# Brand heritage and brand nostalgia – Merely two sides of the same coin?

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When it comes to creating a preference position among customers, brand nostalgia and brand heritage are tried and tested concepts. Although for both constructs there exists a body of conceptual literature setting them both apart from each other, this picture is not as clear when it comes to their measurement. A literature review shows ambiguity in the utilized scales and, in consequence, triggers the question whether both concepts are distinct. Investigating three sporting goods brands and applying structural equation modeling, we find that brand nostalgia and brand heritage are two distinct constructs. Furthermore, out of the three proposed dimensions for brand nostalgia (personal nostalgia, historical nostalgia, and perceived brand oldness) only the first two reflect brand nostalgia distinctively, whereas perceived brand oldness stands apart, apparently more leaning towards the brand heritage construct.

*Brand heritage, Brand nostalgia, Structural equation modeling*

*Product and Brand Management*

## 1. Introduction

In a variety of product markets, companies' offerings are becoming increasingly similar. As consumers perceive the technical and functional benefit of many products to be homogenous, marketers are challenged to identify routes that allow an edge over the competition. Differentiation can be achieved on a number of fronts, amongst others by exploiting the brand's history and the consumers' references to the brand's past (Burghausen & Balmer, 2014).

A brand that exists in the market for a certain time has its past. This heritage can be seen as a unique brand asset with a lower risk to get copied by competition than other factors. Therefore, the dealing with and the exploitation of the past of a brand has gained considerable attention in marketing academia and practice. This trend is fueled by the consumers' desire for authenticity, certainty and longevity in an increasing global and dynamic world (Wiedmann, Hennigs, Schmidt, & Wuestefeld, 2011), and brands grounded in the past may invoke these positive connotations.

Two constructs have been proposed in the context of a brand's past for better understanding the related effects: brand heritage and brand nostalgia. The former takes the company's perspective on the brand's past and reflects a facet of brand identity substantiated by longevity and core values (Urde, Greyser, & Balmer, 2007), whereas the latter reflects the customer perception and expresses especially the customer's affective reactions to a brand's history (Bartier, 2013). On the definition level, the difference between brand heritage and brand nostalgia seems clear. By looking deeper, on the level of the measurement scales, it becomes evident that brand nostalgia and brand heritage are not as distinct as they appear on first sight. Research on brand heritage tends to include brand nostalgia, in general as part of the concept and when it comes to measurement (e.g. Rose, Merchant, Orth, & Horstmann, 2016; Urde et al., 2007). Research on brand nostalgia (e.g. Bartier, 2013; Brown, Kozinets, & Sherry, 2003) explains and measures brand nostalgia by employing aspects considered core features of the brand heritage concept. Other research (e.g. Merchant & Rose, 2013) reveals a mediating effect of nostalgia on the relation between nostalgia proneness and brand heritage.

The aim of this paper is to clarify whether brand heritage and brand nostalgia are two distinct concepts, taking into consideration the existing body of literature and the proposed measurement scales (research objective RO1). Despite being potentially two different constructs, a second aim is to examine the interdependency between brand nostalgia and brand heritage (RO2). In the following, we first present the theoretical background. Then, we

discuss the research methodology and present the empirical findings. The paper concludes with implications, limitations of the study and suggestions for future research.

## 2. Review of literature on concepts and scales

### 2.1 Brand heritage

Brand heritage may be seen as a variation of the larger concept of brand equity in the way that the historical status of old companies is explicitly linked to their brand identity and consumer appeal (Hudson, 2011). Brand heritage is "a dimension of a brand's identity found in its track record, longevity, core values, use of symbols and particularly in an organisational belief that its history is important" (Urde et al., 2007, p. 5). Over a period of time, a sequence of accumulated brand-related experiences from multiple sources shape brand perceptions (Rindell, Santos, & Lima, 2015). The brand's early roots add authenticity and differentiation, especially as the brand's identity is reinterpreted in contemporary times (Aaker, 2004).

Hence, brand heritage must be differentiated from brand history and simple longevity. Urde et al. (2007, p. 9) state that all "brands have a history" (a past), but only "some have heritage". Brand history comprises a brand's past, and it includes the integrity of its roots and details. Brand heritage surpasses sole antiquity as it "helps making a brand relevant to the present and prospectively the future" (Urde et al., 2007, p. 6). Furthermore, a brand with a heritage is not necessarily a heritage brand. A heritage brand is one with a positioning and value proposition that is based on its heritage.

