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CORPORATE CONSIDERATIONS ON LOGO DESIGN ATTRIBUTES AND PURPOSES

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1 INTRODUCTION

1.1 Importance of the research

On an increasingly competitive market standing out from others has become essential. Since this is harder to achieve through product and price differentiation, companies invest in branding to differentiate themselves. (Jong, Cho & Hyuck, 2008; Melewar & Saunders, 2000.) Brand identity has rapidly grown into one of the most important factors in consumers' choice between products (Melewar & Saunders, 2000). Logos are perhaps the most common and effective part of the visual identity of a brand. They are versatile in usage and easy to memorize, making them incredibly effective tool in gathering attention. (Wang, Duff & Clayton, 2018.) Essentially, a logo is an efficient and effective memory stimulus that enables company to differentiate itself and become familiar among the audience (Pimentel, 1997). They are so common that almost every company has one, yet they are consistently overlooked and underestimated not only in marketing efforts but in methods of result measurements (van den Bosch, de Jong & Elvin, 2005; Pimentel, 1997). Although commissioning and implementing a new logo can be shockingly expensive (Fajardo, Zhang & Tsiros, 2016; Melewar & Saunders, 2000; Wang et al., 2018), there is not enough scientific research to guide this decision making (Henderson & Cote, 1998; Jong et al., 2008). This lack of research becomes especially relevant when renewing the existing company visual identity, proven to be a tedious and often unrewarded affair (van den Bosch et al., 2005; Pimentel, 1997). Failed design is unable to aid the company (Park, Eisingerich, Pol & Park, 2013) and may even hinder it by failing to raise interest or contradicting the image a company attempts to project (Henderson & Cote, 1998; Pimentel, 1997; Jiang, Gorn, Galli & Chattopadhyay).

A good logo design can help consumers identify the brand easier and lessen uncertainty of purchasing decision (Park et al., 2013). Logos can communicate desired messages to the audience about the company (Melewar & Saunders, 2000) and help position the brand in favourable way in consumer's mind (Stancu, Constantin, Cristea & Cristea, 2021). Most importantly a logo directly influences purchasing decision and therefore the financial success of the company. This is a result of positive and preferable attitude towards the brand in comparison to competition that logos are able

to create and reinforce. (Jong et al., 2008; Luffarelli, Mukesh & Mahmood, 2019.) Considering these benefits of a proper logo design, this research is important in order to aid companies to prepare for an inevitable design process.

1.2 Research objectives and questions

The objective of this paper is to understand what a good logo is from a company perspective: what it should consist of and what it can do for the brand identity. Existing research can be roughly divided into two categories, which differ based on focus: the preferred design aspects (e.g., Baxter and Illicic (2018) on illustration of motion in logo design) or inducing desirable reaction (e.g., Torres, César Machado, Vacas de Carvalho, van de Velden and Costa (2019) on international preference and response to naturalism). Design focused research aims to establish standardisation for logo design to the extent it is possible. Others study the psychology and behaviour behind the finished products, typically trying to map how logos may benefit the owner company. Regardless of category or research focus, both derive from the same thought: What is it that logo should ultimately do? What is it for? And most importantly, what does the owning party get from having one? These contemplations direct the goal of this study and so the two main research questions are:

Q1. What should a company logo aim for?

Q2. What should a good logo consist of?

The first question examines logos for the benefits they may have. In a context of a business market, what should a logo achieve on behalf of the owner? The second question focuses on the actual features and aspects a logo should have in order to achieve the goals found for the first question. The actual design process will not be discussed specifically as it is rarely done by the company in itself. Instead, the second question focuses on what the company should know during the process as the commissioner.

1.3 Methodology

This bachelor's thesis is standalone literature review, which means it only consists of that type of research alone. Literary review compiles and analyses existing studies and information on given field and chosen subject. The goal is to clarify existing research, provide further insight and find possible gaps. It does not provide summary or present original personal ideas. The approach of this review is Traditional- Narrative review, which can include diverse research methods and collects a broad spectrum of studies to draw information from. It attempts to build coherent picture and point out likely implications or oversights. (Sara & Ravid, 2019.) Traditional-Narrative review is the best suited method due to the wide range of source materials' research types. It is not as strict as Systematic approach or as theoretical as Hermeneutic-Phenomenological reviews (Sara & Ravid, 2019), leaving room for both empirical evidence and possible contemplations.

1.4 Essential concepts

This chapter explains the most significant concepts related to the research. They provide explanations and context to later chapters that originally were given in the source material. They are collected here to avoid repetition throughout the research.

A logo typically consists of a combination of text and icon meant to represent a company (Bresciani & Paolo Del Ponte, 2017). In other words, it is a visual representation of a company. Logos are considered valuable due to their influence on consumer perception of the brand. (Fajardo et al., 2016.) A logo works as a memory shorthand that contain the meanings and associations relating to the company branding (Pimentel, 1997). This makes it one of the most effective and efficient parts of visual identity (Wang et al., 2018).

