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**COMPANY LOGOS' CONTRIBUTION
TO CORPORATE IMAGE**

by
Jeanette L. Iversen

A Thesis

Submitted in partial fulfillment of the requirements of the
Master of Arts Degree in the Graduate Division
of Rowan University
May 9, 1997

Approved by _____
Professor Anthony J. Fulginiti

Date Approved 5-9-97

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ABSTRACT

Jeanette L. Iversen

Company Logos' Contribution to
Corporate Image, 1997.
Professor Anthony J. Fulginiti
Public Relations

The purpose of this study was to analyze the use of company logos in corporate identity systems and their contribution to corporate image. Logos—or trademarks—identify and differentiate companies and their products, services or ideas. While logos tell about a company's personality, they cannot work in a vacuum—logos communicate along with other components of a corporate identity system.

The researcher conducted a survey study to measure consumers' attitudes toward company logos and the image contribution of the logo. This study was based on the LogoValue Surveys, conducted between 1991 and 1994 by Interbrand Schechter, a corporate identity firm. An accidental sample of 100 people were shown either 10 company names in black, sans serif type or the fully designed color logo of the same companies. Respondents ranked the companies on four image-contribution attributes. Comparisons were made between the score of the company logo versus the company name.

Only about half of the logos contributed to the consumer's image of the company. The survey was unable to test consumer's preconceived opinions about a company, which add to the total image one has of a company.

MINI-ABSTRACT

Jeanette L. Iversen

Company Logos' Contribution to
Corporate Image, 1997.
Professor Anthony J. Fulginiti
Public Relations

The purpose of this study was to analyze the use of company logos in corporate identity systems and their contribution to corporate image.

A survey study showed that only about half of the logos tested contributed to the consumer's image of the company. The survey was unable to test consumer's preconceived opinions about a company's image.

ACKNOWLEDGMENTS

I am submitting this thesis with such pride—it is one of my greatest accomplishments. Back in September, I set a goal to be among the few who completed the thesis on time. I did it! And I would like to dedicate this thesis to those who made this great day possible:

My parents -- to Fred and Jean Iversen for all of their support over the past eight months. Yes, now I have time to clean up my bedroom!

My family -- to everyone who put up with my mess at the computer desk.

Thanks for not touching anything!

My best friends -- thanks for listening to me talk about this thesis all of the time.

I'm now done and can have a social life again. I will be out to play soon!

My PR seminar class -- thanks for all of your input toward my thesis. Please think of me every time you hear the word "logo." Thank you Professor Fulginiti for challenging and guiding me through this.

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CHAPTER 1

Introduction

Human beings display personality characteristics through the structural features and expressions of the face.¹ The face probably forms impressions of personality because people attend to one another's face more than any other area of the body.² Hence, people recognize others most readily by their faces³ and tend more easily to remember their faces than their names.⁴

Like people, companies each possess a distinct face and personality. However, the public often views companies as "characterless" and "cold."⁵ A corporate trademark or logo "helps to 'humanize' a company by presenting a face, a personality, in the form of a symbol."⁶ Like a human face, a logo enables the public to easily recognize an organization and its products, services and ideas.⁷

¹ M. Argyle, *Bodily communication* (New York: International Universities, 1975), 212.

² M. Argyle, 212.

³ M. Argyle, 212.

⁴ E. Selame, J. Selame, *Developing a corporate identity* (New York: Lebhar-Friedman, 1977), 41.

⁵ V. Napoles, *Corporate identity design* (New York: Van Nostrand Reinhold, 1988), 19.

⁶ V. Napoles, 19.

⁷ J. Murphy, M. Rowe, *How to design trademarks and logos* (Cincinnati, OH: North Light, 1988), 8.

Every successful product or organization has its own 'personality,' and just as human personalities are complex so too are product and organizational personalities. The trademarks and logos of products and organizations are a means of condensing complex reality into a single simple statement, one that can be controlled, modified, developed and matured over time.⁸

Companies spend a lot of time, research and money developing or changing their logo, which "reflects the company's *identity* and helps to mold its *image* in a positive way."⁹ For instance in 1993, NEC Technologies--the "U.S. arm" of NEC Corporation, the world's second-largest computer company--underwent a \$200 million corporate makeover that included changing its logo.¹⁰



Prudential Insurance Co.'s Rock of Gibraltar logo had been through 14 versions before 1984, when it adopted an abstract mountain of black and white slanting lines. Even that logo was later changed.

⁸ J. Murphy, M. Rowe, 6.

⁹ V. Napoles, 19.

¹⁰ B. Johnson, P. Sloan, "NEC invests \$200M to mold new image," *Advertising Age*, 8 February 1993, 1+.

Importance of the Problem

Over 30,000 years ago, humans used symbols to communicate thoughts by chiseling marks into rocks and painting pictures on cave walls. However, early forms of actual "graphic identity" date to antiquity when herders branded cattle, and potters identified wares by marking the bottom of pots with their thumbprints. In addition, "the heraldic forms that graced shields and memorial banners among the knights of old were a type of visual identity."¹¹

During the 13th century, bakers in Britain were required to mark bread bottoms with their baker's seal.¹² In the 17th and 18th centuries, trademarks and logos were used by factories to indicate quality and origin of fine porcelain, furniture and tapestries.¹³ Also during that time, laws were enforced to hallmark gold and silver objects to instill confidence in the purchaser and guard against fraud.¹⁴

In 19th century Europe, many craftsmen and tradespeople such as carpenters, bakers, barbers and tailors identified themselves, their merchandise or services on everything from envelopes to store fronts.¹⁵ Merchant trade symbols used "were prototypes of modern identity design."¹⁶ The later part of

¹¹ R. DeNeve, *The designer's guide to creating corporate I.D. systems* (Cincinnati, OH: North Light, 1992), 4.

¹² R. DeNeve, 4.

¹³ J. Murphy, M. Rowe, 10.

¹⁴ J. Murphy, M. Rowe, 10.

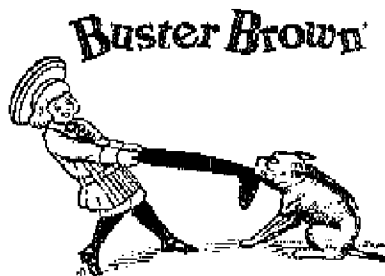
¹⁵ V. Napoles, 13

¹⁶ V. Napoles, 14.

the 19th century allowed the mass-marketing of consumer products through improvements in communications and manufacturing.¹⁷

It was the rise of industrialization, with its manufactured and packaged goods, that gave us logos and marks as we know them today. The earliest trademarks were used to market individual products; as more products were added under the same brand, those marks came to signify the larger company as well. Enduring names such as Kodak, Singer, Heinz and Coca-Cola appeared during this time.¹⁸

The concept of corporate identity design paralleled the Great Depression of the 1930s. Many companies launched new products with "trade characters" such as the Dutch Boy, Elsie the Borden cow, Nipper the RCA dog, Buster



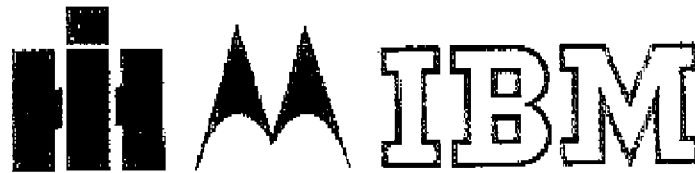
Brown and his dog Tiger, and Mobil's Pegasus. However, the first design firm devoted to brand and trademark design, Lippincott & Margulies, wasn't established until after World War II.¹⁹ U.S. Steel and Chrysler Corporation were among its clients.

¹⁷ J. Murphy, M. Rowe, 10.

¹⁸ R. DeNeve, 4.

¹⁹ R. DeNeve, 4.

During the postwar period, businesspeople began to recognize design as not merely decoration, but as a powerful marketing and sales tool.²⁰ "The trademark was often seen primarily as a function of packaging; as the supermarket developed, packaging became more important each year, and the trademark function was to persuade the consumer that a reputable company stood behind the product."²¹ During this time, Raymond Loewy created the International Harvester mark, Morton Goldsholl created the Motorola "M" and Paul Rand designed the IBM logo.



In the 1950s and 1960s, developments such as corporate mergers and multinational corporations affected logos. Specific, narrow trademarks that represented a company's products or branches no longer sufficed. As a result, many trade characters were dropped. Marks became modernized to "better express the great size and forcefulness of the new business concerns."²² These new marks were plastered everywhere—from T-shirts and tie clips to matchbooks and manhole covers.²³

²⁰ V. Napoles, 17.

²¹ B. B. Capitman, *American trademark designs* (New York: Dover, 1976), x.

²² B. B. Capitman, x.

²³ B. B. Capitman, x.

The 1970s saw a range of corporate identity activity. The years 1969-70 was the period of "low corporate profile."²⁴ Companies did not want consumers to know that millions of dollars were sometimes spent on introducing new logos. But in 1972, various movements toward abstract symbols, shortened company names and trade characters occurred. Gimmicky promotions centered on such figures as the Green Giant, the Planters Peanut and the Morton salt girl—all characters still used today. By the late 70s, small, young companies emerged and challenged major corporations with well-developed and distinctive identities.

Today, companies also realize the value and power of a logo and its design—to identify its products or services, differentiate it from others and communicate information about its quality, value, reliability and origin. Today's logos serve both the company and the needs of the consumer:

If we wish to purchase gas we know that the products of a Mobil station are reliable. We do not need to worry that they may be contaminated or overpriced—the Mobil name and logo provide us with an endorsement. It is the same with services; if we stay in a Hilton hotel we do not much have to concern ourselves about whether the restaurant is reliable or the sheets clean or whether it is possible to send a telex—the Hilton name is a guarantee of consistent, reliable facilities and of quality service. The trademark and logo allow us almost subconsciously to make a ready decision when faced with choices.²⁵

²⁴ B. B. Capitman, x.

²⁵ J. Murphy, M. Rowe, 12.

However, some researchers--like Alvin Schechter, chairman of the Interbrand Schechter corporate identity consultancy--disagree about the value of logo use. Schechter studied logos and their effects on company image from 1991 to 1994. He surveyed 3000 consumers in four years and found that out of 98 company and brand logos, only 26% have had a positive effect.

In the 1991 study, consumers either didn't recognize the companies' logos or didn't know what products the logos represented when shown without the company name. "Half of the logos made consumers less likely to trust the company, and less likely to want to buy its products."²⁶

Procter & Gamble (P&G) experienced the effects of a logo that portrayed a negative image. In 1985, Procter & Gamble announced it would remove its 103-year-old logo, which appeared on brands such as Crest toothpaste and Jif peanut butter. Rumors spread that its man-in-the-moon and 13 stars logo symbolized the company's involvement in devil worship. P&G's logo cannot be found on products today because it no longer provided a positive image for the company.

Every company should be concerned with having a positive image. However, corporate image does not mean the same thing to everyone. The varying publics of a company--consumers, competitors, suppliers, shareholders, the media, the government, the general public--perceive the company differently depending on their own experiences. Therefore, the company and its employees

²⁶ Alvin Schechter quoted in L. Bird, "Advertising: Eye-catching logos all too often leave fuzzy images in minds of consumers," *Wall Street Journal*, 5 December 1991, B1.

must work to instill a positive corporate image—or impression—in the mind of the publics.

For example, public relations practitioners, advertisers, marketers and even architects consider image in their endeavors. Public relations specialists instill image in promotional pieces such as news releases and feature stories and during special events. Advertising media, including printed and broadcast ads and billboards, impact image. Marketers concern themselves with a product's image, the image of the packaging and product positioning. Architects consider image when designing a building and its inside appearance. "A plethora of different messages, that in sum result in corporate image, are communicated through these sources."²⁷

Problem Statement

Wally Olins, chairman of the Wolff Olins corporate identity and design consultancy, explained the need for and strategy behind a corporate identity system:

The only way that such a company can survive and beat the competition, whose products and services will be identical, is by developing a vision of itself which translates into a strategy and which it communicates to its own people and then to the outside world. ...

