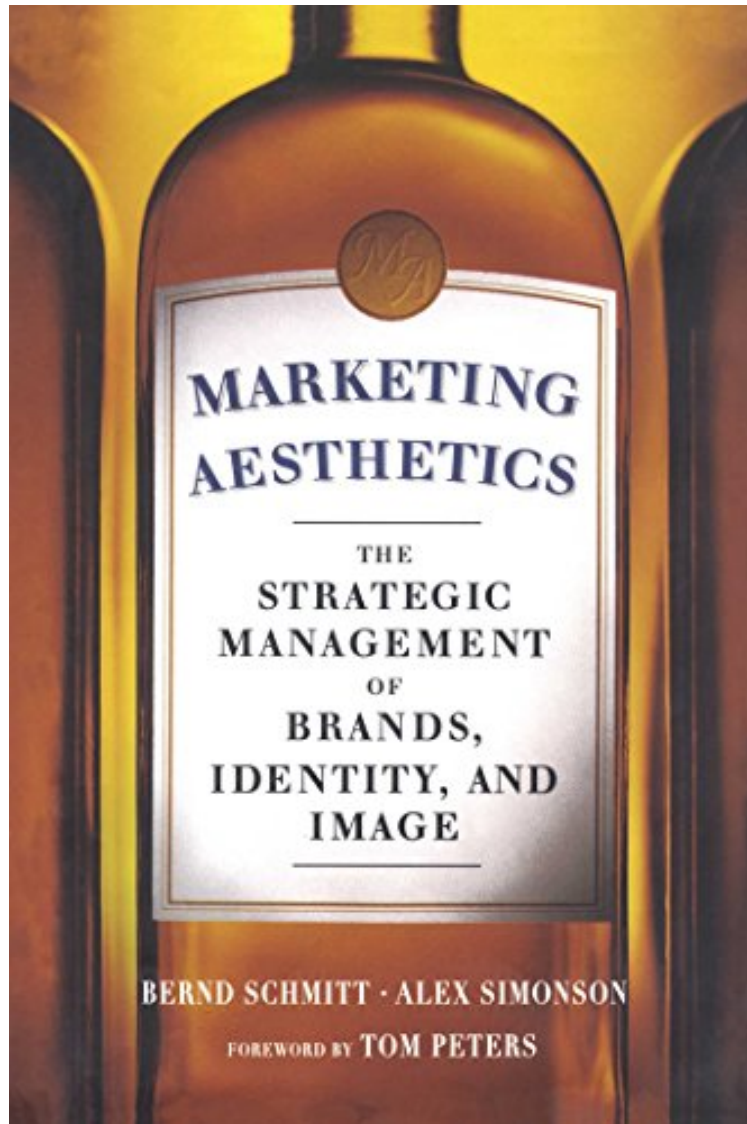


(Mobile book) Marketing Aesthetics: The Strategic Management of Brands, Identity, and Image

Marketing Aesthetics: The Strategic Management of Brands, Identity, and Image

Alex Simonson, Bernd H. Schmitt
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Alex Simonson, Bernd H. Schmitt : Marketing Aesthetics: The Strategic Management of Brands, Identity, and Image before purchasing it in order to gauge whether or not it would be worth my time, and all praised Marketing Aesthetics: The Strategic Management of Brands, Identity, and Image:

0 of 0 people found the following review helpful. Deserves creditBy EuricoThis book is all about design thinking; from marketing and communication strategy to aesthetics, it brings lots of good concepts that, aligned with good practices, should change the way you look at "how things look".4 of 4 people found the following review helpful.

Demystifying the '90s consumer culture By WillemG@aol.com Schmitt and Simonson have accomplished quite a feat--demystifying the dominant visual culture of the 1990s. Their book, *Marketing Aesthetics*, is the first scholarly text to introduce this topic as one that is to be seriously considered by anyone in business today. This book is written for the entrepreneur who wishes to understand what often separates companies with success and status from those ill-defined in their market. The authors show how aesthetics fit in the well established models of consumer behavior, market research, and communications with customers. *Marketing Aesthetics'* encompassing sensory considerations are to the turn of the millennium what *In Search of Excellence's* customer service was to the early 1980s. This book, however, should be of interest to more people than marketing majors. Sociologists, art historians, and cultural critics need this book because it gives a language to define the 1990s, and especially to explain megamalls, Disneyfication, and personal identity achieved through consumption. Schmitt and Simonson elucidate the corporate strategies that have come to define consumer experience at the end of the century. The mall culture of Victoria's Secret, The Body Shop, and Starbuck's Coffee are analyzed to show how the shops, spaces, architecture, packaging, and products, come together to create a total sensory experience for the customer and ultimately result in a purchase. Their examination of internet pages formulate how virtually anybody can create a positive presence in this medium that "levels the field" for small business. Ultimately, this book indicates why post-modernism, simulacrum, and the society of the spectacle work. As goods and services like coffee, luxury automobiles, and air travel are relatively the same in and of themselves, it has become necessary to move beyond the utility of the product, and to create meanings and associations that differentiate the company and its offerings. The examples in *Marketing Aesthetics* are the practical application of displaced meanings that have come to define entities, objects, and consumers.²¹ of 22 people found the following review helpful. A Sensible Perspective By Robert Morris The authors assert that, within a marketing context, a company must find "a powerful point of differentiation through the use of aesthetics to create positive overall customer impressions that depict the multifaceted personality of the company or brand." How? The book explains how. Substantial attention is devoted to the branding phase during which a symbol is strategically created, conveys a positioning, provides tangible value, and is most effectively managed on a daily basis. "Drivers" of identity are also explained as is the procedure for cross-functional coordination and other components of what should be a cohesive, comprehensive, and cost-effective marketing program. During the course of *Marketing Aesthetics*, the authors examine a number of different products for which various companies achieve "a powerful point of (aesthetics as a strategic tool); Lucent Technologies and Continental Airlines (creating identity and image through aesthetics); IBM (corporate and brand expressions); Starbucks and Gillette (styles); Pepperidge Farm Cookies (themes); The Four Seasons (overall customer impressions); LEGO and Bosch (comprehensive identity management); Godiva and Nike (retail spaces and environments); and Volkswagen, Netscape, and Yahoo! (corporate and brand identity on the Internet). Throughout *Marketing Aesthetics*, the focus is on real-world corporate experience which the authors carefully examine in support of their assertion that "Business processes do not provide value to customers. Core competencies do not. Even brands per se do not. Value is provided only by satisfying needs." Moreover, "In a world in which most consumers have their basic needs satisfied, value is easily provided by satisfying customers' experiential needs -- their aesthetic needs." *Marketing Aesthetics* thus explains the most effective strategies for achieving both brand and identity objectives. Those who derive benefit from this book are urged to read the more recently published *Experiential Marketing* in which Schmitt develops even further ideas introduced in *Marketing Aesthetics*.

