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Communication and interdependencies in branding

Reputation as an asset that adds value to corporations and supports trust in brands

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Table of content – todays agenda

Branding - a general overview

From consumer to prosumer

Lasswell Model

From brand to trust

Social theory of trust

Dynamics of social trust

Context with my dissertation



Branding in the context web 2.0

Branding plays an important role in **social networks**.

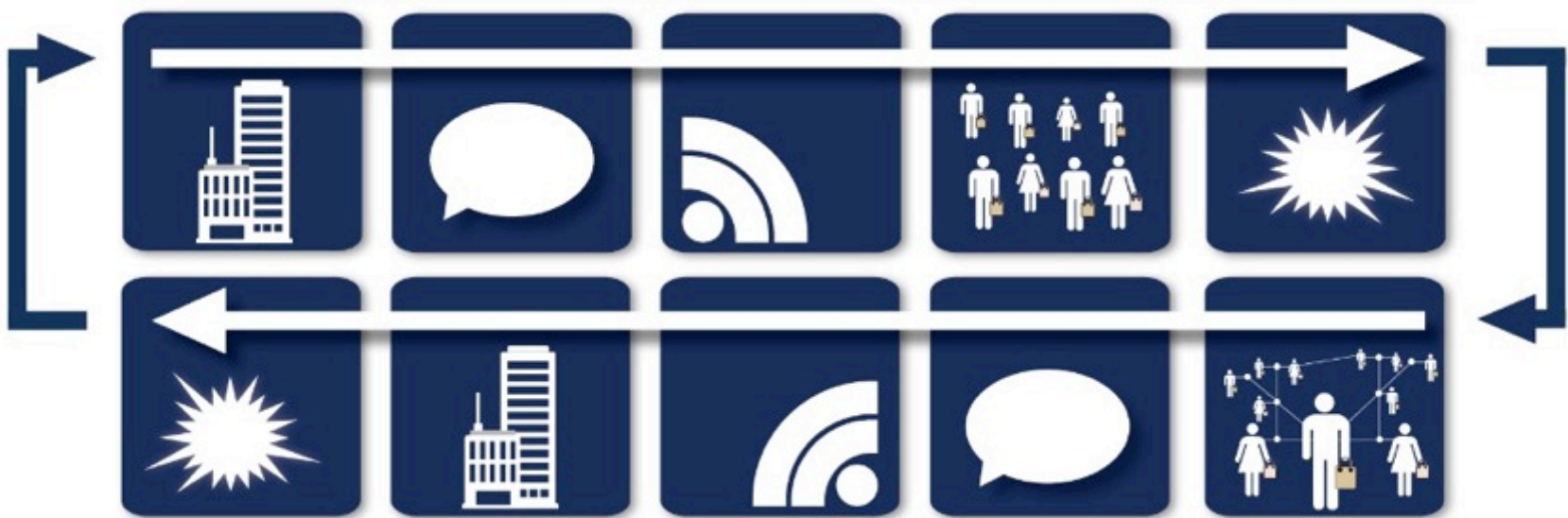
In the era of web 2.0 branding is **no longer** a discipline which can be wholly **controlled** by a company.

Target groups have never had a greater opportunity to **shape the branding process**.

Companies have learned that **transparent dialogue** in social networks is essential.



From consumer to prosumer



Social media and social search aspects are now giving a whole new meaning to **Lasswell's basic model of communication**.

Own representation based upon Dwight D. Lasswell, 1948

Transferring Lasswell`s Model to era web 2.0

“**Who** says **what** in **which channel** with **what effect**?”

Originally, the "Who" referred to the company.

This stage **must now be redefined** in the context of all the diverse communicative possibilities offered by web 2.0.

The **channel is also of decisive importance**: with the right approach and the right content, excellent access is now possible to those who are active in social networks.

The effects of "**group processes**“ are now taking on a new significance thanks to social plug-ins and share buttons.



A brand...

...distinguishes, differentiates and provides unique identification.

...creates high brand loyalty, symbolises status and increases consumers' self-worth.

