

Product Aesthetics: How Brand Recognition, Brand Confusion, and Brand Cluelessness Affect Product Sales

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Abstract

Marketing managers regularly articulate their strive for high levels of brand recognition. If consumers can attribute a product to a brand merely by looking at its aesthetics, product sales should thrive. Theoretical rationale for the nature of this effect however, is lacking. The same is true for failed instances of recognition, which is when a product is mistaken for another brand (brand confusion) or when consumer don't have any brand associations at all (brand cluelessness). Drawing from categorization theory we develop predictions of sales effects and test these effects empirically with a comprehensive econometric model using car market data. We observe a positive sales effect of brand recognition, which is not linear but needs to surpass a threshold to enfold full impact. Brand confusion is found to always harm sales performance, irrespective of whether the product is confused with poorer or stronger brand image products. Additionally, we find that brand cluelessness is only detrimental to products which compete on brand values rather than on function or price.

Keywords: *product design; brand recognition; brand confusion*

Track: Product and Brand Management