Company visual identity (CVI) is part of a larger concept of corporate identity which includes aspects such as culture, strategy, and services (Melewar & Saunders, 2000). CVI consists of all the notable and frequent graphic elements that are used in company related activities to communicate of the firm's presence. A logo is always included in CVI, but as a term company visual identity rather refers to the entire graphic design.

(van den Bosch et al., 2005.) In this paper CVI is referred to when instead of just the logo the presented research applies to all of company's visual design.

A brand is the reputation or recognizability a company, or other entity, possesses. Branding is an identity that creates further value through positive associations. In business world it has been most commonly associated with marketing but has recently begun to represent part of a strategy. (Vahtola, 2020.) This means a company tries to consider its brand when choosing its operating methods so they may strengthen the positive contributions of the brand.

Reputation refers to the notable and important attributes a company has. Corporate planning and communication can be seen as intentional building and influencing of the company reputation. It has a strong influence on various stakeholder groups. (van den Bosch et al., 2005.) Positive reputation and corporate identity are essential for successful marketing and communication efforts (Melewar & Saunders, 2000).

1.5 Structure of the study

This paper has an introductory chapter 1, which outlines the general information regarding the paper, such as the subject importance, research questions, methodology, essential concepts, and structure. Second chapter describes application of methodology and data collection process in greater detail. Third chapter consists of three sub chapters. Chapter 3.1 focuses on the connection between brand, reputation, and logo. It concludes a broad answer to research question 1, which is then deepened by chapters 3.2, discussing behavioural theory and 3.3, providing further detail and nuance. Chapter 4 focuses on the research question 2, and the design of a logo. Sub chapter 4.1 discusses the general difficulties standardization of design process faces and outlines broader conclusions by related research. Chapter 4.2 highlights the contradictions of appearance research that should be taken into consideration in the design process. Chapter 4.3 covers the scale of this paper by presenting international studies and noting issues with global visual identity. Chapter 5 and its sub chapters serve as conclusion and summarize the findings, contributions, and possible future research. Sources are provided in the end.

2 METHODOLOGY AND DATA COLLECTION PROCESS

As stated in the chapter 1.3 the methodology of this paper is Traditional-Narrative Literary Review. This means that the research consists of already existing studies and papers that consider the topic at hand. The process consists of multiple steps including: 1. choosing the topic 2. locating sources 3. analysis and evaluation 4. organization 5. choosing an angle 6. writing (Sara & Ravid, 2019). This chapter mainly discusses of the second, third and fourth steps. It will go through the search process and outlines the search databases, searching methods and further sources found in the middle of the analysis and organization.

Search mediums: Almost all sources were found through data bases provided by Oulu University, such as EBSCO host and Oulu Finna, and embedded hosts. All host sites use Boolean search, which allows combining wanted phrases or words with operators. Whole search will be listed below.

First search words: consumer behaviour, advertising, and brand image

Results: little results of value were found, as topics stayed far too broad, nor did they directly refer or link to logo design.

Second searches: logo design AND brand image, logo design AND brand, logo design AND consumer behaviour

Results: Second round provided the first relevant sources. First sources focused on the design aspects and the preferable logo traits (see for example Baxter & Ilicic (2018)) instead of consumer behaviour or the benefit of logos. Most of the sources afterwards were found through references of these papers. Since the study field is still rather new and limited, plenty of papers referred to same or similar studies. A good example is Henderson and Cote (1998), an old and influential study referred by almost every other included source.

Third search: Logo design AND negative, logo design AND preference

Results: These searches were made in the middle of writing process to fill gaps in the research and further examine the deductions drawn from earlier sources. Further sources were needed in order to discuss more direct and negative consequences of logo and brand connection. Studies often mention only hypothetical or positive influences of a logo, which is why more specified direction was necessary.

This process is somewhat simplified but gives a good overview on searching direct references for logo design. The most important aspects were distinction from brand studies, focus on behavioural theory and responses, and filling gaps when necessary.

3 INFLUENCES AND PURPOSES OF A LOGO

The first research question is “What should the company logo aim for?”. This chapter attempts to lay down the ground research in order to answer the question. Since this paper focuses on the reasons and benefits a company may receive when using a logo, chapter 3.1 explains the connection between two most relevant concepts a logo has an effect on: brand and reputation. The chapter will demonstrate how visual identity may be used in favour of branding efforts so that further study has a basic understanding of what a logo is capable of doing in the first place.

To better understand how a logo has the established effects chapter 3.2 looks into behavioural theory behind consumer action. It explains basic consumer behaviour towards visual stimuli and elaborates how a visual identity may work best. Chapter 3.3 looks further into specifics of logos and design that broader perspective does not consider, such as difference between simple aesthetic likability and active preference over competition. The goal is to lay out, as specifically as possible, what should be the aims for a logo and how companies can best reap the benefits.

