a measure for brand coolness as well as testing the relationship between BCI and its expected consequences. It is beyond the scope of this research to test any propositions relating to the antecedents of BCI. While the constructs likely to influence and even drive the coolness of a brand are briefly discussed, experiments and tests pertaining to these antecedents of brand coolness will remain to be addressed in future research efforts. Further, the scope of this research is limited to only technology brands. While BCI is a general coolness index that could potentially be applied to other product categories, it remains for future research to test its generalizability.

The main objective of this dissertation is to answer the following research questions:

1.   In general, what is cool?

2.   What makes a brand cool?

3.   What are the dimensions of brand coolness?

4.   How can the coolness of a brand be measured?

5.   What effects does brand coolness have on consumer brand trust, brand affect, brand loyalty, word-of-mouth, and willingness to pay a price premium for the brand?

The secondary objective of this dissertation is to answer the question "What can marketers do to increase the coolness of their brands?", or in other words "what are the antecedents of brand coolness," and to provide suggestions for future research.

1.3 Potential contributions

This research makes several important contributions to the marketing literature with powerful implications for marketing practice. First, this dissertation is the first empirical investigation to examine the concept of cool within a marketing context. To date, most studies have focused heavily on the activity of coolhunting or utilized interpretive techniques to understand cool consumption. None of the studies so far have focused on defining and measuring cool as it pertains to marketing. By focusing on the construct instead of the activity, this research enhances knowledge in an area that is lacking in theory. Further, this study provides a clear conceptualization of the concept of cool as it applies to marketing and branding.

Second, this dissertation provides the first theory driven and psychometrically sound measure of a brand's level of coolness in the form of a BCI. BCI is expected to be a multidimensional instrument that will be a powerful diagnostic tool for both academics and practitioners. Third, the proposed model illustrates the positive consequences of being a cool brand in the marketplace. This study is the first of its kind that emphasizes the importance of being a cool brand in relation to brand affect, brand trust, brand loyalty, willingness to pay a price premium and likelihood of positive word of mouth. Finally, the dissertation will provide a framework that lays the foundation for future research aimed at enhancing knowledge about technology adoption.

From a managerial standpoint, the results of this dissertation are expected to aid managers in designing marketing strategies that can leverage the coolness of the brand. Because BCI is a multidimensional index it provides a way of diagnosing a brand to better understand its strengths and weaknesses in comparison to other competing brands.

Managers can then leverages these strengths and take necessary measures to improve their brand's image relative to the competition. Using the BCI overall score as well as the score on each dimension, managers can determine on which elements of the "coolness mix" they score low. This will allow them to later identify the specific component that is more amenable to change. Such information can help managers not only in brand repositioning efforts, but also in designing promotions that focus on the positive aspects of the brand to facilitate adoption of high technology goods and services.

1.4 Manuscript Outline

The dissertation proposal is organized in five major chapters. This first chapter has presented the purpose of the dissertation and argued for the relevance of cool as a valuable characteristic of brands as well as the need for a rigorous empirical examination of the construct. The research questions to be answered were presented and the potential contributions of this research to marketing scholars and practitioners were emphasized.

Chapter 2 provides a review of the extant research and establishes the theoretical foundations for the BCI. The concept of cool as it applies to brands is defined, the dimensions of brand coolness are discussed and a multidimensional BCI is proposed. A conceptual model of the consequences of brand coolness is proposed for testing.

Chapter 3 discusses the methodology and the rationale for the research design used in this study. Details of the two phase design adopted by this dissertation are provided and the scale development process for the BCI is described in detail. In addition, the chapter discusses the operationalization of the various constructs and details the process by which the reliability and validity of the measures are tested.

Chapter 4 summarizes the data collection procedures and provides details of the statistical analyses performed in phase 1 and phase 2 of the dissertation. Specifically, the assessment of the psychometric properties of BCI such as dimensionality, reliability and validity and are presented. Further, a model of BCI consequences is tested using structural equation modeling and the results of the analyses along with a discussion of the findings are detailed.

