

**2022**

**MARIA CAROLINA  
ERNESTO**

**THE UNNECESSITY OF ADVERTISING AS  
A PROMOTIONAL TOOL TO BUILD  
BRAND AWARENESS AND BRAND IMAGE:  
A CASE OF LUSH COSMETICS**



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Dissertação apresentada ao IADE - Faculdade de Design, Tecnologia e Comunicação da Universidade Europeia, para cumprimento dos requisitos necessários à obtenção do grau de Mestre em Design & Publicidade realizada sob a orientação científica da Doutora Maria do Carmo Leal, professora auxiliar da Universidade Europeia.

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**Palavras-Chave**

Publicidade, Equidade da Marca, Notoriedade da Marca, Imagem da Marca, Lush Cosmetics.

**Resumo**

Na dinâmica do marketing moderno, onde o foco está na satisfação do consumidor, na gestão do relacionamento com o consumidor, e na criação de valor, a promoção tem sido considerada uma prática necessária para o sucesso de qualquer marca. Apesar de ser apenas uma de cinco ferramentas promocionais comumente utilizadas para atingir estes objetivos, a publicidade tem sido criticada pela sua falta de rentabilidade, por criar bases de clientes desleais, e por fazer com que as empresas sejam vistas como desonestas ou até manipuladoras. Esta investigação procurou analisar a equidade da marca Lush Cosmetics a fim de compreender se a utilização da publicidade como uma ferramenta promocional é necessária, respondendo assim à pergunta da investigação, "De que modo é que a notoriedade de marca e a imagem de marca dependente do uso da publicidade?". Nesse sentido, foi realizada uma pesquisa exploratória qualitativa, através de um grupo focal de sete participantes, selecionados com base no seu contacto prévio e experiências com a marca. A análise foi conduzida utilizando o modelo de equidade da marca, baseado no cliente de Keller, um modelo em forma de pirâmide composto por seis dimensões de marca, sendo cada dimensão dependente do sucesso da anterior. A investigação permitiu compreender que a Lush tinha uma forte notoriedade entre os consumidores, e que estes tinham uma boa percepção da imagem da marca, associando-a aos seus produtos, à experiência de compra que esta oferece aos consumidores, e aos seus valores. Apesar da Lush Cosmetics adotar uma *no-advertising strategy* como poucas outras marcas de cosmética no mercado, a marca conseguiu encontrar alternativas à publicidade para transmitir o seu valor e pontos de diferenciação aos consumidores.



**Keywords**

Advertising, Brand Equity, Brand Awareness, Brand Image, Lush Cosmetics

**Abstract**

In the dynamics of modern marketing, where the focus is on customer satisfaction, consumer relationship management, and value creation, promotion has been considered an essential practice for the success of any brand. Despite the fact that it is only one of five promotional tools commonly used to achieve these goals, advertising has been criticized for its lack of cost-effectiveness, for creating disloyal customer bases, and for making businesses look dishonest or manipulative. This research sought to analyze Lush Cosmetics' brand equity in order to understand whether or not the use of advertising as a promotional tool was necessary, thereby answering the research question, "To what extent is brand awareness and brand image reliant on the use of advertising?". In that sense, a qualitative exploratory research was conducted through a focus group of seven participants, chosen based on their prior contact and experiences with the brand. The analysis was conducted using Keller's customer-based brand equity model, a pyramid-shaped model comprising six brand-building blocks, each dependent on the success of the previous one. The research made it possible to understand that Lush had a strong awareness among consumers, and that consumers had a good perception of the brand's image, associating it with its products, the shopping experience it offers consumers, and its values. Although Lush Cosmetics' global no-advertising communication strategy was unlike that of most cosmetics companies on the market, the brand was able to find alternatives to advertising to convey its value and points of differentiation to consumers.

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## Introduction

In the dynamics of modern marketing, where the emphasis is on value creation and customer relationship management (Sheth & Uslay, 2007), promotion has been considered an essential practice for the success of any organization (Ilyas & Nayan, 2020).

However, according to Kimmel and Kitchen (2013), as consumers become more powerful and skeptical than ever before, consumer-to-consumer influence often takes precedence over behaviors formerly shaped by business-to-consumer marketing tools such as advertising, personal selling, public relations, direct mail, and sales promotions. The effectiveness of one of these tools in particular has been called into question. Advertising, defined as any form of paid promotion of ideas, goods, or services (Kotler & Armstrong, 2011), has been criticized for its lack of cost-effectiveness, for creating disloyal customer bases, and for making businesses look dishonest or manipulative (Phillips & Rasberry, 2001). Further claims assert that businesses have grown accustomed to advertising and believe it to be effective due to the lack of alternative models to imitate.

As a result, numerous organizations have chosen to use their brand's equity to influence the selection and preferences of consumers and to set themselves apart from competitors (Hanaysha et al., 2013). This is consistent with Keller's brand equity model, which places the power of the brand in consumers' brand knowledge (Keller, 2001b). Moreover, Keller (1993) asserts that brand knowledge is linked to brand equity through two pertinent dimensions: brand awareness and brand image.

In light of this, the purpose of this study is to determine whether a brand's decision to forego the use of advertising as a promotional tool affects consumers' brand awareness and brand image. A case of Lush Cosmetics, a brand relevant to the study because it employs a global "no-advertising spend" communication strategy, will be developed in order to analyze the brand's equity, which will provide insight into the consumers' brand knowledge. Furthermore, depending on the success of the results, this will determine if the use of advertising as a promotional tool is indeed necessary, and what other variables have contributed to Lush Cosmetics' ability to communicate its value to consumers, remain competitive in the market, and cultivate a community of active and possibly loyal consumers, thereby answering the research question, "To what extent is brand awareness and brand image reliant on the use of advertising?"

The research consists of five chapters: the literature review, the company presentation, the methodology, the research analysis and results, and the limitations and future recommendations of the research. The first chapter, the literature review, provides a deeper understanding of concepts pertinent to the study, such as marketing, advertising and its efficacy, brands, and consumers. The second chapter provides an overview of the company, including its history, the industry context in which it competes, its values and mission, its positioning, and a description of the company's 7 P's of marketing, with a focus on promotion. The third chapter, the methodology, describes the purpose of the study, the research question, the research approach, the data collection techniques and data sources, the method for data analysis, and the description and codification of the participants. The fourth chapter presents, analyzes, and discusses the findings of the research. The fifth chapter discusses the research's limitations and provides future recommendations.

## Literature Review

### 1. The Concept of Marketing

While the concept of *Marketing* has existed for as long as markets have, there are disagreements regarding its precise date of emergence, explained by issues surrounding the various distinct ways it has been defined (Southerton, 2011).

Converse and Huegy (1946) define marketing as the business of buying and selling, which encompasses all activities related to the flow of goods and services from production to consumption. This was one of the numerous prevalent perspectives at the time that shaped *traditional marketing* into a narrow concept entirely centered on product sales and profit maximization.

Over time, scholars such as Sheth and Uslay (2007) discussed how this paradigm was gradually shifting away from product exchange and towards value creation and customer relationship management. Marketing started thriving on fostering good customer relationships as it began recognizing the customer as an individual and acknowledging his lifelong value (Blythe, 2005).

The American Marketing Association (2017) then officially defined marketing as the activity, set of institutions, and processes involved in creating, communicating, delivering, and exchanging offerings of value to customers, clients, partners, and society at large. Kotler (2011) observed that marketing appeared to be attempting to become more sustainable as well, by adhering to a model that sought to meet consumer needs, create new jobs, and improve the level and quality of life for current and future generations, all while recognizing resource constraints and increasing the efficiency of global society's development. Kotler (2020) later added that, ultimately, marketing seeks to satisfy human needs through the creation of value.

Although there is no current universal definition for the term, authors in the field agree on common grounds to define *modern marketing* as a broader customer-oriented concept, focused on customer satisfaction, value addition, and market orientation.

The rise of the internet and modern technology altered consumers' behaviors, interactions, communication, and purchasing habits significantly (Kumar & Gupta, 2016). Moreover, Grubor and Jaksa (2018) argue that, while consumers were once passive observers of market happenings, they evolved to become increasingly more demanding in terms of

satisfaction, and grew into active participants in dialogue with businesses, co-creators of marketing strategies, and active judges of all companies' activities and decisions. Although this phenomenon has shifted the boundaries of the company-customer relationship and significantly altered management and organizational processes, the connected world has also introduced an abundance of new opportunities and challenges for the marketing discipline.

### **1.1 The Marketing Mix**

The *Marketing Mix* is a fundamental marketing framework defined as a mixture of elements useful in pursuing a certain response from a target market (Waterschoot & Bulte, 1992). The mix was initially introduced by Neil Borden (1953), but later refined by Jerome McCarthy (1960), who proposed a more succinct and convenient framework referred to as the Four Ps of Marketing, which include: Product, Price, Place, and Promotion. This framework was quickly embraced by practitioners and academics in the field and became the most widely used classification system for the marketing mix. Refer to Figure 1 for additional information on Borden's 12 policies original marketing mix proposition from 1953's and McCarthy's 4Ps refined version of the mix from 1960.

**Figure 1**

*Borden's 12 Policies (Original Mix) and McCarthy's 4Ps of Marketing (Refined Mix)*

<p><b>Product</b></p> <p><i>Product Planning</i></p> <p><i>Branding</i></p> <p><i>Packaging</i></p> <p><i>Servicing</i></p>	<p><b>Place</b></p> <p><i>Channels of Distribution</i></p> <p><i>Display</i></p> <p><i>Physical Handling</i></p> <p><i>Fact Finding and Analysis</i></p>
<p><b>Price</b></p> <p><i>Pricing</i></p>	<p><b>Promotion</b></p> <p><i>Personal Selling</i></p> <p><i>Advertising</i></p> <p><i>Promotions</i></p>

*Note.* From “From Marketing Mix to E-Marketing Mix: A Literature Overview and Classification”, by G. Dominici, 2009, *International Journal of Business and Management*, 4(9), p.23 (<https://doi.org/10.5539/ijbm.v4n9p17>).

Kotler (2020) built on the model's ideology, stating that for businesses to deliver their value proposition, they must create a need-satisfying market offering, decide how to price it, determine which channels of distribution to use, and determine how they will persuade and communicate the offer to the target consumers. However, Grönroos (1990) recognized that this model had limitations and had previously been criticized in the field since it was developed entirely on the basis of empirical research on consumer-packaged goods and durables in North America and it was thus unsuitable for services marketing nor adapted to the European business environment. Constantinides (2006) identified the model's lack of consumer orientation and interactivity as another limitation, as it fails to consider the consumer's evolving nature, which demands not only higher value but also greater control over the communication and transaction process. With this in consideration, Booms and Bitner (1981) agreed that both services and product marketing shared the same concern for McCarthy's four Ps; however, these elements needed to be modified to be fully useful to the service marketer.

While some authors proposed entirely new models, others, such as Booms and Bitner (1981), accepted the model but proposed modified versions with new variables: Participants, Physical Evidence, and Process, in an attempt to make it more cognizant of the unique nature of services as products. In this 7 Ps services marketing mix, the authors define participants as all individuals (employees, customers, etc.) who contribute to the service delivery and thus influence the buyer's perceptions; physical evidence as the environment in which the service is assembled and the seller and customer interact, as well as the tangible commodities that facilitate the service performance or communication; and the process of service assembly as the actual procedures, mechanisms, and flow of activities through which the service is delivered.

## ***1.2 The Promotional Mix***

The *Promotional Mix*, alternatively referred to as the Marketing Communication Mix, is the specific blend of promotional tools that businesses use to persuasively communicate customer value and build customer relationships (Kotler & Armstrong, 2011). The authors characterize each of the mix's five main tools as follows:

- *Sales promotions* are short-term incentives designed to encourage the purchase or sale of products or services. They may include discounts, coupons, displays, and demonstrations.

- *Personal selling* is the act of the firm's sales force making a personal presentation for the purpose of generating sales and building customer relationships. This can be accomplished through trade shows, sales presentations, or incentive programs.
- *Public relations* are used to build positive relations with the company's various publics by obtaining favorable publicity, building a good corporate image, and handling or averting unfavorable rumors, stories, and events, whether through press releases, sponsorships, special events, or Web pages.
- *Direct marketing* is to directly connect with carefully targeted individual consumers with the goal of both obtaining an immediate response and cultivating lasting customer relationships. This can be accomplished through catalogs, telephone marketing, kiosks, the Internet, or mobile marketing.
- *Advertising* is any paid form of nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor. It can take the form of print, outdoor, broadcast, or the internet.

### ***1.3 The Digital Marketing Mix***

Constant advancements in digital technology and the adoption of digital channels for communication have resulted in the development of a new *Digital Marketing Mix* (Critchlow et al., 2019). This three-tiered classification system for offline and online media can be used in conjunction or separately, depending on the business's strategic communication goals, and includes: Paid, Owned, and Earned Media (Stephen & Galak, 2012). According to these authors, *paid media* refers to media activity generated by the company or its agents; *owned media* refers to media activity generated by the company or its agents in channels under its control, such as in-store visual merchandising or displays, brochures, and the company's own website and official social media accounts; and *earned media* refers to media activity not directly generated by the company but rather by other entities, such as journalists in the case of traditional publicity or customers in the case of word of mouth (WOM), frequently in the form of reviews, ratings, referrals, or user-generated content.

Authors like Kimmel and Kitchen (2013) point out how WOM has gained prominence in the marketing field because of people's increased connectedness through social media and the rapid spread of interpersonal messages.

## 2. Advertising and its Efficacy

*Promotion* has been considered critical to the success of any business, regardless of its stage of development, size, or mode of operation (online or traditional), because it enables the business to acquire consumers, thereby increasing its turnover (Ilyas & Nayan, 2020). However, Kimmel and Kitchen (2013) discuss how businesses face new challenges as a result of consumers being more powerful and skeptical than ever before, with consumer-to-consumer influence often taking precedence over purchasing and related behaviors previously shaped by business-to-consumer marketing tools such as advertising, personal selling, public relations, direct mail, and sales promotions.