There is no way to mistake the ubiquitous trademarked Coca-Cola bottle, or the stylish ads for Absolut Vodka with any of their competitors. How have these companies created this irresistible appeal for their brands? How have they sustained a competitive edge through aesthetics? Bernd Schmitt and Alex Simonson, two leading experts in the emerging field of identity management, offer clear guidelines for harnessing a company's total aesthetic output -- its "look and feel" -- to provide a vital competitive advantage. Going beyond standard traditional approaches on branding, this fascinating book is the first to combine branding, identity, and image and to show how aesthetics can be managed through logos, brochures, packages, and advertisements, as well as sounds, scents, and lighting, to sell "the memorable experience." The authors explore what makes a corporate or brand identity irresistible, what styles and themes are crucial for different contexts, and what meanings certain visual symbols convey. Any person in any organization in any industry can benefit from employing the tools of "marketing aesthetics." Schmitt and Simonson describe how a firm can use these tools strategically to create a variety of sensory experiences that will (1) ensure customer satisfaction and loyalty; (2) sustain lasting customer impressions about a brand's or organization's special personality; (3) permit premium pricing; (4) provide legal "trade dress" protection from competitive attacks; (5) lower costs and raise productivity; and (6) most importantly, create irresistible appeal. The authors show how to manage identity globally and how to develop aesthetically pleasing retail spaces and environments. They also address the newly emergent topic of how to manage corporate and brand identity on the Internet. Supporting their thesis with numerous real-world success stories such as Absolut Vodka, Nike, the Gap, Cathay Pacific Airlines, Starbucks, the New Beetle Website, and Lego, the authors explain how actual companies have developed, refined, and maintained distinct corporate identities that set them apart from competitors.

David A. Aaker author of *Managing Brand Equity* and *Building Strong Brands* Visual imagery has been the neglected element of branding, usually treated in an ad hoc manner. Thanks to this pathbreaking book, we now have a more scientific knowledge of how visual imagery works to build strong brands and how it can be actively managed. About the Author Bernd Schmitt and Alex Simonson teach marketing courses at Columbia Business School and Georgetown University, respectively. Professor Schmitt lives in New York and Shanghai, and Professor Simonson lives in Washington, D.C. and New York. Excerpt. copy; Reprinted by permission. All rights reserved.

Chapter 1: Aesthetics: The New Marketing Paradigm

Aesthetics.

From the moment we wake to the end of each working day we are dazzled by what we see, hear, taste, smell, and feel. Our personal tastes guide our decisions in choosing our neighborhoods, decorating our homes, selecting our clothing, picking our appliances, and buying our cars. But many managers and marketers have forgotten what provides value to customers; what truly satisfies customers; what turns them on. Business has been preoccupied with "quality function deployment" and "activity-based accounting," "business process reengineering" and "cost savings," "defining core competencies" and "strategic planning." Business processes do not provide value to customers. Core competencies do not. Even brands per se do not. Value is provided only by satisfying needs. In a world in which most consumers have their basic needs satisfied, value is easily provided by satisfying customers' experiential needs -- their aesthetic needs. Aesthetics is not esoteric. The vitality of aesthetics in customers' lives provides opportunities for organizations to appeal to customers through a variety of sensory experiences and thereby benefit both the customers and the organizations through customer satisfaction and loyalty. These opportunities are not limited to industries such as fashion, cosmetics, and entertainment that are concerned with aesthetic products as such. They are not limited to exclusive, luxury products for high-end segments. Any organization whatsoever, in any industry, for any customer base, for profit or not for profit, governmental or private, consumer, industrial or service can benefit from using aesthetics.

