Creating effective logos: Insights from theory and practice

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In an increasingly saturated marketplace, brands help create preference for a product. And as a key component of brand identity, a logo provides instant recognition for the brand and the product. Logos help transcend international boundaries and language barriers because of their "visual" character. But although companies spend considerable amounts of money to create and promote effective logos, there are no clear guidelines for doing so. With supporting evidence from a review of the academic literature, the findings and recommendations presented here should help in making logo designs stronger and more objective.

In the year 2000, Coca-Cola appeared once again at the top of Interbrand's list of the "World's Most Valuable Brands," with an estimated value of $72 billion. Coke's brand is worth more than half the market capitalization of the company itself, and a staggering ten times the company's book value. This estimate reflects the present value of the economic profits the brand is expected to earn—over and above "normal" profits, or over and above what an otherwise equivalent product might achieve without the benefit of the brand. This is understandable, considering that Coca-Cola was found to be the strongest brand in the United States and in the world based on ratings on "share of mind" and "esteem" (Owen 1993). Everyone recognizes the name and its stylized logotype. Nike's swoosh logo is worth $3.6 billion. And of course, every kid can recognize the "golden arches," which has helped lead McDonald's to success in the marketplace and boost the value of its brand name to $27.9 billion.

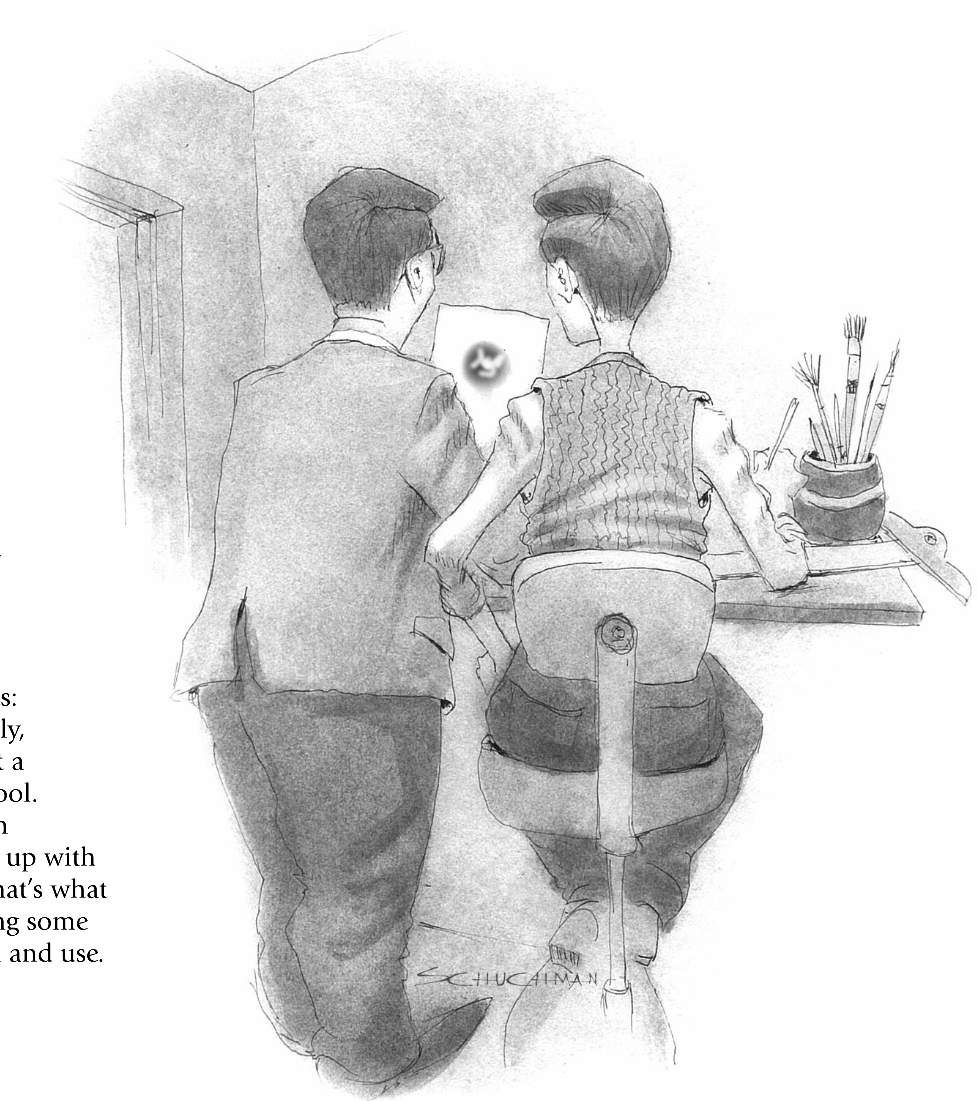
In the absence of other factors, brands provide much needed differentiation and influence customers' choice. The approval rating for Kellogg's Corn Flakes increased from 47 percent in a "blind" test to 59 percent when the name was revealed. Similarly, reports Aaker (1991), the preference for Armstrong tiles rose from 50 to 90 percent. The pace of today's technology changes has made it difficult to differentiate purely on physical attributes. Consider the various brands of televisions, VCRs, and personal computers. It is ironic that in such technologically sophisticated products, the similarity between different brands is not unlike the remarkable similarity between various brands of gasoline. They have become commodity items. The only strong differentiation is based on the brand image.