This vision must be distinct and unique and derive from within—from the company's own history and its own personality, its own strengths.

²⁷ E. R. Gray, L. R. Smeltzer, "SMR forum: Corporate image—an integral part of strategy," *Sloan Management Review* 26 (Summer 1985): 74.

Corporate Reputations Survey more than 11,000 executives, outside directors, and financial analysts were asked to rate the ten largest companies by revenues in their industry by eight key attributes of reputation—established by *Fortune*: quality of management; quality of products and services; ability to attract, develop, and keep talented people; value as a long-term investment; use of corporate assets; financial soundness; innovativeness; community and environmental responsibility.³ The 417 corporations included in the survey were drawn from a universe of the *Fortune* 1000 companies (a combination of the *Fortune* 500 industrial and service directories).

Sample Selection

The thesis survey was distributed via intercept to assure a 100 percent response rate. Because respondents were required to view company names and logos, this survey research could not be done over the phone. In addition, data collection via intercept was favored over mail so that respondents recorded their initial or immediate reaction to the company names and logos presented.

A two-page questionnaire was given to a nonprobability, accidental sampling of 100 respondents. This method of sampling followed the 1994 Schechter LogoValue Survey in which two panels of 150 randomly chosen consumers were surveyed. Since the chosen companies represented various industries and audience targets, for example, it was impossible to segment

³ A. B. Fisher, "Corporate reputations: Comebacks and comeuppances," *Fortune*, 8 March 1996, 93.

specific respondents for the survey. Therefore, the researcher chose to survey Rowan University students, supermarket shoppers and general office personnel to elicit a general population of consumers.

Data Collection

The researcher obtained survey data using a self-administered questionnaire. The name group was shown 10 examples of company names all printed in black 30-point Arial type (See Appendix A). The logo group was shown the fully-designed color logo of the same companies (See Appendix B). The researcher instructed respondents to not confer with others or ask the researcher any questions about the survey. Each group of respondents recorded its reaction to each of the four statements below by circling one of these choices: 1=strongly agree, 2=agree, 3=neutral, 4=disagree, or 5=strongly disagree:

This company is reputable.

This company offers quality products.

This company has products for today's consumer.

This company offers the kind of products I would use.

The statements under Kmart used the phrase "products/services" in place of "products," because they supply both. The statements under USAir used "services" instead of "products."

Both groups of respondents were also asked whether they were aware of the products and/or services each company provides. If a respondent circled "no" for any of the companies, they were asked to skip the statements in that set and go onto the next set. Therefore, survey results were based on the logo's

contribution to corporate image only when respondents were aware of a company's products and/or services. This contention eliminated false impressions--respondents cannot accurately rate a company name or logo if they aren't aware of its products and/or services.

Data Analysis

Schechter's LogoValue Survey derived each company name's score from the percentage of consumers who "agree strongly" that that company possessed those attributes. "Since this rating reflects the basic associations conveyed by a fresh exposure to the name alone, without other influences, it is considered to be the core Brand Esteem measurement."⁴ The score for the company logo was derived the same way. The difference in scores between the company logo and the company name--expressed as either positive or negative-- is the "image contribution" of the logo design. "The number reflects the change in percentage of the people in these two groups who 'agree strongly' with positive statements about the company."⁵ "The difference is expressed as a percentage in order to compensate for differences in Brand Esteem."⁶

The thesis survey tabulated the scores in the same way primarily to compare the results of the thesis survey with the LogoValue surveys. First, the researcher calculated the percentage of respondents that answered "strongly

⁴ Interbrand Schechter [News Release].

⁵ L. Rickard, "KFC tops the flock for valuable logos," *Advertising Age*, 12 December 1994, 20.

⁶ Interbrand Schechter [News Release].

agree" for each statement per company set. Then a mean percent was tabulated from all four statements per company set. Again, the difference in percentage scores between the logo group and the name group represented the "image contribution" of the logo design. The score could be negative or positive to show the relationship between the full-color logo versus the company name shown in black.

The researcher also tabulated a mean score for each statement per company set. "Strongly agree," "agree," "neutral," "disagree," and "strongly disagree" were given the values 2, 1, 0, -1 and -2 respectively. This was done to compare individual statements between the logo group and name group. For example, a full-color logo may have a high mean score on reputation but low on quality. But the company name in black may have a high mean score on quality and low on reputation.

The above procedure was also used to derive a mean score for each company to compare the logo group and name group. A mean score was tabulated from all four statements per company set. Again, the difference between the logo group and name group was expressed as either a positive or negative number.

The results of the thesis survey were also analyzed next to the 1996 and 1997 *Fortune* Corporate Reputations Surveys. For instance, since Coca-Cola was ranked as America's most admired company in both surveys, it was worthwhile to see how respondents rated its name and logo.

CHAPTER 4

The thesis empirical study showed similar results to all four LogoValue Surveys, conducted between 1991 and 1994 by Interbrand Schechter. Overall, Schechter found that only 26% of the logos tested had a positive effect on the brand or company name. Out of the 10 logos tested in the thesis survey, only four contributed to the consumer's image of the company. Therefore, 40% of the logos tested in this study had a positive "image contribution" score. Schechter defined image contribution as "a measurement of how the design of a logo enhances or detracts from consumer perceptions of a company or brand name."¹



Image contribution is represented by the difference or change between the logo group and name group percentage scores. Johnson & Johnson showed that its logo enhances company image with the greatest image contribution score (See Table 1). Coca Cola, USAir and Microsoft also showed positive differences between the logo group and name group. Motorola's logo showed the least image contribution, followed closely by Procter & Gamble.

¹ Interbrand Schechter, (1994), *Interbrand Schechter 1994 LogoValue Survey continues to find few logos that make a difference*, [News release].

Table 1

Percentage of "Strongly Agree" Responses

<u>Company</u>	<u>Name (%)</u>	<u>Logo (%)</u>	<u>% Change</u>
Coca Cola	54.3	59.8	5.5
Procter & Gamble	52.1	41.3	-10.8
Rubbermaid	58.9	52.0	-6.9
Johnson & Johnson	53.0	60.5	7.5
Microsoft	50.2	51.6	1.4
Hewlett Packard	47.1	39.2	-7.9
Motorola	40.5	29.5	-11.0
McDonald's	28.3	20.7	-7.6
Kmart	28.0	23.8	-4.2
USAir	24.5	26.0	1.5

Note. Percentages represent the mean "strongly agree" responses from all four statements in each set. % Change represents the difference between logo and name.

However, there is some disagreement when comparing the image contribution scores between the thesis survey and the Schechter LogoValue Survey (See Table 2). While the thesis survey found the Coca Cola logo to enhance company image, the LogoValue survey did not. The thesis survey found a negative image contribution score for the McDonald's logo, while LogoValue found a positive. The thesis survey and LogoValue survey both found negative image contribution scores for Kmart.

Table 2

Image Contribution Comparison
Between Thesis Survey and
Schechter LogoValue Survey

<u>Company</u>	<u>Thesis</u>	<u>Schechter</u>
Coca Cola	5.5	-4.0
McDonald's	-7.6	4.0
Kmart	-4.2	-2.0

When looking at the overall mean scores between the logo group and name group, Coca Cola, Johnson & Johnson, Microsoft, Kmart and USAir show positive differences (See Table 3).

Table 3

Mean Scores Comparing Name and Logo

Company	Name	Logo	Difference
Coca Cola	1.38	1.39	0.01
Procter & Gamble	1.31	1.16	-0.15
Rubbermaid	1.42	1.38	-0.04
Johnson & Johnson	1.37	1.41	0.04
Microsoft	1.26	1.33	0.07
Hewlett Packard	1.25	1.16	-0.09
Motorola	1.10	0.95	-0.02
McDonald's	0.74	0.53	-0.21
Kmart	0.85	0.97	0.12
USAir	0.89	0.94	0.05

Note. Mean scores based on following values:

strongly agree=2, agree=1, neutral=0

disagree=-1, strongly disagree=-2.

Mean scores represent all four statements in each set.

Coca Cola and USAir both showed positive results in the two methods of data analyzation. Coca Cola was rated number one most admired company in the *Fortune* annual survey of corporate reputations in 1996 and 1997. However,

USAir



Procter & Gamble

USAir ranked among the least admired companies in the survey at 414 out of 417 in 1996 and 425 out of 431 in 1997. Despite Procter & Gamble's position as number two in the 1996 *Fortune* survey and number nine in 1997, P&G had the lowest image contribution score in the thesis study.

In the thesis survey, respondents were asked whether they were aware of each of the company's products. If they answered "no" for a particular company, they were asked to skip the rest of the statements under that company set. Out of the 100 surveys distributed, only Coca Cola, Johnson & Johnson, McDonald's and Kmart were recognized every time (See Table 4). Respondents were least



aware of Hewlett Packard. Procter & Gamble showed the greatest increase between respondents who were aware of the company seeing the name versus seeing the logo.

Table 4

Number of Respondents Aware of Each Company's Products		
Company	Name	Logo
Coca Cola	50	50
Procter & Gamble	36	43
Rubbermaid	48	49
Johnson & Johnson	50	50
Microsoft	47	46
Hewlett Packard	39	39
Motorola	42	44
Mc Donald's	50	50
Kmart	50	50
USAir	47	45

In five cases, the logo group evoked a higher mean score than the name group for the reputation statement (See Table 5). Overall, the Coca Cola logo



rated the highest, which parallels *Fortune's* findings in its 1996 and 1997 Corporate Reputations survey. The Kmart name scored the lowest in reputation, which also parallels *Fortune's* findings. Kmart ranked among the least admired in 1996 at 415 out of 416, and in 1997 at 429 out of 431.

Table 5

Mean Score for Statement #1
"This company is reputable."

Company	Name	Logo
Coca Cola	1.37	1.48
Procter & Gamble	1.25	1.12
Rubbermaid	1.34	1.31
Johnson & Johnson	1.30	1.46
Microsoft	1.26	1.35
Hewlett Packard	1.36	1.18
Motorola	1.21	0.98
Mc Donald's	1.06	1.00
Kmart	0.84	1.14
USAir	0.85	0.94

Note. Mean scores based on following values
strongly agree=2, agree=1, neutral=0
disagree=-1, strongly disagree=-2.

Rubbermaid scored highest among respondents in the name group for the second statement about quality products (See Table 6). Coca Cola and



Johnson & Johnson also scored high among the name group. Only four logos received higher scores—Microsoft, McDonald's, Kmart, USAir. The 1997 *Fortune* survey found that Coca Cola rated the highest for quality of products or services. Although Kmart rated the lowest in that category, in the thesis study, Kmart was favored over McDonald's.

Table 6

Mean Score for Statement #2		
"This company offers quality products."		
Company	Name	Logo
Coca Cola	1.44	1.40
Procter & Gamble	1.28	1.09
Rubbermaid	1.54	1.35
Johnson & Johnson	1.46	1.38
Microsoft	1.21	1.24
Hewlett Packard	1.18	1.05
Motorola	1.00	0.88
Mc Donald's	0.20	0.33
Kmart	0.68	0.80
USAir	0.79	0.86

Note. Mean scores based on following values:
strongly agree=2, agree=1, neutral=0
disagree=-1, strongly disagree=-2.

In only three cases--Rubbermaid, Kmart and USAir--did the logo score higher than the name for the statement about a company's modernness



Microsoft®

(See Table 7). McDonald's logo scored considerably lower than the name, while Microsoft scored almost equally by both groups.

Table 7

Mean Score for Statement #3

"This company has products
for today's consumer."