ABSOLUT VODKA: AESTHETICS WITH A TWIST

In the late 1970s, no one would have expected that the new Swedish vodka import would, a decade later, become one of the hottest-selling vodkas in the U.S. The odds were clearly against Absolut. It faced formidable competition by Stolichnaya from Russia, with a market share of over 80% in the imported vodka category. To make matters more difficult, Absolut had a brand name that lacked distinction; a product imported from a country not associated with a tradition of superb vodkas; and an old-fashioned bottle that looked as if it had come from an alchemist's laboratory. Not surprisingly, a marketing study warned against introduction. In ten years, however, Absolut sales in the U.S. soared from 5,000 cases per year to 2.5 million. In the late 1980s, the Swedish upstart eclipsed Stolichnaya as the best-selling imported brand and commanded a market share of 60% among imported vodkas. It ranked third among all vodkas, surpassed only by U.S.-made Smirnoff and Popov. How did Absolut do it? None of the common explanations for this kind of marketing achievement -- product quality, efficient distribution, or price leadership, for instance -- can explain Absolut's success. What happened is not miraculous nor mysterious, however. Absolut knew that the traditional ingredients of successful brands were no longer enough to lift a product above its competitors. The willingness to market its aesthetics moved Absolut into its enviable market position. Absolut's success followed a well-integrated identity campaign, termed "smart, showy, sassy, sophisticated, sometimes silly, though always stylish" that turned Absolut's weaknesses into strengths. In the aesthetics strategy pursued by Absolut, the commonplace word that was the brand name and the product's distinctively shaped bottle became the center of an artistically imaginative campaign. The Absolut identity is cool, cutting-edge, yet playful and irreverent. The product is associated with a fashionable, arty scene, but without hype or pretension. In stores and on bar shelves the minimalist clear bottle, with its long, wide neck and the words ABSOLUT VODKA spelled out on the glass in evenly sized capital letters, stands out. The silver-and-blue Absolut package design reinforces the distinct product image -- streamlined, straightforward, sophisticated. New product lines such as Absolut Kurant, Absolut Peppar, etc., are introduced naturally with minor appearance shifts such as a new lettering color, anchored by the stable simplicity of the ABSOLUT name on the bottle, the signature minimalist clear bottle and the trendy advertising campaigns that link the product to a hip, creative, high-end culture. The typical Absolut ad displays the distinctively shaped bottle above a two-word headline that starts with the word "Absolut." The crucial element of this execution is the placement of the familiar bottle in unexpected and constantly changing settings. In each ad, the consistent minimalist style of the bottle and the lettering is given an unexpected touch -- a twist that surrounds and emphasizes the stable visual elements. "Absolut Perfection" features the crystal-clear Absolut bottle depicted as jewelry topped by a halo. "Absolut Original" features a stone bottle with cracks as if it had just been excavated from a prehistoric site. "Absolut L.A." shows an aerial view of an Absolut-bottle-shaped swimming pool. In a nutshell, Absolut's sassy image is created through a sophisticated strategy that mixes consistent and simple refinement with planned and controlled unconventional executions. Not just the look of the ads but the way they use the advertising medium itself conveys this identity. Holiday campaigns always offer something special and unpredictable. One of the ads played tinny-sounding Christmas carols; another, multilingual holiday greetings from a microchip. The "Absolut Wonderland" ad was encased in a clear plastic package that contained tiny plastic "snowflakes" suspended in a mixture of oil and water. A more recent holiday campaign entitled "Absolut Warmth" included black wool gloves, co-branded by Absolut and DKNY, Donna Karan's hip line of casual clothing. Absolut has restricted itself to print advertising. But in addition to a long roster of familiar publications,

Absolut diverges from other national brands by advertising in unconventional trendsetting magazines that most media planners have probably never heard of, let alone considered: Bomb, Details, Paper. The Absolut campaign also abounds with unusual promotional tactics that reinforce the brand's aesthetic image as part of an upscale culture. Artists Andy Warhol and Keith Haring contributed to the campaign, creating artistic visions of the bottle marked by their own easily identifiable visual styles. Trendy fashion designers are called into service to design promotional clothing for Absolut, which is then worn by top models in the print advertisements. The image is also promoted through affiliating the name with a range of nonmainstream cultural events, which sport titles identical to the two-word advertising campaign -- the "Absolut Concerto" series of new classical works; Esquire's Absolut Story writing contest; and exhibitions at the Museum of American Folk Art in New York City. Absolut also uses identity-reinforcement strategies that take its aesthetic image beyond print and out into real-life situations. This move brings to life the aesthetic elements of the print campaign -- the familiar Absolut bottle, name, and headline phrase placed in unexpected settings. Cruising the streets of Manhattan and San Francisco, the mobile Absolut truck carries a giant reproduction of the Absolut bottle on a bed of acrylic ice. Billboards are placed near natural settings that are incorporated into the ad. The most dramatic one appeared in Dallas, where water may be more of a commodity than oil: The billboard was split down the middle by a cascading waterfall and read "Absolut on the rocks." The Absolut campaign has revolutionized liquor marketing through its aesthetic strategy. Attesting to the campaign's success in creating a desirable visual image, and reinforcing its ties to the art world, individual items of the campaign (ads, promotional material and the bottle) have become collector's pieces; some are issued in "limited editions" that explicitly court this association with the art scene. A book published in 1996, the "Absolut Book," by Richard Lewis, memorializes the campaign from its inception until today. The Absolut campaign has been copied shamelessly by competitors, including Stolichnaya. It has been paraded and used for products unrelated to liquor. Yet more than fifteen years since its inception, the campaign seems as fresh as ever.

