

## Risk-Taking and Logo Priming in College Students

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### Abstract

Risk-taking behaviors were examined as associated with either The North Face® or Coca-Cola® logo. Participants ( $N = 98$ ) were primed with either logo, or a control, followed by a survey that asked questions related to risk-taking behavior with five subsections (ethical, financial, health/safety, recreational, social). It was predicted that participants exposed to The North Face® logo would score higher on the recreational subscale of the risk-taking measure than those exposed to the Coca-Cola® logo or control condition. The participants exposed to The North Face® logo elicited a higher risk-taking behavior score in the recreational subsection, and no differences were found between conditions on the other four risk-taking subscales. In conclusion, logo priming has an effect on the attitudes towards risk-taking in college students.

**Keywords:** risk, advertisements, logos, ads, symbols, marketing

### 1. Introduction

Consumers are exposed to thousands of advertisements a day, most of them are subconscious visuals and hold subliminal messages. Whether or not consumers should be disclosed when they would be subjected to advertisements in a movie or television show is being debated (Boerman, Reijmersdal, & Neijens, 2015). Regardless, marketers take advantage of every opportunity to create a representation of the brand as it relates to current issues. Brand logos entice certain emotions when they are seen. There are classic and traditional logos, such as the McDonald's golden arches, as well as logos that hold a modern and creative meaning, like the Apple symbol (Fitzsimons, Chartrand, & Fitzsimons, 2008). The current research will use these ideas as a basis for a new research endeavor investigating stereotypes associated with logos, more specifically the feelings related to risk-taking evoked by certain logos.

Research has been conducted on every aspect of advertising. Before a product is launched there is a prelaunch period in which the marketer takes every opportunity to educate consumers on the product and its design (Kumar & Noble, 2016). The quantity of an advertisement can indicate product quality. Song, Jang, and Cai (2015) asked whether advertising during prelaunch or postlaunch is a better indicator of quality. First, in the procedure the researchers used advertising quality models to see if there is an association with quality during the prelaunch and postlaunch periods. Second, they used prelaunch and postlaunch advertising as independent variables to determine whether the effect of quality revenue changes. Advertising during prelaunch may lead to higher revenue, but it does not indicate higher quality. Although companies use about 80% of their advertising budget on prelaunch advertisements, quality assurance can be better detected with postlaunch advertisements.

Quality assurance can be reflected in how well consumers may recall advertisements (Leong, Ang, & Tham, 1996). Advertisements with a picture as well as the name were recalled more often than advertisements with solely a photo (Biron & McKelvie, 1986). Participants were exposed to either condition with a set viewing time. The longer a consumer is exposed to an advertisement, the likelihood of recalling

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the advertisement goes up. Men are more likely to connect with a brand logo that represents their sex rather than an opposite sex. Although consumers may be able to recall a logo, reconstruction of the logo causes more of a challenge (Blake, Nazarian, & Castel, 2015). This is important for marketers to target certain markets when educating consumers about a product.

Sex is important to marketers as well as color preference. Throughout history there have been meanings attached with colors. There are many different color associations that can be made and some of the most basic associate white with “light” and black with “darkness.” Products, such as cars, come in an array of colors and the race of the consumer can predict which color choice they may make. Even without a racial background consumers still have a preference for either white or black products (Sliburyte & Skeryte, 2014). When choosing a product, Caucasian-Americans and African-Americans are more likely to choose the product in white. Kareklas, Brunel, and Coulter (2014) focused on automatic versus explicit color preferences on product and behavioral choices. Spokespeople in both race groups were used and it was also found that consumers tend to connect with their own race rather than a race other than their own. Sex and race are both influencers in consumers’ decisions when purchasing a product.

Brand exposure can happen in the way of classic advertisements, or consumers may also be exposed to brands through daily encounters with others. Seeing a few people holding a brand name coffee, such as a red Starbucks cup, may prime customers to make certain buying choices, like purchasing a Starbucks coffee (Samu & Krishnan, 2010). Some interactions may be completely nonconscious, but others may be recognizable. This is called incidental consumer brand encounters (ICBEs). Ferraro, Bettman, and Chartrand (2009) stated that repeated brand exposure during encounters with the brand should lead to a more positive response about the brand. There are a few measures that went into determining this. First, new evidence found that repeated exposures to ICBEs increase the choice of the brand for people not aware of brand exposure. Next, perceptual effortlessness was found to cause these effects. And finally, the effects are moderated by consumers’ automatic responses toward the type of user of the brand.