Company	Name	Logo
Coca Cola	1.56	1.48
Procter & Gamble	1.42	1.33
Rubbermaid	1.46	1.49
Johnson & Johnson	1.42	1.36
Microsoft	1.53	1.52
Hewlett Packard	1.38	1.26
Motorola	1.21	1.19
Mc Donald's	1.18	0.61
Kmart	1.08	1.12
USAir	0.98	1.09

Note. Mean scores based on following values:
strongly agree=2, agree=1, neutral=0
disagree=-1, strongly disagree=-2.

The final statement showed that Johnson & Johnson's logo evoked the greatest response for product desire (See Table 8). In contrast, McDonald's logo scored extremely low. Overall, six of the companies received higher scores in the logo group. Thus, statement number four showed that the company logos enhanced respondents desire to use a product the most.

Table 8

Mean Score for Statement #4
 "This company offers the
 kind of products I would use."

Company	Name	Logo
Coca Cola	1.16	1.20
Procter & Gamble	1.28	1.09
Rubbermaid	1.34	1.37
Johnson & Johnson	1.28	1.46
Microsoft	1.02	1.22
Hewlett Packard	1.08	1.16
Motorola	0.98	0.74
Mc Donald's	0.51	0.18
Kmart	0.80	0.84
USAir	0.94	0.87

Note. Mean scores based on following values:
 strongly agree=2, agree=1, neutral=0
 disagree=-1, strongly disagree=-2.

CHAPTER 5

Summary

An exhaustive literature review showed that company logos serve as important communications tools. They stand as a major component of corporate identity and contributor to corporate image. However, the thesis study found that many logos detract from consumers' perceptions of a company.

The researcher replicated the study based on four Interbrand Schechter LogoValue Surveys, completed between 1991 and 1994. The thesis survey tested eight of the most admired—and two of the least admired—companies in America. Survey respondents ranked these companies on four image-contribution attributes: reputation, quality, modernness and product desire. While these are not the only indications or determinants of image for a company, they represent a wide array of positive attributes.

The researcher analyzed the survey data using two methods: a mean percent was derived from the frequency of "strongly agree" responses to the four image statements; a mean score was derived from the reactions to the four image statements on a Likert scale, given these values: strongly agree=2, agree=1, neutral=0, disagree=-1, and strongly disagree=-2.

The percent method showed four out of the 10 logos tested enhanced company image. However, the score method showed that five out of the 10

logos enhanced company image. The researcher determined whether a logo enhanced, or contributed to, company image by comparing the results of the logo group and the name group.

Coca Cola, Johnson & Johnson, Microsoft, Kmart and USAir showed higher mean scores in the logo group for each one of the four statements. Therefore, it is clear that their logos enhanced people's image of the company. Kmart received the highest mean score when comparing its logo and name and also showed a higher mean score for the logo group for all four statements when looked at individually.

On the other hand, McDonald's logo was shown to detract the most from its image. Three out of the four individual statements also showed a lower logo mean score. Procter & Gamble and Motorola's logo group scored lower than the name group each of the four times.

Conclusion

Alvin Schechter, chairman and CEO of Interbrand Schechter, has concluded from his research that certain types of logos work better than others. He says companies should stay away from abstract logos. Abstract logos are especially a poor strategy for companies that depend on quick recognition, such as fast food restaurants.¹

Instead, Schechter feels that pictorials such as Pizza Hut, characters such as Elsie, lettermarks such as McDonald's and wordmarks such as Coca-Cola

¹ "Some logos a no-go," *Journal of Business Strategy* 15 (March/April 1994): 6.

provide better images. Most of the logos in the thesis survey were wordmarks. According to both methods of data analyzation, Johnson & Johnson, Coca-Cola, USAir and Microsoft—all wordmarks—showed positive scores between the logo and name groups. Kmart—a lettermark—showed positive results in the mean score method. But McDonald's did not.

Eventhough all 100 respondents were aware of the McDonald's name and logo, the logo did not enhance people's perception of the company. All of the respondents were also aware of Coca-Cola, Johnson & Johnson and Kmart—companies whose logos received a positive score when compared to their names. However, Alvin Schechter warns that even though a logo is recognized, that doesn't mean it has a positive image contribution.²

When looking at company logos, its important to understand that they cannot operate in a vacuum. William Golden, the creator of the CBS eye, made that point clear in *Print Magazine* in 1959:

A trademark does not itself constitute a corporate image. ... [Image] is the total impression a company makes on its public through its products, its policies, its actions, and its advertising effort. I suppose a trademark can serve as a reminder of a corporate image, if you have one.³

For instance, perhaps the McDonald's logo ranked poorly because several respondents have experienced undercooked hamburgers or faced long lines at

² Some logos a no-go, 6.

³ DeNeve, R., *The designer's guide to creating corporate I.D. systems* (Cincinnati, OH: North Light, 1992), 3.

the drive-thru in the past. Despite McDonald's well-known golden arches, the logo itself cannot carry the weight of the company's entire image.

The researcher feels the thesis survey did not support the hypothesis because it was impossible to know respondents' preconceived attitudes toward the 10 companies. The original design of the thesis survey was to offer respondents made-up logos representing companies that didn't really exist. The study would test people's opinions about the company logos offered without preconceived attitudes.

But this study seemed irrelevant because corporate identity and corporate image go beyond a logo's design. The logo is just one facet of these two corporate phenomenon.

Many familiar trademarks are in trouble. This is not because there is anything inherently wrong with the marks themselves, but rather because the public has come to think of them as synonymous with the *identity* of the particular institutions they represent. Economic, political, and social factors—remote from the graphic merits of the designs—are deciding whether trademarks are equal to the Herculean job assigned them: to endow their owners with positive imagery.⁴

While the study did not deal with specific implementation practices of the 10 company logos, the researcher feels that perhaps the degree of a logo's exposure affects corporate image. For instance, the thesis survey found that Procter & Gamble's logo detracted from corporate image. This finding parallels the fact that P&G products no longer carry the company logo. Many of the

⁴ B. B. Capitan, *American trademark design* (New York: Dover, 1976), vi.

company's brands--Tide, Pampers, Ivory, Crest--have established their own identity and image. A consumer practically would have to put a magnifying glass up to the brand's label to find the P&G name.

On the other hand, the image of Coca-Cola has become a part of Americana. The Coca-Cola red and scripted letters are visible everywhere. The logo stares consumers in the face at many places they connect. The researcher believes that exposure plays a major role in the logo's contribution to corporate image.

Recommendations

Several other studies might show how a company logo contributes to corporate image. However, a general study like the thesis survey and LogoValue Survey does not account for such factors as an individual's preconceived opinions about a company, a company's target audience, the saturation of the logo in the marketplace and the length of time that a logo has been used. The surveys also does not account for the contribution of collateral marketing efforts such as point-of-purchase, advertising, sales promotion and public relations.

For future studies, a focus panel can help pinpoint how people feel about certain companies when they view the logo. Panel participants could be asked what they think a certain logo conveys. They can be asked to identify icons--company logos without the company name--to see how well they recognize a company's identifier.

Another study similar to the thesis survey could test the use of color by presenting one group with company logos in full color and another group with the same logos in black and white. The 1992 LogoValue Survey showed that color was a "big contributor to how a logo affected perceptions."⁵

If other researchers desire to replicate the thesis survey, they should use a larger variety of logo style types--typographic, descriptive or abstract--instead of mostly typographic styles such as those presented in the thesis survey. This could perhaps show which types are better contributors to corporate image.

Another study could test classic logos such as Ford, Kellogg's and Goodyear versus newer logos to see whether logo longevity affects people's perceptions of a company. DeNeve noted that some designers feel a corporate identity system should be designed to last only a decade.⁶

While a number of logo studies could be conducted in general, companies should conduct their own research to ensure that their logo "reflects the company's *identity* and helps to mold its *image* in a positive way."⁷ Enter an organization's public relations department to the picture. Since public relations practitioners are concerned with corporate-image building, it makes sense that they control the logo's development, application and implementation.

⁵ S. Elliott, "Advertising: Symbols that win, or lose, consumers' seal of approval," *New York Times*, 18 September 1992, D20.

⁶ R. DeNeve, 12.

⁷ V. Napoles, *Corporate identity design* (New York: Van Nostrand Reinhold, 1988), 19.

However, if public relations practitioners analyze the results of the thesis survey and LogoValue Survey, they may wonder about the value of their company logo. Often company logos will come under review when a change of management occurs, or the chief executive officer tires of the logo. It's up to the public relations specialist to step in and talk about how the current logo helps project the company's identity and contributes to the corporate image. The public relations person should know if there is a match or mismatch between a company's identity, logo and its public image.

Evaluation

Despite the results of the thesis survey, logos hold a lot of value for companies. They identify a product, service or organization; differentiate it from others; and communicate information about origin, value and quality. It seems hard to believe that a little symbol could have so much worth. But businesses today often spend many dollars developing a corporate identity and building an image.

This thesis study will show companies that it is serious work to create a logo, reflect an identity and relate an image. These tasks cannot be tackled haphazardly, one just has to look at the negative scores that some of America's well-known logos received in the thesis survey. Companies should not change their logo or create a new one just to patch up their image. A company should create a logo or trademark carefully and correctly so it properly contributes to corporate image.

"If a trademark *is* the institution and has this power to become the *face* of the institution, then a trademark also has the power to affect public feeling toward its possessor."⁸

⁸ B. B. Capitman, xii.

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Please circle your reaction to the four statements in each set based on the five-point rating scale shown to the right. If you answer "no" to the first question, skip the four statements in that set and proceed to the next set.

APPENDIX A

1=strongly agree
2=agree
3=neutral
4=disagree
5=strongly disagree

Coca-Cola

Are you aware of this company's products? yes no

- | | | | | | |
|--|---|---|---|---|---|
| 1. This company is reputable. | 1 | 2 | 3 | 4 | 5 |
| 2. This company offers quality products. | 1 | 2 | 3 | 4 | 5 |
| 3. This company has products for today's consumer. | 1 | 2 | 3 | 4 | 5 |
| 4. This company offers the kind of products I would use. | 1 | 2 | 3 | 4 | 5 |

Procter & Gamble

Are you aware of this company's products? yes no

- | | | | | | |
|--|---|---|---|---|---|
| 5. This company is reputable. | 1 | 2 | 3 | 4 | 5 |
| 6. This company offers quality products. | 1 | 2 | 3 | 4 | 5 |
| 7. This company has products for today's consumer. | 1 | 2 | 3 | 4 | 5 |
| 8. This company offers the kind of products I would use. | 1 | 2 | 3 | 4 | 5 |

Rubbermaid

Are you aware of this company's products? yes no

- | | | | | | |
|---|---|---|---|---|---|
| 9. This company is reputable. | 1 | 2 | 3 | 4 | 5 |
| 10. This company offers quality products. | 1 | 2 | 3 | 4 | 5 |
| 11. This company has products for today's consumer. | 1 | 2 | 3 | 4 | 5 |
| 12. This company offers the kind of products I would use. | 1 | 2 | 3 | 4 | 5 |

Johnson & Johnson

Are you aware of this company's products? yes no

- | | | | | | |
|---|---|---|---|---|---|
| 13. This company is reputable. | 1 | 2 | 3 | 4 | 5 |
| 14. This company offers quality products. | 1 | 2 | 3 | 4 | 5 |
| 15. This company has products for today's consumer. | 1 | 2 | 3 | 4 | 5 |
| 16. This company offers the kind of products I would use. | 1 | 2 | 3 | 4 | 5 |

Microsoft

Are you aware of this company's products? yes no

- | | | | | | |
|---|---|---|---|---|---|
| 17. This company is reputable. | 1 | 2 | 3 | 4 | 5 |
| 18. This company offers quality products. | 1 | 2 | 3 | 4 | 5 |
| 19. This company has products for today's consumer. | 1 | 2 | 3 | 4 | 5 |
| 20. This company offers the kind of products I would use. | 1 | 2 | 3 | 4 | 5 |

Please circle your reaction to the four statements in each set based on the five-point rating scale shown to the right. If you answer "no" to the first question, skip the four statements in that set and proceed to the next set.