3.1 The relevance of a logo for a company

A logo in itself can be aesthetically pleasing or informative, but for companies their importance comes from the benefits to the brand and reputation. Corporate visual identity is easily the most noticeable aspect upon first encounter which makes it an important medium of communication. (Melewar & Saunders, 2000.) Visual details, such as colours, shapes and images carry symbolism that can express a desired message on behalf of the business to the audience (Morgan, Fajardo & Townsend, 2021). A logo is perhaps the most versatile and efficient of visual identity systems: it is not restricted to a particular placement or medium nor is it heavily regulated by law (Wang et al., 2018). Simplicity makes it easily recognizable. As stated in chapter 1.4, a logo is a memory shorthand. It not only embodies the value promise the company aims to deliver for the customer but also the previous associations and experiences a consumer has (Park et al., 2013). Therefore, the quality of a logo can hinder or endorse already existing reputation and influence later consumer behaviour, such as purchasing intent (Henderson & Cote, 1998). Due to these functions a logo is an important part of

a company brand and reputation. This influential connection between brand, reputation and logos will be discussed in greater detail below.

van den Bosch et al., (2005) study and build on a *reputation model* by Fombrun and Van Riel, outlining how corporate visual identity (CVI) may benefit a company in terms of reputation. As stated in a previous paragraph, visual graphics carry meaning that can be communicated to an audience. This benefits two dimensions of the reputation model: *visibility* and *distinctiveness*. If a logo is unique and memorable enough, it serves as declaration of corporate presence. Additionally, a consumer is capable of making predictions of future interactions with the brand based on the noticed logo (Morgan et al., 2021). In a lack of previous experiences the audience may compare the logo to others to deduce vital information of the company. If done correctly, these factors may ease consumer interactions, allowing the audience to familiarise themselves with the business quicker and trust the company with less effort. (Stancu et al., 2021.) On the other hand, a company must be careful what they and their logo is associated with. Negative experiences, such as bad customer service or faulty product, will also be connected to the brand and weaken reputation (van den Bosch et al., 2005; Stancu et al., 2021).

To avoid harmful instances damaging the company, the reputation should communicate consistency, which is the last dimension of the earlier discussed reputation model. A long-term logo design creates a sense of consistency and may even help stakeholders adapt to other changes in the company (Melewar & Saunders, 2000). Attitudes towards CVI and logo also directly influence reaction towards the company and purchasing intentions. A good logo generates “motivation through thinking of, recognising and focusing on the CVI” which may lead to positive action. (Jong et al., 2008.) To summarize, logos can help create a sense of secure and stable company identity and positively influence financial success. On the other hand, an unsuitable logo weakens the intended image and may harm purchase intentions (Jiang et al., 2016). For example, a monochrome logo with stiff styling may not inspire to buy birthday decorations but it can work for a car manufacturer.

This chapter demonstrated the connection between a logo and a brand reputation, as well as described how these concepts interact in practise. Logos work quite like

capsules, containing memory information for the viewer to digest. Left impression will have either positive or negative impact on resulting reaction. They enhance or diminish the effects of branding efforts and reputation. Well-constructed logo has a positive impact whereas poorly designed has a negative effect. To bring up the main research question of what a logo should aim for and specifically, in consideration of the company that uses it, the purpose should be positive and beneficial communication with the audience on the behalf of the owner company. In their paper Wang, Duff and Clayton (2018) summarize that “a good logo” should strive for recognition, consistent meaning, and positive effect. However, these are rather broad and undefined answers. How exactly does logo get recognised? What constitutes as meaning and effect? Further chapters will better define the purposes and goals of logos by examining corporate benefits and customer response.

3.2 Behavioural theories and recognizing a logo

Considering the tentative aim concluded in the previous chapter, broadly speaking, a logo should strive to support the company brand and enhance the positive reputation it has managed to garner to the best of its capabilities. To do so it must be first noticed and recognized by the audience. This chapter goes through two major behavioural theories that attempt to explain how a person reacts to visual stimulus. This research has been applied to logo design specifically and can therefore be used to evaluate how a potential audience would react to logos in general. The goal is to understand how companies might begin to benefit from graphic design; namely, how exactly does a consumer notice a logo and start to consider it in a positive light, which, as demonstrated in chapter 3.1, could lead to positive action from the company’s perspective.

There is well researched evidence that humans along with several other animal species generally prefer a stimulus they already have experience within comparison to a strange and new one. This has led to majority of behavioural theories consider repetition as a key element for gaining favourable reaction from the audience. (Janiszewski & Meyvis, 2001.) Two-factor model (Berlyne, 1970 via Janiszewski & Meyvis, 2001) theorises that continuous stimuli helps the subject to first learn about the stimulus, having a positive effect. This might later turn into satiation and eventually

boredom. To rephrase, complex stimuli will initially garner worse responses because it is difficult to interpret, but it holds its favour for longer, while simple stimuli will be more appealing at first and soon loses its interest.