According to Kumar and Gupta (2016), consumers are not only more informed but also more connected to the rest of the world. They no longer trust ads unless they are backed up by personal or virtual positive word of mouth from credible sources. As a result, advertising has essentially shifted from a one-way broadcast of a sales pitch to a two-way conversation between brands and consumers.

While businesses nowadays have an unprecedented and rapidly improving ability to gain insights about their customers and, as a result, reach them with advertising, some consumers find advertising annoying on average and view increased targeting as a further violation of their privacy (Johnson, 2013). This has prompted consumers to employ a variety of techniques to avoid advertising, ranging from simply changing the channel during commercials to more recent innovations such as blocking online ads, filtering email, and subscribing to do-not-call, do-not-mail, or do-not-track lists.

Phillips and Rasberry (2001) go a step further and cast doubt on the general effectiveness of advertising, recognizing four primary reasons as to why it may not be the most appropriate promotional tool for businesses. Firstly, advertising is *not cost-effective*, as the premise of the advertising proponents' argument is that if the benefits of its use on the business can be measured, advertising works; if the benefits cannot be measured, either the measurements are insufficient, or there's simply the need for more or different types of ads. Simply put, *this argument proves its ineffectiveness*, as its claims of producing even marginal financial returns are usually fallacious. Secondly, customers lured by advertising are often *disloyal* and thus do not provide businesses with a solid *customer base*, as there is no personalization, and they are enticed solely by factors such as occasional discounts. Thirdly, businesses' *dependence on advertising* makes them more vulnerable to changes in volatile

consumer taste and increases their likelihood of failure, as many have grown accustomed to including a fixed advertising cost in their budgets, fearful that if they do not, their flow of new customers will dry up and their previous investments will have been in vain, frequently leading them to spend unnecessary money on ads. The final reason is that, because a significant percentage of advertising is deceptive, businesses are frequently perceived as *dishonest and manipulative* by consumers, which leads them to suspect (consciously or unconsciously) that the goods and services being offered are of low quality.

These doubts about the effectiveness of advertising are not new. In fact, numerous researchers have examined consumers' attitudes toward advertising and reached similar conclusions to Phillips and Rasberry's latter reason. For example, Shavitt et al. (1998) discuss how, in Andrews' (1989) studies, most of the respondents believed advertising did not accurately portray the advertised products. Similarly, less than a quarter of respondents in Alwitt and Prabhaker's (1992) studies believed advertising accurately portrays the product, and a majority agreed that products do not perform as advertised. Mittal (1994) found that most respondents believed that less than a quarter of advertisements were truthful and credible. Lastly, almost half of Andrews (1989) respondents and most of Mittal (1994) respondents believed that the majority of advertising insults the average consumer's intelligence.

Similarly, Mehta and Purvis (1995) observed that consumers' buying decisions are often influenced by the perception that products do not perform as advertised and that advertised brands are frequently not as good as they claim to be. Furthermore, many consumers view excessive advertising as annoying and manipulative, rather than informative (Mehta, 2000).

Having said that, businesses have been conditioned to believe advertising works because, ultimately, there are no other models to emulate, but the best way to succeed in business is to run an amazing operation that inspires loyal and satisfied customers to spread the word about the goods and services far and wide, explain Phillips and Rasberry (2001).

### 3. Brands

With Phillips and Rasberry (2001)'s notion that the key to success is to run an operation that inspires consumers to spread the word, this chapter defines the term *brand* and explores how organizations can use their brands to communicate value to consumers through different perspectives on *brand equity*.

#### 3.1 The Concept of Brand

As with other areas of marketing research, there are numerous definitions of the concept of *brand* (de Chernatony & Dall'Olmo Riley, 1998). According to Aaker (1991), a brand is a distinctive name and/or symbol used to identify the goods or services of a single seller or a group of sellers and to differentiate them from those of competitors. The American Marketing Association (2017, para. 4) defines a brand similarly, as a “name, term, design, symbol or any other feature that identifies one seller’s goods or service as distinct from those of other sellers”.

To help define the boundaries of the many brand constructs, de Chernatony and Dall'Olmo Riley (1998) identified twelve main themes, which they believed were an accurate categorization of the broad range of brand definitions found in the literature:

- *Brand as a legal instrument* – At its most basic level, branding can be defined as a legal statement of ownership that serves as protection against imitators.
- *Brand as a logo* – Derives from the American Marketing Association’s traditional definition of a brand, which defines it as a name, term, sign, symbol, or design, or a combination of these.
- *Brand as a company* – Due to increasing competition from private labels and spiraling marketing costs, it is critical to have an instantly recognizable corporate identity. As such, the benefit of considering the company as the brand is the opportunity to achieve a consistent focus across the brand portfolio and to convey consistent messages to all stakeholders. Any issues with the organization's reputation, on the other hand, can taint the image of its products.
- *Brand as a shorthand* – As Jacoby et al. (1977) and Chevan (1992) discuss, brand names serve as memory shortcuts, and as such, time-pressed consumers are more inclined to buy brands with names they are familiar with. As a result, the interpretation of the brand as a shorthand device recognizes how the myriad of

marketing activities are integrated in the consumer's mind to form the brand entity.

- *Brand as a risk reducer* – Consumers perceive risk when they buy products or services (Bauer, 1960). Understanding the dimensions of perceived risk enables marketers to present their brands in a way that promotes consumer confidence (Assael, 1995).
- *Brand as an identity system* – Kapferer (1992), who defines the brand in holistic terms, is highly critical of "deconstructionist" perspectives of the brand as a legal device and as a logo. The definition of brands as logos and Kapferer's view represent two polar opposites; the former is highly itemized in terms of the elements required to create a brand, whereas the latter emphasizes the brand's identity as a structured whole comprised of six integrated facets - culture, personality, self-projection, physique, reflection, and relationship.
- *Brand as an image in consumers' minds* – Individuals do not react to reality, but to their perception of reality (Boulding, 1956). Martineau (1959) defines brands as mental images of functional and psychological attributes held by consumers. The evolution of a more consumer-centered perspective is exemplified by Newman's (1957) definition of brand image as everything people associate with a brand and Pitcher's (1985) view that a brand is a consumer's idea of a product. Gardner and Levy (1955) define a brand, from a dyadic identity-image perspective, as more than the label used; it is a complex symbol that represents a variety of ideas and attributes and informs the consumer via the body of associations it has developed and acquired over time as a public object.
- *Brand as a value system* – Clark (1987) recognizes that consumers find value in the brand, its heritage, their personal interactions with it, and how the brand reflects what the individual stands for. Sheth et al. (1991) argue that brand choice is motivated by the desire to satisfy specific consumer values. Under this perspective, individual brands are then representations of unique clusters of values.
- *Brand as a personality* – Given that competitors can emulate or outperform brands' functional advantages (Lambin, 1993), one way for brands to sustain their uniqueness is to emphasize psychological values. Zinkhan et al. (1996) recognize

that when consumers choose between competing brands, they evaluate the fit between the brands' personalities and the personalities they wish to project, demonstrating the interconnection between personality and values (Gutman, 1982), with personality being a subset of value constellations. According to Aaker (1996), brand personality guides communication efforts and creates brand equity.

- *Brand as a relationship* – A brand relationship is a logical extension of a brand's personality (Blackston, 1992), and if brands can be personified, consumers will not only perceive them, but also develop relationships with them (Kapferer, 1992; Blackston, 1993). McKenna (1991) recognizes that a successful brand is characterized by having a special relationship between the customer and the company.
- *Brand as adding value* – According to Jones (1986), a brand is a product that provides functional benefits plus added values that some consumers value enough to buy. Similarly, de Chernatony and McDonald (1994) state that brands are identifiable products, services, people, or places that have been augmented in such a way that the buyer or user perceives relevant unique added values that are more closely aligned with their needs.
- *Brand as an evolving entity* – Goodyear (1996) categorizes brands according to their evolution, from "unbranded commodities" to "references", where the name is used for identification, into a "personality", offering emotional appeals in addition to product benefits to consumers. A fourth stage occurs when the consumer "owns" the brand, which acquires "icon" connotations. A further stage is "brand as a company", focusing on a distinct set of corporate "brand values" that permeate organizations. The final stage, "brand as policy", addresses political issues relevant to consumers.

It is possible to see some overlap among elements of the different definitions, which are therefore not mutually exclusive. However, these twelve themes identified by de Chernatony and Dall'Olmo Riley (1998) represent a categorization of the most important propositions in the branding literature.

### **3.2 Models of Brand Equity**

Marketing researchers have recently demonstrated an increased interest in the study of *brand equity*, as they believe that strong brands are one of the most valuable assets that successful organizations can possess (Hanaysha et al., 2013). As a major influencing factor on consumer selection and preference, brand has been recognized as a critical marketing tool for differentiating an organization from its competitors.

However, the concept of brand equity is abstract, and it should be recognized that it is distinct from the value added through promotional activities or a well-functioning distribution system. While these factors are critical, particularly in the context of increasing and maintaining sales, they should not obscure the inherent added value of the brand itself, i.e., how much its consumers are willing to pay more for it, because, as Kapferer (1998) points out, the brand only has value because consumers recognize it.

The difficulty in defining a unique conceptual framework for brand equity has led to the adoption of two major perspectives in the literature: the *Financial-Based Perspective* and the *Consumer-Based Perspective* (Kim et al., 2003). The authors explain that financial-based brand equity enables the firm to deduct the brand's financial value from the firm's total value, thereby determining its market performance.

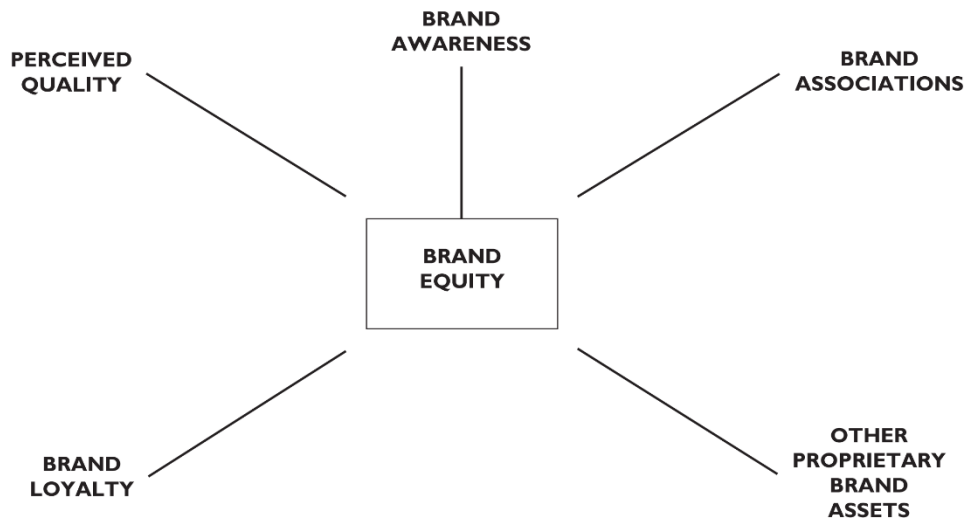
This chapter focuses on and approaches the consumer-based perspective through five brand equity models developed over the years: Aaker's Customer-Based Brand Equity Model, Kapferer's Brand Identity Prism, Farquhar's Levels of Evaluation, Keller's Dimensions of Brand Knowledge, and Keller's Customer-Based Brand Equity Model, the latter of which is described in greater detail since it is the model used in the empirical research of this study.

**3.2.1 Aaker's Customer-Based Brand Equity Model.** Aaker (1991, p. 39) defines consumer-based brand equity as a "set of brand assets and liabilities linked to a brand, its name and symbol, that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers". According to the author, brand equity has the potential to provide value to both the firm, through the possibility of generating additional marginal cash flows, and the customer, due to its role in affecting purchasing decisions. It is relevant to understand how each of these assets creates value for the brand, both from the company's perspective and from its customers' perspective, regardless of whether they are final consumers or intermediaries in the distribution channels.

Aaker (1991) identifies four main assets: *Brand Loyalty*, *Brand Awareness*, *Perceived Quality*, and *Brand Associations*. Additionally, there are other proprietary brand assets such as patents and trademarks. Brand loyalty is related to the fact that it is more expensive for businesses to acquire new customers than it is to retain existing ones, even more so when the customer is already satisfied with the brand, as an installed customer base has most likely already recovered most of their customer acquisition investment. Additionally, a loyal customer base increases brand exposure, reassures new customers, and reduces the brand's vulnerability to competitive action. Brand awareness refers to how people frequently purchase a familiar brand out of habit, which makes them more likely to unconsciously assume that the brand is trustworthy, profitable, and of reasonable quality. Perceived quality indicates that the brand will be associated with an overall perception of quality that is not necessarily based on detailed specifications, which plays a significant role in purchasing decisions and brand loyalty, particularly when a buyer is not motivated or able to conduct a detailed analysis. This also means that if a brand is well-known in one context, it might be assumed to be of high quality in other related contexts. Lastly, brand associations are often the underlying value linked to a brand name. A strong association can serve as the foundation for a brand extension, since it can foster positive attitudes and feelings towards the brand, instill confidence in consumers, and persuade them to make a purchase; as well as act as a barrier to competitors, since a brand that is well positioned around a key attribute is more difficult to attack. Refer to Figure 2 for additional information on Aaker's customer-based brand equity model.

**Figure 2**

*Aaker's Customer-Based Brand Equity Model*



*Note.* From “Effect of Celebrity Endorsements on Dimensions of Customer-based Brand Equity: Empirical Evidence from Indian Luxury Market”, by R. Sharma, 2016, *Journal of Creative Communications*, 11(3), p.266 ([https://doi.org/ 10.1177/0973258616667185](https://doi.org/10.1177/0973258616667185)).

**3.2.2 Kapferer's Brand Identity Prism.** To establish a distinct brand, Kapferer (1998) defends the emergence of a new concept: *Identity*, which complements the concepts of brand image and brand positioning, and allows for a better understanding of the brand's reality. Before a brand can establish its identity in the minds of its audience, it must first determine what it wishes to represent, as identity precedes brand image. To be sustainable and strong, a brand must remain true to its identity, which can be visualized through a prism.