Fitzsimons et al. (2008) were also interested in whether or not brand exposure affects consumer behavior. If brands do have an effect on behavior than what is the process that they produce their effects? Brands tend to have a link to personality traits and can be symbols of aspired and desired self-qualities. Because of this consumers can look at brands as goals for them to achieve. The first method of the researchers was to prime participants with either Apple or IBM logos. These logos already hold certain traits. Apple tends to think outside of the box and be more creative. IBM values tend to be traditional and smart. Both brands are familiar to customers. Once participants were primed with both logos, the ones primed with Apple tended to act more creatively. When the brand goal is relevant, in this case creativity for Apple, participants could relate to it better. Participants who acted more creatively already had that goal in their minds before being primed with the logo (Fitzsimons et al., 2008).

Consumers primed with certain popular logos may represent the stereotype that logo is known for. For example, The North Face® is a popular and modern brand. Everyone from children to outdoorsman and hikers use the brands clothing accessories as a fashion statement or for its intended outdoor use. The brand represents an adventurous attitude and the clothing is designed for different weather conditions a person may be exposed to. The advertisements involve hikers and mountain climbers in an outdoor atmosphere. Would being exposed to this brand logo elicit risk-taking behaviors, specifically risk-taking intentions related to recreational activities? Previous research suggests that it could influence consumer behavior. Alternatively, the Coca-Cola® logo evokes a timeless attitude and is recognized internationally. As opposed to a more traditional logo such as Coca-Cola®, The North Face® should provoke more of a risk-taking attitude, especially related to recreational risk-taking. The control group should show a neutral response to the risk-taking behavior scale.

## 2. Method

### • Participants

College-aged adults (62 women, 36 men,  $M = 20.2$  years, age range = 18-24 years) were recruited on the Coastal Carolina University campus through class invitations. The largest collegiate level group was juniors 39.4%, followed by freshmen at 30.3%, seniors 26.3%, and the group with the least amount was sophomores at 3.0%. The most predominate race involved was Caucasian at 69.7% followed by African American at 22.2%, Hispanic at 3.0%, and Asian at 1.0%. Most of the participants involved majored in the field of Marketing at 36.4% followed by Psychology at 14.1%. Professors were asked permission for the study to take place in their classroom. The professors of the classes decided whether to administer extra credit for participation in the study. Participants were treated ethically in accordance to the American Psychological Association (APA) ethical standards and guidelines (APA, 2002).

### • Materials

A demographics form was used in the survey packet. This form asked for information about sex, age, race, class rank, and college major. Drawing pages were used for students to create a new logo for either Coca-Cola® or The North Face®. The control group also had a drawing page, which had a blank box. The drawing pages had either one of the brand logos on top of the page. The brand logos were presented in the color that they appear in advertisements: Coca-Cola® is red and The North Face® is black. The size of the logo took up approximately a two-inch by three-inch area. Underneath the logo were two blank boxes approximately the same size. These boxes were for the participant to draw their logo ideas. The brands were chosen because of the how opposite they are and the stereotypes they entail. The North Face® is associated with risk-taking and modern behaviors while Coca-Cola® is more traditional and timeless. The control group used the page to draw anything in one blank box provided. The survey presented was acquired from Blaise and Weber (2006). The survey included five types of risk-taking questions: ethical, financial, health/safety, recreational, and social. Examples of the questions are: “how likely are you to bet a day’s income at the horse races” and “how likely you are to bungee jump off a tall bridge.” The participants’ answers were recorded on a five-point Likert scale. The scale ranged from *extremely unlikely* to *extremely likely*.

### • Procedure

Participants were in a classroom setting when taking part in the research. The students were in groups of approximately 40. Participants were given informed consent forms to fill out at the beginning of the session. Informed consent forms were distributed to ask for information associated to the risks and benefits of participating, information about the study, and the purpose of the study. The next step was filling out the demographics form. Prior to completing a survey participants were asked to create a new logo for either Coca-Cola® or The North Face®. The control group was able to draw anything that came to mind on the drawing sheet provided. After completing this step participants were asked to wait for the five-minute drawing period to be over before proceeding to the next section. This step primed the participants to think of the brand presented or no brand at all. Next, the participants were asked to complete the risk-taking survey (Blais & Weber, 2006).