APPENDIX A

1=strongly agree

2=agree

3=neutral

4=disagree

5=strongly disagree

Hewlett-Packard

Are you aware of this company's products? yes no

- | | | | | | |
|---|---|---|---|---|---|
| 21. This company is reputable. | 1 | 2 | 3 | 4 | 5 |
| 22. This company offers quality products. | 1 | 2 | 3 | 4 | 5 |
| 23. This company has products for today's consumer. | 1 | 2 | 3 | 4 | 5 |
| 24. This company offers the kind of products I would use. | 1 | 2 | 3 | 4 | 5 |

Motorola

Are you aware of this company's products? yes no

- | | | | | | |
|---|---|---|---|---|---|
| 25. This company is reputable. | 1 | 2 | 3 | 4 | 5 |
| 26. This company offers quality products. | 1 | 2 | 3 | 4 | 5 |
| 27. This company has products for today's consumer. | 1 | 2 | 3 | 4 | 5 |
| 28. This company offers the kind of products I would use. | 1 | 2 | 3 | 4 | 5 |

McDonald's

Are you aware of this company's products? yes no

- | | | | | | |
|---|---|---|---|---|---|
| 29. This company is reputable. | 1 | 2 | 3 | 4 | 5 |
| 30. This company offers quality products. | 1 | 2 | 3 | 4 | 5 |
| 31. This company has products for today's consumer. | 1 | 2 | 3 | 4 | 5 |
| 32. This company offers the kind of products I would use. | 1 | 2 | 3 | 4 | 5 |

Kmart

Are you aware of this company's products/services? yes no

- | | | | | | |
|--|---|---|---|---|---|
| 33. This company is reputable. | 1 | 2 | 3 | 4 | 5 |
| 34. This company offers quality products/services. | 1 | 2 | 3 | 4 | 5 |
| 35. This company has products/services for today's consumer. | 1 | 2 | 3 | 4 | 5 |
| 36. This company offers the kind of products/services I would use. | 1 | 2 | 3 | 4 | 5 |

USAir

Are you aware of this company's services? yes no

- | | | | | | |
|---|---|---|---|---|---|
| 37. This company is reputable. | 1 | 2 | 3 | 4 | 5 |
| 38. This company offers quality services. | 1 | 2 | 3 | 4 | 5 |
| 39. This company has services for today's consumer. | 1 | 2 | 3 | 4 | 5 |
| 40. This company offers the kind of services I would use. | 1 | 2 | 3 | 4 | 5 |

Please circle your reaction to the four statements in each set based on the five-point rating scale shown to the right. If you answer "no" to the first question, skip the four statements in that set and proceed to the next set.

APPENDIX B

1=strongly agree
2=agree
3=neutral
4=disagree
5=strongly disagree



Are you aware of this company's products? yes no

- | | | | | | |
|--|---|---|---|---|---|
| 1. This company is reputable. | 1 | 2 | 3 | 4 | 5 |
| 2. This company offers quality products. | 1 | 2 | 3 | 4 | 5 |
| 3. This company has products for today's consumer. | 1 | 2 | 3 | 4 | 5 |
| 4. This company offers the kind of products I would use. | 1 | 2 | 3 | 4 | 5 |



Procter & Gamble

Are you aware of this company's products? yes no

- | | | | | | |
|--|---|---|---|---|---|
| 5. This company is reputable. | 1 | 2 | 3 | 4 | 5 |
| 6. This company offers quality products. | 1 | 2 | 3 | 4 | 5 |
| 7. This company has products for today's consumer. | 1 | 2 | 3 | 4 | 5 |
| 8. This company offers the kind of products I would use. | 1 | 2 | 3 | 4 | 5 |



Are you aware of this company's products? yes no

- | | | | | | |
|---|---|---|---|---|---|
| 9. This company is reputable. | 1 | 2 | 3 | 4 | 5 |
| 10. This company offers quality products. | 1 | 2 | 3 | 4 | 5 |
| 11. This company has products for today's consumer. | 1 | 2 | 3 | 4 | 5 |
| 12. This company offers the kind of products I would use. | 1 | 2 | 3 | 4 | 5 |



Are you aware of this company's products? yes no

- | | | | | | |
|---|---|---|---|---|---|
| 13. This company is reputable. | 1 | 2 | 3 | 4 | 5 |
| 14. This company offers quality products. | 1 | 2 | 3 | 4 | 5 |
| 15. This company has products for today's consumer. | 1 | 2 | 3 | 4 | 5 |
| 16. This company offers the kind of products I would use. | 1 | 2 | 3 | 4 | 5 |



Are you aware of this company's products? yes no

- | | | | | | |
|---|---|---|---|---|---|
| 17. This company is reputable. | 1 | 2 | 3 | 4 | 5 |
| 18. This company offers quality products. | 1 | 2 | 3 | 4 | 5 |
| 19. This company has products for today's consumer. | 1 | 2 | 3 | 4 | 5 |
| 20. This company offers the kind of products I would use. | 1 | 2 | 3 | 4 | 5 |

APPENDIX B

Please circle your reaction to the four statements in each set based on the five-point rating scale shown to the right. If you answer "no" to the first question, skip the four statements in that set and proceed to the next set.

1=strongly agree
2=agree
3=neutral
4=disagree
5=strongly disagree



Are you aware of this company's products? yes no

- | | | | | | |
|---|---|---|---|---|---|
| 21. This company is reputable. | 1 | 2 | 3 | 4 | 5 |
| 22. This company offers quality products. | 1 | 2 | 3 | 4 | 5 |
| 23. This company has products for today's consumer. | 1 | 2 | 3 | 4 | 5 |
| 24. This company offers the kind of products I would use. | 1 | 2 | 3 | 4 | 5 |



Are you aware of this company's products? yes no

- | | | | | | |
|---|---|---|---|---|---|
| 25. This company is reputable. | 1 | 2 | 3 | 4 | 5 |
| 26. This company offers quality products. | 1 | 2 | 3 | 4 | 5 |
| 27. This company has products for today's consumer. | 1 | 2 | 3 | 4 | 5 |
| 28. This company offers the kind of products I would use. | 1 | 2 | 3 | 4 | 5 |



Are you aware of this company's products? yes no

- | | | | | | |
|---|---|---|---|---|---|
| 29. This company is reputable. | 1 | 2 | 3 | 4 | 5 |
| 30. This company offers quality products. | 1 | 2 | 3 | 4 | 5 |
| 31. This company has products for today's consumer. | 1 | 2 | 3 | 4 | 5 |
| 32. This company offers the kind of products I would use. | 1 | 2 | 3 | 4 | 5 |



Are you aware of this company's products/services? yes no

- | | | | | | |
|--|---|---|---|---|---|
| 33. This company is reputable. | 1 | 2 | 3 | 4 | 5 |
| 34. This company offers quality products/services. | 1 | 2 | 3 | 4 | 5 |
| 35. This company has products/services for today's consumer. | 1 | 2 | 3 | 4 | 5 |
| 36. This company offers the kind of products/services I would use. | 1 | 2 | 3 | 4 | 5 |



Are you aware of this company's services? yes no

- | | | | | | |
|---|---|---|---|---|---|
| 37. This company is reputable. | 1 | 2 | 3 | 4 | 5 |
| 38. This company offers quality services. | 1 | 2 | 3 | 4 | 5 |
| 39. This company has services for today's consumer. | 1 | 2 | 3 | 4 | 5 |
| 40. This company offers the kind of services I would use. | 1 | 2 | 3 | 4 | 5 |

This vision will be made palpable through signs, symbols, colours, typography. It will be projected internally and externally in a related fashion through advertising, promotions and all the other media right through to multimedia presentations and similar ceremonial events.²⁸

As Olins suggests, a company's identity "reflects the way in which the company *wants* to be perceived."²⁹ Identity is planned, created and controlled, whereas image is earned.

The corporate identity is the firm's visual statement to the world of who and what the company is--of how the company views itself--and therefore has a great deal to do with how the world views the company.³⁰

Identity problems will occur if "the reality of who a company is or wants to be is not accurately conveyed by its graphic identity."³¹ Companies should strive for harmony between corporate identity and corporate image. This harmony, according to the communication model of coorientation, is actually called "accuracy." "Accuracy is the extent to which one person's perception of the other person's idea or evaluation approximates the other person's actual idea or evaluation."³²

For example, in 1986, an identity review of General Electric showed that its full name made the audience think of "small appliances" and "outdated

²⁸ W. Olins, "The energy of identity," *Marketing*, 18 April 1996, 20.

²⁹ V. Napoles, 20.

³⁰ E. Selame, J. Selame, 2.

³¹ R. DeNeve, 12.

³² J. E. Grunig, T. Hunt, *Managing public relations* (Philadelphia: Harcourt Brace Jovanovich, 1984), 128.

activities."³³ The company's desired identity was not the same as its image. In actuality, General Electric had moved away from small electronics and dealt



more in technology, manufacturing and financial services.³⁴ The company adopted the "GE" as the corporate name and monogram logo. This was an attempt at creating accuracy.

The research in this thesis explored company logos as a major component of corporate identity and contributor to corporate image. Thus the question presented was, "How do company logos contribute to corporate image?"

Delimitations

While this thesis focuses on the topics of company logos, identity and image, several other related concentrations can come to mind. In the effort to stay focused, the following information was not included in the thesis study and research:

- 1) Throughout the literature, it is clearly stated that a logo is not the only component of a corporate identity system. Olins said that everything the organization does—including its products, building, and communication

³³ R. DeNeve, 16.

³⁴ R. DeNeve, 16.

materials--must be an "affirmation of its identity."³⁵ This thesis will not explore these other components nor offer suggestions, information or examples of how important they are to the identity system. It is limited to a discussion on how the logo works as an identifier and contributes to image, among these components.

- 2) It is very important for companies to research the response that their logo evokes. "The foundation of the behavioral sciences concerns itself with the study of the outward and visible symbols. It follows then that graphic designers should familiarize themselves with the findings of psychologists and sociologists."³⁶ Most logos could be classified as symbols--something that represents or suggests another thing. The Swiss psychologist Carl Jung asserted that symbols have an ancient, deeply rooted and powerful meaning.³⁷ However, this thesis does not discuss semiology or semiotics, which "examines the correspondence between signs and symbols and their role in the assignment of meaning."³⁸ In addition, this thesis does not review the psychology behind using various elements of a logo--color, typeface and graphics. Companies and

³⁵ W. Olins, *Corporate identity* (Boston: Harvard Business School, 1989), 7.

³⁶ V. Napoles, 19.

³⁷ E. W. Adler, *Everyone's guide to successful publications* (Berkeley, CA: Peachpit, 1993), 276.

³⁸ M. R. Solomon, *Consumer behavior: Buying, having, and being* (Boston: Allyn and Bacon, 1994), 72.

designers can research books that are devoted entirely to these individual topics.

- 3) Advertisements usually illustrate meaning to consumers through certain signs or symbols. For example, a cigarette ad showing a couple standing in clear blue water would perhaps associate that brand of cigarettes with such ideas as sex, freshness, coolness or paradise. This is referred to as "product symbolism"--what a product or brand means to consumers and what they experience in purchasing and using it.³⁹ This kind of discussion goes beyond this discovery of a logo's contribution to corporate image.
- 4) Many consumer package-goods companies use product packaging to communicate with consumers and create an impression of the brand and the company.⁴⁰ While the product is an important part of corporate identity, this thesis does not discuss treatment of the logo in product package design. For example, in 1991 Pepsi products appeared with a new logo and package design. The new logo ran the word "Pepsi" vertically along cans and horizontally along bottles.⁴¹ One reason for the change was to make Pepsi easily recognizable on the store shelf.