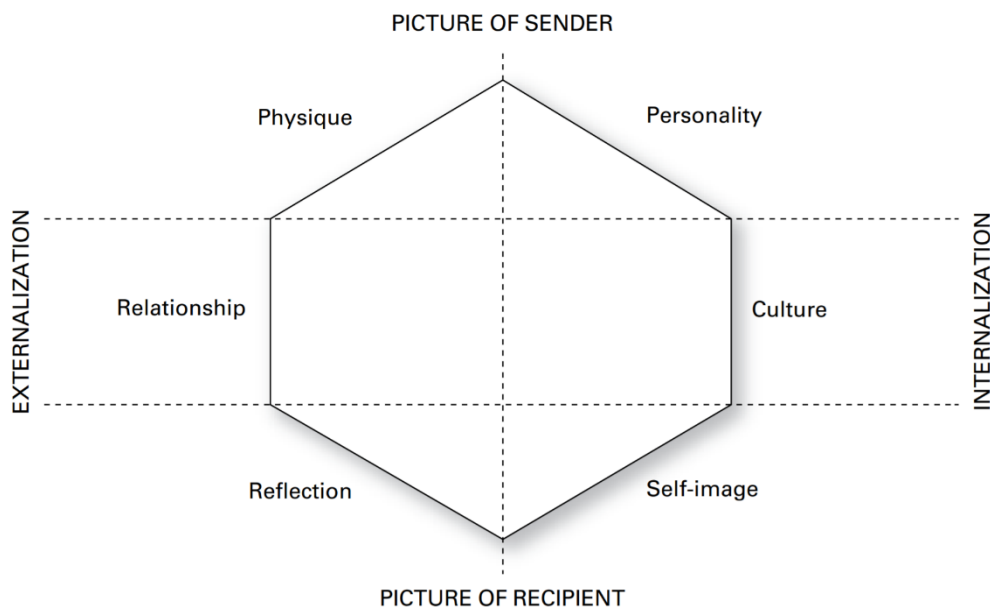
In his *Brand Identity Prism*, Kapferer identifies six aspects of brand identity: *Physique, Personality, Culture, Relationship, Reflection, and Self-Image* (Pirvani, 2009). A brand has, first and foremost, a set of brand physical features that immediately come to mind when the brand name is mentioned. The physical component serves as the brand's foundation. Apart from its physical part, a brand has a personality. In other words, it corresponds to the brand's desired character. By communicating with consumers in a specific way, it is possible to transfer human characteristics to the brand. A brand is also a cultural universe, where culture is defined as a system of values and fundamental principles that inspire the brand's behavior. As a result, culture becomes a direct link between brand and organization. A brand is the protagonist in its own relationship with the consumer. A brand reflects the customer as well. However, the reflection aspect should not be confused with the target market; rather,

brands build a reflection of the customer type to which they wish to appeal. Lastly, a brand also speaks to self-image. Self-image assumes that consumers develop certain types of inner relationships with themselves as a result of their purchase of certain brands. The self-image aspect acts as the reflection's inverse.

In Kapferer's (2012) brand identity prism, relationship and culture constitute the bridges between the sender and the receiver of the communication. The prism is divided vertically; on the left are the social facets that give the brand its outward expression – physique, relationship, and reflection – while on the right are the facets that are incorporated into the brand itself, its spirit – personality, culture, and self-image. Refer to Figure 3 for additional information on Kapferer's brand identity prism.

**Figure 3**

*Kapferer's Brand Identity Prism*



*Note.* From *The New Strategic Brand Management: Advanced Insights and Strategic Thinking* (5th ed., p. 158), by J. N. Kapferer, 2012, Kogan Page.

**3.2.3 Farquhar's Levels of Evaluation.** Farquhar (1989) defines brand equity as the additional value a brand confers on a product or service, elevating it above its functional characteristics. From the perspective of a consumer, brand equity is the strengthening of an attitude towards a brand's product. An individual's attitude is defined as the association between an object and that object's evaluation stored in his memory. According to the author, a consumer's memory can store three types of evaluations:

- *Affective evaluations* – Involve emotions or feelings toward the brand (e.g., how well the brand satisfies its users' needs for self-esteem or sense of belonging).
- *Cognitive evaluations* – Are inferences made from beliefs about the brand, constructed either by previous use or by the company's communication (e.g., the brand is more effective than others).
- *Behavioral evaluations* – Are developed from habits or personal learning about a brand and manifest as future purchase intentions (e.g., family habits of buying the same brand of a certain product).

Typically, attempts to generate positive brand evaluations are focused on one of these types.

While positive evaluations are needed to develop a strong brand, they are not sufficient.

The second aspect in constructing a powerful brand is attitude accessibility, which refers to the ease and speed with which a consumer can retrieve information about the brand that has been stored in his memory (Farquhar, 1989). Stored evaluations can be retrieved from memory either through automatic activation, which occurs as soon as the individual observes the attitude object, or through controlled activation, which requires the individual's active attention to retrieve a previously stored evaluation or to create a summary evaluation of the attitude object.

A consistent brand image is the third aspect identified by Farquhar (1989) as necessary for building a powerful brand. Consistency in the brand's image over time is an important aspect of managing the relationship between the brand and the consumer, a relationship that later develops between the brand's personality and the consumer's personality with each transaction.

Lastly, Farquhar (1989) indicates three ways to obtain brand equity: build it (by generating favorable brand evaluations with a quality product, nurturing accessible brand attitudes, and developing a consistent brand image to form a relationship with the consumer); borrow it (through brand extension situations); or buy it (by acquiring companies with a brand portfolio or through licensing).

**3.2.4 Keller's Dimensions of Brand Knowledge.** Keller (1993, p. 8) defines customer-based brand equity as the "differential effect of brand knowledge on consumer response to the marketing of the brand". His definition encompasses three relevant concepts:

*Differential Effect, Brand Knowledge, and Consumer Response to Marketing.* The differential effect is determined by comparing the consumer response to the marketing of a brand to the marketing of a fictitious name or unnamed version of the product or service; brand knowledge is defined in terms of brand awareness and brand image; and consumer response to marketing is defined in terms of consumer perceptions, preferences, and behaviors arising from the marketing mix activity, such as brand choice, comprehension of copy points from an ad, reactions to a coupon promotion, or evaluations of a proposed brand extension.

Brands have been under increased pressure to communicate new benefit claims in order to reflect shifting consumer trends, technological advancements, and competitive entry (Heckler et al., 2012). This has driven consumers to create more complex brand knowledge structures in order to assimilate various pieces of information about brands, forcing marketers to adopt more dynamic approaches to brand knowledge that take into account the realities of competitive brand positioning and a changing communication environment. The most widely recognized conceptualizations of memory structures entail some type of associative model formulation states Anderson (1983).

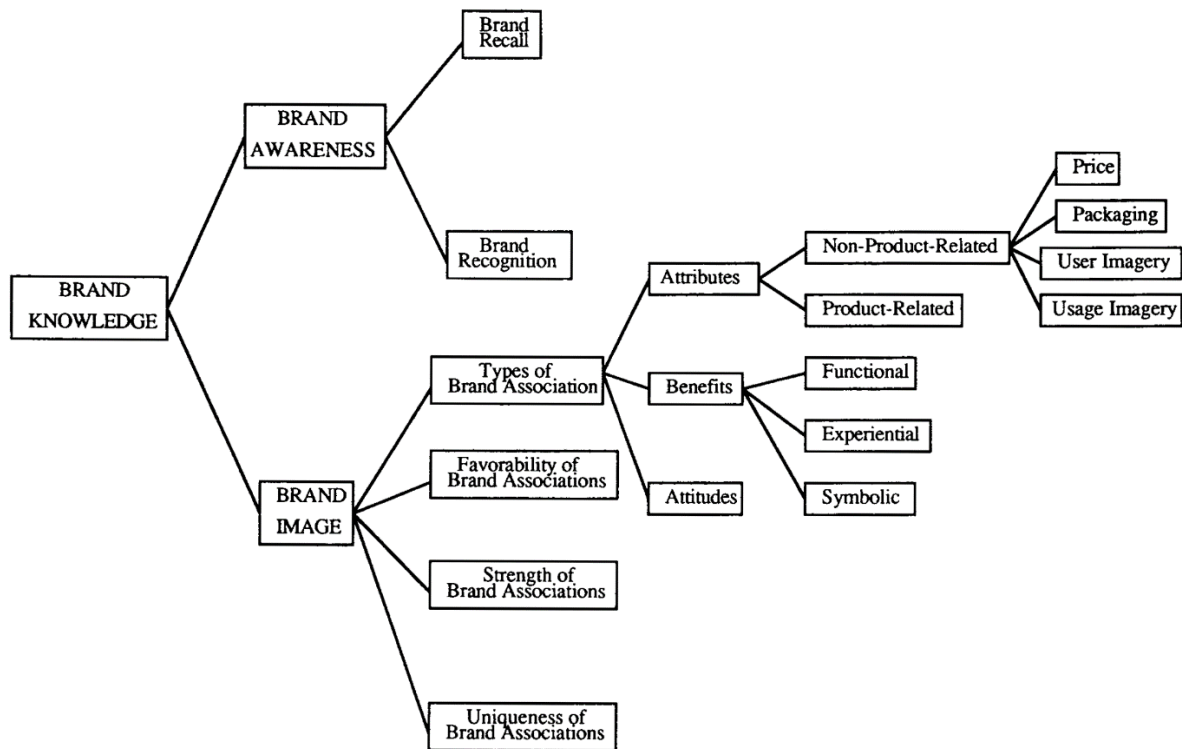
Keller (1993) exemplifies this with the Associative Network Memory Model, which views semantic memory or knowledge as a set of nodes and links, where the nodes are stored information connected by links that vary in strength. Consistent with this model, *brand knowledge* is conceptualized as a brand node in memory linked to a variety of associations. Seeking to equate how brand knowledge relates to brand equity, the author conceptualizes two relevant dimensions called brand identifiers: brand awareness (as measured by brand recall and recognition) and brand image (the favorability, strength, and uniqueness of the brand associations in consumer memory).

In Keller's rationale, the first dimension – *brand awareness*, refers to the likelihood that the brand name will come to mind and the ease with which it does. It can be measured through brand recognition, which refers to the consumer's ability to confirm prior exposure to the brand when presented with the brand cue; and through brand recall, which refers to the consumer's ability to retrieve the brand when presented with the product category, the needs satisfied by the category, or some other type of cue. The second dimension – *brand image*, refers to consumers' perceptions of a brand as reflected by the brand associations held in their memory. The author argues that “the favorability, strength, and uniqueness of brand associations are the dimensions distinguishing brand knowledge that play an important role in

determining the differential response that makes up brand equity (...)” (Keller, 1993, p. 3). Refer to Figure 4 for additional information on Keller’s dimensions of brand knowledge.

**Figure 4**

*Keller’s Dimensions of Brand Knowledge*



*Note.* From “Conceptualizing, Measuring, and Managing Customer-Based Brand Equity”, by K. L. Keller, 1993, *Journal of Marketing*, 57(1), p. 7 (<https://doi.org/10.2307/1252054>).

**3.2.5 Keller’s Customer-Based Brand Equity Model.** Given that organizations strive to build strong brands with great brand equity, Keller (2001b) developed the *Customer-Based Brand Equity Model*, based on the premise that the brand’s strength is determined by what customers have learned, felt, seen, and heard about it over time. This model, like Keller's 1993 model, places the power of a brand in the brand knowledge in consumers' minds.

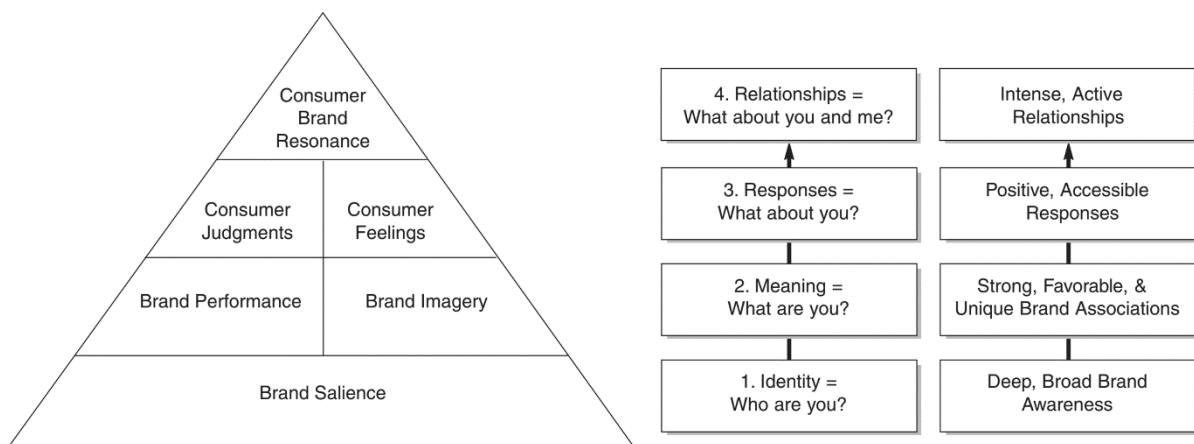
Building a strong brand can be thought of as a sequence of steps, each one dependent on the success of the previous one, with the end goal of achieving a specific objective with customers, both existing and prospective (Keller, 2001a). The first step is to ensure that customers recognize the brand and associate it with a specific product category or customer need; the second step is to solidify the brand's meaning in their minds through strategically

linking a variety of tangible and intangible brand associations; the third step is to elicit the appropriate customer responses to this brand identity and meaning; and the final step is to convert this brand response into an intense, active loyalty relationship between the brand and its customers. These four steps represent a set of fundamental questions that customers invariably have about brands: Who are you? (*brand identity*); What are you? (*brand meaning*); What do I think or feel about you? (*brand responses*); and What kind of association and how much of a connection would I like to have with you? (*brand relationships*).