Amongst the approaches of assessing brand heritage, there are three empirically verified scales to conceptualize brand heritage. The resulting measurement models have been developed based on a literature review followed by qualitative and finally quantitative studies confirming their appropriateness. All scales cover core aspects of brand heritage like the brand's past, brand traditions or timelessness of the brand. Nevertheless, the authors set different focuses. Wiedmann et al. (2011) developed a one-dimensional scale embracing the five key elements of brand heritage as proposed by (Urde et al., 2007). Merchant and Rose (2013) based their one-dimensional scale largely on the consumer-related outcomes they expect a heritage brand to trigger, e.g. reliability, authenticity, or trust, and leave out brand-related aspects like brand traditions. Pecot, Valette-Florence, and Barnier (2017) postulate three sub-dimensions of brand heritage (stability, longevity, and adaptability) and create a scale accordingly. While the notion of stability and longevity is also covered by the before-mentioned scholars, Pecot et al.'s scale incorporates the brand's ability to adapt to the future.

*2.2 Brand nostalgia*

Several definitions and descriptions of nostalgia have emerged over the past decades. The literature review reveals that the phenomenon nostalgia is primarily considered as an emotion, mood, or affective state evoked by the past, characterizing nostalgia as "an emotional state in which an individual yearns for an idealized or sanitized version of an earlier time period" (Stern, 1992, p. 11). Nostalgia connects the individual to the "good old times", like Holbrook and Schindler (1991, p. 330) describe nostalgia as "a preference (general liking, positive attitude, or favorable affect) toward objects (people, places, or things) that were more common (popular, fashionable, or widely circulated) when one was younger (in early adulthood, in adolescence, in childhood, or even before birth)." There is also a consensus that nostalgic reflections are predominantly positive (Havlena & Holak, 1991).

Nostalgia either relates to one's personally lived past or takes people back to a time before their births and therefore is not personally experienced. The longing for the lived past is expressed by personal nostalgia (Merchant & Rose, 2013; Shields & Johnson, 2016), whereas cultural or historical references evoke historical nostalgia for a period outside an individual's living memory (Baker & Kennedy, 1994; Rose et al., 2016). Stimuli like objects, scenes, or advertising may trigger a nostalgic response (Divard & Robert-Demontrond, 1997). In the same vein, brands can elicit nostalgic feelings. Accordingly, Bartier (2013, p. 1) defines brand nostalgia as "positively valenced past feelings produced by an individual when a perceived old brand has the ability of recalling him positive past memories, lived or learned."

To empirically capture brand nostalgia, studies either used a qualitative approach (e.g. Kessous & Roux, 2010), or if quantitative, focused on the respondents' positive own experiences with the brand (Fritz, Schoenmueller, Schaefer, & Bruhn, 2013; Shields & Johnson, 2016; Smit, Bronner, & Tolboom, 2007). This corresponds to the notion of personal nostalgia. Bartier (2013) broadened the perspective by adding historical memories as well as the perceived oldness of the brand. Jensen, Ohlwein, and Fischer (2018) followed her approach by retaining the three mentioned sub-dimensions, however, modified and reduced Bartier's scale items to avoid redundancy between and gain preciseness of the single items.

## 3. Research design and empirical findings

*3.1 Research approach and sample characteristics*

In preliminary in-depth discussions, the product category sporting goods and three well-known brands were chosen as stimuli for the subsequent quantitative survey. The brands were

selected to represent a broad range of brand heritage and brand nostalgia levels: Adidas being active in the geographical market since 1949, which Nike entered in 1978 and Under Armour in 2016. For each interview, one out of the three brands was randomly picked as a reference for the statements. The answers to the quantitative main study were collected online. After eliminating incomplete data sets, the data file consisted of 227 responses. In line with the main target group of the mentioned brands, a large majority (83%) of the respondents belonged to the age group 15-25 years, 8% were between 26 and 30 years and 9% were older than that. The female respondents (63%) outweigh the male respondents (37%).

*3.2 Operationalization of the two latent constructs*

Limitations, especially as to the length of an online questionnaire, induced the necessity to focus on one of the existing measurement models for brand heritage. Although the one developed by Pecot et al. (2017) is the most recent, preference was given to the scale introduced by Wiedmann et al. (2011) as it is content-related the most comprehensive in reflecting the commonly accepted definition of brand heritage by Urde et al. (2007). As these indicators are of a formative nature, a brand heritage index (BHI) was constructed in two steps. At first, the indicators were transformed into an equal number of factors by an exploratory factor analysis applying the principal component method and Varimax rotation. Then, the BHI was calculated as the sum of the factor scores weighted by the relative sum of its squared loadings after rotation ($M = .00$, $SD = 3.61$, skewness = -.83, kurtosis = 1.11).