Chapter 5 concludes the study by providing an overall summary of the dissertation along with a discussion on the theoretical and managerial contributions of the findings. The limitations of the study are outlined and a framework for future research is provided.

CHAPTER 2

LITERATURE REVIEW

This chapter is organized into three main sections. The first part describes

coolhunting as an activity, while the second part traces the concept of cool in general as

well as in a marketing context. The second section discusses the components of a cool

brand in order to lay the theoretical foundations for the Brand Coolness Index (BCI). The

third and final section discusses the specific marketing implications of having a high

level of brand coolness.

2.1 Coolhunters and the Global Coolhunt

Nearly every author who has written about cool and coolhunting refers to

Malcolm Gladwell's, "The Coolhunt" (1997). In this article, Gladwell coined the term

coolhunting to describe the practice of identifying trends in the marketplace with the end

goal of pinpointing the next big thing in youth culture. Marketplace trends are strongly

driven by what is perceived to be cool by young consumers (Gladwell 1997), and the use

of coolhunters enables the marketing and consumption of cool (Bird and Tapp 2008;

Frank 1997). Coolhunters are select individuals hired by organizations to discover and

understand these emerging trends in the marketplace (Gladwell 1997). They are

trendseekers who observe and document cool expressions from the youth and help

package it for the masses (Steyer 2000). A coolhunter's job is to intuitively observe,

identify and document these trends before they become mainstream, so businesses can

commercialize them and leverage this knowledge to gain a competitive advantage.

Firms place a high premium on being able to create goods and services that appeal to the youth market (Milner 2004). As Milner notes, the likes and dislikes of the youth are relatively easy to identify, but what they perceive as cool is more difficult to ascertain. It is due to this uncertainty that companies rely on coolhunters to gain inside knowledge on what the youth view as cool. This knowledge allows businesses to precisely tailor marketing strategies that use the coolness factor to appeal directly to the youth segment.

Marketing practitioners and scholars have long understood the need for recognizing and predicting trends in consumption, especially in areas of rapid change such as technology and fashion (Danesi 1994). As there exists very little scholarly research, businesses have relied on coolhunters who have an intuitive understanding of cool. However, coolhunters are not interested in studying cool in general, instead they document specific trends for practical reasons.

One of the very few intensive efforts to study and understand cool was conducted by Hill and Knowlton who, in partnership with Dr. Carl Rohde (2004), organized a worldwide coolhunt to identify things considered cool across several cultures. Over 200 coolhunters were used to understand motivators and enhancers of cool across 26 countries. The ultimate goal was to help businesses design marketing communications that would be would be well received by a global population. The qualitative approach focused on interpretation of photographs, conversations and symbols collected by the coolhunters in order to capture the mood and mentality of the youth in different nations (Rohde 2004). Although this study was the most comprehensive effort to understand cool, it still does not offer a theoretical understanding of the concept and leaves much

room for interpretation. Further, the focus of the study was to find out trends that were considered cool across cultures and not to identify what makes brands cool.

2.2 What is Cool?

The word "cool" has been used to refer to things or practices that were "superlative" or "excellent" and "exclusive" (Gloor and Cooper 2007). Similarly, Pountain and Robins (2000) describe cool as a form of hedonistic indulgence, a variant of sophistication, used as a means to escape the masses. An object or practice was considered cool if it helped distinguish the user from his or her peers. In contrast, Gladwell (1997) saw cool as being a contemporary, fashionable and socially attractive attitude. He did not see cool as an intrinsic characteristic of objects but rather as something that was bestowed upon them by specific users. As such, cool was not something that could be manufactured by the company and, in Gladwell's opinion, cool only exists in reference to other individuals. Southgate (2003) also echoes this view and states that cool is a quality of people and not of objects. A cool person is simply one who has established his or her distinctiveness both from the majority of the community and also from his or her peers. This relatively contemporary view is echoed by Nancarrow, Nancarrow and Page (2007) who define cool as a laid back, narcissistic and hedonistic attitude and as a form of insider knowledge. However, while this definition supports Gladwell's view in that it emphasizes the persons' distinctive attributes, it also extends the concept by accepting the idea that cool could also be knowledge about commodities and consumption practices. Cool is not in just the selective process of consumption but also a result of the manner in which the items are consumed. It is at this juncture where the role of the coolhunter becomes important. By identifying these trends of consumption