A strong brand can also rely on six "brand-building blocks": *Salience, Performance, Imagery, Judgements, Feelings, and Resonance*, which all appear assembled in a brand pyramid (Keller, 2001b). Creating significant brand equity requires reaching the pinnacle of the pyramid, which is only possible with the proper brand-building blocks in place. Refer to Figure 5 for additional information on Keller's customer-based brand equity pyramid.

**Figure 5**

*Keller's Customer-Based Brand Equity Pyramid*



*Note.* From “Building Customer-Based Brand Equity: A Blueprint for Creating Strong Brands”, by K. L. Keller, 2001, *Marketing Science Institute*, p. 7.

**3.2.5.1 Brand Identity.** It is crucial to create *brand salience* with customers in order to achieve the desired brand identity, explains Keller (2001b). Brand salience is concerned with various aspects of brand awareness, including the speed and ease with which the brand is evoked in various situations, the ease and extent with which the brand is recalled or recognized, the types of cues required, and the persuasiveness of this brand awareness. *Brand*

*awareness* refers then to the customers' overall ability to recall and recognize a particular brand. As such, brand awareness requires clearly linking products or services sold under the brand name to ensure customers understand the product or service category in which the brand competes, as well as ensuring customers understand which of their basic needs and functions the brand is attempting to satisfy and provide.

*Criteria for brand identity.* Keller (2001b) identifies two key dimensions that distinguish brand awareness: *depth* – how easily customers recall or recognize the brand; and *breadth* – the range of purchase and consumption situations in which the brand comes to mind. A highly salient brand demonstrates both depth and breadth of brand awareness; in other words, customers make sufficient purchases and recall the brand in a variety of contexts. Not only must the brand be “top of mind” and have a sufficient amount of “mindshare”, but it must also do so at the appropriate time and place; otherwise, they risk being overlooked or forgotten in potential usage situations. Increased brand salience can help drive consumption sales volume in these situations.

**3.2.5.2 Brand Meaning.** Keller (2001b) explains that to give a brand meaning, it is essential to develop a brand image and establish what the brand should stand for in the minds of customers. The associations that give brands their meaning are frequently classified as either functional, performance-related, or abstract, imagery-related; and they can be formed directly from the consumer’s own experiences and contact with the brand, or some other source of information (e.g., word of mouth).

*Performance.* As the heart of brand equity, the product has the greatest influence on what consumers experience, hear about, and learn about the brand from the firm (Keller, 2001b). As such, it is critical to design and deliver a product or service that completely meets, if not exceeds, the needs, wants, and expectations of consumers in order to foster brand loyalty and resonance. Brand performance refers to how a product or service attempts to satisfy a consumer’s more functional needs. It is the brand's inherent properties, including inherent product or service characteristics. Although the performance attributes and benefits that make up functionality vary according to category, brand performance is frequently influenced by five important types of attributes and benefits:

- *Primary characteristics and supplementary features* – Customers have preconceived notions about the levels at which the product’s primary characteristics operate, for example, on a scale from low to high. Additionally,

they may hold beliefs about unique, possibly patentable, features or secondary elements of a product that complement these primary characteristics.

- *Product reliability, durability, and serviceability* – Reliability refers to a product's ability to perform consistently over time and from purchase to purchase. Durability refers to the product's expected economic life. Serviceability refers to the ease with which a product can be repaired if necessary. Thus, perceptions of product performance are influenced by factors such as the speed, accuracy, and care with which products are delivered and installed; the promptness, courtesy, and helpfulness with which customer service and training are provided; and the quality and duration of repair service.
- *Service effectiveness, efficiency, and empathy* – Customers have performance-related associations with service interactions with brands. Service effectiveness refers to a brand's ability to completely satisfy customers' service requirements. Service efficiency refers to the speed and responsiveness with which these services are delivered. Service empathy occurs when service providers are perceived as trustworthy, caring, and looking out for the customer's best interests.
- *Style and design* – Consumers may form associations with a product based on aspects other than its functionality, such as its size, shape, materials, and color. Additionally, performance may be influenced by sensory aspects such as how a product looks, feels, and even sounds or smells.
- *Price* – A brand's pricing policy can form associations in consumer's minds with the brand's appropriate price tier or level within its category (e.g., low, medium, or high priced), as well as with the brand's associated price volatility or variance (e.g., frequently or infrequently discounted).

Although brand performance encompasses much more than these “ingredients”, the different performance dimensions can help differentiate the brand, as the strongest brand positioning frequently involves performance advantages (Keller, 2001b).

*Imagery.* Brand meaning also encompasses brand imagery, which is concerned with the product's or service's extrinsic properties, such as the ways in which the brand attempts to address customers' more abstract psychological or social needs (Keller, 2001b). In this sense, the author identifies four main categories of brand imagery:

- *User profiles* – Imagery may cause customers to develop a profile or mental image of users or idealized users. Associations with a typical or idealized brand user may be based on descriptive demographic characteristics (e.g., gender, age, race, or income) or more abstract psychographic characteristics (e.g., attitudes toward life, careers, possessions, social issues, or political institutions). In a B2B setting, user imagery may be related to the organization's size or type. If customers believe a brand is widely used, they may perceive it as "popular" or a "market leader".
- *Purchase and usage situations* – A typical purchase situation may be associated with a particular type of channel (e.g., department store, specialty store, or Internet), a specific store, the ease of purchase, or associated rewards. Associations of a typical usage situation may vary according to the time and place of the brand's usage (e.g., time of day, inside, outside the home) and type of activity in which the brand is used (e.g., formal, informal).
- *Personality and values* – While brand personality is frequently associated with more descriptive usage imagery, it also involves more contextual information. Aaker (1997) defines brand personality in five dimensions: sincerity (e.g., down to earth, honest, wholesome, cheerful); excitement (e.g., daring, spirited, imaginative, up-to-date); competence (e.g., reliable, intelligent, successful); sophistication (e.g., upper class, charming); and ruggedness (e.g., outdoorsy, tough).
- *History, heritage, and experiences* – Brands develop associations with their history and with certain significant events in their history. These associations may be based on uniquely personal experiences or on the behaviors and experiences of others in the past. Associations with history, heritage, and experiences entails more specific, concrete examples that transcend the generalizations of usage imagery.

*Criteria for brand meaning.* The brand associations that comprise brand image and meaning, regardless of their nature, can be described according to three key dimensions: *strength* – how strongly the brand is identified with a brand association; *favorability* – how important or valuable the brand association is to customers; and *uniqueness* – how distinctively the brand is identified with the brand association (Keller, 2001b). Successful

outcomes in these dimensions generate the most favorable brand responses, which serve as the foundation for intense and active brand loyalty. To build brand equity, a brand must have strong, favorable, and unique brand associations, in that order; it makes no difference how unique a brand association is if customers do not evaluate it favorably, and it makes no difference how desirable a brand association is unless customers recall and associate it with the brand. Simultaneously, not all associations are favorable, nor are all favorable associations unique. The author explains that strong brands typically have well-established strong, favorable, and unique brand associations with consumers, which is critical for building customer-based brand equity.

**3.2.5.3 Brand Responses.** To implement Keller's (2001b) Customer-Based Brand Equity Model, businesses must consider how customers react to the brand, its marketing activities, and information sources. These brand responses can be categorized into *brand judgments* and *brand feelings*, depending on whether they stem from the head or the heart.

*Judgments.* Brand judgments are based on customers' personal opinions of the brand based on how they combine various performance and imagery associations (Keller, 2001b). Customers may make a variety of judgments about a brand, but four distinct types of summary judgments are critical to building a strong brand (in ascending order of importance).

- *Quality* – Customers have a variety of attitudes toward brands, but the most important ones relate to the brand's perceived quality. Other quality-related attitudes concern one's perceptions of value and satisfaction.
- *Credibility* – Brand credibility refers to the degree to which the brand as a whole is viewed as credible on three dimensions: expertise (e.g., competent, innovative, a market leader), trustworthiness (e.g., dependable, customer-focused), and likeability (e.g., fun, interesting, worth spending time with).
- *Consideration* – While favorable brand attitudes and credibility are critical, customers must also seriously consider purchasing or using the brand. Consideration is contingent upon how personally relevant the brand is to the customers (i.e., whether customers view the brand as appropriate and meaningful to them).
- *Superiority* – Brand judgments are based on whether customers believe the brand is unique and superior to other brands. Do customers believe the brand provides benefits not available from other brands? Superiority is critical for creating

intense and active relationships with customers, and it is contingent upon the quantity and nature of unique brand associations that comprise the brand image.

*Feelings.* Customers' emotional responses to a brand are related to the social currency evoked by the brand (Keller, 2001b). Which feelings do the brand's marketing campaigns elicit, and how does the brand impact customers' self-esteem and relationships with others? These feelings can be mild, intense, positive, or negative in nature. Kahle et al. (1998) identify six main types of feelings associated with brand building. The first three are more experiential and immediate, increasing in intensity; the final three are more private and enduring, increasing in gravity.

- *Warmth* – The brand elicits feelings of peacefulness, sentimentality, warm of heart, and affection in consumers.
- *Fun* – The brand makes consumers feel upbeat, amused, lighthearted, joyful, playful, or cheerful.
- *Excitement* – Consumers are energized by the brand and believe they are engaging in something special. Consumers may feel a sense of elevation or the perception that the brand is cool or sexy when brands evoke excitement.
- *Security* – The brand instills a feeling of security, comfort, and self-assurance in the consumer without worry or concerns about the brand.
- *Social approval* – Consumers have positive feelings about the reactions of others to the brand (i.e., when consumers believe others view their appearance or behavior favorably). Approval may occur when others directly acknowledge the consumer's use of the brand or when the product is directly attributed to consumers.
- *Self-respect* – This occurs when the brand improves consumers' self-respect by instilling a sense of pride, accomplishment, or fulfillment.

*Criteria for brand responses.* Keller (2001b) notes that although all types of customer responses are possible when motivated by both the head and the heart, what matters most is how positive the response is and whether it is easily accessible and immediately associated with the brand when consumers think of it. Brand judgments and feelings can only have a positive influence on consumer behavior if consumers internalize or think of positive responses to the brand in any of their interactions with it.

**3.2.5.4 Brand Relationships.** The final step focuses on the customer's relationship with the brand and his level of personal identification with it (Keller, 2001b). *Brand resonance*, which refers to the nature of a customer's relationship with a brand and whether they feel aligned with it, is defined by the depth of the psychological bond that customers have with the brand as well as the amount of activity generated by this loyalty. The author categorizes brand resonance into four types:

- *Behavioral loyalty* – The frequency with which a brand is purchased, as well as the amount or share of category volume attributed to the brand, are the primary indicators of behavioral loyalty. How frequently and how much do customers purchase a brand? To generate profit on the bottom line, the brand must generate sufficient purchase frequency and volume.
- *Attitudinal attachment* – Some customers may purchase a brand out of necessity if it is the only product that is readily available or affordable. To generate resonance, a brand must be viewed as something special in a broader context. For instance, customers who have a strong emotional attachment to a brand may express their "love" for it and describe it as one of their favorite possessions or as a "little pleasure" they anticipate.
- *Sense of community* – Identification with a brand community may help customers develop a sense of kinship with other members of the brand community. These connections could be with other brand users or customers, or they could be with company employees or representatives.
- *Active engagement* – Perhaps the strongest indication of brand loyalty is when customers are willing to invest time, energy, money, or other resources into the brand in addition to what they spend on the purchase or consumption. For instance, customers may choose to join a brand-specific club or to receive updates and exchange correspondence with other brand users or formal or informal brand representatives. They may also visit brand-related websites or chat rooms. In this case, customers become brand evangelists, in the brand's communication and strengthening the brand ties of others. For active engagement with a brand to occur, a strong attitudinal attachment and/or sense of community are typically required.

*Criteria for brand relationships.* Brand relationships involve two dimensions: *intensity* – the strength of the attitudinal attachment and sense of community; and *activity* – how frequently the consumer purchases and uses the brand, as well as engages in other activities not related to purchase and consumption on a daily basis (Keller, 2001b).

The author sums up that the most powerful brands excel in all six brand-building blocks. Brand resonance, as the most valuable building block, occurs when all other brand-building blocks are perfectly aligned with the needs, wants, and desires of customers, reflecting an entirely harmonious relationship between the brand and the customer. A brand's identity and meaning can persuade a customer that the brand is relevant to them. The strongest brands will be those to which consumers develop such a strong attachment that they effectively become brand evangelists, actively seeking opportunities to interact with the brand and share their experiences with others. Companies can achieve brand resonance through a carefully constructed and sequenced brand-building effort based on Keller's (2001b) Customer-Based Brand Equity Model.

## 4. Consumers

The *consumer* plays a critical role at every stage of developing strong brand equity, as such, this chapter delves into their *behavior* by examining the *consumer decision-making process*.

### 4.1 Consumer Behavior and Decision-Making Process

From a marketer's perspective, it is valuable to understand *consumers' behavior and decision-making process*, to not only effectively target consumers, but also to improve the company's products and services, and to understand how consumers perceive the company's products in comparison to those of competitors (Stankevich, 2017). This will enable the company to provide them with superior satisfaction and value, establish a competitive advantage in the market, and increase the company's value.

*Consumer behavior* is commonly defined in the field as “the study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society” (Stankevich, 2017, p. 8).