...offers guidance and assurance in purchasing decisions.



From brand to trust

Strategic, targeted and sustainable brand development aims to give the consumer a feeling which goes beyond the mere product.

Additional values associated with the brand in the customer perception will have a positive influence on consumer preferences and purchasing behaviour.

These values include factors such as **recognition, belief in quality and trust**, which represent the value of a brand.



A social theory of trust

A sociological theory of trust is proposed by Luhmann (1979), who argues that there are **three modes of asserting expectations** about the future based on personal experiences and cultural meaning systems:

- 1) familiarity
- 2) confidence
- 3) trust

- **Familiarity** is precondition of trust
- **Trust** is required in situations of high risk
- At higher levels of perceived risk **trust** becomes necessary for purchase, which involves emotional judgements rather than cognitions
- With repetition over time risk perceptions reduce, **trust reverts to confidence**

Social theory of trust



Own representation based upon Luhmann, 1979

Dynamics of social trust

Psychological theory allows us to further model how trust in brands develops over time with experience.

Trust evolves out of past experiences and prior interactions and develops in stages from :

- **predictability**
- **dependability**
- **trust**
- **(eventually) faith**

Hierarchy of emotional involvement

Dynamics of social trust

- **Predictability:** requires experience of consistency of behaviour from which consumers can build a knowledge base
- **Dependability:** requires further experiences and involves a move away from specific behaviors to a more generalised set of beliefs
- **Trust:** requires a move from reliance on rational cognitions to reliance on emotion and sentiment

Richard Elliot, Natalia Yannopoulou, 2007

Dynamics of social trust/personal trust



Tangible



Intangible

Cognitive



Emotional

Calculative



Sentimental

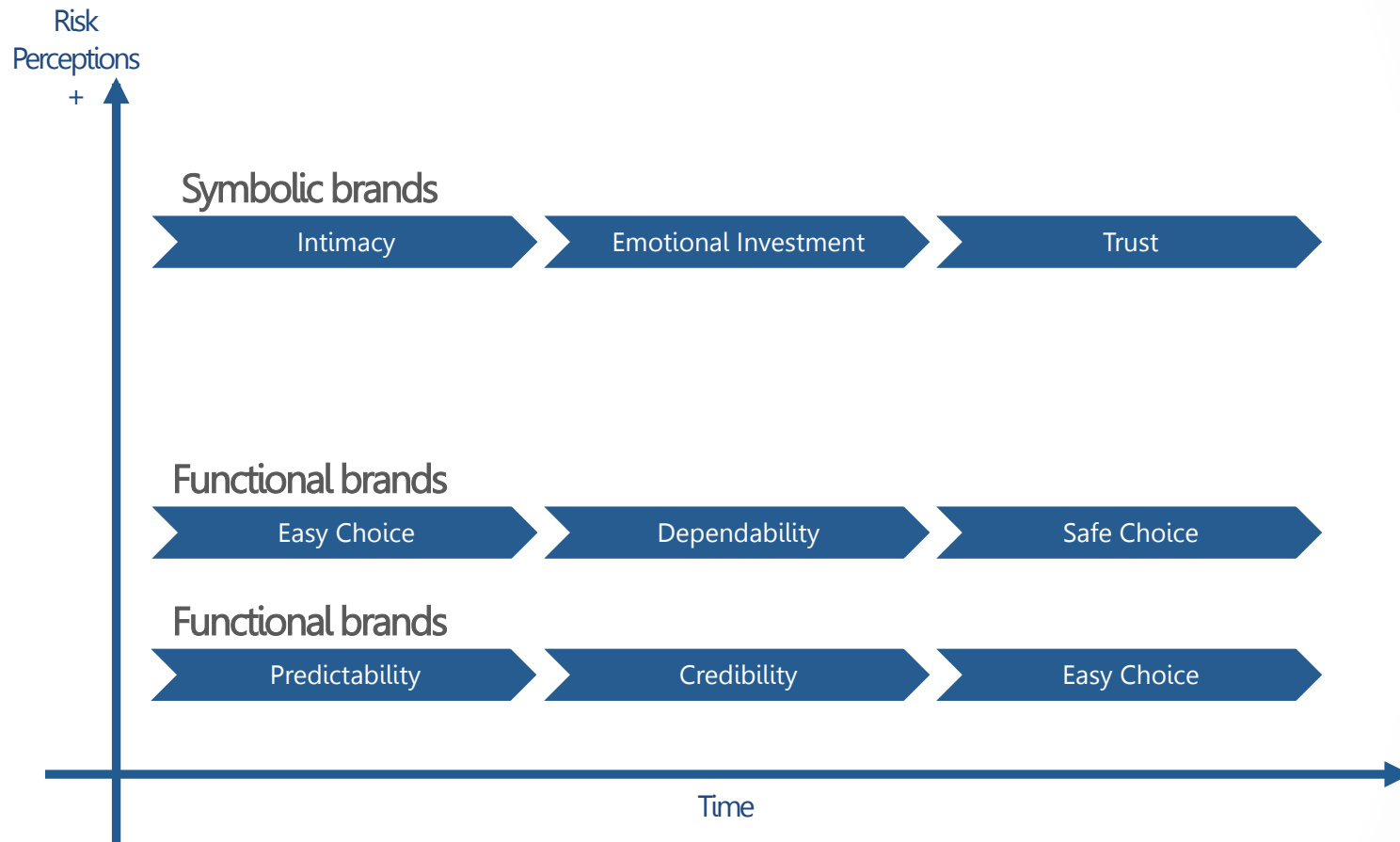
Own representation based upon Rempel, 1985