GAP, INC.: REVAMPING CASUAL RETAILING THROUGH AESTHETICS

The Gap, retail clothiers founded in 1969, for many years had a solid strategy of selling Levi's jeans and identifying themselves with the lower-case swiveled "gap" logo. It was successful in the growth years of the enclosed mall in the 1970s and early 1980s, when identification, creating a brand, was the goal. But as the look changed with the times, The Gap's did not. It became an icon of outdated (1970s-dated) retailing. Its turnaround is noteworthy for its heavy reliance on aesthetics. "Celebrating 25 years of style" was emblazoned on its 1995 25th-anniversary annual report. In 1983, it changed its logo dramatically with fine, straight, long black lines all in upper case -- GAP -- not only changing a logo, but creating an entirely new look and feel. It created a new identity so strong that when one views the old Gap logo, it feels like another company entirely. By 1991, GAP had created an entire identity distinct from its prior identity as a place to buy Levi's, and had dropped the Levi's line entirely. It succeeded in creating its own distinctive and self-sufficient identity. The Gap brand is only one of GAP, Inc.'s success stories. GAP, Inc. also remade Banana Republic, which it acquired in 1983. After the idea of the novelty store (here, the jungle-theme store) became hackneyed and unprofitable in the late 1980s, GAP, Inc. in 1990 transformed Banana Republic's aesthetics. The company became a successful retailer of casual clothing; by 1995 it had moved into personal care products, shaping the identity further into an appearance center. The Old Navy Clothing stores were introduced in 1994, with their own unique identity using warehouse-like aesthetics and a rough and unfinished feel to convey the message and feel of low prices, good deals, sturdy clothing, and outdoor appeal. GAP, Inc. thus uses a stratified segmentation of creating three separate, distinct identities for three separate target markets. At the high end, there is Banana Republic; at the low end, there is Old Navy; and in the middle (or upper middle) segment is the Gap brand. It is difficult to copy GAP, Inc. or match it, because it is a proactive company. GAP, Inc. maintains its aesthetic edge by rotating product lines numerous times each year for all its retail stores. If something looks good one season that does not mean it should be sustained. The Gap stores in particular have an identity that is related to timeliness; its aesthetic is flexible, communicating a solid message: The Gap helps you create a casual appearance appropriate for the times. The changes are quick and the rewards are solid. GAP, Inc.'s performance is impressive. In 1995, it opened 225 new stores and expects to continue strong growth in the coming years. By March of 1996, GAP, Inc. operated 1,701 stores worldwide including 907 Gap stores, 444 Gap Kids stores, 211 Banana Republic stores and 139 Old Navy Clothing stores. Profit gains have averaged 28% per year for the last decade. The creative team has grown to 80 designers (for the GAP brand alone). In 1995, foreseeing and perhaps helping to facilitate a change to the "stainless-steel" look, and shaping an identity as an image focus as was done with Banana Republic, the GAP stores launched a large line of personal-care products packaged with a distinctive stainless-steel and matte-glass look that dazzles people. Playing on aesthetic elements and styles, the December 1996 Christmas campaign claimed for Gap stores "every color -- only GAP" Banana Republic urges: "Give color -- Give style -- Give edge." Both fit with the times; both play on aesthetic qualities of forms and styles. Most recently it teamed up with Digital City to produce scent samples on the internet. GAP, Inc.'s statement is clear; no longer will it be caught outdated.

CATHAY PACIFIC AIRWAYS: THE HEART OF ASIA

Cathay Pacific Airways was founded in 1946 in Hong Kong by two entrepreneurs, the American Roy Farrel and the Australian Sydney de Kantzow, who each invested HK\$1 to register the airline. In 1948, Butterfield and Swire, one of Hong Kong's major trading companies, bought into Cathay Pacific