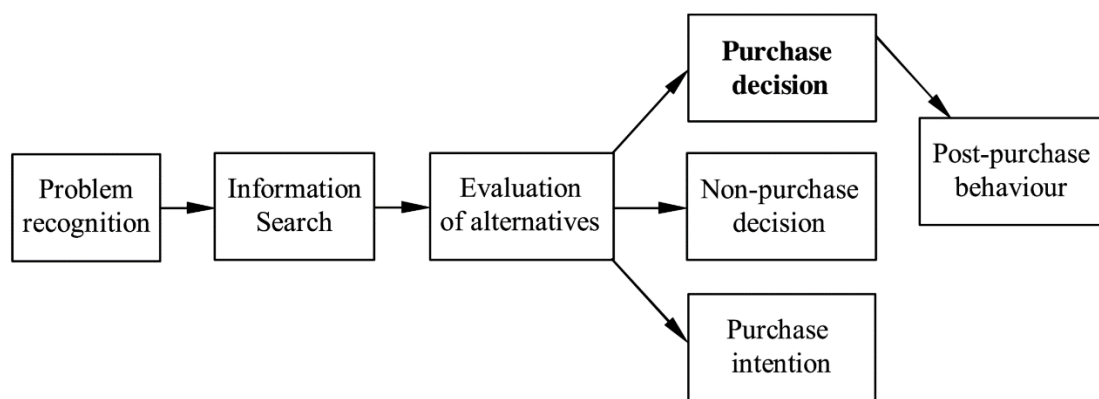
Dahlqvist and Linde (2002) then categorize consumer behavior into four types: Rational, Learned, Unconscious and Social. Each type is based on a sequence of three actions: Knowledge, Attitude, and Action.

- *Rational behavior*: Knowledge → Attitude → Action. The consumer first gathers some information about the product and the benefits it may provide; after evaluating this information, the consumer develops an attitude towards the product; and finally, the consumer acts, either by purchasing or not purchasing the product.
- *Learned behavior*: Action → Knowledge → Attitude. The consumer does not plan their product purchases, but rather does them out of habit.
- *Unconscious behavior*: Attitude → Knowledge → Action. The consumer already has an attitude towards the product, which may be based on feelings or sentiments; this attitude encourages the consumer to gather additional information about the product; ultimately, prompting him to act on his decision.
- *Social behavior*: Action → Attitude → Knowledge. The consumer selects the product based on the social environment in which they live.

When it comes to decision-making, consumers typically follow the traditional *Five Stage Model of the Consumer Buying Process*, which entails five steps they must go through when purchasing a product or service: *Need Recognition, Information Search, Evaluation of Alternatives, Purchase, Post-Purchase Behavior* (Stankevich, 2017). Marketers must understand these steps in order to properly motivate consumers to make purchases, communicate with them effectively, and ultimately close the sale. Refer to Figure 6 for additional information on the five-stage model of the consumer buying process.

**Figure 6**

*Five-Stage Model of the Consumer Buying Process*



*Note.* From “The Buying Decision Process and Types of Buying Decision Behaviour”, by M. C. Munthiu, 2009, *Sibiu Alma Mater University Journals. Series A. Economic Sciences*, 2(4), p. 28.

At the model's first stage, problem or need recognition, the consumer recognizes a discernible and significant difference between the actual level of satisfaction for a particular need and the level of satisfaction he desires (Munthiu, 2009). The existence and manifestation of this need can be caused by either *internal stimuli* – which is triggered by the most basic needs, generally located at the basis of Maslow's hierarchy of needs (hunger, thirst, sex, etc.); or *external stimuli* – which are triggered by outside influences such as well-designed advertisements or simple discussions with peers about a product. Stankevich (2017) emphasizes the importance of brands determining at what point in this stage their target demographic develops their needs or wants, as it is the optimal time to initiate communication. Brands may assist consumers in identifying their needs or problems, as well as create the circumstances or needs themselves, in order to either make the consumer feel insecure without the product or service offered, or to create a desired status for consumers.

After recognizing the existence of an unsatisfied need, the consumer moves on to the next phases of the process, information search and identification of alternatives (Munthiu, 2009). Information is critical for future purchasing decisions, and its quantity and accuracy vary according to the consumer and the product or service being purchased. In contrast to products or services that consumers purchase on a regular basis, when a product or service has a higher value and a lower purchasing frequency, the information research tends to be more thorough and incorporate multiple sources. Additionally, the thoroughness of newly researched information is inextricably linked to the consumer's prior experiences and the perceived cost of making an incorrect decision. An aroused consumer frequently seeks additional information. There are two levels of arousal: *heightened attention* – which refers to a search state in which a person becomes more receptive to information about a product or service; and *active information search* – which generally refers to a state in which the person is actively looking for reading material, having discussions with friends, or searching the Internet. Consumers may conduct various types of research and obtain information from a variety of sources. Typically, consumers either perform an *internal information research* – a mental process of actively or passively researching information stored in the memory, which may later serve as a basis for the buying decision process; or an *external information research* – referring to information obtained from a variety of sources, including personal (family, friends, acquaintances), commercial (advertising, websites, sales personnel), public (mass media, consumer-rating organizations), and experiential (handling, examining, trial of the product or service, prior experiences). Although the relative amount and influence of these sources varies according to product category and the buyer's characteristics, commercial sources provide the majority of the information to the consumer. In this sense, and as Stankevich (2017) notes, this is the moment that matters to consumers, and brands must seize it by providing accurate descriptions of their products, promotions, and so forth. However, as personal and public sources of information are some of the most trustworthy, recommendations from friends and family and reviews from other consumers will be heavily considered at this time. Additionally, prior experience with the product or a similar one, as well as personal experiments conducted during the search, such as testing samples of the product, will also influence the process.

After the information research and the identification of possible alternatives, the consumer advances to the next phase of the buying decision process, mental evaluation of the existing alternatives, during which he processes the information to arrive at brand choices

(Munthiu, 2009). Consumers do not use one single evaluation process in all buying situations; rather, the degree of complexity of the evaluation process is influenced by a variety of factors, the most significant of which are the consumer's experience, the importance of the product or service, the cost of making a poor decision, the complexity of the evaluated alternatives, and the urgency with which the decision must be made. The *identification of the attributes* is the first aspect of the evaluation process, followed by the *consumer's beliefs and attitudes*. According to Kotler & Armstrong (2011), a belief is a descriptive thought about something, whereas an attitude is a person's persistent favorable or unfavorable evaluations, feelings, and tendencies toward an object or idea. Consumer's buying decisions are then influenced by their beliefs about a product's attributes and benefits (Munthiu, 2009). This stage of the process is however rather subjective, as the meaning of the best deal based on attributes varies according to which are considered to be more important to each consumer; these attributes may include price, quality, brand, product positioning, and availability (Stankevich, 2017).

All evidence from previous phases becomes concrete elements during the purchasing decision phase, assisting the consumer in ranking brands and forming *purchase intentions* (Munthiu, 2009). While the consumer's purchase decision will be to purchase the most preferred brand, at least two factors can intervene between the purchase intention and the purchase decision: the *attitudes of others* and *unexpected situational factors* (market changes, competing products dropping in price, etc). At this moment, the consumer chooses his decisional behavior, which may include purchasing the product or service, declining the purchase of the product or service, postponing the purchase, or substituting the originally desired product or service for another.

According to Munthiu (2009), the buying decision process does not end with the purchase decision, but rather with the post-purchase evaluation, in which the consumer assesses whether his purchase decision was good or not by establishing a link between his *expectations* and the *product's perceived performance*. The consumer is disappointed if the product falls short of expectations; however, if the product meets or even exceeds the consumer's expectations, *post-purchase satisfaction* is achieved, and the consumer will remember the information that helped him make a good buying decision. Although consumers are satisfied with the benefits of the chosen brand, and are glad they avoided the drawbacks of the products not bought after the purchase, all purchases entail compromise, and nearly all of them result in a state of *cognitive dissonance* or discomfort caused by post-

purchase conflict. As a result, consumers may become dissatisfied with the disadvantages of the product purchased and uneasy about the advantages of the brand not chosen and purchased, resulting in some degree of post-purchase dissonance at every purchase made. The degree to which a customer is satisfied with his purchase decision will influence his purchasing behavior in the future; a satisfied customer is more likely to purchase the product or service again, and potentially talk positively about the brand to others, an opportunity marketers strive for as satisfied customers are considered one of the best types of advertising. In this scenario, the next step is to convert him into a loyal customer; follow-up activities can help here (Stankevich, 2017).

Stankevich (2017) adds a note to the model by pointing out that consumers do not always proceed through the process in the same order; the information search and evaluation of alternatives phases are frequently repeated, and the evaluation phase does not always end with a purchase.

## Company Presentation

Given the research objective of understanding the extent to which brand awareness and brand image rely on the use of advertising, it made sense to focus on the brand Lush Cosmetics, as its communication strategy appeared to exhibit characteristics pertinent to the subject at hand. As such, this chapter provides an overview of the company, including its history, the context of the industry in which it competes, its values and mission, its positioning, and a description of the company's 7 P's of marketing, with a particular emphasis on promotion.

Lush, founded in 1995 by Mark Constantine and his wife Mo Constantine, has grown to become one of the world's leading cosmetics brands, with a presence in 52 countries and over 951 stores worldwide selling a range of products including bath bombs, bubble bars, soaps, scrubs, shampoos, conditioners, face cleansers, and masks. As such, Lush finds itself competing with established cosmetics brands such as L'Oreal and Garnier; however, brands such as Rituals, The Body Shop, and Origins compete with Lush on a more direct level, as they not only sell similar natural and vegan products, but also share similar communication styles and values.

Lush stands on six core values that it lives by, as it believes in making a positive difference in the world through its brand choices. These values are company-wide commitments that flow from the products to the consumer's hands, and include using only the freshest ingredients, that are 100% vegetarian, sourced ethically, produced by hand, with reduced packaging, and free of animal testing. To further these initiatives, all products are made in-house and labeled with a sticker identifying who made them and the product's expiration date, ensuring that consumers receive the freshest products possible. Apart from meeting consumers' functional needs through the product offering, Lush has also developed a unique brand image and appealed to consumers' social needs over the years through the various campaigns and initiatives it has supported, such as fighting animal cruelty, defending LGBTQ+ rights, and cleaning the oceans of plastic waste.

**Figure 7**

*Lush Cosmetics' Six Core Values*



*Note.* Adapted from LUSH Fresh Handmade Cosmetics | Vegetarian & Cruelty Free, n.d. (<https://www.lush.com/uk/en>).

Lush's marketing strategy has relied heavily on consumer-based brand equity. Keller's 2001 brand equity model emphasizes the importance of brand awareness and brand image, recognizing that the strongest brands are those to which consumers develop such a strong attachment that they actively seek opportunities to interact with the brand and share their experiences with others in the community. Likewise, Lush has developed strong brand equity through its products and positioning, attracting and retaining customers through a positive brand image. Never losing sight of its original mission of producing fresh, organic, and handmade products, the brand has always been vocal against animal testing and has only ever used ingredients sourced from companies with similar principles. Lush has also coordinated a number of ethical campaigns for animal and environmental rights over the years, winning numerous awards, including the 2013 Sunday Times Best Companies Award for caring about and protecting the environment. Ultimately, the brand's ethics, transparency, and organic range also foster consumer trust, despite the existing marketing resistance associated with a lack of trust in "organic" and "natural" labels in the cosmetics industry.

Described by its customers as green and fresh, Lush products are 100% vegetarian and primarily made of vegetables and fruits such as coconut, papaya, rosemary oil, avocado butter, vanilla beans, and grapefruit juice. Often, certain products will contain additional ingredients such as beeswax, honey, eggs, milk, and lanolin. Lush's extensive product portfolio is divided into seven categories: hair, face, body, shower, bath, makeup, and fragrances; some of the brand's best-selling products include the Scrubee body butter, the Angels on Bare Skin face and body cleanser, the Honey I Washed My Hair shampoo bar, and the Cup O' Coffee face and body mask.

**Figure 8**

*Lush Cosmetics' Product Portfolio*

<b>SHOWER</b>	<b>HAIR</b>	<b>FACE</b>	<b>BODY</b>
Shower Gels and Jellies	Shampoo Bars	Cleansers and Scrubs	Body Lotions
Bar Soap	Shampoo	Moisturizers	Massage Bars
Body Scrubs	Conditioners	Toners	Handcare
Body Butters and Conditioners	Hair Treatments	Masks	Footcare
Shower Bombs	Styling	Makeup	Shaving Creams
Shaving Creams	Henna Hair Dyes	Eye Skincare	Deodorants and Dusting Powders
Body Cleansers	Curls, Coils and Texture	Lip Scrubs and Balms	
<b>BATH</b>	<b>FRAGRANCES</b>	Oral Care	
Bath Bombs	Perfume	Shaving	
Bubble Bars	Body Sprays		
Little Lushies	Wash Cards		
Bath Oils	Solid Perfume		

*Note.* Adapted from *Home*, by Lush Fresh Handmade Cosmetics, n.d. (<https://www.lushusa.com/home>).

**Figure 9**

*Lush Cosmetics' Bestsellers*



*Note.* Adapted from *Bestsellers*, by Lush Fresh Handmade Cosmetics, n.d. (<https://www.lushusa.com/products/bestsellers/>)

These products are sold worldwide through the brand's retail stores and official website, which serve as the primary outlets for sales and promotional activities. However, customers do have alternative shopping options, including purchasing products online and picking them up in-store, as well as same-day delivery. Additionally, the brand offers a variety of services on its website, including virtual consultations where customers can receive personalized advice, a subscription option for regular deliveries of their favorite products, and even an afterpay option that allows customers to shop and pay later.

Lush believes that less is more when it comes to packaging. The brand sells 35% of its products unpackaged or "naked", including solid shampoo bars, conditioners, soaps, scrubs, massage bars, and bath oils, as these products are formulated with little to no water and therefore do not require synthetic preservatives. For products that do require packaging, Lush manufactures pots, bottles, and lids entirely from post-consumer recycled plastic recovered through its recycling programs, significantly reducing costs. Customers who bring five empty black or clear pots to any store will also receive a complimentary fresh face mask as part of the pot return program. By keeping packaging costs to a minimum, Lush is able to maintain reasonable prices; however, all of the brand's products are handmade and made with natural ingredients, which increases costs. As a result, Lush has adopted a price premium strategy, focusing on environmentally conscious middle to upper class women from urban areas who are willing to pay a premium for organic and vegetarian products.