ahead of mainstream adoption they allow marketers to commodify them. Fig 2.1 incorporates the views of Gladwell (1997), Southgate (2003) and Nancarrow, Nancarrow and Page (2007) and illustrates the role of coolhunters in identifying cool trends. Coolhunters closely follow the actions of those considered cool, which allows them to guide firms in commercializing these trends. Those outside the inner circle then imitate the actions and adopt these trends in an effort to be seen as different and special. The mass adoption that ensues makes these very trends uncool and the cycle continues in search of the next cool thing.

Gloor and Cooper (2007) view cool as meaning "excellent" and "fun". The focus on the "fun" and "exciting" element of cool allows the construct to exist in both individuals and in inanimate objects, as human beings often imbue inanimate objects and brands with personality traits (Aaker 1996). This view captures the essence of the way the term cool is used today as evidenced by coolhunting as well as the aforementioned awards that are bestowed upon brands and certain products. For example, in recent years an Apple Ipod has been considered cool, as have Volkswagen Beetles, snowboards and Linux (Gloor and Cooper 2007). As noted by Pountain and Robins (2000), cool is not intrinsically woven into an object; rather, cool is a perception, a special way in which people perceive or experience an object. Gloor and Cooper (2007) provide the example of Google, which has achieved the cool image through its informal corporate motto of "don't be evil." The impression of Google as being a company that tries to be responsible and "different from the majority of others" has much to do with its cool image. The company's motto that separates it from other businesses enhances its status in the consumers' minds and results in Google's cool image.

Understandably, the term cool has a multitude of meanings as used in many contexts. Some have even suggested that the term is used too frequently and with such impulsiveness that it seems trite (Wong 2007). However, as Dewey (1934) suggests, impulsive expressions that have entered the vernacular may be a more honest observation and assessment than a carefully thought out sentence. Dewey refers to these instantaneous terms as a signal of a powerful experience that has been had or expected from the object. He refers to this as the aesthetic, as the quality of the person's experience that is a direct result of the transaction between the person and the object. In other words cool refers to a sense of awe, a term used to describe a profound experience.

The idea of cool became part of mainstream western culture about half a century ago (Pountain and Robins 2000). It is important to note, however, that the concept of cool probably existed a lot longer than 50 years, likely in other forms, with similar connotations. The word cool itself was popularized in American culture by jazz musicians in the late 1940s in post war America (Frank 1997). Their counter cultural movement was symbolized by a rebellious disdain for the mainstream brought on by a need to find a niche that sets them apart. Miles Davis's "Birth of Cool" and its transition from traditional behop to its cool status is a direct reflection of its distinctive qualities (Wong 2007). The separation from the traditional with an air of distinctiveness is an essential component of cool. This idea of cool captured a sense of originality and exclusivity that is still relevant today (Gloor and Cooper 2007). It provides a venue for separation from the masses along with a sense of identification with the special. Similarly, drawing on Dewey's notion of the transaction between the self and the object,

Wong (2007) concludes that rarity or uniqueness of the experience makes it more compelling and thus more cool.