and expanded operations. Today, Cathay Pacific is one of the world's leading and most profitable airlines. Cathay Pacific's corporate identity did not undergo a comprehensive redesign for almost twenty years. In 1994, however, Cathay simultaneously revealed a new logo and livery and began a complete redesign of the interior of its planes, ticket offices, and lounges. The new aesthetic, designed by Landor Associates, came about after three years of market research and design and cost Cathay about HK\$23 million (US\$2.95 million) over three years. Although the previous logo and livery were well-known and associated strongly with Cathay, research indicated that they did not express the airline's corporate positioning: an international airline based in Hong Kong that represents the best of modern Asia. This complex aesthetic impression was created through the blending of a look and style with themes and representations of core Asian values and cultural attributes. The Cathay Pacific aesthetic is intended to be distinctly modern but also distinctly Asian, to "reflect the changing tastes of our customers." By the start of the 1980s, most customers of Cathay were no longer the traditional set of Caucasian expatriates living overseas or those visiting Asia. Today, 75 percent of customers are Asian, with more and more passengers coming from Taiwan, Malaysia, Thailand, Korea, Singapore, and Japan. Mainland China represents Cathay's fastest growing market. Chinese customers are clearly one of Cathay's target markets for the future. Cathay's new logo features a white brushstroke (the "Brushwing") that calls to mind Chinese calligraphy while simultaneously suggesting the wing of a bird about to take flight. The powerful-looking bird suggests aviation technology, while the Asian identity comes through in the graceful brushstroke, signaling Cathay's personal, Asian style of service. The new logo thus symbolizes Cathay's two core strengths: technical excellence and superior customer service. The color green -- Cathay's signature color -- was retained in the new identity but modified to a cooler, unique shade that appears more stylish and soothing (Pantone Green No. 323). The look reinforces Cathay's modern, caring image, its international scope, and its Asian identity. Color schemes in the cabins and lounges are also designed to create a soft, relaxing, contemporary, and modern Asian atmosphere. The theme relates more to the natural elements of water, flowers, tree, stones, and slate. The new identity is supported by a stylish new global advertising campaign: "Cathay Pacific. The Heart of Asia". Created by advertising agency McCann-Erickson Worldwide, the television advertising features a variety of Asian drummers celebrating the new look and colors of Cathay Pacific. Set to a pot) soundtrack by renowned Japanese composer Ryuichi Sakamoto, the spot connects Cathay to its home in Hong Kong and closes with a special effect of the rendering of the new brushstroke logo. Print ads show a simple green background against which powerful metaphors such as a globe, a heart, a smile, and a bamboo reed (representing the Asian value of flexibility) are depicted with a calligraphic brushstroke similar to the brushwing in the company logo.

AESTHETICS AS A DIFFERENTIATOR Absolut Vodka, GAP, Inc., and Cathay Pacific Airlines are all companies whose products deliver multiple benefits to their customers. Absolut is a vodka that performs well in blind tests with vodka drinkers. GAP, Inc.'s multiple product lines across its different store names deliver quality casual clothing. Cathay Pacific is known for its superb operations, sound financial management, and attentive service. Yet, product and service quality, superb craftsmanship and engineering, or excellent operations and financial management cannot explain the success of these products and companies in today's competitive markets. A focus on core competencies, quality, and customer value would not have been enough to create an irresistible appeal. Each company found a powerful point of differentiation through the use of aesthetics to create positive overall customer impressions that depict the multifaceted personality of the company or brand.

CUTTING-EDGE ORGANIZATIONS FOCUS ON AESTHETICS Absolut, GAP, Inc., and Cathay Pacific are not alone. Several other smart organizations have gained a competitive advantage through aesthetics. Starbucks (discussed in Chapter 4) began as a local coffee store in Seattle in 1987. Ten years later, the company operates hundreds of coffee stores across the United States; has earnings above \$450 million; is able to expand its product line into ice cream, books, and CDs (yes, compact disks!); can distribute its products on airlines and in supermarkets; and has entered the Japanese market. A major factor in the company's success is its systematic planning of a consistent aesthetic style that is carried through in everything the company does. Consider Nike (discussed in Chapter 10). Nike has moved ahead of Reebok, Adidas, and other sports-shoe manufacturers. Its latest move is the retailing spaces called Nike Town. These high-tech flagship stores across the U.S. are experiential spaces, not just selling outlets. With the Nike logo -- the swoosh -- applied to everything from its athletic shoes and clothing to door handles and railings, Nike Town is propelling the company forward through aesthetics, enhancing emotional contact with the customers. What is most impressive about companies such as Starbucks and Nike is their appearance in mature markets. Both have been successful by not doing what others have been doing, by leaving the traditional marketing to their competitors and by differentiating themselves through aesthetic experiences. Even technology-laden firms like Lucent Technologies, ATT's equipment spin-off, and IBM do not merely sell hardware and software any more. Lucent (discussed in Chapter 2) has positioned itself as an innovative, creative corporation through its unusual look and voice. IBM (discussed in Chapter 3) has staged an amazing comeback by changing its image from old-fashioned, bureaucratic "Big Blue" to one of the hottest tickets in the new media landscape. And even Bill Gates has discovered that appealing to customers' experiences can be a powerful tool. After his somewhat belated decision to embrace the Internet in December 1995, he has launched the Web-based Microsoft Network, which features a cutting-edge program viewer and original entertainment programming, and the MS-NBC cable program, both filled with