A competing Dual Process theory (Groves & Thompson, 1970 via Janiszewski & Meyvis, 2001) explains reaction to stimuli little differently. The more intense the stimulus is, more reaction it is likely to get, and this level reaction will decrease over time. The more intense and complex the stimuli is, more reaction it can keep garnering at slowly decreasing rate.

The two theories imply that noticeability and familiarity are two separate things. The initial reaction is achieved by any type of stimuli but remembering it over time depends on certain aspects of it. From a design's perspective, this would mean that a logo needs only to be "complex" or "intense" enough to spark recognition after the first encounter. However, researchers note that despite the popularity and longevity of these two theories a significant number of studies have suggested the opposite or contrary results when it comes to effect of exposure alone. This has led to most modern explanations include some room for "opponent processes" that allow unintended or deviant behaviour. (Janiszewski & Meyvis, 2001.)

What Janiszewski and Meyvis (2001) aim to prove with their research, as already implied by these opponent processes, is that neither of the two theories works as intended in reality. A reaction to stimuli is influenced by more variables than simply the number of exposures or the level of complexity. Processes from both theories can be demonstrated to work, but neither regardless of variables. Complex logos are indeed more difficult to process which might lead to raised interest by a viewer, but simpler logos may signal of convenience and transparency, depending on the industry (Stancu et al., 2021). Another study concluded that consumers prefer logos between the two, a moderate complexity design with easily explained meaning between the components (Wang et al., 2018). In other words, context matters; to acquire a beneficial response from consumers mere repeated exposure is not enough.

While it can be confirmed that often seen and familiar logos are typically preferred to unknown ones (Janiszewski & Meyvis, 2001; Kimura, Wada, Masuda, Goto, Tsuzuki,

Hibino et al., 2013; Pimentel, 1997), what types of logos in general are preferred is a little more difficult to answer. Many researchers have intended to standardise the logo designing process to a degree (such as Henderson & Cote (1998) and more recently Bresciani & Del Ponte (2017)) but typically arrive to rather vague or volatile conclusions. Deeper discussion on design choices will be reserved for chapter 4. There is, however, a significant and constant aspect that does not seem to waver under any conditions: dislike for change.

Ronald Ward Pimentel (1997) originally hypothesised there to be a version of a logo that is more stylistically pleasing than the original (adaptation) version, but these thoughts were not supported by his experiments. His studies showed that the audience always preferred the original logo over any kind of change, regardless of art or aesthetic style. Research suggests that consumers grow attached to even singular aspects, such as colour, and punish change by redacting their predilection (Kimura et al., 2013). Slight changes over long periods of time were merely tolerated, but never outright preferred over the original (Pimentel). Although change is likely to be necessary in order to stay up to date, dissociating completely from the old visual identity should be done for “very strong reasons”. Major changes are likely to be costly, time consuming and even destructive for the overall identity. (van den Bosch et al., 2005.)

Pimentel (1997) suggests that the aversion for change and strong favour for the old logo comes from a fear of change in the experience itself. Since the company and visual identity are so closely linked, it stands to reason that change in one will cause a change in another. If a customer likes a product or service, they would like it to stay the same. In contrast easily recognizable and stable visual identity helps customers accept other changes in the company (Melewar & Saunders, 2000). Further evidence that familiarity is linked to likability comes from a study by Morgan, Fajardo & Townsend (2021). They prove that preference for logo attributes changes by how familiar the consumer is with the brand. When facing an unfamiliar logo people “lack the mental framework” to interpret the company’s messages through imagery. Thus, an audience prefers text-based logos when dealing with a new or lesser known firm. This enables quick understanding of the logo’s content. On the other hand, among familiar logos consumers rather prefer image-based logos. (Morgan et al., 2021.) This

implies that the purpose of a logo – supporting branding efforts and enhancing reputation – is achieved differently depending on the company’s familiarity among consumers.

Chapter 3.1 concluded that a logo should support branding efforts and good reputation. In order to find out how this is possible, this chapter went through two typical behavioural theories as well as contradicting or adjustive studies on them. Studies showed that the audience prefers recognizable stimulus over a new one. It concluded that while repetition does serve a role in recognition, it does so within variables. There are aspects in design that are beneficial in different ways, such as simplicity or complexity, although further details regarding design are examined later. Chapter noted that consumers grow quickly attached to design and do not welcome change. This is likely due to previous attachment to the company products or operating style, which the customer does not want to change. For a logo this means that the initial design phase is crucial as later changes are likely to cause displeasure in the audience. Next chapter will better go through variables that sway customer preference and opinion on a logo.