Economic globalization is reducing price differentials. Costs are becoming lower, and often the only way to charge a premium is to cultivate a brand. Success in implementing an effective brand image can greatly affect success in the market. In the international arena, Volkswagen Fox receives favorable evaluations because it is Volkswagen, a brand image based on its German origin. Only

8 percent of the people surveyed, says Ratliff (1989), knew that it is manufactured in Brazil.

Interestingly, globalization is promoting the standardization of products. However, with the increasingly fragmented communication media, the only thing standardized from the consumer perspective is the look and feel of the product. So marketing managers use brand identity to create a distinctive image. A brand name goes a long way, but can be limited because of language differences. Logos help transcend country boundaries and language barriers because of their "visual" character. They are particularly helpful in nations with lower literacy rates, providing instant recognition for the brand.

Brand identity has three components: name, logo, and slogan. Undoubtedly, the name is the most important, but a logo can be an immensely helpful tool. There is a fair amount of research on names, but we were unable to come up with a comprehensive article on logos. That's what we aim to accomplish here, providing some suggested guidelines for their design and use.



The role of logos

Logos are a key part of a company's communication efforts. Taco Bell spends 20 times more on its permanent media—signs that carry only its name and logo—than it spends on advertising. Nike's swoosh has become so prominent that the company's ads often do not even mention the name. Despite their importance and the investments made in logos, however, there are no well-established guidelines for creating them. It is not surprising, then, that many logos are unrecognizable or even viewed negatively, which could end up hurting the brand or company image.

With the competition for in-store purchasing intensifying, it is evident that the instant recognition resulting from packaging and logos is a good investment to make. Trademarks and logos help cut search costs for consumers by providing them with a sense of assurance about product quality. Their role is particularly helpful in aiding recognition, especially for low-involvement, frequently purchased items such as gasoline. This should not be surprising, considering that some 60 percent of consumer purchase decisions occur inside the store. Cues provided by well-designed logos can lead to faster recognition, which is very helpful because consumers spend, on average, less than 15 seconds to make a purchase in many product categories.

Logos can help a brand in two ways. First, they can be used in conjunction with the name. Not only can a picture enhance the memory for accompanying words, but using a logo influences the speed of recognition. While logos may be used to stimulate the memory for a brand *directly*, they may also help remember the brand name. A study of preschoolers was conducted to understand their learning of brand names. According to Macklin (1996), when visual cues were provided along with brand names, children remembered the brand names better. The presence of additional visual cues, such as a picture and color, helped improve the memory further. This is because with nonverbal processing, all elements—text and graphics—are processed simultaneously, whereas verbal processing follows a sequence. Thus, pictorial representations are retrieved from memory much faster than non-pictorial ones, *especially when there is consistency across the various elements of brand identity*. Because all logos contain some degree of pictorial representation (even logotypes, a stylized presentation of a name), retrieval is faster and more efficient because all elements can be processed simultaneously and it does not have to follow a sequential pattern.

Second, logos can be used in place of the name when there is a space or time constraint. Billboard advertising, for example, does not provide an opportunity for prolonged exposure. Similarly, the ready in-store recognition provided by logos helps stimulate purchasing. "I think if you've got two or three kinds of peanuts sitting there," said a survey respondent, "I would probably grab the one that has [Mr. Peanut's] picture on it…just because it's something you know" (Callcott and Phillips 1996). This is particularly important in this day and age, when there are so many brands and the market is saturated with promotional messages. A logo that readily cues the product is a big advantage.

Deconstructing logos

There are two facets of logo design: content and style. Content refers to the elements contained in the logo, including text and graphic representation. Style, on the other hand, refers to how these elements are presented. The main thrust of logo design is on the content. Bell, Holbrook, and Solomon (1991) suggested that individuals may rely on social value and aesthetic value in the same consumption context. This was supported by a qualitative study by Pimentel (1996), in which respondents were shown color photographs of geometric patterns and were asked about the content and visual quality. The respondents' evaluations were influenced by both, but with a stronger emphasis on content. Most remarks were about content, even when specifically asked about visual quality. People apparently look for meaning in logos.