After completion of the survey, the materials were collected from the participants. The participants were debriefed before the session was complete. During this step the students were told the reason for the manipulation and the potential benefit of the study outcomes. Professors of the students participating chose whether they would administer extra credit.

## 3. Results

Analyses focused on interpreting whether or not risk-taking attitudes were evoked by the logos. Responses were analyzed using the five subscales of the risk-taking survey and an overall average. The five subscales were ethical, financial, health/safety, recreational, and social. After the overall mean was calculated, the means of subsections were used. All analyses were completed using the  $p < .05$  level to

determine statistical significance.

One-way ANOVAs were completed for each of the risk-taking subscales. Participants reported a higher level of risk-taking attitude in the recreational subsection when they were attributed to The North Face® logo ( $M = 3.13$ ,  $SD = .96$ ) rather than the Coca-Cola® logo ( $M = 2.53$ ,  $SD = 1.08$ ) or the control group ( $M = 2.99$ ,  $SD = .85$ ),  $F(2, 96) = 3.44$ ,  $p = .04$ ,  $\eta_p^2 = 0.07$ . Individual comparisons for the recreational subscale indicated that The North Face® condition was significantly different from the Coca-Cola® condition ( $p = .04$ ), although other comparisons were not statistically significant. The financial subsection ( $F(2, 96) = 1.38$ ,  $p = .26$ ), health/safety subsection ( $F(2, 96) = 0.99$ ,  $p = .38$ ), ethics subsection ( $F(2, 96) = 0.68$ ,  $p = .51$ ), and social subsection ( $F(2, 96) = .20$ ,  $p = .82$ ) did not yield significant differences between groups. See Figure for results from all subscales.

An independent-samples t-test was conducted to compare overall risk-taking scores between males and females. There was a significant difference in the scores for males ( $M = 2.88$ ,  $SD = .41$ ) and females ( $M = 2.62$ ,  $SD = .44$ ) overall;  $t(96) = 2.97$ ,  $p = .004$ . However, when sex was added as an additional variable in a 2 (Participant Sex: Male or Female) x 3 (Condition: Coca-Cola®, The North Face®, or Control) factorial ANOVA for recreational subscale scores, the interaction between sex and condition was not statistically significant ( $p = .62$ ).

#### **4. Discussion**

As outlined previously, research has been conducted on consumer attitudes towards advertising. One of the main research topics studied had to do with the timing of advertising. Once it is decided whether to focus on prelaunch or post launch marketing, a target market needs to be determined. Race, sex, and age are all factors in determining the target market. In order to reach the target market, marketing strategies are chosen. Marketing can be developed in the form of television, radio, billboards, and print. Some very important marketing techniques are incidental consumer brand encounters (Ferraro et al., 2009). Consumers non-consciously take in information that determines their buying behavior. This leads consumers to make associations with brands, which assists in developing stereotypes about different brands. In order to associate a brand with certain behaviors, consumers must place themselves in a situation with the logo.

The North Face® is a company primarily associated with outdoor activities that require a sense of adventure and risk. As opposed to The North Face®, Coca-Cola® is a company associated with traditional values and a timeless image. Consumers may not think about these qualities but it is a subconscious thought when presented with the logo or advertisement. We were interested in presenting participants with a logo from one of the companies. This was important to see if the participants would subconsciously take on the attitude that is reflected by each company's logo.

Overall, the results partially supported the hypothesis that participants primed with The North Face® logo would report greater risk-taking intentions compared to participants presented with the Coca-Cola® logo or the control group. While the overall risk-taking scores were not statistically different between groups overall, there was a significant effect in the recreational risk-taking subsection, with higher scores reported by those in The North Face® condition. This finding emphasized the theoretical consequence of the results, suggesting risk-taking results may be moderated by consumers' automatic responses toward the type of user of the brand (Ferraro et al., 2009). Brands tend to have a link to personality traits and can be symbols of aspired and desired self-qualities. The participants that were exposed to The North Face® logo were able to acquire stronger recreational risk-taking qualities rather than those exposed to the Coca-Cola® logo or the control. The North Face® has a stronger recreational risk-taking stereotype associated with the company.