³⁹ G. E. Belch, M. A. Belch, *Introduction to advertising and promotion: An integrated marketing communications perspective* (Boston: Irwin, 1993), 45.

⁴⁰ G. E. Belch, M. A. Belch, 48.

⁴¹ G. E. Belch, M. A. Belch, 49.

- 5) Finally, research for this thesis concentrated on the realm of corporate identity and image in the United States. The researcher did not explore how logos can be tailored for international identity and image considerations. Companies have to be concerned with the scope of their business communications and products in other countries because the meaning of logos and images may not be the same as they are in America. For instance, Elsie the Borden cow would be inappropriate in India where cows are considered sacred.

The dates of publication for research materials were primarily limited to the 1980s and 1990s. This is because corporate identity and image constantly change and it seemed appropriate to have the literature review up-to-date. However, *American Trademark Designs* (1976), *Design Coordination and Corporate Image* (1967), and *Developing a Corporate Identity* (1977) provided useful background information including trademark history, visual design standards, and corporate identity reviews. In addition, *Trademarks in Advertising and Selling* (1966) and the *Handbook of Pictorial Symbols* (1976) provided supplementary information on logos.

Purpose

This thesis analyzes company logo usage in identity programs and its contribution to corporate image. From this information companies will understand the importance of employing a logo in their corporate identity system to enhance their image. Companies will realize that creating a corporate identifier goes beyond just choosing the right letterhead--a logo should not be

viewed as merely decoration. The research will be particularly valuable to new companies. They will see how logos can help them differentiate and establish themselves among competition in the marketplace. Companies that already exist can learn how a new or revised logo can help change or maintain their corporate identity and corporate image.

Company executives should note that while their public relations department strives to improve or maintain a good image, they should not be the only ones to develop the corporate identity system. Identity consultants can be hired to assist management in researching and analyzing the ideal company identity and image. Then a designer will assist the public relations practitioner through the design development, application and implementation.

The design consultant will bring years of specialized training, objectivity, and expertise to the project. (He) will guide management through the intricate decision-making process that will lead to a better understanding of the corporation's structure and goals, and he will provide a visual communications system that projects these objectives to various publics.⁴²

However, public relations professionals do play a vital role in corporate communication. "In a nutshell, as public relations professionals, we want to poke around in whatever a company is communicating because any corporate communication contributes to the overall corporate image, and corporate image

⁴² V. Napoles, 38.

is our game."⁴³ Besides that, public relations people are concerned with public opinion, which is influenced by corporate image.

Public relations is the art and science of creating, altering, strengthening, or overcoming public opinion. ... In our society, public opinion is one of the most formidable phenomena a company encounters because so many powerful people are beholden to it--people who can protect you and people who can bring you down.⁴⁴

The hypothesis of this thesis is that a company logo—a major component of a corporate identity system—contributes to corporate image. It is assumed that a corporate identity exists before the logo design or at least that they are developed simultaneously.

Procedure

The Rowan University Library provided all sources of secondary research for an exhaustive literature review in this thesis. Research began with an expert keyword search of the computer library catalog using various combinations of the terms *corporate*, *graphic*, *identity*, *image*, *logo*, *reputation*, *symbol*, and *trademark*. Another search was conducted in an on-line search of the Art Index, ABI Global, Dissertation Abstracts, ERIC, Humanities Index, Newspaper and Periodicals Indexes, Reader's Guide Abstracts, Wilson Business Abstracts. A more specific search was conducted on *Proctor & Gamble* and the *Schechter* identity design firm. Information was also collected directly from these sources.

⁴³ S. Sauerhaft, C. Atkins, *Image Wars* (New York: John Wiley & Sons, 1989), 14.

⁴⁴ S. Sauerhaft, C. Atkins, 3+.

The researcher also collected primary data through an empirical study. A questionnaire was administered to 100 respondents to measure consumers' attitudes toward company logos and the image contribution of the logo. This study was based on the 1991-1994 LogoValue Surveys, developed by Interbrand Schechter.

The researcher used a master's thesis from 1993 as a guide for writing this thesis. Carolyn C. Gargaro, a public relations graduate student from Rowan College of New Jersey, wrote *The Significance of Name, Color, and Logo in Developing and Managing Corporate Image*. Gargaro researched existing data and described the process of developing a corporate identity program with an emphasis on name, color and logo. She also provided three case studies of successful corporate identity programs that implemented name, color and logo.

Part of her study's purpose was to determine how "logos (symbols), names, and colors affect people's perception of a corporation,"⁴⁵ Gargaro noted that "logos were usually the most effective of the three image components of name, logo, and color in shaping desired corporate image."⁴⁶

This thesis explored Gargaro's statement further by focusing on the logo and how it contributes to corporate image. The author's strategy included using Gargaro's thesis as a source of secondary research. Her bibliography was used as a "database" of sources.

⁴⁵ C. C. Gargaro, *The significance of name, color, and logo in developing and managing corporate image*, thesis, Rowan College of New Jersey, 1993 (Glassboro: 1993), 7.

⁴⁶ C. C. Gargaro, abstract.

Terminology

The following terms are defined for the purpose of this thesis. The working definitions below combined interpretations from several sources. The author chose to use synonyms to avoid repetition within the text; synonymous terms are shown below separated by a comma.

brand - a name, term, symbol, design, or combination of these that identifies a seller's products and differentiates them from competitor's products.

corporate identity, identity - visual reflection of the way in which a company wants to be perceived.

corporate identity system - a program of visual communications, graphically coordinated in such a way that the public easily identifies the company and its activities.

corporate image, image - totality of pictures, ideas or reputations of a corporation in the minds of the people that come into contact with it.

corporation, company, organization - a body of persons granted a charter legally recognizing them as a separate entity having its own existence, rights, and duties independent of its members.

logo, trademark - includes the company name and/or a graphic device (mark) that distinguishes a company, its activities, and its products and promotes immediate identification of these by the public.

public - all the people who observe companies and perceive them in a certain way.

product - anything one receives in an exchange; a product can be a good, service, an idea or combination of the three.

symbol - the graphic element of a logo.

type face, type - the letterforms used in a logo.

CHAPTER 2

Literature Search

The author completed an extensive literature search at the Library of Rowan University, Glassboro. The author began with an expert keyword search of the computer library catalog to locate relevant books and theses. Various combinations of the following keywords were used in that search: *corporate, graphic, identity, image, logo, reputation, symbol and trademark*. The computer library catalog search yielded a total of 15 valuable sources. An important finding was a thesis written in 1993 by Carolyn C. Gargaro, a public relations graduate student from Rowan College of New Jersey. Her thesis, *The Significance of Name, Color, and Logo in Developing and Managing Corporate Image*, comprised all secondary research, which was useful to composing this thesis.

The author then used the keywords *Procter & Gamble* and *Schechter*, in addition to the keywords listed above, in an on-line search of the following databases: Art Index, ABI Global, Dissertation Abstracts, ERIC, Humanities Index, Newspaper and Periodicals Indexes, Reader's Guide Abstracts and Wilson Business Abstracts. While hundreds of items came out of these searches, the author collected a total of 52 sources, which represented the most pertinent communication literature for this thesis.

The author's search strategy also included collecting materials from Gargaro's thesis bibliography and contacting Procter & Gamble and Interbrand Schechter for information about logos' contribution to corporate image.

The Value of Logos

Consumers may form opinions about a company or brand based on such factors as the company's products or services, its promotional efforts and nonadvertising venues. "Efforts to quantify the influence of logos are becoming increasingly necessary as marketers recognize the important role played in their product-pitching messages by elements other than traditional advertising."¹

Interbrand Schechter, an international corporate and brand identity consultancy based in New York, conducted four annual logo studies between 1991 and 1994. According to a Schechter news release from 1994, the LogoValue Survey "is the only broad-based scientific study measuring both recognition and image contribution of major brands." The LogoValue Survey tested close to 100 logos over four years and found that 26% have had a positive effect on the company or brand name, 30% have had a negative effect, and 45% have had no effect. The logos included in the survey represented companies and brands from the following industries: broadcasting, packaged goods, delivery services, financial services, hotels, automotive, retailers, fast food restaurants, telecommunications and insurance.

¹ S. Elliott, "Advertising: Symbols that win, or lose, consumer's seal of approval," *New York Times*, 16 September 1992, D20.

While each of the LogoValue Surveys contained slight variations in methodology, the premise was the same in all four. One group of respondents (name group) viewed each company or brand name printed in black, sans-serif type and ranked it on four image-contribution attributes: "trustworthy and responsible," "offering quality products and services," "having products and services for the 1990s," and "offering a product or service that I would use."

A score was derived from the percentage of respondents who ~~agree strongly~~ on a five-point rating scale—that the company or brand possesses those attributes. "Since this rating reflects the basic associations conveyed by a fresh exposure to the name alone, without other influences, it is considered to be the core Brand Esteem measurement."²

Another group of respondents (logo group) saw the fully designed, color logo of each of the same companies or brands and ranked it on the same four attributes. The difference in scores between the name group and the logo group represented the image contribution of the logo. Icons—company logos shown without the company name--were also tested solely to measure recognition.

The 1991 LogoValue Survey found that logos do "more harm than good, undercutting the corporate image."³ A survey of 900 consumers showed that out of 22 nationally advertised logos, half significantly downgraded the image of the

² Interbrand Schechter, (1994). *Interbrand Schechter 1994 LogoValue Survey continues to find fewer logos that make a difference*, [News release].

³ L. Bird, "Advertising: Eye-catching logos all too often leave fuzzy images in minds of consumers," *Wall Street Journal*, 5 December 1991, B1.

companies they represent. "Half of the logos made consumers less likely to trust the company, and less likely to want to buy its products or to think of it as modern," said Alvin Schechter, chairman of Schechter.⁴

The 11 logos--shown without their company names--included: Prudential Insurance Co., Continental Corporation's Continental Insurance unit, Green Giant, Merrill Lynch and Co., Land O' Lakes Inc., Rolex Watch Co., PepsiCo Inc.'s PepsiCola unit, AT&T, Infiniti, American Express and Minolta Camera Co. While the survey showed that these companies' logos received low ratings when shown without the company name, each company received positive ratings when respondents were shown just the company name in black type.

The 1991 survey showed that despite Nissan Motor Co. spending \$86 million on advertising for Infiniti in 1990, only 29% of those surveyed recognized the Infiniti pizza-like, partial disk symbol. The Infiniti name shown alone received positive ratings from 44% of the survey sample compared to 37% when respondents viewed the full logo. Therefore, the Infiniti logo had a -7% image contribution.

One of the findings of the survey was "the older the brand and the greater the ad spending, the more people recognized the logo."⁵ Character mascots were shown to be effective as the Green Giant was identified by more than 80% of respondents and the Michelin Man by more than 60%. In contrast, Land O' Lakes' logo of an Indian woman on her knees drew a negative response (-12%)

⁴ L. Bird, B1.

⁵ L. Bird, B1.

when compared to the company name alone. Alvin Schechter feels that the



Native American logo is politically incorrect.⁶

Land O' Lakes reported that the logo has generated positive responses from consumers.⁷

According to the 1992 Logo Value Survey,

"consumer attitudes about brands and the companies marketing them are significantly influenced by logo design, color and other components."⁸ Alvin Schechter commented in the *New York Times* that he expected the company names in plain black sans-serif type would communicate the same as the "dressed-up name."⁹ "The bottom line is that the logo does affect image, illogically, perhaps. My reputation shouldn't be based on my tie or the cut of my suit, but appearance and perception do influence image."¹⁰

Of the 24 logos tested in the 1992 survey, the full logo for Apple Computer scored equal to its name-only image, "maybe because, after all, an apple is just an Apple."¹¹ Seventeen full, color logos elicited more positive responses than company or brand names alone in black type. These included Quaker State, Cadillac, General Mills and Buick. Six of the logos scored lower

⁶ J. Pierson, "When company logos detract from image," *Wall Street Journal*, 18 June 1993, B1.