Giberson and Hulland (1995) support this assertion. They found that a logo is retrieved faster from memory when a product category is cued in the logo. This makes a case for the emphasis of content over style by suggesting a connection with the product category. Thus, logos that incorporate a hint of the product category would be more effective. Examples include the Gerber baby, the chicken icon for "Chick-fil-a," and the hitter in the Major League Baseball logo. The study also found that although having a logo had a strong effect on recognition speed, the type of logo—graphics- or text-dominated—did not. Style, then, is not critical.

This does not imply that style elements should be overlooked. Sometimes low-content and high-image logos are a necessity. In the case of multiproduct companies, it is difficult to have a logo with high content. This explains the use of purely abstract logos by such multinational corporations as Citibank, AT&T, Fujitsu, and Agilent Technologies. Besides, style can be important; according to Berlyne (1971), survey respondents had fairly consistent aesthetic ratings among themselves, evaluating styling somewhat objectively and uniformly. To the extent that style makes a difference, then, companies should probably pay attention to it.

Elements of logos should be chosen and designed with an eye toward the relevant and specific marketing objectives.

Not many studies have looked at the myriad logo elements in an effort to understand how logos are evaluated and on what dimensions. Henderson and Cote (1998) performed a very thorough factor analysis of a large number of design dimensions on which logos are evaluated (independent variables) and the response dimensions (dependent variables), with some interesting and pragmatic results. The response dimensions that emerged included correct recognition, false recognition, affect, and familiar meaning. Correct recognition occurs when the respondents recognize the stimuli they have seen in the past. False recognition occurs when they profess recognition but have not really seen the logo in the past. It is important to note that false recognition can be desirable when only a low investment can be made. While care should be taken not to infringe on another company's trademark, the desire may be to make people believe they have seen the logo. Affect refers to the overall liking for the logo, and meaning refers to the ability of a logo to capture a clear connotation of the product or the company. Logos with high meaning are "highly codable" symbols that evoke consensually held interpretation within a culture or subculture.

The emerging design dimensions included elaboration (a combination of complexity, activeness, and depth), naturalness (representative of commonly experienced objects), harmony (balance), parallelism (placement of multiple lines or elements adjacent to each other), proportion (the relationship between horizontal and vertical dimensions), repetition (elements being similar to each other), and roundness (primarily circular elements).

Henderson and Cote found that correct recognition is bolstered by high naturalness. A moderately high level of harmony but slightly less perfect symmetry also makes recognition easier. This is partly because of the plethora of perfectly symmetric logos, which makes them more commonplace and confusing, and leads to false recognition. False recognition is aided by moderately high parallelism and high harmony—almost reaching symmetry. This makes sense because these elements make logos less distinctive and more commonplace.

Strong positive affect logos can best be created with high levels of naturalness and elaboration. Elaborate logos maintain the viewer's interest. A high level of naturalness makes them more satisfying to look at and leads to a stronger positive affect, which is particularly helpful in high-image logos. Finally, familiar meaning can be improved by selecting a design that can be easily interpreted. Logos with familiar meanings, as discussed above, also increase recognition and are evaluated more favorably.

Although the variety of marketing objectives and the resulting appropriateness of the design dimensions may seem complex, it underscores the lack of rules that can be universally applied. Elements of logos should be chosen and designed with an eye toward the relevant and specific marketing objectives.

Updating logos: Good business or needless hype?

Should a company update its logo? If so, when? Because logos make recognition and information retrieval quicker and more efficient, one of their main purposes is to cue a brand more efficiently. This tends to make a strong case for building recognition with a logo and not changing it. It is why companies such as Arm & Hammer retain the same logo for decades. In doing so, they are maintaining instant recognition.

However, logos may *need* to be changed, perhaps due to changes in the company name (Federal Express to FedEx), a strategy change (United Airlines becoming employee-owned), a shift in service emphasis (the US Postal Service wanting to emphasize speed), or a desire to update to a more modern image. Some logos make a straightforward case for change and update. Betty Crocker's hairstyle and clothing have been continuously updated over the years because the company wants to portray an image appealing to the contemporary woman. Not updating her appearance would have made her look old-fashioned. The same held true for Aunt Jemima, whose image was modernized from its original stereotypical image of a smiling black "mammy" on a pancake mix box or syrup bottle. If it had not been updated, the logo may have turned off too many consumers.