The brand is used specifically for outdoor activities in different weather types. Certain types of people complete these activities. Those exposed to The North Face® logo reported greater personal recreational risk-taking intentions. The control group was not primed with anything and therefore their present state of risk-taking was not altered. The Coca-Cola® logo is primarily seen as a soda company with many competitors who are constantly advertising. Participants may not even drink soda, or Coca-Cola® in

particular, so there might not be a strong sense of connection to the product, especially related to risk-taking. It would be insightful to ask the participants about their usage and familiarity with the products as a potential future study variable.

The current study provided an adequate test of the hypothesis in a controlled manner. Consumers in a naturalistic setting are exposed to thousands of advertisements a day and create personal views towards these products based on the people associated with the ads or logos. In the setting we used, participants were given one of three options, which limited the view they could create without any model or product associated with the logo. It may have been more difficult to make associations to the logo without a physical product or observing another consumer using the product. By only being exposed to the logo alone, participants had to draw on past experiences and associations with the logo.

Although the current study had the ability to add to existing information, there are important limitations that need to be discussed. The main limitation was the age of the participants. The findings cannot be generalized beyond a college-aged population. Future research should focus on a broader audience using a methodological tactic that takes place in a naturalistic setting. It would be beneficial to allow participants to naturally observe logos and advertisements. Having the participants purchase the product and visit the stores would be beneficial to the study. After naturalistic observation participants could be randomly selected to answer questions about advertisements they were exposed to, even if they may have been subconsciously exposed. There are opportunities for further research that would be beneficial to marketing companies to determine whether or not their strategies are effective. It could also help companies understand if stereotypes are associated with their products or company in general.

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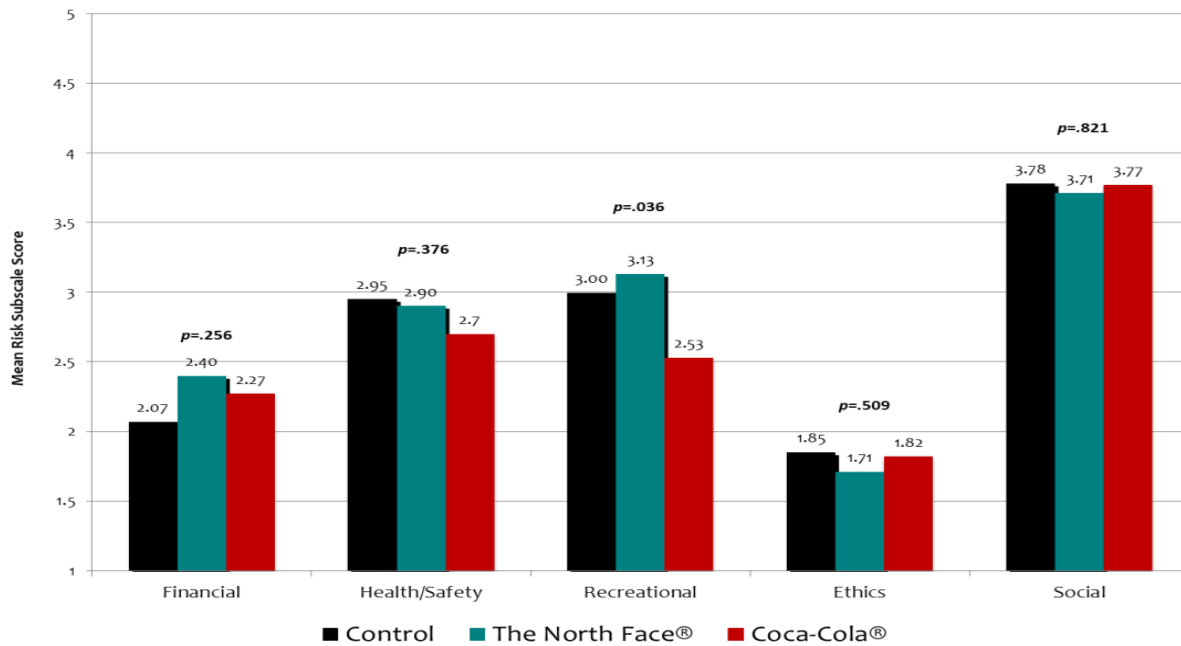
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**Figure:** The mean values for risk scores are represented in this figure by risk subcategory and condition. Participants who were primed with The North Face® logo showed higher scores in the recreational subsection of the risk-taking survey. The only statistically significant effect was in the recreational subsection.