3.3 Turning a familiar logo into preferable one

In the previous chapter it was established that familiarity is beneficial to a logo, but how it is achieved varies in reality. It also suggested that familiarity is linked to likability. Previous chapter gives examples of how different types of logos have different benefits. For example, simple logos are easier to remember, and complex logos hold interest longer. Varying benefits imply, that the best appearance is depended on the owner company and its intentions. Bresciani and Del Ponte (2017) mention in their paper that there seems to be no clear instructions for companies to follow when it comes to designing a new logo. Findings of the previous chapter 3.2 would suggest that this is because a logo best fulfils its purpose depending on variables, such as familiarity of the company. Since circumstances influence what consumers are looking for in a logo it would then be less important for a logo to be objectively well designed but rather preferable in a particular situation the customer most likely is in.

It seems rather obvious to insinuate that the chosen audience should “like” the logo they see, but this is important aspect to consider. The discussed behaviour studies originally do not comment on preferences towards the stimulus, only recognizability. While papers typically mention preference among example logos, this does not necessarily imply actual likability but habituation towards certain stimuli. However, studies like the one of Morgan, Fajardo, and Townsend (2021) directly link actual likable design, and not only recognition, playing a part in development of preference. Further evidence in another study (Jong et al., 2008) states that pleasure is the most important dimension causing the viewer to favour a particular logo. Park, Eisingerich, Pol and Park (2013) list aesthetic appeal as one of the key elements in garnering brand commitment. Audience forms emotional bonds easier with brand that have visually pleasing appearance.

At this point it is necessary to first discuss the difference between likability and preferentiality. Unlike likability, preference is comparative rather than a direct evaluation of the subject (Wang et al., 2018). Since a logo serves as an identification method (discussed in chapter 3.1), it is practically only needed due to presence of other companies, meaning competition. This means that in order to benefit the company, it should be more likable than the competitive logos. Chapter 3.1 concluded that a logo should have brand beneficial factors. Chapter 3.2. established that a logo should be memorable enough to become familiar to the audience. This chapter aims to prove that these qualities only truly benefit the company if the factors enable a logo to be preferable over others. A successful logo should be measured by encouragement of brand loyalty, which signifies customer’s long-term commitment and preference over competition (Park et al., 2013).

Logo should not only identify the company but the offered product or service as well (Luffarelli et al., 2019). Since the sold good aims to answer customer’s problems, the logo should reflect the proposed value. This helps customers reduce uncertainty in their decision making. (Park et al., 2013.) Furthermore, a logo that contradicts intended communications or marketing efforts might weaken the message and even hinder customer’s willingness to pay (WTP). For example, a logo with calm and soft imagery will not do well on sports product advertisement intending to express durability and strength. These different tones will create conflicting mental associations that distract

from the intention. (Jiang et al., 2016.) Descriptive logos give stronger impression of authenticity and enable customer to trust the brand easier (Luffarelli et al., 2019) which in turn helps to create longer relationships (Park et al., 2013).

A good logo will attempt to communicate what the company has to offer to a consumer. Preferable logo also aims to appeal to customer's sense of self. This means connecting to individual values and expression to further engage and create commitment. A consumer with "green values" will likely search for brands with similar priorities, and a logo communicating them will attract the person better in comparison to a brand logo without "green values imagery". (Park et al., 2013). Unfortunately, this facilitation of customer's self-expression might be tricky if the customer pool is not strictly segmented.

This chapter focused on the gaps left by chapter 3.2 while examining behavioural studies. For a logo importance of visual appeal go beyond the initial interest and identification by a consumer. The appearance should support and enhance customers' positive reactions and provide enough meaning for them. Meaning communicates of company intentions, value promise and values. Consumers prefer logos that express them with an easily understandable way. The research question "What should a company logo aim for?" can be answered, for now, in a following way. A logo should strive to bring positive and beneficial communication with the audience on the behalf of the owner company. It does so by enhancing the brand and reputation through suitable design choices. A logo should be recognizable enough to become familiar and pleasing enough to become preferable. A well thought and proper logo will alleviate consumer choice and deepen customer loyalty.

4 CONTEMPLATIONS FOR THE LOGO DESIGN

Chapter 3 concluded that the broad aim of a logo is to support branding and enhance positive reputation. It established the ground foundation this goal in mind to give direction as of what the design should then strive to do. This chapter aims to provide answers for the second research question: “What should a good logo consist of? “. Numerous research papers studying logos aim to provide standards or prototypes for logos. It would make sense, that if a logo has to please the audience for a certain goal, there should be design choices that appeal to the majority of the wanted customer pool. It would then stand to reason, that implementing and compiling the most favourable components would form an ideal portrayal for any company – the perfect logo. These aspects could be divided into infinitely smaller and more specific nuances and studied endlessly. However, as chapter 3.2 and 3.3. already discuss, there are strong variations on what a consumer is looking for, depending on context. Chapter 3.2 also establishes, that the first logo is likely be the best favoured by the audience, which puts pressure on the first design.