Logos may also be changed for other reasons. Companies may find novelty appealing and so continuously update their logos. Examples include the Prudential Rock and General Electric. In these circumstances, the important question is, "If a logo has to be changed, what kind of change is most effective?"

If not done right, a logo change or update may be counterproductive. To really determine whether logos need to be updated, it is important to focus on how they are evaluated (1) over time and (2) by individuals of varying levels of expertise. Viewers process information differently, both at perceptual and experiential levels. Naïve respondents tend to be subjective and have strong preferences for familiar subjects. They rely exclusively on affective responses. Viewers trained in graphic design, on the other hand, are more objective in their evaluations and prefer "high art," which challenges them and expresses the artist. They use cognitive and objective evaluations. Logos are created by graphic designers (trained), but are meant for the general public (naïve). This leads to a discrepancy between the evaluations the market will provide and the choice the designers will impose, with important implications for the effectiveness of the logos that are chosen and the subsequent decisions to update them.

Logo evaluation also changes over time, with repeated exposures. The "familiarity effect," also documented under the name "mere exposure effect," results in a more favorable evaluation. However, the "boredom effect" may also come into play, resulting from too many exposures. In other words, subjects exposed to the same stimuli over a period of time may raise their evaluation; too many exposures, and they'll lower it. Berlyne (1970) and Bornstein (1990) refer to this up-and-down in evaluations as the "two-factor" model.

Objects presented for the first time can be perceived as threatening. The threat is reduced and viewer liking increased with repeated exposures to the stimulus (stimulus habituation). But when too many exposures result in the boredom effect, liking decreases. Thus, consumers may become bored with logo designs that are not updated. Once people have adapted to a stimulus (a logo), a slightly altered version of it might create a novelty effect and they would prefer the new image over the former. However, if the stimulus is changed too much, they perceive it as a new image and prefer the former. Conners (1964) reported similar results using incrementally altered versions of abstract geometric designs as stimuli.

Another plausible interpretation, supported by Sherif and Hovland (1961), is that a slightly altered logo may fall within the latitude of acceptance, whereas further alteration may make the logo different enough to fall within the latitude of rejection. If this holds in the case of preference for logo designs, slight changes are *tolerated* rather than *preferred*. This provides justification for incremental changes in logos, rather than drastic ones. A series of empirical studies by Pimentel and Heckler (2000) found support for this assertion.

Other factors may also explain the discrepancy between the familiarity effect and the boredom effect. Simpler images, maintain Cox and Cox (1988), tend to get a lower evaluation over repeated exposures, whereas the evaluation of complex stimuli improves. Harmon-Jones (1995) came up with a list of factors that demonstrate the most robust familiarity effects, including a heterogeneous sequence of exposure to stimuli. This means being exposed to *different* stimuli in succession, rather than to the *same* stimulus (a homogeneous sequence). While a homogeneous sequence may occur in lab settings, the heterogeneous effect is more representative of what happens in the real world. As such, we can expect the familiarity effect to be stronger and more prevalent. In such a circumstance, unnecessary logo changes are not advisable.

A small survey of graphic designers used in one of Pimentel and Heckler's studies concluded that clients often stimulate these (unnecessary) updates. Of those designers, 54 percent felt that logos should not be updated on a regular basis, while 29 percent felt that logos should be changed for the sake of change alone. Not surprisingly, it was also found that consumers do not seem to prefer change. The decision to change logos, in the designers' experience, came from the client, not from the designers themselves. Thus, if logos are to be changed, they should be changed for content, not for style, and the change should be incremental.

Considering the importance of logos for product success, it is not surprising that companies make substantial investments in creating them. It *is* surprising, however, that there is no framework available to guide their design. As such, logo design is still treated more as an art and less as a science. With this in mind, we present the following guidelines, based on our discussion of the existing studies.

1. Choose the image carefully, because it has a profound impact.

The three branding elements are at the core of a company's communication efforts, representing tremendous investment. Accordingly, the strategy and the creation of these three elements should be well thought out, because they have a profound impact on the product. Oldsmobile's continual struggle and eventual demise is convincing proof for this assertion. The image of a stodgy car for the older generation has been impossible to shake off. The slogan "This is not your father's Oldsmobile" did not help much. As a result, the company decided to introduce the Aurora without any prominent association with the Olds name, and with a new logo. The lesson to be learned here is that a strong image may take a long time to build, but an even longer time to shed.

2. Look at the big picture, and ensure consistency over time and between the various elements.

In Callcott and Phillips's 1996 study, respondents had a clear preference for a character whose personality was consistent with the brand. It follows that consistency across all elements of brand identity contribute to a stronger brand image. Good examples include Dow's "scrubbing bubbles" (because consumers want lots of bubbles when scrubbing) and the Energizer bunny (because consumers want the batteries to go on forever). More important, each element should support the others.