With regard to brand nostalgia a middle road between the initial model by Bartier (2013) and its condensed version by Jensen et al. (2018) seemed appropriate. As the modified measurement model for historical memories did not fully meet the established threshold values related to the average variance extracted and the indicator reliability (Jensen et al., 2018), the three statements as initially introduced were used. Moreover, one statement from the original scale was reintegrated for each of the two remaining dimensions ("This brand reminds me of happy times I have experienced" for personal memories, "This brand has been around for a long time" for perceived brand oldness).

To recheck dimensionality, alternative models were compared with confirmatory factor analysis referring to procedures from prior research (Bloch, Brunel, & Arnold, 2003; Brakus, Schmitt, & Zarantonello, 2009; Homburg, Schwemmle, & Kuehnl, 2015; Tian, Bearden, & Hunter, 2001). Beside the null model and the three factor model according to Bartier (2013) a one-factor model and three two-factor models (each combining two of the three dimensions according to Bartier (2013)) were included. As displayed in Table 1, the three-factor model

achieved the best fit statistics as well as the lowest Akaike information criterion (AIC). All facts considered, the results confirm the brand nostalgia operationalization with the three above-mentioned dimensions. Nevertheless, a model combining personal and historical memories in one dimension is only slightly inferior.

| Model | $\chi^2$ (df) | CFI | TLI | RMSEA | SRMR | ΔAIC |
|---|---|---|---|---|---|---|
| Null | 765.62 (43) | | | | | |
| **Three factors** | **85.39 (30)** | **.942** | **.914** | **.090** | **.051** | **0** |
| One factor | 140.24 (33) | .889 | .848 | .120 | .077 | 48.85 |
| Two factors (PM&HM) | 97.85 (32) | .932 | .904 | .095 | .056 | 8.46 |
| Two factors (PM&PBO) | 128.01 (32) | .900 | .860 | .115 | .073 | 38.62 |
| Two factors (HM&PBO) | 136.14 (32) | .892 | .848 | .120 | .076 | 46.75 |

Note: ΔAIC is calculated with regard to the three factors model, as it is the best model with the lowest AIC; dimensions of brand nostalgia combined for two factors models are given in parenthesis (PM = Personal memories; HM = Historical memories; PBO = Perceived brand oldness)

Table 1. Scale dimensionality of brand nostalgia

*3.3 Relationship between brand nostalgia and brand heritage*

The first model to be tested combines the three dimensional model for brand nostalgia with the single indicator (BHI) measurement model for brand heritage (see Figure 1). Using the maximum likelihood estimator, the model achieved reasonable goodness-of-fit values: comparative fit index (CFI) = .902; Tucker-Lewis index (TLI) = .861; standardized root mean square residual (SRMR) = .067; and root mean square error of approximation (RMSEA) = .110. Nevertheless, the null hypotheses that the observed covariance matrix is equal to the covariance matrix that was reproduced by the model could not be retained ($\chi^2(39) = 146.377$; p < .01). All of the hypothesized effects were statistically significant, and there is a statistically significant moderate to strong correlation between the two latent constructs brand nostalgia and brand heritage. Overall, model I can be rated as adequate.

The aforementioned theoretical and empirical findings suggested a second model in which perceived brand oldness acted as a separate construct. This modification led to a model that slightly outperformed model I as to the different goodness-of-fit indices: CFI = .918; TLI = .882; SRMR = .063; RMSEA = .102; and $\chi^2(38) = 127.318$; p < .01. Once again, all of the hypothesized effects were statistically significant, and there is a statistical significant, moderate to strong correlation between the three latent constructs. Not surprising, perceived brand oldness and brand heritage have the closest relationship. Model II can be rated as being slightly superior to model I.

Finally, a model excluding the second order factor brand nostalgia was tested (model III). The goodness-of-fit indices rate it as being on a similar quality level as the previous model:

CFI = .921; TLI = .883; SRMR = .060; RMSEA = .101; and $\chi^2(37)$ = 122.827; p < .01. Personal memories and historical memories are connected by a very strong, the remaining constructs by a moderate to strong relationship. All correlations are statistically significant.
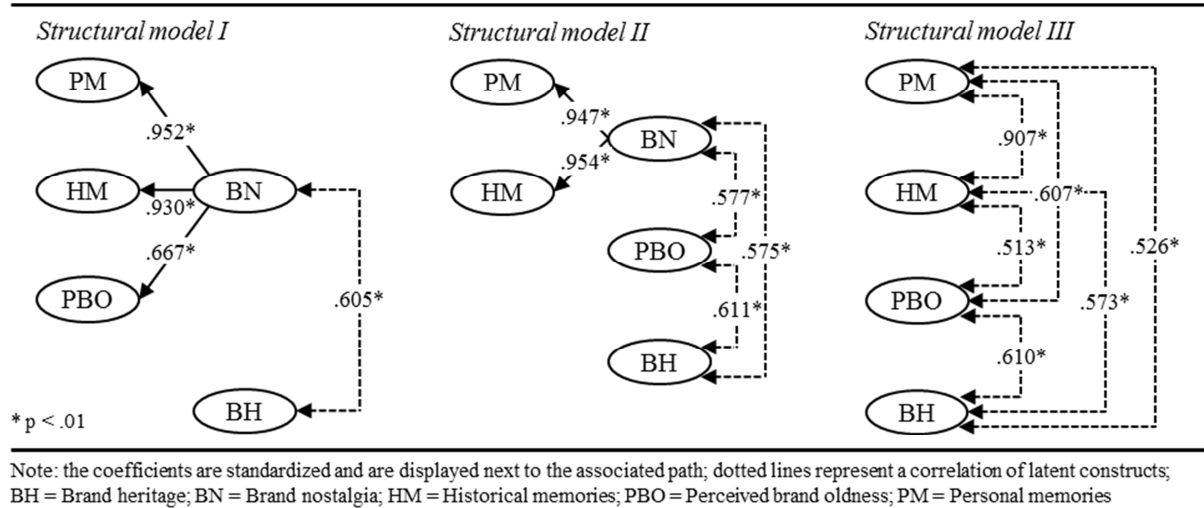


Note: the coefficients are standardized and are displayed next to the associated path; dotted lines represent a correlation of latent constructs; BH = Brand heritage; BN = Brand nostalgia; HM = Historical memories; PBO = Perceived brand oldness; PM = Personal memories

Figure 1. Alternative structural models

*3.4 Conclusions and implications*

As model I achieved adequate goodness-of-fit indices, the empirical findings confirm that brand heritage and brand nostalgia with its three sub-dimensions personal memories, historical memories, and perceived brand oldness are two distinct constructs (RO 1). Model III provides additional empirical evidence for that conclusion. Nevertheless, it becomes apparent that perceived brand oldness is not as closely attached to brand nostalgia as personal and historical memories are: while brand nostalgia impacts perceived brand oldness statistically significant, it does this to a much lower extent than it impacts personal as well as historical memories. To practitioners, the findings open up two opportunities to gain a competitive advantage: capitalizing on the perceived brand heritage as a variation of brand equity and standing out from competition via creating a de facto lived or a virtually learned positive relationship between the brand and the individual.

Furthermore, model I confirms that despite being distinctive constructs there is a moderate to strong interdependency between brand nostalgia and brand heritage (RO 2). This assessment is confirmed by the homogeneous coefficients for the correlation between brand heritage and the individual components of brand nostalgia (model III). Obviously, in the consumer's mind the perceived history of a brand mingles with positive memories, lived or learned, of the brand in general and the relationship between the individual and the brand in

particular. Practitioners are challenged to closely coordinate all marketing activities aimed at leveraging the brand's past to ensure consistency of the brand image in a customer's mind. This is a key challenge for marketers, especially as even minor changes in the values and orientations (e.g., a shift from tradition to innovation orientation) might have a significant effect on the emotional value attached to a brand.

Finally, there is a close relation between brand heritage and perceived brand oldness. As already outlined, perceived brand oldness has a special status among the three facets of brand nostalgia. The satisfactory goodness-of-fit indices of model II indicate that perceived brand oldness might be more a link between brand heritage and brand nostalgia than an integral part of the latter construct.


## 4. Limitations and suggestions for future research


This study explores the relationship between two key constructs that relate a brand to its past. The presented results shed a first light on the interrelation of brand nostalgia and brand heritage, and thereby help to gain a better understanding of an important field, namely the one considering the brand's past in marketing theory and practice. Yet, the subject deserves further consideration. The research includes two measurement approaches, one for brand nostalgia and one for brand heritage. Although they were consciously chosen, further studies might take into consideration alternative measurement approaches, which exist especially for brand heritage. Merchant and Rose (2013) and Pecot et al. (2017) developed measurement scales which might also be tested in combination with a brand nostalgia scale. An empirical comparison between the different models aiming at reflecting brand heritage could also be a fruitful path to gain a better understanding of the measurement approach for brand heritage.

The quantitative data refer to three brands from the sporting goods industry. Further research should desirably focus on additional product segments and/or additional brands. Additionally, studying the impact of age and of personality variables, e.g., the importance of values, behavior patterns or the preferred life style, on brand nostalgia and brand heritage would provide an interesting avenue for further research. Future research could also investigate the relationship between brand nostalgia, brand heritage and specific brand personality characteristics as well as brand strength. From a managerial perspective, examples for future explorations could consist in testing different variations of selected marketing instruments (e.g. advertisement or packaging) for their impact on consumers by considering brand nostalgia and brand heritage.

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