unique aesthetics positioning.FROM ARMIES TO OPERAS: USING MARKETING AESTHETICS

STRATEGICALLYFrom armies to opera companies, organizations of every stripe are realizing the power of marketing aesthetics. The Israeli army has recently instituted an "aesthetic code" for its army bases. "Aesthetics is a profound concept that deals with culture and quality, not only decoration and service," says Yoram Rozov, who headed up the redesign effort for the bases. Traditional organizations in the arts that have always depended on aesthetics, including museums, theaters, and opera organizations, are becoming more strategic about using aesthetics for marketing the organization. The Metropolitan Opera in New York shifted gears in the late 1980s. Under its new CEO, Mr. Bruce Crawford, a former ad executive, star directors like Jean-Paul Ponelle, Franco Zeffirelli, and Otto Schenck transformed traditional Italian, French, and German opera into grandiose showpieces more on the Broadway than the traditional opera model: The Quartier Latin act of *La Boheme* with over a hundred people on a cramped stage, *Aida* with real horses in the "triumphal" scene, and an eye-dazzling *Turandot*. To the dismay of music critics (who claimed that the Met was "selling out art"), in most performances the decor received more applause than the singers. But the new approach paid off fully at the box office: Despite steady increases in ticket prices (each year proportionately higher than the previous year), the average occupancy rate at the 1995-96 season at the Met was higher than that of the best international airlines: 93%. Finally, aesthetics is relevant for producers of industrial goods as well. Like other firms, industrial firms create their image to customers through their products but also through packaging, brochures, delivery vans, trade advertising, etc. Differences between top-quality firms and less successful ones are immediately evident, not only in the machinery and organization of the work flow, but also in the overall appearance of the factory floor, the lighting, the uniforms of the workers, the "sound environment" -- in short, in the aesthetics of the factory. Traditional organizations provide products -- the proverbial "selling the steak." But it has always been the case that good marketers, and particularly today's market-driven, customer-oriented organizations, focus on the perceived benefit of the product -- "selling the sizzle." In the early 1980s, consumer researchers discussed an alternative to these approaches, the "hedonic" or "experiential" approach. The cutting-edge organizations of today and the versatile organizations of tomorrow provide experiences -- "selling the experience of consuming the steak." Any good steakhouse knows that beyond just providing a good steak, it must provide customers with a total sensory experience: well-crafted steak knives that feel right in the hand, dark wood decor, and low lighting, for example.

FROM BENEFITS AND BRANDING TO EXPERIENCEThe focus on experiences has evolved out of two earlier phases of marketing: the attributes/benefits phase and the branding phase. Many organizations still market their products using these earlier approaches. For some products the approach may be warranted; for most, it is outdated.

The Attributes/Benefits PhaseOpen any marketing textbook, and its authors will tell you to focus on the benefits that product attributes provide to consumers. Customers express their needs, the story goes, as benefits that they seek from a product or service: decay prevention or plaque removal for toothpaste; safety and comfort for cars; on-time delivery and credit terms for industrial goods and services, for example. Kotler, in the ninth edition of his classic textbook *Marketing Management*, views benefit segmentation, a technique of classifying buyers according to the benefits that they seek from products, as "a powerful form of segmentation." Urban and Star, in *Advanced Marketing Strategy*, stress the importance of formulating a "unique benefit proposition." They stated: "If we develop a unique competitive advantage on a dimension of importance to a significant portion of the market, we can enjoy a substantial share and high margin. We differentiate our product from competition in a way that generates utility for customers and profits for us." As a result, the marketing manager's task is to tweak product features using conjoint analyses and other models, until the product is well calibrated to customers' expectations and provides a solution to their problems. Most customers today, however, are deeply unimpressed by isolated benefits offered by faceless products and hard-sell advertising of the problem/solution type. In the words of Larry Keeley, a strategist at the Doblin Group, "There is an overall trend away from product attributes towards lifestyle or value systems." The consumer of today makes choices based on whether or not a product fits into his or her lifestyle or whether it represents an exciting new concept -- a desirable experience. Similarly, business customers want to do business with innovative companies and require excellent quality and total solutions.

The Branding PhaseBrands provide an image. They assure us of quality. They offer total solutions. Branding moves beyond specific product elements (such as attributes and the utilitarian benefits they provide) to consider the product as a whole. According to David Aaker, author of *Managing Brand Equity* and *Building Strong Brands*, brands provide long-term values through their names and through associations that add to or subtract from the utilitarian features of a product. The concept of branding and brand management dates back to the 1930s when it was invented by consumer-packaged-goods firms like Procter and Gamble. It has waxed and waned throughout the century. In the late 1980s and early 1990s, an inordinate amount of energy has focused on "brand equity" brand extensions, "brand image," "cobranding," "concept branding," "brand recognition," "brand awareness," and "brand associations" among others. At the time this literature was important. It reminded technically-minded managers that consumers' decision criteria fall short of the complex cost/benefit trade-off presumed in their analytical models. It told marketing managers to invest in brand building, i.e., advertising and communications, and to use price discount only as a last resort. It reminded brand managers accustomed to meeting short-term, fiscal-year financial targets to pay attention to the long-term value of their brands. Proponents of branding

also stressed the importance of symbols. As brand strategist David Aaker writes, "A strong symbol can provide cohesion and structure to an identity and make it much easier to gain recognition and recall. Its presence can be a key ingredient of brand development and its absence can be a substantial handicap. Elevating symbols to the status of being part of the identity reflects their potential power. Yet no attention has been paid in the branding phase of marketing to how a symbol is strategically created; and how the brand does what it does; how it conveys a positioning; how it provides tangible value; and how brands need to be managed on an everyday basis. The literature on brands focuses on naming and associations and broad strategic marketing issues -- not on the variety of possible sensory elements that come together to create a brand identity. More importantly, branding is but one small element of the larger picture of managing an identity and image. The work on brands often focuses on isolated brands and does not think in terms of the larger issues of forming corporate or multibrand identities. Finally, while branding has become an integral part of marketing planning, it lacks the power to move consumers in a world marked by increasingly sophisticated communications. New media and technologies like multimedia, the Internet, and virtual reality provide immense opportunities for grabbing customers and providing them with satisfying combinations of text, pictures, and videos as well as sound, touch, and smell. In this world of heavy communications flow through a large number of media vehicles, through interactive and sensory-laden multimedia, product attributes and benefits, brand names and brand associations are no longer sufficient to catch attention, to draw consumers. Businesses that engage consumers are those that afford them a memorable sensory experience that ties in with the positioning of the company, product, or service. For all these reasons, the branding phase is losing its vitality and is being replaced by the marketing of sensory experiences, i.e., by marketing aesthetics.