This is well demonstrated by Exxon's communications. The Standard Oil tiger was introduced as a symbol of power with the accompanying slogan "Put a tiger in your tank." A more friendly cartoon version of the logo was created in 1962, and again in 1972 when the company's name was changed to Exxon. The tiger logo helped ensure continuity and consistency during this transition, along with the slogan "We've changed our name, but not our stripes." In the 1990s, a personified version of the tiger was introduced, with an appropriately supportive slogan, "Rely on the Tiger." The '90s tiger drives a car and relaxes in a boat, suggesting ways in which Exxon gas has enriched the lives of its customers. Consistency and continuity have been maintained throughout all these changes. This was particularly important in the case of Exxon; because the company operates in so many nations, it chose a coined name, which made it difficult to capture any meaningful image from the name itself. In such a situation, the logo and the slogan complemented the name very well and did a commendable job of supporting and projecting it.

If logos are to be changed, they should be changed for content, not for style, and the change should be incremental.

3. Be careful about what you can and cannot change.

Names cannot be changed, at least for products and services. Logos may be changed. Slogans should be changed to shoulder the bulk of the effort when adjustments in brand strategy are required. This is because slogans can be used as succinct selling statements, while the name and the logo can be used to provide continuity. If a logo is changed, the change should be made in (1) content, when it is warranted by a shift in brand strategy, or (2) style, when the need for an update is felt. The alteration, however, should be kept to a minimum.

There is ample evidence in support of incremental change only. Consider Pepsi-Cola. The name Pepsi has remained the same since its inception. The logo has been the same in content, but has been continuously updated. The slogan has been changed several times over the years to tout the product and the brand image:

- 1902: "Cures nervousness. Relieves exhaustion." (to emphasize Pepsi as an aid in digestion)
- 1903: "Cooling and Satisfying"
- 1934: "Cost small! Liked by all! Bottle tall!" (to reflect its value package)
- 1941: "Nickel, Nickel!" (with a 15-second jingle played around the world)
- 1950: "More bounce to the ounce" (post-WWII inflation stressed fun rather than cost)
- 1953: "The light refreshment" (to reflect consumer demand for fewer calories)
- 1961: "Pepsi—for those who think young" (coinciding with a logo update)
- 1963: the hugely successful "Come alive! You're in the Pepsi generation."
- 1969: "You've got a lot to live; Pepsi's got a lot to give"
- 1973: "Join the Pepsi people—feelin' free."
- 1981: "Pepsi's got your taste for life" (in some ways stimulating the "disastrous" launch of New Coke by archrival Coca-Cola)
- 1984: "Pepsi—the choice of a new generation"
- 1995: "Nothing else is a Pepsi"

4. Don't go with the flavor of the month.

Too many managers are tempted to copy whichever brand has succeeded lately, or what the market leader has done. The success of the Nike swoosh prompted several companies to include swooshes—or rings of Saturn—in their logos. The swoosh seems to have a ubiquitous presence, with interpretations ranging from global reach, impact, full offerings, and spectrum to high-tech feeling and continuity. Variations now adorn logos for Vanteon, Open Market, and Ameritech.

There is a problem, though. Such copying lessens distinctiveness and makes a logo look like everyone else's. Following market leaders is not necessarily a good practice because they are in a different position and therefore have a different strategy. Copying a competitor will never give a firm the opportunity to stand apart, and may land the company into trademark infringement problems. Besides, it will cause confusion in the minds of the consumers. This is undesirable, unless a "me-too" strategy is being pursued and false recognition is the primary intent.

5. Be systematic and objective.

As much as a simple, blanket solution may seem appealing, there is none. Every application is unique and requires a different set of criteria. And every design component influences the logo's efficacy. Managers are well advised to develop a set of criteria for each project, which will be dictated by the brand strategy. Logos should then be designed with these criteria in mind, and with an eye toward specific marketing communication objectives.

6. Test logos in the marketplace.

Slogans are generally tested extensively because they are often a significant part of an ad campaign. But the testing of logos is often short-circuited. The presence of a mere exposure effect makes the situation worse, because evaluations based on a single exposure are not stable or reliable. This is significant, because industry and academia alike have traditionally relied on evaluations after one exposure. Practicing managers should temper survey results with the expected effects of mere exposure to come up with a logo that will be well-liked by the market in the medium to long run. Moreover, inputs from both naïve and trained viewers—consumers and designers—are complementary and add value. A logo choice based on the input of designers only may be inappropriate. ❍

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