As an exceptional case within the industry, Lush is one of the few cosmetics companies in the market that does not believe in advertising - as previously defined by Kotler and Armstrong as any paid form of nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor. In fact, the brand has adopted a global "no-advertising spend" policy since its inception, resulting in a zero-euro external advertising budget; instead, its advertising strategy is internal, relying on brand advocates, in-store staff, user-generated content, and cultural authenticity to build loyal audiences. Natasha Ritz, Lush UK's Brand Communications Manager, stated in a podcast interview that the brand does not advertise above or below the line, no money is spent on television campaigns or celebrity endorsements, and social media posts are not promoted (Watkins et al., 2020), implying that everything the brand does is organic, as there is no budget to push behind it. The strategy of the brand is rather heavily reliant on in-store marketing and word of mouth from its loyal customer base.

Ritz explains how Lush has internal brand advocates, staff members who test products and are then trained by the communication department on how to share the most effective messages. By communicating those messages, educating potential customers about the products, and providing memorable and positive shopping experiences, Lush manages to create new brand advocates on the shop floor. With the customer experience in mind, staff is able to identify and target customers based on their browsing behavior; if customers ask multiple questions, employees are expected to spend additional time demonstrating the products to meet those customers' specific needs; alternatively, employees are expected to recognize when a customer wants fast customer service and a quick turnaround store.

What differentiates Lush retail stores from others is the way the brand's products are displayed, as well as the way the store fosters an environment that encourages customer interaction. Lush stores use a variety of colors, emit strong scents that can be detected from a distance, and invite customers to pick up, smell, and touch the products. Demonstrations are also an integral part of the shopping experience, with staff using large sinks to showcase the brand's famous bath bombs.

### Figure 10

*Lush Cosmetics' Store*



*Note.* From *LUSH Cork*, by LUSH, 2021 (<https://www.lush.com/uk/en/shops/lush-cork?id=UKC01>).

Lush's marketing strategy has been consistent with its existing no-advertising spend policy; the brand recruits "Lush Personalities" and empowered employees to act as its spokespeople; it maintains active relationships with influencers who write blogs or do product reviews; and it has several popular social media accounts run by dedicated brand advocates. Ritz explains that by leveraging the creative content created by customers with the brand's products, collaborating with influencers, and using organic reach, organic engagement, and organic public relations strategies, the brand manages to build great long-term relationships with fantastic content that is authentic and comes from a truly transparent place; this also allows the brand to focus on more important investments, such as the ingredients, the supply chain, and where the ingredients are sourced from.

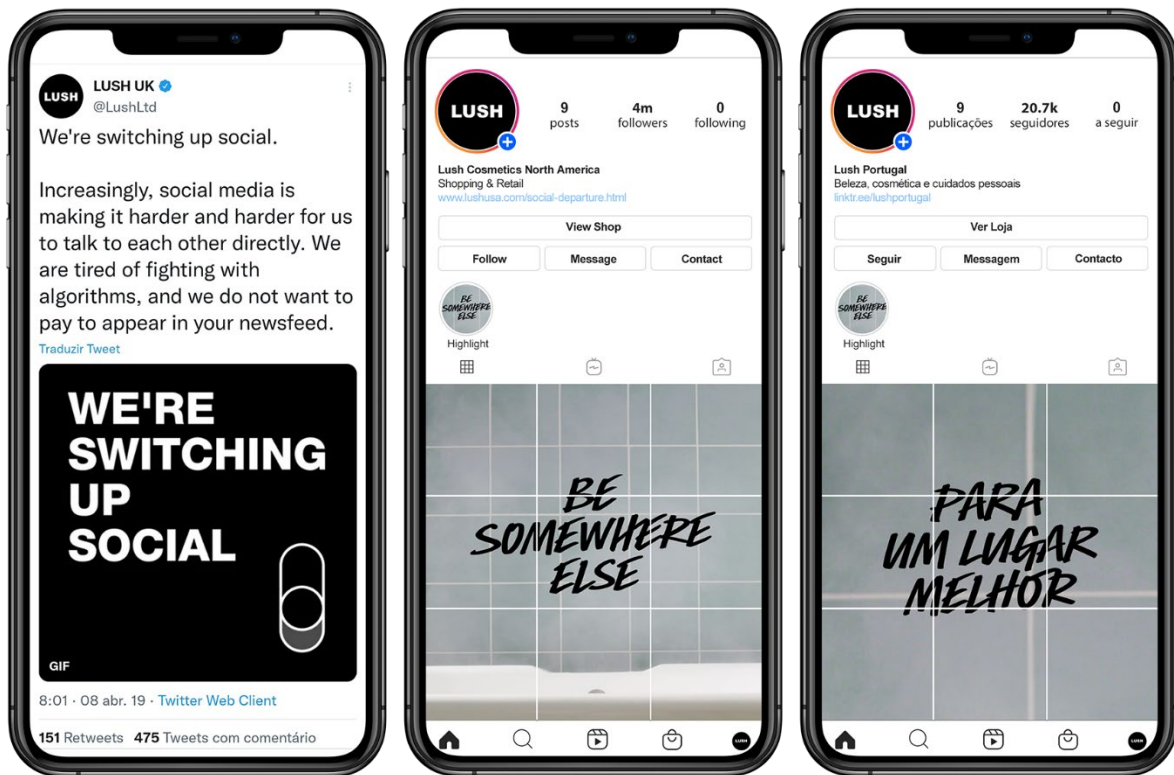
With brand awareness and customer engagement as its primary goals, Lush has used user-generated content as a communication strategy to generate large quantities of content that perform exceptionally well and engage their community. Sabine Schwirtz, Community Manager at Lush Cosmetics North America, stated that user-generated content provides insight into what customers desire to see, highlighting that it is critical to listen to those needs and address them (Macdonald, 2021). As a result, Lush integrates authentic user-generated content into its social media channels and web experiences, automatically associating itself with the customer who organically created the content and cultivating a personalized experience for not only that customer, but also for all other loyal advocates who create similar content. Concerned with the customer journey across multiple touchpoints and with meeting customers' expectations for a personalized experience, Lush does not repurpose content across its social media platforms; rather, the brand has figured out how to use different pieces of user-generated content in a variety of ways for different audiences, such as using different types of images to promote the same product on Twitter versus Instagram. Without compromising its core values, Lush often partners with "micro-micro influencers", that is, individuals who have previously connected with the brand and have been included in the Ambassador Program which provides them with additional information about newly released products, in exchange for the creation of more user-generated content. By recognizing and encouraging customers who create content organically, Lush cultivates an engaged community of loyal organic brand ambassadors and influencers on whom it can rely for impactful content to feed its social media channels. The brand's commitment to listening to customers' needs through user-generated content also fosters an ongoing conversation that caters to the community's interests and fosters loyalty and retention. Schwirtz explains how,

by listening to customers and providing information through authentic and compelling visual proof, Lush is able to guide customers along the buyer's journey without having to say much; questions such as how much face mask to apply or how a bath bomb looks when it hits the water can be easily answered with user-generated content of a customer wearing the face mask or their bathtub with the melted bath bomb.

In 2019, Lush UK announced that they would no longer maintain a central social media account for the brand; this included the brand's Instagram, Facebook, and Twitter accounts, which collectively accounted for 1.2 million followers. These accounts appeared to be successful in reaching audiences with their content, as they had achieved an average month-to-month growth of 42% the previous year. However, the company stated on Twitter that it had made this decision because it was tired of fighting the algorithm and didn't want to have to pay to appear on its followers' feeds. Instead, and since each Lush store maintained its own social media pages, the brand encouraged customers to engage with its staff and stores' social media accounts, Lush hashtags, e-commerce site, and the Lush app. Lush would also communicate its story during the social media break via its website and free in-store newspaper, *The Lush Times*. Following the pandemic's outbreak, the brand returned to social media, as it was the most effective way to engage with consumers while its stores were closed. That was, however, not the last time the brand took a stand against social media; in 2021, Lush announced the Global Anti-Social Media Policy, a new pledge by the brand to cease posting on its Facebook, Instagram, Tiktok, and Snapchat social media accounts in 48 countries until these platforms provided a safer environment for their users. Rather, Lush intended to grow its Youtube presence, utilize Twitter for customer service, create email newsletters for campaigns, and use Pinterest for inspirational content; offline, the brand intended to invest in additional physical events, community activations, and possibly postal catalogs. Additionally, Lush maintained an active website and app where consumers could shop, search, and stay up-to-date with the brand. Their social media platforms remained inactive throughout the duration of this study.

**Figure 11**

*Lush Quits From Social Media – 2019 & 2021*



*Note.* From Lush UK [LushLtd]. (2019). *We're switching up social.* Twitter.

<https://twitter.com/lushltd/status/1115147751648571392>; Lush Cosmetics North America [lushcosmetics]. (2021). *Be Somewhere Else.* Instagram.

<https://www.instagram.com/lushcosmetics>; and Lush Portugal [lushportugal]. (2021). *Para Um Lugar Melhor.* Instagram. <https://www.instagram.com/lushportugal/>

## Methodology

This chapter discusses the study's methodology, thoroughly describing and justifying its purpose, research question, research approach, data collection techniques and data sources, data analysis method, and participants' description and codification.

### 1. Purpose and Research Questions

As discussed in previous chapters, consumers are the focal point of modern marketing, and as such, promotion has been regarded as critical to any brand's success, as it is the means by which value is communicated and customer relationships are built. Consequently, this research sought to analyze Lush Cosmetics' brand equity, as this would provide insight into whether the use of advertising as a promotional tool was indeed necessary, thus answering the research question, "To what extent is brand awareness and brand image reliant on the use of advertising?".

### 2. Research Approach

In accordance with the study's purpose and research question, a *qualitative exploratory research* was conducted, particularly through the case of the brand Lush Cosmetics. This methodology allows for the exploration of individuals' attitudes, motivations, and behaviors through methods that emphasize dialogue and evocation rather than measurement (Owen, 2002). Qualitative research aims to make sense of and interpret phenomena through the meanings through which people interpret them, typically in the pursuit of one or more of the following objectives: *diagnosis* – eliciting a thorough understanding of a current situation or of why things are the way they are; *prognosis* – eliciting guidance on likely responses to options, plans, or proposals; *creativity* – eliciting ideas, innovation, and inspiration from respondents in qualitative market research. Due to its nature, this study falls under the category of diagnosis.

### 3. Data Collection Techniques and Data Sources

The data for this study was gathered through a focus group, one of the most frequently used techniques for qualitative market research. A *focus group* involves an in-depth group interview in which the participants of the sample, while not necessarily representative, are chosen based on their knowledge of a particular subject (Rabiee, 2004). This technique is effective for understanding and explaining individuals' private thoughts and feelings; pre-conscious factors such as intuitive associations, implicit and culturally derived attitudes and

behaviors; and the critical issue of emotions (Owen, 2002). The sample's relevance in a qualitative research must take into account the study's objective (narrow or broad); the sample's specificity (past experiences and knowledge); the level of established theory (theoretical background); the quality of dialogue (strong or weak); and the analysis strategy (case or cross-case) (Malterud et al., 2016). Generally, the number of participants suggested as manageable for a focus group is between six and ten, a group large enough to obtain a variety of perspectives and small enough not to become disorderly or fragmented (Rabiee, 2004); however, smaller groups with six to eight participants have greater potential (Krueger & Casey, 2000).

Keeping the foregoing in mind, *seven participants* were chosen based on their prior contact and experiences with the brand, as the study's objective was to ascertain consumers' awareness and perception of its image. The focus group was conducted virtually through *Microsoft Teams*, a platform designed for online group interactions. This decision was based on the fact that online focus groups have not only proven useful in a variety of contexts, including advertising and marketing, but also greatly expand the pool of potential participants and add considerable scheduling flexibility to the interview process (Stewart & Shamdasani, 2016). Microsoft Teams was the tool used for the focus group, as it offered a suite of features, including not only chat, audio, and video conferencing, but also file-sharing, screen-sharing, meeting recordings, and polling. By instructing all participants to have their cameras and microphones turned on for the duration of the meeting, concerns about the potential lack of face-to-face interaction, which could reduce the spontaneity of the group and reduce or eliminate the nonverbal communication that plays a crucial role in eliciting responses in virtual meetings, were addressed (Stewart & Shamdasani, 2016). To facilitate the transcript and data analysis, and with the participants' consent, the *meeting was recorded* utilizing the Microsoft Teams feature for recording meetings. The group discussion began with simpler questions, and depending on the responses, the moderator followed up by asking participants for additional information, clarification, or responses from other group members, which would lead to more specific questions or simply the following question. In order to maintain the focus group discussion on the topic, a *PowerPoint presentation* containing the most important questions to be asked during the meeting was developed. Using the screen-sharing feature of Microsoft Teams, this presentation served as visual stimuli to facilitate the discussion as the moderator posed the questions. This is particularly useful for probing brand associations, as was done in this study by presenting images of product categories and asking

which ones were associated with the brand, as well as from a variety of logos, which one was associated with the brand.

#### **4. Data Analysis**

As with all qualitative research, a degree of interpretation was required. As a result, a *content analysis* was conducted, which is a research method that provides a systematic and objective means to draw valid conclusions from verbal, visual, or written data in order to describe and quantify particular phenomena (DowneWamboldt, 1992). In this type of analysis, the data is presented in the form of words and themes, allowing for some interpretation of the results (Bengtsson, 2016).

The analysis was conducted using *Keller's Customer-Based Brand Equity Model*, a pyramid-shaped model comprised of six brand-building blocks, each of which is essential for establishing significant brand equity. The data was then analyzed in four stages: decontextualization, recontextualization, categorization, and compilation. To decontextualize the data, the meeting recording was reviewed and broken down into smaller insights consisting of sentences or paragraphs containing interrelated aspects based on their content and context (Graneheim & Lundman, 2004), which could provide an answer to the question posed in the aim. Given the small number of participants from which the data originated, no computer program was necessary to code or group the data into categories. To recontextualize the data, the entire recording of the meeting was reviewed once again alongside the list of insights extracted from it in order to determine if any of the unaddressed information should also be incorporated into the analysis. During the categorization process, themes and categories were identified, taking into account that they should be internally homogeneous and externally heterogeneous, meaning that no data should fall between two groups nor belong to more than one group (Bengtsson, 2016). After establishing the categories, the manifest content analysis was conducted. In order to remain as close as possible to the original meanings and contexts, the analysis frequently employed the words and phrases of the focus group participants and referred to the original information mentioned on the meeting recording.