MARKETING AESTHETICS

We coined the phrase "marketing aesthetics" to refer to the marketing of sensory experiences in corporate or brand output that contributes to the organization's or brand's identity. Today's environments are multimedia, multichannel, multisensory, and digital. Communications, transportation and products and services are becoming global. Worldwide, more people than ever are living in cities, and consumer lifestyles and preferences -- especially among young people -- are intense, short-lived, and ever-changing. These environments provide ideal conditions for marketing aesthetics.

Origins of Marketing Aesthetics

The term aesthetics was coined in the eighteenth century by the German philosopher Alexander Baumgarten from the Greek word *aisthetikos* (meaning "perceptive, especially by feeling"). According to Baumgarten, the term refers to a special branch of philosophy that aims to produce "a science of sensuous knowledge in contrast with logic, whose goal is truth." Baumgarten was interested, in particular, in the impact of physical features on individuals' experiences. Later on, the German philosopher G. W. F. Hegel (1770-1831) limited the usage of aesthetics to the study of the fine arts. In this book, we use the term in its original, broader sense. The issue of how aesthetic gratification is provided is still a subject of debate in philosophical circles. According to the mainstream functional view of analytic aesthetics, taking the aesthetic point of view means to take an interest in the aesthetic value of an object. Yet philosophers hold divergent views about how aesthetic value is provided. Some philosophers have argued that objects provide aesthetic value by virtue of possessing certain structural characteristics that appeal to people, such as formal unity, a good Gestalt, or other attractive qualities. Other philosophers have argued that objects provide aesthetic gratification by virtue of their referentiality -- that is, by functioning as symbols that call to mind other pleasing things. Psychologists wrestle with similar issues when they ask whether perception can be direct or must be mediated by a person's cognition. Early work in Gestalt psychology and the psychology of art, as well as recent research on visual priming, implicit memory, and automatic processing, suggests that colors and shapes may affect us directly without conscious processing. Other work, studying consumer information processing, focuses on the inferences and conclusions that consumers draw when they are exposed to visual and other sensory stimuli. The term marketing aesthetics refers to the structural and the referential qualities of an organization's or a brand's aesthetics, working together. Some of a consumer's perceptions are direct, while others are cognitively mediated. In the realm of corporate and brand aesthetics, both the philosophers' and psychologists' two schools of thought are at play. Gratification can be provided by the inherent qualities and structural features of an organization's or brand's aesthetics or by the meanings communicated via an organization's or brand's aesthetics.

Marketing Aesthetics: Form, Peripheral Messages, and Symbolism

Marketing aesthetics draws from three disparate areas: (a) product design, (b) communications research, and (c) spatial design. Each of these areas is characterized by dichotomies. In product and graphic design, a distinction is made between function and form. This dichotomy, stemming from the Bauhaus design movement, has become a well-known distinction. Function refers to the utilitarian benefits or attributes of a product or service, and form refers to the packaging of the product or service. In communications research on persuasion, a distinction is made between two kinds of messages, the central message and the peripheral message. The central message refers to the main persuasive issues or arguments, and the peripheral messages refer to all other tangential elements that are not attended to as the main message cues -- typically those that package the message, such as the attractiveness of the presenter, the color of the room in which the message is given, or the music surrounding the presentation. In spatial design, structure and symbolism are differentiated. Structure relates to such issues as the way people interact with their environment on a practical level: how many floors, elevators, traffic patterns, etc. -- much of an architect's inquiry. Symbolism, on the other hand, refers to the nonfunctional experiential aspects of the space. Marketing aesthetics cuts across each of these

disparate areas; it is designed by numerous professionals engaged in these general areas. Marketing aesthetics focuses on one pole of each of the above dichotomies. As shown in Figure 1.2, it deals with form, with peripheral messages, and with symbolism. It does not deal with function, central message, or structure.

AESTHETICS PROVIDES TANGIBLE VALUE FOR THE ORGANIZATION Why are we arguing that aesthetics is so important? Because aesthetics offers multiple, powerful, specific, and tangible benefits to organizations.

Aesthetics Creates Loyalty Aesthetics is one of the major "satisfiers" in consumers' experiential worlds. When products or services are perceived as undifferentiated in terms of their typical attributes, intangibles like experiences become the key selling points. As we have seen, Absolut has managed to offer consumers a striking contrast in a product that is virtually undifferentiated in terms of its features. Ralph Lauren offers paint products with names like "Candlelight Silver," "Buffalo Creek," "Nantucket Yellow" and "Workshirt Blue" to differentiate this commodity.

Aesthetics Allows for Premium Pricing How can Nike charge over \$150 for running shoes or Starbucks \$3 for a cup of iced coffee? The answer that managers, business school professors, and others in marketing uniformly provide is that these organizations have strong, well-recognized, respected brands -- "They have brand equity." But what is it about their brands that allows them to price at a premium above the competition? The answer can be found in the unique aesthetics that surround these brands: Nike's aesthetics of performance and Starbucks coffee-house experience. When your company or product provides specific experiences that customers can see, hear, touch, and feel, you are adding value and you can price that value. As a result, an aesthetically attractive identity enables premium pricing.