⁷ J. Pierson, B1.

⁸ S. Elliott, D20.

⁹ S. Elliott, D20.

¹⁰ S. Elliott, D20.

¹¹ S. Elliott, D20.

than the names alone—such as Mastercard, Burger King, Wendy's and Texas Instruments.

The Texas Instruments' logo—the letters "TI" imposed on the state of Texas—"is inappropriate to a high-tech, sophisticated global business."¹² Schechter said this is because "Texas is not perceived as having these characteristics."¹³ However, a Texas Instruments' spokesperson said their research showed the company logo "to be among the most powerful in the world."¹⁴

The 1993 LogoValue Survey showed that out of 24 tested logos, only three significantly enhanced the image of the company—Borden, IBM and Mercedes Benz. Ten logos downgraded their company's image, especially Oldsmobile, British Airways and American Express. Combining the three annual studies, it was found that car brands using pictorial logos got the strongest positive scores, "possibly because of the historic use of hood ornaments and their importance in automotive tradition."¹⁵

The 1994 LogoValue Survey once again showed that company and brand logos can hinder consumer's perception. However, KFC's Colonel Sander's logo was the only one out of 26 tested that significantly enhanced company image. Shortly after the KFC logo's introduction, the 1991 survey found it enhanced

¹² J. Pierson, B1.

¹³ J. Pierson, B1.

¹⁴ J. Pierson, B1.

¹⁵ N. T. Kate, "Graphic design for the bottom line," *American Demographics*, April 1994,

brand image by 5%. In the 1994 survey, that percentage shot up to 24%. "Over the past three years, the new KFC logo has become a real marketing asset, demonstrating how the right design can help to build brand value."¹⁶

Eleven logos were found to downgrade their company image including U.S. Healthcare, Aetna, FedEx, Allstate and UPS. This survey showed improvement from the 1991 ratings for Infiniti and Land O' Lakes, which increased their image contribution scores by 7% and 14%, respectively. Recognition of the company icon also increased for both brands.

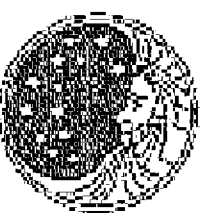
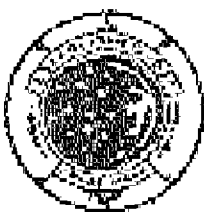
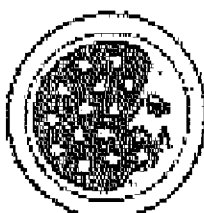
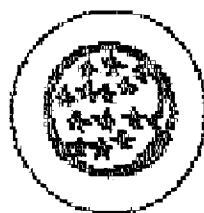
Procter & Gamble

The connection between a company's image and its logo can be further illustrated by the Procter & Gamble (P&G) company, the Cincinnati-based manufacturer of Crest, Tide, Ivory, Pampers and many other popular brands. In 1981-82, rumors began on the West Coast linking P&G to the devil. Thousands of letters were sent to California residents charging the P&G logo as a diabolical symbol. The logo apparently served as "proof that P&G was run by servants of the Devil."¹⁷

The circular trademark, registered in the U.S. Patent Office in 1882, featured a man-in-the-moon looking over a field of 13 stars. The number of stars was seen as a sign of Satanism and their configuration was interpreted as 666-related. Some fliers that circulated noted that when the logo was held up to a mirror, the curlicues in the man's beard appear as 666--the sign of the Antichrist.

¹⁶ Alvin Schechter quoted in Interbrand Schechter [News Release].

¹⁷ S. Sauerhaft, C. Atkins, *Image Wars* (New York: John Wiley & Sons, 1989), 8.



P&G launched a public relations campaign upon receiving 15,000 calls per month about the rumor by June 1982. They held news conferences in which a company spokesperson explained that the number of stars stood for the 13 original American colonies. They set up a toll-free hotline, which included a message saying that P&G was in no way connected to any satanic church. They sent information packets to consumers who called about the rumor and to people in the regions where the rumor was concentrated. P&G hired private investigators to trace the source of the rumors. They also solicited letters of support from the religious community, including Evangelist Billy Graham.

However, activists organized against the company with the support of some church groups and even distributed lists of P&G products to boycott.¹⁸ Company officials reported that while some of its salespeople were harassed by grocery store shoppers, sales during the summer of 1982 were not affected by the rumors and boycotts.¹⁹ A survey done by *Advertising Age* in

¹⁸ S. Sauerhaft, C. Atkins, 8.

¹⁹ M. J. Austin, L. Brumfield, "P&G's run-in with the devil," *Business and Society Review*, Summer 1991, 17.

August of 1982 showed that only one-third of Americans heard of the rumor and only 3% of them believed it.²⁰

Eventually P&G filed several federal lawsuits against individuals it accused of spreading "false and malicious" statements about the company.²¹ While the rumors seemed to die down after the defendants made public announcements against the rumors, they started up all over again in 1985. By this point in time, P&G said it had spent \$100,000 to deny the rumors and feared more losses in sales.²² In an April 18, 1985 issue of the *New York Times*, W. Wallace Abbott, a senior vice president of P&G, said despite these reoccurring rumors, the company will continue to use the logo. "It's on buildings, it's on stationery, it identifies Procter & Gamble. It doesn't stand for anything but our company. We will not change it." A week later, the *New York Times* reported that P&G would remove its century-old logo from its products' packaging.

Rumors resurfaced again in 1990, prompting P&G to redesign its logo for use on its buildings and letterhead. The logo facelift included an ironed-out beard, straightened hair, a corrected squint, and closed lips.²³ Neither the number of stars nor their configuration were changed. P&G also adopted a script-like "Procter & Gamble" and "P&G" to be used on other materials.

²⁰ M. J. Austin, L. Brumfield, 18.

²¹ M. J. Austin, L. Brumfield, 17.

²² L. Belkin, "Procter & Gamble fights Satan story," *New York Times*, 18 April 1985, C6.

²³ "P&G's bedevilled logo replacement," *Marketing*, 19 September 1991, 7.



"When the corporate symbol became tainted and the connection adversely affected P&G sales, the company de-emphasized the logo, and the problem subsided. For P&G, the dominant correlation in the consumer's mind was between 'bad companies' and 'bad products.'"²⁴ P&G's strategy now has been to "divorce" the corporate identity from its product identity. Therefore, few P&G products feature the man-in-the-moon logo.

Over a ten-year span, P&G answered more than 150,000 calls and letters inquiring about its relationship with the devil. A company spokesperson said that these "ridiculous lies" cost the company a lot of time and energy. Still today, consumers can call the toll-free customer service number found on all P&G products to ask about the logo or receive an information packet that explains the incidents.

Logos' Recognition and Attraction

While a successful logo should improve the image of a product or service, it also should prompt recognition and attraction. Frank Thayer, assistant professor of journalism at New Mexico State, performed an exploratory study in 1986 to measure recognition and attraction in symbols. Thayer commented that "successful corporate symbols will be those which effectively evoke the positive

²⁴ S. Sauerhaft, C. Atkins 8.

and powerful responses already present in the mind of the subject and those which were learned at a much earlier stage of their cultural education."²⁵

The experiment involved showing a group of 280 college students a series of symbols projected from an overhead machine. As each black-and-white symbol flashed onto the screen, respondents were asked to name the symbol. They were also asked to express their feelings toward the symbol by rating it on three semantic differential pairs: negative-positive; boring-interesting; ugly-beautiful.

Four different types of symbols were used: *corporate symbols*--Chrysler pentagon, CBS eye, Ralston-Purina checkerboard, Bell system bell and the McDonald's "M"; *philosophical-religious symbols*--Christian Cross, Star of David, Swastika, Oriental Yin/Yang and a hexagram from the I Ching; *iconic symbols*--two-way traffic sign, black octagon (stop sign), a no U-turn sign, right-turn traffic sign and a drawing of a bezel from an automatic headlight switch; *contextual symbols*--question mark, dollar sign, prescription sign, military map indicating an infantry division and a square root sign. A final group of symbols was developed to have no specific meanings: a triangle with horns, a stylized "X" with crossbar, a square with projections, a black circle and a bent line.²⁶

²⁵ F. Thayer, "Measuring recognition and attraction in corporate, advertising trademarks," *Journalism Quarterly* 65 (1988): 442. Note: B. B. Capilman noted that a study done in 1957 showed that trade character logos became part of children's consciousness before the alphabet does.

²⁶ F. Thayer, 440.

The study showed that "recognition of a graphic symbol form is not necessarily linked to emotional response to that form."²⁷ The corporate symbols evoked an overall attraction response mean of 4.6 out of 7. However, corporate symbols received a symbol recognition mean of 82%.

Thayer notes the importance of companies understanding the need for logo recognition and attraction. "Because corporations are interested in eliciting purchase and loyalty decisions from customers and associates, they require the most positive and appropriate graphic symbols as badges of identity."²⁸

In *American Trademark Design*, Capitman identified recognition as a major function of logos, but downplayed the importance of attraction. "When a designer creates a trademark his main task is not to produce an attractive piece of art ... rather it is to find a shorthand way of communicating about the product or service."²⁹

However, Alvin Schechter found through his four LogoValue Surveys that "High *recognition* of an icon [logo shown without company name] is no guarantee that the logo is making a *positive image contribution*."³⁰

Puzzles Packed With Power

Rex Peteet, a nationally acclaimed graphic designer, referred to logos as "puzzles of geometry, two-dimensional communications for multidimensional

²⁷ F. Thayer, 440.

²⁸ F. Thayer, 440.

²⁹ B. B. Capitman, *American trademarks designs* (New York: Dover, 1976), viii.

³⁰ "Some logos & no-go," *Journal of Business Strategy* 15 (March/April 1994): 8.

companies. It's a puzzle packed with power."³¹ This presence of power perhaps explains why virtually all companies have logos. If logos didn't carry some worth, why would companies bother to design one and incorporate it into their corporate identity?

In *American Trademark Designs*, Capitman explains the power and purpose of trademarks:

To bring into our minds a set of positive associations for a complex, vast, essentially impersonal enterprise. These visual symbols are the closest a giant corporation can come to anthropomorphizing itself, to presenting a face, a personality; they are a way of bringing into being something that is enormously far-fetching, complicated, many-faceted, and in many cases not even tangible.³²

Everyday consumers see a variety of trademarks that seem simple at first glance, but often are "extremely sophisticated."³³ Designers create meaningful logos using various elements such as typefaces, colors and graphics. While designers ponder the appropriate arrangement of these elements, they must consider the logo's intended applications, the market segment to be reached, the cost of reproducing the logo and several other factors.

Whatever strategy a graphic designer chooses, company logos should follow these basic rules:³⁴

³¹ D. Nussbaum, "Logo rhythms," *Philadelphia Inquirer Magazine*, 23 May 1993.

³² B. B. Capitman, vii.

³³ B. B. Capitman, viii.

³⁴ R. DeNeve, *The designer's guide to creating corporate I.D. systems* (Cincinnati, OH: North Light, 1992), 11.

- Avoid negative implications.
- Evoke a positive response.
- Answer questions of business strategy/planning.
- Meet the company's stylistic and technical needs.
- Be unique unto themselves.
- Be timeless (able to last at least 10 to 25 years).
- Allow flexibility in applications.
- Be easy and inexpensive to use.

Logos can be categorized into three basic style types: *typographic*, *descriptive* and *abstract*. Sometimes it seems that logos combine styles of more than one type to gain the advantages of each. For example, when a logotype and abstract mark are combined, the logo will have added recognizability, "eventually allowing it to be used without the name."³⁵ However, in other situations, a simple typographic, descriptive or abstract mark stands as an appropriate company logo.