## 5. Coding of the Focus Group Participants

The sample for the focus group was selected with Lush Cosmetics' target audience in mind; that is, primarily young adult women (18 to 35) from urban areas who are socially and environmentally conscious and willing to pay a premium for natural and vegetarian products. To measure the brand equity of Lush Cosmetics, they also had to have previously used or heard of the brand.

In the analysis, these participants were identified by the letter "P" followed by a whole number in order to facilitate data interpretation. Refer to Table 1 for additional information.

**Table 1**

*Coding of Focus Group Participants*

Coding of Participant	Age	Gender
P1	23	Female
P2	23	Female
P3	23	Female
P4	21	Female
P5	22	Female
P6	24	Female
P7	23	Female

## Presentation, Analysis and Discussion of Results

This chapter presents, analyzes, and discusses the data obtained from the focus group, which consists of the responses of seven participants. The analysis for Lush Cosmetics was conducted using Keller's Customer-Based Brand Equity Model, and as such, each question asked in the focus group was designed to elicit information that would provide insights about the participant's knowledge of each brand-building block. Following the execution of the focus group, the meeting recording was reviewed, and the content analysis was conducted by categorizing the responses obtained from each question according to the brand-building block for which they provided information. The data was then analyzed and discussed in order to reach a conclusion and address the research question.

### 1. Brand Salience

The first brand-building block for which information was sought was *brand salience*. It was crucial to analyze Lush Cosmetics' salience with its consumers in order to understand if the brand had managed to achieve its desired brand identity. Brand salience is concerned with multiple aspects of brand awareness, that is, consumers' ability to recall and recognize the brand. To determine this, it was necessary to establish how well the participants understood the product category in which Lush competed, the products sold under the brand name, and the needs the brand was attempting to fulfill.

In order to determine the brand's salience, participants were asked *how they first became aware of the brand*. Although all the participants claimed to have previously consumed Lush Cosmetics' products, not all were introduced to the brand in the same way. Nonetheless, the majority of participants became familiar with the brand through one or more of the following touchpoints. Either by having seen or visited one of Lush's physical stores, particularly those located in the city's central malls (Amoreiras and Colombo), by coming across the brand's website while searching for products to satisfy a specific need, or by hearing about the brand from friends and family (WOM). Participant P3 recalled that the first time she encountered the brand was when a relative gave her a Lush product for Christmas, which prompted her to visit the brand's website to see what other products were available. Some participants also recalled being introduced to the brand through online blogs and social media, though not necessarily through the brand's social media accounts, but rather through consumers who shared content about their experiences with the products. However, these touchpoints were less prevalent in the group.

The participants were then questioned about their *familiarity with Lush Cosmetics*. Participant P2 stated that she wasn't very familiar with the brand. Nonetheless, the vast majority of participants claimed to be familiar enough with the brand to recognize it or, at the very least, to distinguish it from its competitors. Participant P1 stated that she was able to identify the brand due to its distinctive products and packaging, recalling the Lush bath bombs and the brand's standard black pots. However, she was unable to name specific products. Only participant P7 in the group claimed to be particularly familiar with the brand.

After being shown a variety of potential *Lush Cosmetics logos* and being asked to select the one they associated with the brand, all participants were able to correctly identify the correct logo. Moreover, participants P1, P4, and P7 correctly identified that one of the presented logos had previously been used by the brand, despite not being the current logo.

Participants in the focus group appeared to associate Lush Cosmetics with one primary *product category*, namely bath/shower products; however, several also recognized the brand offered body products, face products, and hair products. During the focus group, some participants claimed they knew the brand competed in certain categories because they remembered specific brand products, including solid shampoo bars, which led one participant to conclude that the brand competed in the hair products category, and face scrubs and makeup, which led another participant to conclude that the brand competed in the face products category. However, none of the participants could recall that the brand also offered fragrances.

Lush Cosmetics appeared to be a salient brand, as the participants of the focus group demonstrated a positive depth and breadth of brand awareness. In addition to being familiar enough with the brand to recognize it or at least differentiate it from competitors, the majority of participants recalled the brand's current logo, and some even recalled a logo that had been used in the past, demonstrating the brand's mind share. Furthermore, the majority of participants correctly identified all or nearly all of the product categories in which they believed the brand competed, with some recalling specific products of the brand off the top of their minds.

## **2. Brand Performance and Imagery**

The following brand-building blocks for which information was sought were *brand performance* and *brand imagery*, which were intended to assess the extent to which Lush Cosmetics had created the desired brand associations in consumers' minds.

Participants in the focus group were asked to identify the three *characteristics they felt best characterized Lush Cosmetics*. The most prevalent brand associations were “*vegetarian*”, “*aromatic*”, “*handmade*”, “*personalized service*”, “*ethical and sustainable*”, and “*friendly and welcoming*”.

When questioned about what they considered to be the brand's *point of differentiation* relative to competing brands, the majority of these associations were again mentioned. Participants also identified “*freshness and high quality of ingredients*”, “*uniqueness of products*”, “*variety of products*”, “*in-store shopping experience*”, and “*brand values*” as other points of differentiation for the brand.

When discussing *how they had formed their opinions*, it was evident that the majority of the participants’ associations with the brand originated from either *personal experiences*, from passing by and visiting the store, smelling the aromas of the products, observing the brand's values reflected on the packaging and labels of the products, and trying the products themselves; or from acquiring information from the *brand’s website*, as they wished to learn more about the brand and its values, its products, or as the brand appeared in a search for a product to satisfy a specific need. Some participants' associations had also originated from *social media platforms*, such as Instagram and TikTok, where they occasionally encountered consumer-generated content about the brand.

In this line of thought, participants remarked that the brand's social media communication had not been particularly active as of late. However, some participants believed that the brand did not need to actively market itself to its consumer base. Participant P2 stated, “*I don’t believe they have that need because consumers of these types of products are already familiar with or aware of what Lush is, either because of its iconic products or because of its values and commitment to being vegetarian and sustainable*”. Participant P7 agrees, and participant P3 adds, “*In addition to the fact that people already know what Lush is, I don’t think they actively need to communicate because nowadays, consumers seek out Lush and their products on their own*”.

All participants agreed that Lush Cosmetics was effective and generally met their expectations, but also demonstrated deeper and more meaningful associations with the brand, both functional, performance-related, and abstract, imagery-related.

The *performance associations* appeared to be linked to the effectiveness of the brand’s products. Participants recalled them as being formulated with 100 percent vegetarian,

fresh, and natural, ethically sourced ingredients, and being manufactured through a sustainable and handmade process without the use of animal testing. Besides the formulation and the fact that the products were typically highly fragrant, they were described as having distinctive designs, unique names, and being available in a wide range of colors, shapes, and sizes. Some participants claimed to have acquired the aforementioned associations because they themselves became aware of Lush Cosmetics while searching for a brand whose products would meet and satisfy a particular need. Participant P3 stated, “***I came across Lush while searching for products such as natural and vegan solid deodorants, solid shampoo bars, and shower jellies, which are rarely offered by competing brands***”.

Regarding packaging, participants mentioned the brand's signature black pots and clear bottles, which they recalled always included information about how to use the product and the ingredient list, as well as labels that reminded consumers the products were handmade, vegetarian or vegan, not tested on animals, and that the containers were made with recycled plastic and were part of a program where consumers could receive a free fresh face mask if they brought in five empty containers to a Lush store.

While comparing the relationship between price and Lush’s premium quality of ingredients and products, participant P1 remarked, “***Lush appears to be less expensive than other brands on the market that offer comparable “green” products with similar ingredients, but are then incredibly pricey***”.

Participants were describing, in part, through their *imagery associations*, the needs they sought to fulfill with the brand, as well as their own consumer values and profiles. Lush was perceived as an ethical and sustainable brand, offering premium natural and vegetarian handcrafted products at affordable prices. Participants characterized the brand as socially and environmentally conscious due to the variety of initiatives it supported over the years, as well as reliable and knowledgeable due to its lengthy brand history.

Lush store and customer service imagery associations were also prevalent and frequently mentioned during the focus group. Participants described how they could typically detect the aroma of the products from outside the store and how the transparent storefronts made it easy to see the products, which encouraged them to enter the store more often when passing by. Participants described the stores' interiors as having a signature appearance, being aesthetically pleasing and colorful, and featuring distinct product layouts. The shopping experiences at Lush were viewed as personalized and one-of-a-kind, and the staff was

perceived to be young, trendy, and extremely knowledgeable about the products. Participant P4 recalled that if a customer intends to purchase a bar of soap, the product is not readily available on a shelf; rather, the staff cuts it from a larger block of soap to the desired size at the moment. Participant P7 added, “*The staff is always welcoming and friendly, they assist me in my shopping journey by asking if I need help or if I am looking for a specific product, they allow me to try the products, and frequently ask if I would like to take any sample*”.

This demonstrated that Lush Cosmetics had a strong brand meaning for consumers; all of the aforementioned performance and imagery associations were highly prevalent and clear in the responses of the participants, and not only represented important and valuable attributes and benefits that they actively seek in brands but also helped differentiate Lush from its market competitors due to their overall uniqueness and superiority.

### **3. Consumer Judgements and Feelings**

The next brand-building blocks for which information was sought were *consumer judgements* and *consumer feelings*, which were essential to comprehending how consumers responded to Lush Cosmetics.

There appeared to be a relation between the participants' *judgments of the brand* and their performance and imagery associations. Lush was perceived as a reputable brand with a long history and market experience, trusted for its expertise in the formulation of handmade, vegetarian, natural, and fresh products that satisfy the needs of socially and environmentally conscious consumers. The high-quality ingredients, the unique product formulations and designs, the personalized and one-of-a-kind in-store shopping experiences, and the brand's green values contributed to the participants' favorable attitudes towards Lush and may have positively influenced their future purchase decisions. Participants believed that Lush Cosmetics offered benefits that competing brands frequently promised to offer but failed to deliver. According to participant P1, “*When I search for natural or vegetarian products, I am not necessarily looking for Lush, but I also cannot think of any other brand that offers comparable products*”.

The brand's values appeared to be present in some of the participants' *emotional responses*. They were aware that the brand had created and supported numerous causes over the years, such as the fight against animal cruelty and initiatives to clean the oceans of plastic pollution. As such, when they consumed the brand's products, they felt a sense of fulfillment,

as they believed they were doing their part by choosing a socially responsible and environmentally conscious brand. Moreover, it was evident that Lush evoked other positive feelings in consumers, as participant P7 stated that she had “*pleasing and gratifying experiences*” when consuming the brand’s products.

#### **4. Brand Resonance**

The last brand-building block for which information was sought was *brand resonance*, which was meant to understand the customers’ relationship with the brand and the extent to which they personally identified and felt aligned with it.

The participants' *behavioral loyalty* was determined by the frequency with which they used and purchased Lush Cosmetics products, which varied depending on their motivations for choosing the brand. Participant P2 reported not currently using Lush products, whereas the rest of the group reported using them once per month or once every other month. Participant P7 appeared to be the most frequent consumer of the brand, as she was the only one who reported using the products on a weekly basis. In addition, she was the only participant who claimed to purchase Lush Cosmetics products frequently, whereas the others only claimed to do so occasionally.

This aligned with the group’s *attitudinal attachment* to the brand. Despite the fact that the majority of participants would only occasionally purchase Lush Cosmetics products and did not visit the stores specifically to do so, they all agreed that when they were out and about visiting the city's central malls (Amoreiras and Colombo), they frequently entered the Lush physical stores and made spur-of-the-moment purchases.

In their minds, Lush Cosmetics' brand associations were well-established, and the brand was differentiated from its competitors because participants perceived it to be one of the only brands on the market capable of satisfying most of their needs. Participants were familiar with and claimed to have previously used the brand due to their interest in one or more of the following attributes: the brand's core values, their products, or the shopping experience they offer. The brand's social and environmentally conscious values, the ingredient formulation and unique design of the products, the store's signature appearance, and the consumers' one-of-a-kind shopping experience were Lush Cosmetics' points of differentiation that met the needs of the various types of consumers who sought out the brand. Participant P3 recalled, “*I used to visit the Lush stores when I lived in the city, but since moving to the suburbs, I haven't been able to do so and purchase their products as*

*frequently as before*". Despite the fact that the brand has an online store with nationwide delivery, the participant stated that she preferred to purchase her products in-store since the experience was way more personalized and sensorial, and she could see and try the products as well as receive recommendations from the staff based on her needs. Unless she knew exactly what she wanted or was buying a product refill, she found online shopping to be a less enjoyable experience and more challenging when it came to selecting the appropriate product for her needs.

Participant P7 stated she associated the use of Lush products with positive emotions and enjoyable moments. She recalled that, in addition to always entering Lush stores when passing by, she would often visit them on purpose to purchase a particular product or to satisfy a specific need. Due to her enjoyment of the shopping experience, the helpfulness of the staff, and the ability to sample products in the store, she frequently purchased multiple items at once. For these reasons, she claimed Lush was her brand of choice for handmade, natural, and highly fragrant cosmetic products.

When asked if they actively followed or kept up with Lush Cosmetics on social media, the majority of participants said no; however, as previously stated, this did not imply that they had no contact with the brand. Participants frequently encountered influencer or consumer-generated content on social media platforms like Instagram and TikTok, which allowed them to stay up to date with new product releases and many other Lush-related news. And despite the fact that Lush was inactive on its own social media accounts, participants claimed that this online environment fostered a *sense of community* due to their shared values with other consumers of the brand. Several participants also believed that the brand's inactivity was not a problem, as consumers of natural and vegetarian/vegan cosmetics were already familiar with or at least aware of Lush Cosmetics due to its market prominence.