Implications for brand strategy

- **Consistency:** as a brand is built over time, confidence needs to be developed consumers need repeated experiences, they need to build beliefs about predictability and dependability
- **Reassurance:** as levels of involvement rise, consumers cross into an emotional domain when an easy choice becomes a safe choice
- **Storytelling:** perceptions of intimacy are required before the consumer will make an emotional investment in the brand, which needs to demonstrate “care-taking” and requires the brand to engage in two-way communications to build a sense of intimacy.

Richard Elliot, Natalia Yannopoulou, 2007

Two-way communications with consumers



Own representation based upon Escalas, 2004

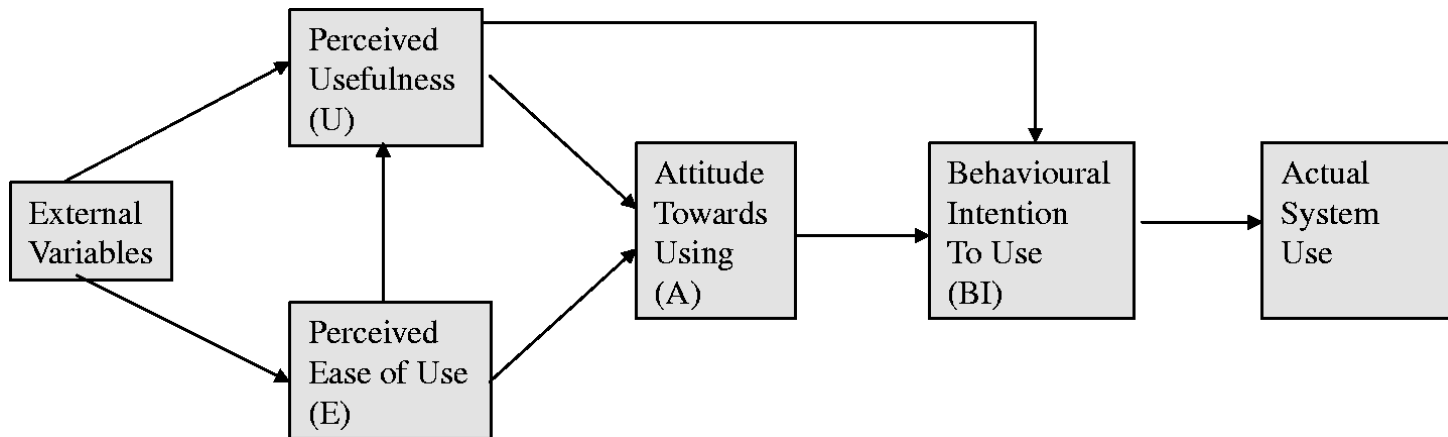
Purchasing decision in the internet

→ Theoretical framework

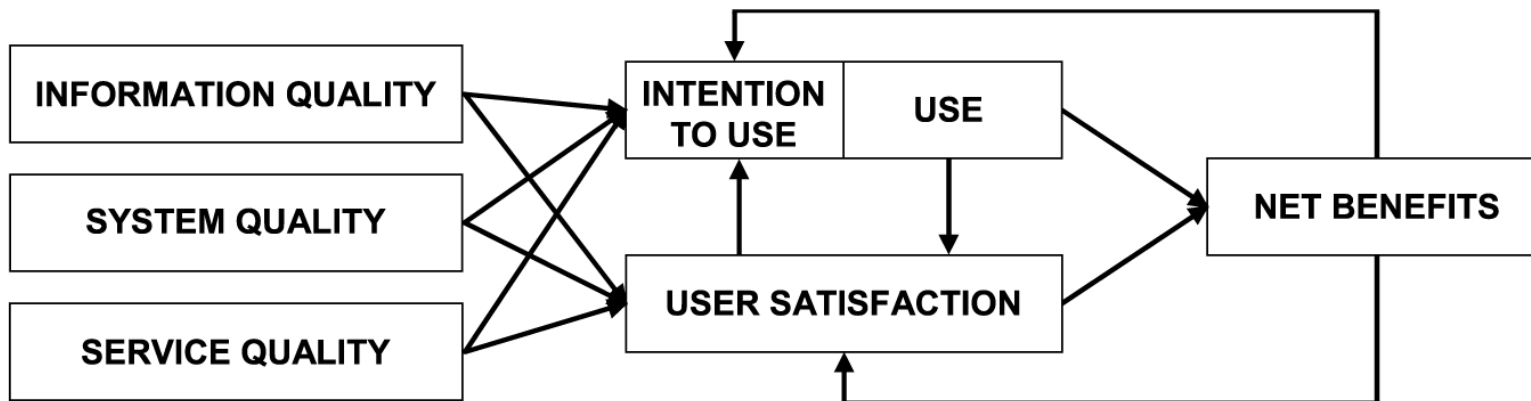
- Specific characteristics of values and choices
- The construction of preferences (Paul Slovic)
- Risk and uncertainty (Tversky/Fox)
- Preference building
- Online trust (Ye Diana Wang/ Henry H. Emurian)
- Effects of visual primes on choice (Naomi Mandel/Eric Johnson)
- Pre- and post decision Construction (Ola Svenson)
- Purchasing decisions
- Customer Price Sensitivity
- Consumer satisfaction – Information Search
- Decision making process
- Satisfaction with the E-Commerce Buying Process
- Customer Satisfaction and web site design
- Effects of prior online purchase experience
- Online Impulse Buying
- Online buying process
- Web site goals (Belanger) (DeLone & McLean)
- Shopping behaviour of travel consumers

Purchasing decision in the internet

TAM (Technology Acceptance Model), Source: Davis 1989



IS (Information System) Success Modell



Source: DeLone and McLean (2003)

Purchasing decision in the internet

→ Hypotheses

- **User satisfaction** plays determinant role in consumer's intention to purchase
- The **offered information** on a website has an influence on the purchasing decision
- **Online trust** and **brand orientation** are positively related to end users' online purchase intention
- **Social search criteria** are influencing the purchase decisions
- **Sequential position in search** is positively influencing the purchase probability



Why Internet?

My own business delivers services in the arena of online marketing and eCommerce. We provide our clients with BI from competitors and their own history, define useful KPIs and support in optimizing conversion rates.

Why Hotels?

I am working in the hospitality industry since 20 years in the field of Distribution, Sales, Marketing and eCommerce.

Currently most of our clients are out of the tourism sector, we are working for companies like Accor, Leading Hotels of the World and TUI.