4.1 Basics of a logo design

Numerous papers have tried to isolate and study different visual aspects of logos to determine either the best possible option or effects these factors have. For example, effects of illustration of motion (Baxter & Ilicic, 2018) importance of colour (Kimura et al., 2013) or shape (Jiang et al., 2016). A logo can essentially be broken into as many pieces as wanted. These studies typically conclude that the effects of a factor are easier to deduce than deciding definite superior design choices. For example, aforementioned study by Jiang, Gorn, Galli and Chattopadhyay on logo shape concluded that chosen shape should align with the desired brand image and sold product type. Even guidelines by Henderson and Cote (1998) have been proven to be oversimplified, despite being already quite vague. Henderson and Cote stated that moderate level of complexity would maximise benefits of the logo, but newer study realized simple meaning component and moderate element quality together gave the best results (Wang et al., 2018).

This paper will not attempt to offer any standards or specifics on the design. They are too varied by circumstances to be categorized in any meaningful way. Instead, oncoming chapters will discuss research on broad sense and in align with the established aim of benefitting the company brand and reputation. Wang et al. (2018) do offer guidance mentioned in the previous paragraph; a logo should have moderately complex elements that fit together in harmony. Abstract, random, or overly complicated designs tend not to be in the favour of the audience. For new, unknown companies more text-based logos are preferred (Morgan et al., 2021) but the combination of icon and text seems to be the most efficient and likable option anyway (Bresciani & Del Ponte, 2017). Businesses on the same field often have similar logos in order to position themselves in consumer's mind and let the consumer know what they can offer. Associations with other, well known company may also help the firm to better establish itself on the market. (Stancu et al., 2021.) Overall, at its most basic the logo should have some method of describing the owner company or product in a clear, meaningful way. This positively influences brand evaluation and helps to aid consumer's decision making. (Luffarelli et al., 2019.)

4.2 Contradictions of a logo design

As discussed in chapters 3.2 and 3.3 a logo should be, at the same time, memorable enough to spark recognition and later familiarity, and pleasing enough to be likable and preferable. These two sides, memorability and pleasantness do not necessarily work together. Aesthetically pleasing logo is likable and may lead to better brand evaluation and loyalty (Park et al., 2013; Wang et al., 2018), but does it guarantee the initial noticeability? This chapter provides examples of contradictions that logo design research has encountered.

A research article *Brand Suicide? Memory and Liking of Negative Brand Names* (Guest et al., 2016) studies the effects of negatively associated words as brand or product names, e.g., Urban Decay, Killer Merch or Vagabond. Although cognitive research confirms negative words tend to bring afront negative reactions (both emotional and physical) this seems not to apply to commercialism to such extent. The article proves that brand names and characteristics are more memorable to audience if the name has negative connotations. They make identification easier and can therefore

be used to gather attention or recognition to the brand. On the other hand, Luffarelli, Mukesh and Mahmood (2019) note that descriptive logo has a negative effect when the product has negative valence associations among consumers. For example, a private health clinic should perhaps not depict illnesses or treatments in their visual material. According to the study, pleasing qualities and likability tend to improve the intent to purchase and product evaluation, benefitting the company in the long run. Nevertheless, negative logo associations might bring more attention to the product, which is important, since standing out on today's market is exceedingly difficult (Jong et al., 2008). Luffarelli et al. research also suggests that logo significance and design choices matter less the more known the company is. To summarize, if the company uses negative imagery or wording in moderation (to avoid an immediate rejection from the audience) it might gain popularity efficiently enough that negative valence will not hinder the efforts.

Negative meaning is an extreme example of how a logo might be noticeable or memorable without necessarily being preferable. Memorability and likableness contradict in other aspects as well. While one study identifies black and white logos to be the best preferred colour combination by consumers (Bresciani & Del Ponte, 2017) another paper demonstrates the importance of colours in design at different levels of familiarity (Kimura et al., 2013). The interesting part of the latter study comes from the second experiment which measures the semantic association between a logo and its product. The experiment records higher levels of cognitive response to correctly coloured logos, suggesting that consumers become attached not only to the logo but its colours as well, and removal of this feature hinders commitment towards the logo and the product. While black is certainly an easy and aesthetic colour to market, it can miss a chance to make an impression. Over time the customers may come to recognize not only the logo but the colouring of the logo (such as Fazer blue or Coca-Cola's red and white), and black may not offer an opportunity to stand out.

To summarize the chapter, only likability or memorability is not enough to stand out in a global competitive market. Although aesthetic logos are preferable and encourage further brand commitment, the initial introduction needs memorable and recognizable features in order to differ from others. So why no study recommends creating the most outlandish logo a designer can come up with? Too off-putting design will lead to

negative impression of the brand or product instead and do not enable creating a relationship with the customer. These points further prove that a logo has to consider its circumstances and balance between the extremes.