Typographic logos feature a company name or its initials in a unique and distinct style. It can be a *logotype* or *signature*, like Wilson, Avon and Campbell's,

Wilson® AVON

³⁵ R. DeNeve, 9.

in which the logo is derived only from the company name. In some cases, the logotype is adapted from the distinctive signature of the founder of the company



such as Kellogg's.³⁶ These "name-only" logos work best when the name is "relatively short and easy to use and when it is adaptable."³⁷

Logotypes, sometimes called "word marks" as opposed to "picture marks," can be designed in two ways. A logotype can be elaborately designed to look like a picture mark, which makes it less identifiable and legible; or a logotype can have a more traditional and legible design, which lacks "stylistic originality and distinctive features."³⁸

In 1988, it was reported that 35% of *Fortune* 1,000 companies used logotypes.³⁹ A survey by Siegel & Gale, a New York communications and design firm, showed that 55% of trademarks introduced in 1986 and 1987--by the 1,000 largest U.S. companies--were logotypes.⁴⁰

³⁶ J. Murphy, M. Rowe, *How to design trademarks and logos* (Cincinnati, OH: North Light, 1988), 16.

³⁷ J. Murphy, M. Rowe, 17.

³⁸ P. Ibou, *Logobook 200* (Belgium: Interecho, 1990).

³⁹ A. Siegel, "Common sense on corporate identity," *Across the Board* 25 (June 1988): 31.

⁴⁰ A. Siegel, 31.

Another typographic style is a *seal*, which is a word, group of words, or initials designed to fit inside a container or form—such as a circle, oval or square. Examples include Ford, GE and Levi's. A seal logo might be used to give the



letters depth and warmth against a background.⁴¹ A *monogram* uses a company's initials without a containing form. Many people feel that initials are "too sterile, depersonalized, and very forgetful."⁴² However, since companies like IBM and RCA have received considerable exposure, monograms work well



for them. Of the *Fortune* 1,000 companies in 1988, 27% used initials as their trademark.⁴³

Descriptive logos, another type of logo style, represents or depicts the company's name or its products and services. "They work best when the company has only one line of business or when they convey the character of the organization, rather than a specific product."⁴⁴ One kind of descriptive logo is a *pictorial name* logo, in which "the name of the product or organization is a prominent and important component of the logo style but in which the overall

⁴¹ E. Selame, J. Selame, *Developing a corporate identity* (New York: Lehman-Friedman, 1977), 42.

⁴² E. Selame E., J. Selame, 43.

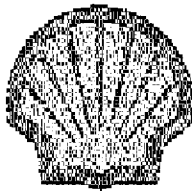
⁴³ A. Siegel, 31.

⁴⁴ R. DeNeve, 11.



logo style is very distinctive."⁴⁵ Examples of this type of name/design combination include McDonald's, Pepsi and Kodak. Murphy and Rowe said that even if these logos were shown with a different company name substituted, it would still be recognized as the logo of its owner.⁴⁶

Associative logos have a direct association with the company or its products or services without the use of the company name. An example of this type is the shell logo for Shell Oil. This sort of "visual pun" is simple and easy to understand. One problem with associative logos is that it may not translate in other languages. The last type of descriptive



style is an *allusive* logo. The connection between the company name and logo is less direct than with the associative logo.

"The allusion provides a focus of interest that can be useful in public relations terms, especially when a new logo is being launched."⁴⁷ For instance, the Mercedes logo is said to allude to the spokes of a steering wheel.⁴⁸ The symbol of wool alludes to a skein of wool. "The allusion is subtle and is

probably lost on most people--the logos will be viewed as essentially abstract."⁴⁹

⁴⁵ J. Murphy, M. Rowe, 20.

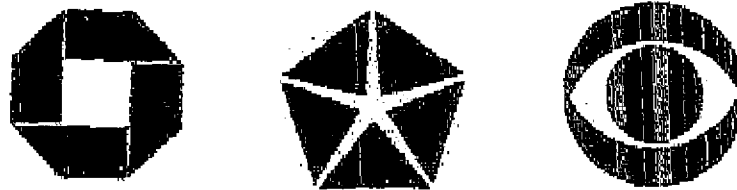
⁴⁶ J. Murphy, M. Rowe, 20.

⁴⁷ J. Murphy, M. Rowe, 22.

⁴⁸ J. Murphy, M. Rowe, 22.

⁴⁹ J. Murphy, M. Rowe, 22.

An abstract type of logo style is the last of the three categories. Abstract logos have little or no meaning or representation of the company or its products



or services. Examples include Chase Manhattan Bank's octagon, Chrysler's pentastar, and the CBS eye. Of the 1,000 *Fortune* companies in 1988, 11% used purely abstract symbols.⁵⁰

Modernization and Abstract Logos

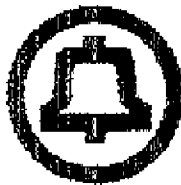
Abstract logos have become a popular design strategy in the United States since the 1970s. This type is useful to companies whose activities are many and varying. "The use of abstract logos by successful, dynamic enterprises has led to their becoming fashionable and widely accepted. Abstract logos are now often viewed as representing the quintessence of contemporary trademark and logo design."⁵¹

However, many times abstract logos appear to look like one another. While a logo's main function is to identify and differentiate a company among others, the abstract logo may not be a wise choice for every business. Alvin Schechter found that an abstract mark "tends to be fashionable and faddish, and does not really bring the power of an image to bear as a mark people can relate

⁵⁰ A. Siegel, 31.

⁵¹ J. Murphy, M. Rowe, 25.

to."⁵² He said that characters, letter symbols and other pictorial images are preferred over abstract marks for companies and brands. If an abstract image is used, the relationship between the logo and the company must be established through promotional efforts.⁵³



Since 1888, American Telephone and Telegraph (AT&T) used the familiar blue bell logo to represent the communications industry. But in 1982, AT&T replaced the bell with a blue striped sphere meant to portray a "global supplier of communications."⁵⁴ The company spent \$30 million "to foster public recognition" of the new globe logo.⁵⁵

The globe was designed after AT&T experienced a divestiture, in which seven separate regional Bell companies resulted. Court agreements assigned the bell logo to each independent telephone company, but only two stuck with it-- Bell Atlantic and Southwestern Bell Corporation.

"Image experts say the loss of the bell logo was unfortunate for AT&T, for it was the strategic design nonpareil, perfectly capturing the company's identity."⁵⁶ According to Alan Siegel, chairman and chief executive of Siegel & Gale, "the globe lacks distinctiveness: it cannot stand alone without the AT&T

⁵² G. Levin, "Study: Some logos hurt image," *Advertising Age*, 13 September 1993, 40.

⁵³ E. Selame, J. Selame, 43.

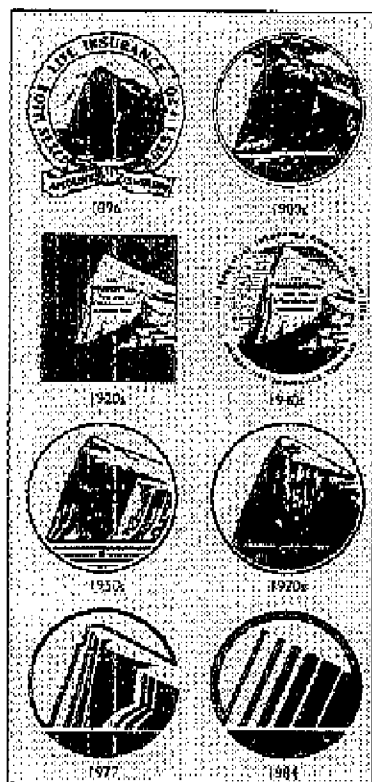
⁵⁴ L. Bird, B1.

⁵⁵ V. Napoles, *Corporate identity design* (New York: Van Nostrand Reinhold, 1988), 31.

⁵⁶ L. Bird, B1.

letters—and it has already been copied dozens of times."⁵⁷ The 1991 Schechter LogoValue Survey found that one-third of the respondents who saw the AT&T logo without the company name had a negative impression. However, 80% of respondents had a positive reaction to the full color logo shown with the name.

The Prudential Insurance Co.'s Rock of Gibraltar logo had evolved through 16 versions before its present ultramodern rendition, which came out in 1988. Back in 1896, a rough image of the rock was surrounded by the words, "Life Insurance, Both Sexes, Ages 1-70, Amounts \$15-50,000." The turn of the

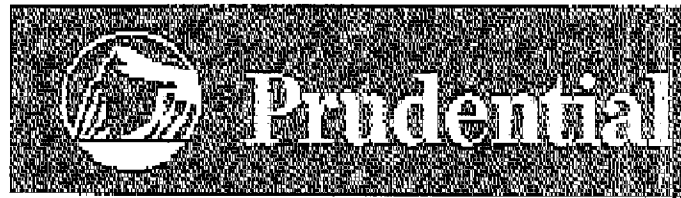


century brought a cleaner version of the jagged rock without the company's mission words included.

In 1984, Prudential made a bold move by creating an abstract version of the traditional rock—a modern mountain of sleek black and white slanting lines. "Corporations should be wary of adopting abstract symbols," said Alan Siegel, whose identity firm designed the 1988 rock logo. "So many resemble one another, and market research clearly shows that consumers and employees react negatively to them."⁵⁸

⁵⁷ W. Berger, "A cure for a company's identity crisis," *New York Times*, 24 April 1988, F13.

⁵⁸ J. Pierson, "Company symbols look to the past," *Wall Street Journal*, 26 April 1989, B1.



The 1991 Schechter LogoValue Survey found that the present Rock of Gibraltar was recognized and identified as Prudential's logo by 64% of those surveyed. It received an image contribution score of +8% in 1991 and +7% in 1994.

The Importance of Image

"Almost no research has ever been done to show just how a good or bad image affects sales, the barometer by which most external communications (public relations, advertising, sales promotion and so forth) are measured.⁵⁹ ... Corporate image *can* support product sales, but its real value is in affording the company a bank account of credibility with audiences beyond just the customers."⁶⁰

Corporate image is an overall impression of a company by various publics. It is the "totality of pictures or ideas or reputations"⁶¹ that are formed upon contact with the company. Therefore, image resides in the minds of the public; their perception is formed by what they see and experience. "Every corporation has an image: the question is whether its image is good, bad, or

⁵⁹ S. Sauerhaft, C. Atkins, III.

⁶⁰ S. Sauerhaft, C. Atkins, IV.

⁶¹ F. H. K. Henion, A. Parkin, *Design coordination and corporate image* (New York: Reinhold, 1967), 7.

indifferent; whether it can be improved; and whether it is true or false as a picture of what the corporation is and what it does."⁶²

While a company's image is subject to an individual's own interpretation, a research study in 1969 showed that a positive corporate image affects public attitudes and behaviors;⁶³

1. When a company has a good image, the public is more likely to assume that it produces good products.
2. The public is more likely to pay more for a company's products and buy their new products if the company has a good image.
3. The public is more likely to take the company's side in disputes.
4. The public is more likely to consider the company's stock a good investment, and the stock is likely to suffer less in a general market decline than the stock of a company that does not have as good an image.

Edmund R. Gray and Larry R. Smeltzer, professors from Louisiana State University, published a paper on corporate image in the *Sloan Management Review* Summer 1985 issue. They identified three critical areas to examine when formulating an image communication program. The first area of concentration deals with the sources and channels of image communication. Gray and

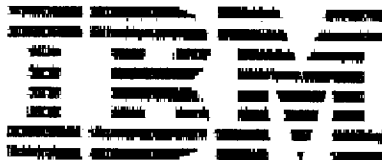
⁶² F. H. K. Henrion, A. Parkin, 7.