Aesthetics Cuts Through Information Clutter Our environment is becoming increasingly cluttered with messages. Consumers have numerous TV programs to choose from, are bombarded with logos and messages in their daily lives, and can access millions of stimuli via electronic media. But an attractive aesthetics cuts through this clutter. It uses every medium to its fullest potential. It has distinct symbolism that identifies and relates to the company. Forms of repetition increase the memorability of these visual marks in consumer minds. As a result, products are more easily recognized and selected at the point of purchase. A strong identity achieves a higher communication impact with the same exposure, or it achieves the same impact with fewer exposures and thus saves costs. It achieves more with less.

Aesthetics Affords Protection from Competitive Attacks Brand names and logos may not be copied. Legal and technical remedies can be used to fight any such counterfeiting. The stronger the aesthetic and the more it is manifested in more and more identity elements, the easier it is to protect from a practical point of view. It is unimaginable that a competitor could imitate the whole of the sensory elements and aesthetics of a successful company. Moreover, as we discuss in Chapter 8, not only names and logos, but trade dress (the legal term for a brand's distinctive stimuli) is legally protected under federal and state laws.

Aesthetics Can Save Costs and Increase Productivity Once a firm's aesthetic guidelines are intact, employees and outside firms need to spend less time creating new layouts and messages. The visual system provides structure and guidance. Moreover, ads, labels, and promotional materials often have constant elements; they do not need to be redesigned for any new campaign. Finally, an attractive aesthetic is also a powerful internal marketing tool. It attracts topnotch creative personnel, which is a key concern when entering new foreign markets. Aesthetics motivates your staff -- and it beautifies the work place.

AESTHETICS MUST BE EVERYONE'S CONCERN Virtually all marketing activities involve aesthetics, including new product development and planning, brand management, category management, service management, advertising and promotion, packaging, interactive media communications, and public relations. Yet in most organizations aesthetics does not even appear in a job description, and in most top business schools it does not appear in the curriculum. Managers have stories to tell about their organizations, their products, or their services. These stories can be managed by placing them into multisensory communications that provide aesthetic experiences. These communications are managed through an aesthetics strategy across various identity elements like logos, typefaces, packages, lighting, buildings, grounds, fixtures, uniforms, stationery, business cards, promotions, advertising, point-of-purchase displays, event posters, product configurations, scents, musical backgrounds, ornaments, textures, and many other viable media for creating and sending communications.

TOM PETERS ON DESIGN AND AESTHETICS Of all the management gurus, Tom Peters is the most sensitive to design and aesthetics issues. Peters' Liberation Management devotes a whole chapter to issues of design. Those who have seen his video, "The Peters Experience," know the enthusiasm Peters brings to the subject. In an article in the Design Management Journal, the veteran identity consultant compiled a list entitled "Design is..." Here are some of the 142 items on Peters' list.

1. an easy-to-use FedEx airbill
2. the formal position of the chief designer on the corporate organization chart
3. the number of times the CEO calls the chief designer in the course of the average week or the number of times the CEO stops by the chief designer's office (not vice versa) in the course of the average week (and the proximity of their offices)
4. the binder you use in your introductory training course
5. found equally on farms and in high-fashion dress shops
6. part of the everyday vocabulary throughout the organization, in the training department as well as in engineering and research
7. the care with which winery logos are reproduced on wine-bottle corks
8. total consistency (a design sense that pervades every single thing an organization does)
9. business calling cards
10. whether (or not) design is directly or indirectly mentioned in the corporate philosophy statement
11. consistency (looks familiar -- and good)
12. inconsistency (startles -- and breaks with the past)
13. what you most remember about what you've produced
14. the nifty engineering that went into effective fresh-fruit labeling
15. great

brochures
16. great tractor seats
17. about relationships (i.e., with a product or service)
18. the ability to discard received wisdom about the way things work (and are used)
19. about LOVE and HATE, not like and dislike (research shows that long-term consumer attachment is tied to an emotional reaction to a product or service -- "like" does not a long-term relationship cement)
20. EVERYTHING

These identity elements have the potential to provide gratification. But they frequently do not. Whether corporate or brand elements do or do not provide aesthetic gratification depends to a large degree on proper management. As we will see, this type of management involves a clear understanding of the elements of an aesthetics strategy and how these elements create overall customer impressions.

AESTHETICS STRATEGY

This book is about using aesthetics strategy to create and market corporate and brand identities. Aesthetics strategy includes the strategic planning and implementation of identity elements that provide sensory experiences and aesthetic gratification to the organization's multiple constituents. An organization's constituents include its external customers (suppliers, wholesalers, distributors, and end consumers), its employees, its investors, and the general public. An aesthetics strategy is different [rom a corporate or marketing strategy. As part of its corporate strategy, the organization decides on its core business strength, its corporate structure, and where it wants to go in the future (e.g., whether it wants to grow through acquisitions or by exploring new markets). As part of its marketing strategies, the organization makes decisions regarding market segments, customer targets, and key competitors. An aesthetics strategy takes corporate and marketing strategies as input to express the company's mission, strategies objectives, and culture through visual (and other sensory) means. An aesthetics strategy, successfully implemented, creates an identity for the organization and its brands.

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