4.3 Global and universal considerations in logo design

To justify the usage of any discussed finding there is a need to prove these conclusions are relevant to significant extend regardless of nationality or culture. Otherwise, the coverage of this paper should be limited to certain countries or continents. Although the aim is not to find one perfect design, several studies do prove that certain preferences in appearance are featured multiculturally, even globally. There are indeed almost universally preferable characteristics that may be applied in logo design, although details and level of preference may vary between countries or cultures. One differentiating factor mentioned is country's uncertainty avoidance rate (Torres et al., 2019). These factors however do not disrupt the conclusions.

Pittard, Ewing and Jevons (2007) set to discover whether the so called "golden ratio" or "divine proportion" is universally the best liked form of shape. The paper collected data from three different countries across the globe and did in fact conclude the preference for the golden ratio to be universal, at least in naturalistic logos. Besides the golden ratio, 1:1 ratio was the best liked in more abstract or unnatural logos. However, this preference too was equally significant in all test countries and further supports the conclusion that certain prospects may help in garnering recognition and likability on a global scale. This might be due to human tendency to prefer harmony and symmetry above other options, as proven by Wang, Duff and Clayton (2018).

Another study concluded that on universal scale natural logos improve affective response. Logos can be divided to natural images that describe commonly known items and unnatural or abstract images. Natural logos can then be further divided into biological and cultural logos. From there options biological, or organic, logos were most favoured in every culture. This is hypothesized to be due to very common motifs, such as flowers or trees, that are universally recognizable regardless of location or culture. (Torres et al., 2019.) As mentioned in chapter 3.2 the audience generally

prefers cues they can decipher easily, especially in a case of new stimuli, so that they can manage expectations.

Since many companies aim to expand beyond their home country, it is important to adjust branding to fit this goal to begin with (Vahtola, 2020). Melewar and Saunders (2000) state that standardised visual identity across all operation countries is vital for the positive effects of branding, such as projecting consistency and visibility. This suggests visual design should be as uniform as possible, which in turn highlights the importance of design choices. It might not be enough for a logo to be effective in its origin country, but abroad as well.

Although there are significant suggestions that some design choices can be almost globally pleasing, some research imply otherwise. Jong, Chang-Hoan Cho and Hyuck (2008) note several differences in types of information processing across cultures, which in turn effects the preferred style of design. For example, cultures that value comprehension above aesthetics are likely drawn to more text-based logos than imagery. This paper does not argue against the effect of culture and nationality on preferences. Rather the intent is to point out some similarities and remind companies to consider the compatibility of their visual identity and operating country. A designer may then use these universal tastes in their advantage to plan a logo fitting for international usage, since uniform identity has positive effect on company image (Melewar & Saunders, 2000). On the other hand, Jong et al. also note that visual elements and advertisement planned specifically for a certain country might be more effective in some cases than general standard. Both sides should be taken into consideration when planning corporate visual identity.

5 CONCLUSIONS

5.1 Answers to the research questions and theoretical contributions

The objective of this study was to better understand what a good logo is from a company perspective. Companies rarely design their logos themselves, but to be able to commission and choose a fitting and proper logo that will benefit the brand, they should be aware of logos effects and benefits. The objective is to have comprehensive knowledge of what exactly a logo should do for the owner company and how these aims should be achieved. This thesis has two research questions: “What should a company logo aim for?” and “What should a good logo consist of?”. The first question was explored to an extent in chapter 3 and the second in chapter 4. Introduction 1.1. stated that companies lack knowledge when it comes to logo design. Answers to the research questions do not offer a specific guide, but a foundation of what any company should know before beginning the commission and implementation process of a logo.

As discussed in chapter 3.1, a logo is related to brand and reputation. Being a part of visual identity, it enables the company to be recognized more efficiently (Wang et al., 2018). This benefits the firm by improving the branding efforts, enhancing reputation, and even strengthening purchasing intent (Jong et al., 2008; van den Bosch et al., 2005). This study has concluded that to be able to provide these benefits to the company, the logo design must be recognizable enough to eventually become familiar. It should be likable by the audience and preferable among competition. Preferred attributes tend to vary by circumstances, like the industry or popularity (e.g., Morgan et al., 2021). To put it shortly, the aim of the logo should be to benefit the company in its current situation.

Designing process is difficult to comprehend exactly. There is no standard or prototype for a logo design, since different aspects have benefits that may be useful to different companies. Simple logos are easily recognizable, but complex logos hold interest better (e.g., Janiszewski & Meyvis, 2001). As established in chapter 4.2, easily spotted logos might gather interest at first but may lack the likability to become preferable. A logo should be designed based on the company objectives. If it intends to grow quickly, simple, and memorable logo might be the best solution. Company looking for an

elevated appreciation for the brand might prefer complex and aesthetically pleasing logos. Overall companies need to consider their logo design process carefully. First of all, both the initial design process and possible later alterations are typically expensive (Fajardo et al., 2016; Melewar & Saunders, 2000; Wang et al., 2018). The research establishes that consumers react badly to any type of change in the logo design and grow quickly attached to it (e.g., Pimentel, 1997). They may even become less attached to the company as a result of a change (Kimura et al., 2013). On the other hand, stable visual identity helps to earn trust and lessens the effects of other changes in the company (Melewar & Saunders, 2000).