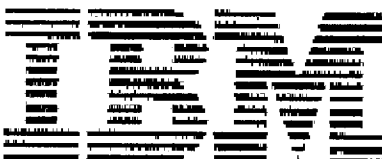
⁶³ E. Selame, J. Selame, 4, from the *BBDO Research Report*.

Smeltzer said that company logos are a communicator of corporate image⁶⁴ and among certain elements that create image.⁶⁵ They noted that Sears, Prudential Insurance Co., Bank of America and Campbell's are among corporations that address the image concept by changing their logos. Gray and Smeltzer noted that some companies, like Beatrice, extend their image and reputation by putting


 A solid black IBM logo consisting of the letters 'IBM' in a bold, sans-serif font.


 A solid black IBM logo consisting of the letters 'IBM' in a bold, sans-serif font.


 An IBM logo consisting of the letters 'IBM' in a bold, sans-serif font, where each letter is filled with horizontal black stripes.


 An IBM logo consisting of the letters 'IBM' in a bold, sans-serif font, where each letter is filled with horizontal black stripes.

their logo on products of their divisions and subsidiaries.

Carolyn Gargaro's thesis concluded that "logos were usually the most effective of the three image components of name, logo, and color in shaping the desired corporate image."⁶⁶ For instance, International Business Machines (IBM) set the standard for image communication in the computer industry with its striped monogram logo. The stripes make IBM look modern and thus other computer companies emulated IBM's style with their similar logos.

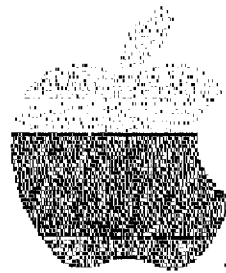
⁶⁴ E. R. Gray, L. R. Smeltzer, "SMR forum: Corporate Image—an integral part of strategy," *Sloan Management Review* 26 (Summer 1985): 74.

⁶⁵ E. R. Gray, L. R. Smeltzer, 77.

⁶⁶ C. C. Gargaro, *The significance of name, color, and logo in developing and managing corporate image*, thesis, Rowan College of New Jersey, 1983 (Glassboro: 1983), abstract.

The impact of IBM's visual style on the competition was that it simply obliterated all considerations of other options. To be in computers you had to look like IBM. The nearer to IBM you looked, the more like a real computer company you would feel yourself to be.⁶⁷

According to Paul Rand, who designed the popular logo in 1962, the stripes "serve primarily as an attention-getting device. ... They are memorable. They



suggest efficiency and speed."⁶⁸ Apple Computers broke the be-like-IBM-trend and incorporated a colorful piece of fruit as its logo.

Corporate Identity vs. Corporate Image

While corporate image is how a company is perceived, corporate identity is who a company is. Every company possesses an identity—planned, controlled visual communication. Thus, the identity emanates from the company.

Corporate identity is created and expressed through such channels as stationery, advertising, literature, packaging, signage, forms, marketing and sales materials, architecture, interiors and transportation. Olins believes that everything a company does must be an affirmation of its identity.⁶⁹

⁶⁷ W. Olins, *Corporate identity* (Boston: Harvard Business School, 1989), 67.

⁶⁸ A. Siegel, 34.

⁶⁹ W. Olins, 7.

Perhaps the most prominent and important component of a corporate identity system is the company logo. It identifies a company and its products and services and also distinguishes companies from others. Selame and Selame describe the logo as the "central, unifying factor of the identity program."⁷⁰ The logo reflects the company's identity—the way in which it wants to be perceived. "When identity and image are in harmony, the company is perceived as it actually is, as well as the way it wants to be perceived by members of its target market. The extent to which identity and image differ indicates the degree of need for a program of realignment."⁷¹

For example, the Radio Corporation of America (RCA) experienced a mismatched corporate identity and image in the 1960s. While RCA originated as a manufacturer of radios, it evolved into a company operative in satellite



communications, electronics, home appliances, and car rentals. Its logo—a circle seal with the initials RCA and a

lightning bolt—dated back to the 1920s when the company was devoted to international wireless communications.⁷² The logo, "more reminiscent of the

⁷⁰ E. Selame, J. Selame, 41.

⁷¹ V. Napoles, 25.

⁷² C. C. Gargaro, 63.

Jazz Age than that of space exploration,"⁷³ communicated an outdated and inappropriate image.

The design firm Lippincott & Margulies undertook an identity campaign that would reflect RCA's diverse products and services, while keeping an eye toward its future growth. They decided to no longer use the name Radio Corporation of America, which seemed to limit the company to radios and the American continent. Designers created a typographic-style logo—an RCA monogram. "The new identity program created a new public image. Once recognized solely as a radio giant, RCA became known as a leader in communication technologies."⁷⁴

Upon the new logo design, Nipper—the RCA dog sitting in front of a phonograph—was almost banished. However, RCA surveys showed that people loved him. Therefore, the Nipper symbol was kept as a logo found only on RCA record players.⁷⁵



While a company logo may communicate an appropriate identity and image, a brand trademark may do otherwise. For instance, the Quaker Oats Co. has used a Quaker gentleman as its logo since 1877 because it "personifies old-fashioned values."⁷⁶ However, Quaker Oats' Aunt Jemima brand trademark "personifies

⁷³ C. C. Gargaro, 65.

⁷⁴ C. C. Gargaro, 67.

⁷⁵ C. C. Gargaro, 66.

⁷⁶ W. Berger, "When 'old fashioned' ceases to be a virtue," *New York Times*, 24 April 1988, F13.

old-fashioned stereotypes."⁷⁷ Some felt that the heavy-set, smiling black woman was a negative, racial bias that "has defined black women in America since her



inception and had ultimately relegated them to a low socioeconomic status."⁷⁸ Quaker Oats modified the look for its 100-year-old Aunt Jemima trademark in 1989 to upgrade its image.

Corporate Identity Standards

All businesses should express a unique identity to differentiate themselves. According to the *Public Relations Journal*, an effective corporate identity program must include three main elements: research, strategy and implementation.⁷⁹ The final element can be the real key to a successful identity and image.

Systematic, consistent application is the most important part of a corporate identity program. A strong corporate identity, haphazardly applied, will be less effective than a weak identity applied with diligence. One of the most common reasons companies call for an identity review is because a perfectly good mark has been used inconsistently.⁸⁰

The company logo must be applied consistently and accurately. In fact, Napoles wrote that the logo itself may be less important than its systematic

⁷⁷ W. Berger, "When 'old-fashioned,'" F13.

⁷⁸ M. Kern-Foxworth, "Plantation kitchen to American icon: Aunt Jemima," *Public Relations Review* 16 (Fall 1990): [On-line] Abstract from: ProQuest, File: ABI/INFORM Item: 00538891.

⁷⁹ C. Gorman, "Developing an effective corporate identity program," *Public Relations Journal* 50 (August/September 1994): 40.

⁸⁰ R. DeNeve, 61.

implementation.⁸¹ Not all situations will allow the specified corporate color to be used or the typeface of the logotype. A corporate identity manual provides official guidelines or standards for how the logo can be treated and used in all of a company's visual communications. Each company should create its own manual that includes such information as the uses of the logo, logo variations (positive, negative and screened), corporate colors, color variations, typography, compatible typography, positioning of logo, reproduction of logo, logo element arrangements, and sizing of logo.

The manual may also note the way in which the logo will be used according to corporate structure. There are three basic identity structures—*monolithic, diversified or conglomerate*—that affect the way a logo will be used. Not all companies fall into these three identity structures. However, it's important that companies—whether they are highly centralized or totally decentralized—have consistency in their logo application.

Monolithic companies usually center around a single business or allied businesses.⁸² They may use a single, straightforward logo comprised of one name, one typeface and one color. Many oil companies like Shell Oil and Mobil adopt this type of identity. The **diversified** or endorsed company oversees a group of individual units, which run on their own power and strength. Each part of the organization may use the same corporate logo, but adds its own operating name to it. General Motors and RCA are examples of diversified

⁸¹ V. Napoles, 91.

⁸² R. DeNeve, 6.

companies. Finally, a conglomerate or branded company usually results from the acquisition of unrelated businesses. "The conglomerate hopes to create a strong identity for itself on the shirttails of its acquisitions. ... Conglomerates impose their identity on that of an acquired company or subsidiary,"⁸³

Companies like Betty Crocker and United Technologies use this approach.

A Logo's Contribution

An entire industry of corporate identity consultants thrives. Less than a decade ago, *The New York Times* reported that the industry takes in more than \$100 million per year.⁸⁴ Interestingly, people spend \$17 billion on goods that involve licensed corporate trademarks⁸⁵--these items include clothing, mugs, toys, calendars and a slew of other merchandise not related to the company's product lines.

That fact alone says a lot about the contribution of company logos to corporate image. However, the thesis study disputes what the literature says about people's attitudes toward logos and the contribution of the logo to corporate image. The study results should make companies aware that the construction of any logo doesn't automatically equate to positive corporate image. A company should take careful consideration to its corporate identity and follow through with its proper implementation.

⁸³ R. DeNeve, 7.

⁸⁴ W. Berger, "Pleasing the teen-ager who buys the T-shirt," *New York Times*, 24 April 1988, F13.

⁸⁵ W. Berger, "Licensing for fun and profit--and free exposure," *New York Times*, 24 April 1988, F13.

Through an exhaustive literature review and formal research study, this thesis serves new and established companies a basis for creating a company logo. While this thesis does not explain how to create a logo, it does illustrate why logos should be used as corporate identifiers. It shows how a logo contributes to corporate image as well.

CHAPTER 3

The researcher collected primary data through an empirical study. The research hypothesis was "a company logo contributes to corporate image." The survey research was conducted for explanatory purposes: to measure consumers' attitudes toward company logos (independent variable) and the image contribution of the logo (dependent variable). The researcher based this study on the LogoValue Survey, an annual study done between 1991 and 1994 by Interbrand Schechter, a New York corporate identity firm. The LogoValue Survey defined image contribution as "a measurement of how the design of a logo enhances or detracts from consumer perceptions of a company or brand name."¹

Research Method

Information about the LogoValue Survey was obtained through articles found during an on-line library database search and from information provided by Interbrand Schechter. The following research design collaborated methodologies from the 1991, 1992, 1993 and 1994 LogoValue Surveys, which contained only slight variations among them.

¹ Interbrand Schechter, *Interbrand Schechter 1994 LogoValue Survey continues to find fewer logos that make a difference*, (New York, 1994), [News Release].

In the thesis study, one group of participants (name group) viewed 10 company names all printed in black 30-point Arial type. A second group (logo group) was shown the fully-designed color logo of each company. The name group and logo group ranked four statements on a Likert scale for each company shown. The statements represented positive image-contribution attributes of a company: reputation, quality, modernness and product desire.

The company names and company logos used represented those found in *Fortune's* 14th annual Corporate Reputations Survey, as reported in the March 6, 1996 issue. Out of 417 ranked companies, the thesis survey included eight of the top 15 most admired companies: Coca-Cola, Procter & Gamble, Rubbermaid, Johnson & Johnson, Microsoft, Hewlett-Packard, Motorola, and McDonald's. Each company chosen represents a different industry: beverages, soaps and cosmetics, rubber and plastic products, pharmaceuticals, computer and data services, computers and office equipment, electronics and electrical equipment, and food services. Out of the 5 least admired companies, the thesis survey included Kmart and USAir, which represented the general merchandise industry and airline industry.

The researcher chose companies ranked in the *Fortune* Corporate Reputations Survey because a company's reputation is a component of corporate image. "Corporate image is the totality of pictures or ideas or reputations of a corporation in the minds of the people who come in contact with it."² For the

² F. H. K. Hendon, A. Parkin, *Design coordination and corporate image* (New York: Reinhold, 1967), 7.