Regardless of the different nuances of the term cool, the idea of distinctiveness and authenticity appears to be omnipresent. Cool is clearly a means of escaping the masses, a way of being perceived as different. The public consumption of differentiating goods is one of the most common of consumer's activities that is driven by the need to feel different from other people. Snyder and Fromkin (1977) refer to this as "counter-conformity motivation" and state that this occurs when individuals tend to perceive that they are too similar to the others. This phenomenon is a common characteristic of Western countries which encourage individuality over conformity. As previously discussed, this need is often exploited by marketers with the help of coolhunters, who develop promotional messages for brands and products designed to enhance one's uniqueness. Consumers then react to the marketing efforts and purchase the brand resulting in widespread adoption of the product. However this results in a situation where each consumer's expectation of specialness is not met. But it should be noted that even in such environments consumers are still able to resist the force towards conformity through "a million ineluctable, unfinalizable, individualistic devices" (Frank 1997, p.17). This cycle continues with the constant search for brands and products that are ahead of the curve, innovative, emerging and still not mainstream (Snyder 1992; Tepper 1997). Innovative goods and services can also satisfy the need for uniqueness due to their novelty and the fact that they are not yet part of the mainstream. With the exception of innovators and possibly early adopters, most innovative offerings require a window of time before they are adopted en mass. Within this window, these goods and services will

be considered special and unique and hence satisfy the consumers need for uniqueness. Further, the consumer's need for uniqueness also fits into the broader theory of consumption as an extension of the self (Belk 1988).

Given that cool is a term borrowed from popular culture, some could look at cool as an expression of popular aesthetic. The popular aesthetic (Bourdieu 1980) emphasizes the personable and subjective nature of objects, and empowers consumers of mass culture to defend the pleasure they derive from it (Rose and Wood 2005). However, this is accompanied by a drive for authenticity and for real experiences which is in strong contrast to Baudrillard's (1983) notion of hyperreality, where individuals substitute fantasy instead of genuine experiences. This drive for authenticity is a reaction to the inauthentic nature of postmodern life. To escape this superficial existence consumers seek meaning and exclusivity in the things they consume (Firat and Venkatesh 1995).

Authenticity is also a critical component of cool (Thornton 1995; Southgate 2003). The notion of authenticity has been consistently viewed as a function of perceived genuineness and positive valuation and such judgment was believed to be grounded in the object's connectedness to special events and other highly valued components of the consumers' own life experiences and self-concept (Grayson and Shulman 2000). However, the recent work of Rose and Wood (2005) seeks to extend this notion. Their findings suggest that while connectedness to real experience might be a necessary condition to some extent, it is not sufficient. They challenge the indexicality view of Grayson and Shulman (2000) and suggest instead that authenticity is a much more complex judgment based on the consumers' negotiation between the authentic and inauthentic elements inherently present in the object of their consumption. Rose and

Wood (2005, p.294) expand Bourdieu's (1983) notion of hyperreality to "hyperauthenticity" to denote the "reflexive consumption of an individualized blend of fantasy with the real." In this conceptualization, authenticity is not as much embedded naturally in the object of consumption but rather co-produced by consumers through their experiences. Consumption experiences are not objectively real but rather endowed with authenticity by the consumer (Arnould and Price 2000; Cohen 1988; Rose and Wood 2005). This view is further supported by Pountain and Robins (2002) who view notions of cool and authenticity as perceived qualities, a specific combination of elements in which the brand, object or person is viewed by others. Coolness is not inherent to the object or the brand but refers to the way in which the brand is perceived by those around it.

Brands themselves can be associated with symbolic meanings that convey status, prestige and "coolness" (Achenreiner and John 2003). They have become the preeminent means by which people experience and express the social world (Holt 2003). Moreover, postmodern brands are considered to be more valuable when they are offered as original and relevant cultural resources that can be used as ingredients in the production of the self the consumer desires. However, brands can only fulfill this purpose when they are perceived by consumers as authentic and unique (Holt 2003). In the end, brands are social objects and are thus socially constructed, or rather co-constructed, by consumers who organize themselves in communities around them (Muniz and O'Guinn 2001). Then, perhaps successful brands will be those that are inspiring, those that are capable of creating worlds that strike consumers' imaginations and those that help consumers make sense of the world around them (Holt 2003). As Frank (1997) notes, a choice of several