As a literature review, this study researches already existing information and exploration on the appropriate fields. The objective was to understand what a good logo is and how a company may benefit from it. The source material, as mentioned in the chapter 1.2, generally researches either the aesthetical aspects or reactional behaviour to logos. That is not to say the sources do not answer the research questions. However, they tend to do so in a rather narrow and specific capacity. What this study offers is a combination of information of independent, differently specified papers to achieve the objective in as generally applicable manner as possible. The contribution is not a guide but a briefing of sorts to companies on what to do with a logo.

5.2 Managerial implications

Implementing a logo for the first time is expensive. Redesigning a logo also has its difficulties since the audience dislikes change. For a company this means the most effort and thought should be put into first design. A logo is typically designed outside the company by a graphic designer or design company. The company is then presented by several options they choose the favourite from. The design however may have a significant role in the perceptions of the company brand, and the company should be, if not more involved, more informed of proper design for their industry during the process. They should perhaps conduct research on the field to find logos customers of their industry react positively towards. This helps consumers to notice and connect the new company to its intended market quicker. The company should also decide what are their goals for the visual identity in short and long run, as the logo will benefit them differently in time. They should choose what kind of impression they try to leave for

the audience and how the logo may support said brand image. The logo should not be simply decided according to the company members' own aesthetic preferences.

When it comes to design there are some guides as to what a good logo should look like and people responsible of commissioning and choosing the logo should be aware of them. They should also understand to treat these instructions as suggestions. Instead, the people responsible of visual identity should focus on industry and branding variables and rather determine what stylistic choices best please their specific customer pool. This means the company should rather focus on researching their target audience than design. Since the design work itself rarely is part of the company efforts, they should rather focus on giving the best possible brief for the designer and choosing an option best suited for their means. To put it shortly, logo designing should be more customer-oriented process.

5.3 Evaluation of the study

Literature review is based on second-hand research and it is as reliable as sources and conductor's interpretation are (Sara & Ravid, 2019). Research data has been collected from several sources, but they were hosted by two main sites, Oulu Finna and EBSCO. Sources themselves, however, are studies and papers by different research groups from a range of countries. This would suggest that the sources are varied enough to provide adequate amount of comparable and impartial information. Another factor that supports this is, that several studies addressed or further investigated each other.

On the other hand, study of logo design is very narrow field. Earliest popular studies, specifically referring to logo design, come from 1990's, such as Pimentel (1997) and Henderson and cote (1998). While this is an advantage in a sense that information is fairly new and has been acquired by enough modern methods, it also creates a bubble. Many later researchers refer to the same few, popular studies. However, newer studies typically re-examine and correct older information, as more specified and larger scale studies are enabled. This study also addresses several contradictions between sources and explains how they can both apply depending on context. It is also useful to note that while details and specifics vary, such as certain effects and aspects of design choices, general consensus does not. The conclusions of this paper are supported to

fair extent by every source. For these reasons, this study can be evaluated to be reliable and accurate.

5.4 Limitations of the study and future aspirations

The most glaring limitation on the subject came from available material. Research on logo design is rather new subject. There were plenty of new studies, but they typically base their foundation on few, well-known papers for the lack of other sources. On one hand, this enabled for more thorough investigation than oversaturated field perhaps could. Studies easily ranged from very specific takes on small aspect of a logo to a larger, rather contemplative papers that offered insight to the field of marketing and branding. Limited material on a very narrow field permits more throughout search but does leave gaps that may not be possible to address yet. It also makes data search process much more difficult.

One of the perhaps most frustrating issues arises from a lack of standard vocabulary. There is no universal guide to what concepts or words should mean. For this particular topic, “recognizability”, “familiarity” and “preference” were sometimes used almost interchangeably between papers, which was a cause for some confusion. Proper meaning has to be deduced from the context instead.

Number of chosen sources and research questions certainly further limit this paper. In search of aim for the logo it ignores many interesting notions on design aspects, cultural differences, and branding efforts that were discussed in the source material but could not be fitted in. Considering the rather vague answers to the research questions, this paper will inevitably leave specifics and details out.

In the future more studies on a logo’s effects towards profitability and marketing could offer more answers as to what exactly a company should strive to do with their logo. The further the field of logo study goes, better it should learn to define its vocabulary and meanings. It would also benefit companies to have research focus on particular industry’s logos and customer segments to better clear the aims and benefits of the logo design.

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