Three participants stood out from the group for their *active engagement* with the brand. As participants P1 and P3 made clear, their interest in the brand was primarily motivated by their personal identification with the brand's socially and environmentally conscious values. Participant P1 was a vegetarian who frequently sought out products that supported and aligned with this lifestyle. She was one of the participants who did not commute to a Lush store specifically to make a purchase, and she stated that she did not purchase all of her natural cosmetics from the brand. She acknowledged, however, that when she searched for alternative product options, Lush frequently topped the search results, and it

was difficult for her to find brands that offered comparable products. As a result, she would typically make a purchase whenever she passed a Lush store. Contrary to some of the other participants, her purchases were not necessarily impulsive or spur-of-the-moment, but rather deliberate, as her prior searches for natural and vegetarian products had provided her with knowledge of the brand and of which products were available and best suited to her personal needs.

Participant P3 sought out Lush not only because she identified with its ethical and sustainable practices, but also because the brand met her needs in a way that competing brands did not. This participant valued the ingredients and formulation of the products, but she was primarily interested in solid products, such as solid deodorants, solid shampoo and conditioner bars, and solid moisturizers, which other brands didn't or rarely offered. In light of this, and despite no longer residing in the city center and having less convenient access to the brand, she would often make sure to visit the Lush stores and purchase new products whenever she was in Lisbon.

Participant P7 was the most engaged with the brand among all focus group participants. As previously mentioned, this participant would not only visit Lush stores when passing by, but would also frequently do so with the intention of making a purchase. She explained, ***“Sometimes I go to the store to get a specific product that I saw online but want to try before purchasing, or that I'm repurchasing because I previously owned and used up; other times I go because I want a new product, such as a shower gel or a face mask, but I'm not sure which one to get”***. Additionally, this participant had more than once participated in the brand's packaging recycling program. This demonstrated a high level of engagement, as the participant took the time to collect her products' packaging over time in order to receive free face masks of her choice. Returning the packaging of the used products was yet another incentive that placed the participant in the brand's stores and frequently led her to make impulsive purchases since she had already spent time commuting to the store.

The participants had developed a relationship with Lush Cosmetics either because they identified with its social and environmentally conscious values or because they sought out its products to fulfill their needs. This confirmed that the brand had successfully established consumer resonance, as despite their varied motivations and levels of engagement, participants ultimately stated they would recommend Lush Cosmetics as a brand for natural and handmade cosmetics.

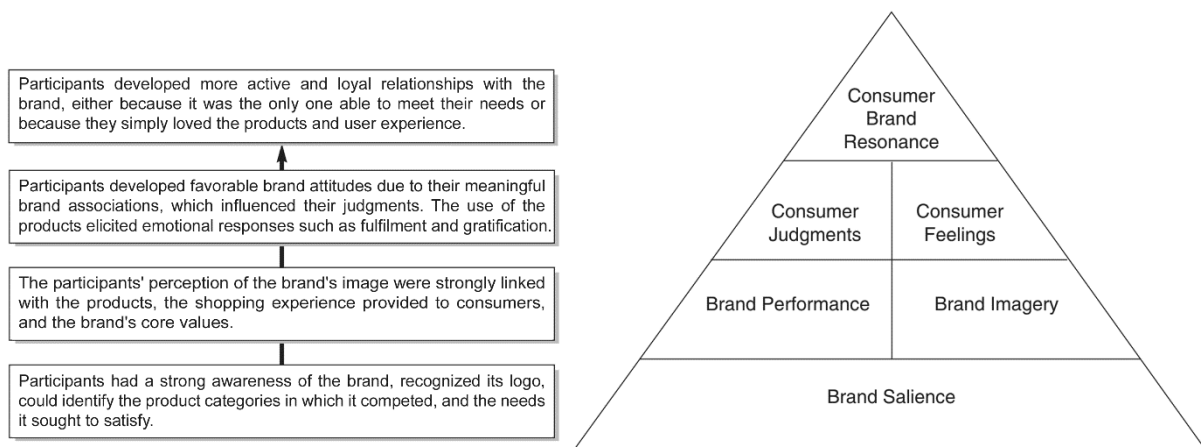
## 5. Discussion of Results

The purpose of utilizing *Keller's customer-based brand equity model*, and observing the model's building blocks, i.e., brand salience, brand performance and brand imagery, consumer judgements and consumer feelings, and brand resonance, was to *determine whether Lush Cosmetics had been successful in creating a strong brand*. According to the author, the premise of this pyramid model is that the power of the brand is *contingent on consumers' brand knowledge*, which can be measured by their level of brand awareness and perception of the brand's image (the two relevant dimensions that conceptualize brand knowledge).

By determining if the brand had established good brand equity, it would be possible to determine if its strategy of *forgoing advertising as a promotional tool had affected its consumers' brand awareness and perception of the brand image*, and if advertising was therefore necessary for the brand's success, thus answering the research question.

**Figure 12**

*Lush Cosmetics' Brand Equity Pyramid*



In the first brand-building block of the model, the focus group participants immediately demonstrated a high level of *brand awareness*, indicating that Lush Cosmetics had already become a *salient brand* among consumers. They were all familiar with the brand and had a thorough understanding of its current and previous logos, product categories in which it competed, some of its signature products, and the overall needs it sought to satisfy.

The participants' *performance and image associations*, which comprised the *brand's image*, were strongly linked with the products, the shopping experience offered to consumers, and the brand's core values.

The majority of the *products' associations* were performance-related and included their 100 percent vegetarian, fresh, and natural formulation with ethically sourced ingredients, as well as their sustainable and handmade manufacturing process; their recyclable and informative packaging; and their distinctive designs, unique names, and availability in a variety of colors, shapes, and sizes that met the diverse needs of consumers. These performance associations and the general perception of the brand's superior quality reassured consumers that Lush would effectively meet their expectations at all times.

Also present were associations linked to the *shopping experience* provided to consumers, which were predominantly imagery-related. Consumers begin to form these associations even before entering the stores, as they can sense the aroma of the products and see them through the transparent storefronts. The interiors of the stores alone fostered an environment favorable to the creation of a unique experience, as they had a signature appearance, were aesthetically pleasing and colorful, and had a distinctive product layout. The customer's shopping experience was tailored to their specific needs and desires, and they were assisted by knowledgeable staff. These staff members went out of their way to create a one-of-a-kind experience in which the customer felt their needs were met to the fullest extent possible. They welcomed customers into the store, guided them through the shopping process, made recommendations based on their needs, and offered free samples of any products the customer may be interested in trying, in an attempt to influence a future purchase.

The associations linked with the *brand's core values* also mostly involved imagery. Having produced natural cosmetics for many years, Lush was perceived as a reputable and trustworthy brand. Participants, moreover, strongly perceived Lush as a socially and environmentally conscious brand that stayed true to its values by maintaining ethical and sustainable business practices and by supporting a variety of causes over the years.

This demonstrated that the brand has a *strong brand meaning* and a *well-established brand image* in the minds of consumers, as these associations represented important and valuable attributes and benefits that were actively sought, and helped differentiate Lush from its market competitors.

Not only did the participants' meaningful associations and perceptions of the brand image contribute to the development of *favorable brand attitudes*, but they also became *points of differentiation* that influenced their future purchases. They believed that the brand

provided products and fulfilled needs that competing brands frequently promise but fail to meet.

Lush also appeared to cause *emotional responses* in the participants. Some felt a sense of fulfillment when consuming the brand because they aligned with its values and, as a result, believed they were doing their part by selecting a socially responsible and environmentally conscious brand, while others simply enjoyed the products and the sensorial experience they provided and, as a result, felt pleased and gratified when consuming them.

That being said, not all participants converted their brand associations and responses into equally *active* and *intense relationships* with Lush. The relationships varied based on their level of personal identification with the brand and whether or not they felt aligned with it.

Some participants had a casual relationship with the brand, in which they occasionally used the products and, if they happened to pass one of the stores, they would typically enter and often make a spontaneous purchase.

However, it was possible to observe two more *engaging types of brand relationships* between the participants and Lush. Some participants had developed a relationship with the brand because they perceived it to be one of the few brands on the market capable of satisfying the majority of their needs, either by providing innovative types of products or products that aligned with their specific lifestyles. They would become familiar with Lush because it frequently topped the search results when they looked for brands that offered natural cosmetics. As it was difficult for them to find comparable products from other brands, they would often take the time to visit the stores when they needed or desired a particular product. Their purchases were rational and well-informed as a result of their prior research, which provided them with information about the brand and which products best suited their interests and personal preferences.

Another participant had created a *significantly more active and intense relationship* with the brand. The majority of this participant's visits to Lush stores were motivated by a desire to make a purchase and satisfy a need; sometimes it was to get a specific product she had seen online but wanted to try first, or that she was repurchasing because she had previously owned and used up; other times, she simply wanted a new product, despite not knowing which one she desired. This participant's frequent brand usage allowed her to collect her products' packaging over time and participate in the brand's packaging recycling program,

demonstrating her dedication and loyalty to the brand. Furthermore, the more products she purchased, the more packaging she was able to collect, and the more often she had to visit the stores to claim her free face masks, which increased the likelihood that she would spontaneously purchase another product. In addition, this participant was the only one subscribed to the brand's email newsletter, as she wished to remain engaged with the brand and informed of any potential promotions.

Participants who felt a stronger connection to the brand and perceived it to be personally relevant to their needs and desires, used and purchased its products more frequently and actively sought opportunities to engage with it, thereby strengthening their relationships with the brand.

The insights of the focus group made it possible to determine that participants had a good level of brand awareness, as they recognized the brand and correctly identified the product category in which it competed; had positive and meaningful brand associations and a good perception of the brand's image; developed favorable brand attitudes and positive brand responses; and, although not equally, converted their responses into engagement and loyalty to the brand.

Achieving success in all six of Keller's brand-building blocks indicated that *Lush had established a strong brand equity* and that participants had a thorough knowledge of the brand. As a result, it is possible to conclude that the *brand's strategy of forgoing advertising as a promotional tool had no effect on its consumers' brand awareness and perception of the brand's image*, indicating that this promotional tool is not essential to an organization's success and answering the study's research question.

Despite the fact that Lush Cosmetics' communication strategy was unlike that of most cosmetics companies on the market, it is essential to discuss *how the brand was able to find alternatives to advertising* to communicate its value to consumers, thereby maintaining high levels of brand awareness on the market and creating its desired brand image.

Lush Cosmetics employed a global "no advertising spend" policy and instead focused on *communicating a positive brand image* by showcasing the quality of its products, the brand's positioning and values, the stores and shopping experiences offered to consumers, their internal and external brand advocates, and user-generated content.

The brand had produced organic and vegetarian cosmetics for many years, and its *expertise* alone ensured participants that the products they purchased would meet their expectations. Moreover, Lush's *positioning* as a socially and environmentally conscious brand, which was reflected in many of the company's business practices throughout the years, had appealed to participants who sought out the brand or its products because they met their personal needs and complemented their lifestyles.

The products had been sold both online and in *retail stores*, but the latter had also been *used to build genuine customer loyalty* and *promote the brand and its products*. The stores themselves fostered an environment that encouraged customer interaction as their scents and colors could be detected and seen from a distance, and customers were encouraged to pick up, smell, and touch the products once inside. The participants' recollection of the staff's friendliness and assistance during their visits to the stores could be attributed to their *training by the communication department*, which aimed to prepare them to *act as internal brand advocates* on the store floors, providing the best recommendations and positive shopping experiences. The overall signature appearance of the Lush stores and the shopping experience the participants had there were prominent associations in their minds, which influenced their perception of the brand's image and their future purchasing behavior.

The Lush Cosmetics website was a *vital touchpoint* for *building brand awareness* and the *brand's image*, as it was an active source of information and, for some participants, their first contact with the brand. Whether the participants were already familiar with Lush or had discovered its website while searching for a brand whose products would meet a particular need, they all used it as a resource to learn more about the brand's products, values, and initiatives, among others.

Participants also reported encountering the brand through *user-generated content* on social media, as opposed to Lush's official social media accounts. They would see the products in content like monthly favorites or product reviews on TikTok or Instagram, which allowed them to connect with other consumers who shared their interest in the brand's products or values. Although the brand once actively collaborated with influencers and brand advocates by reposting their user-generated content, and used organic reach, organic engagement, and organic public relations strategies to build great long-term relationships with their consumers, it was understandable that participants were not seeing new brand content, as Lush had left social media at the end of 2021. Although inactive, the brand

continued to use its platforms to listen to its customers' needs and respond to their questions, which *fostered an ongoing conversation, customer retention, and brand loyalty.*

To conclude and answer the study's research question, "To what extent is brand awareness and brand image reliant on the use of advertising?". Although Lush Cosmetics employed a global no-advertising communication strategy, the brand maintained good levels of brand awareness in the market and created its desired brand image in the minds of consumers. This occurred because the brand utilized the alternatives outlined above to communicate its value, demonstrating that advertising is not necessary to build a strong brand. Awareness of the brand and its points of differentiation, which consumers knew met their needs or desires, also led them to actively seek out the brand, which contributed to the development of two-way relationships between Lush and its customers.

### **Research Limitations and Future Research Paths**

One of the research's limitations involved the sample of focus group participants, which, in addition to being relatively small, was also fairly homogeneous, i.e., all the participants had similar consumer profiles, being of the same gender, and roughly the same age. The qualitative nature of the research also meant that the results could not be extrapolated to other brands, as they were not representative.

Ideally, it would be interesting in the future to conduct more focus groups on this topic and to examine other brands that do not use advertising as a promotional tool to communicate their value to consumers. It would be beneficial to have more diverse samples of participants in these focus groups, including those of different genders, ages, income levels, etc. The study would also benefit from quantitative analysis to determine whether there is a correlation between the success of a brand in terms of its market awareness and brand image, and the use of advertising as a promotional tool.

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## Appendices

### Appendix 1

#### *Focus Group Questions*

1. Como conheceu a marca Lush Cosmetics?
2. O quão familiarizada está com a marca Lush Cosmetics?
3. Alguma vez utilizou produtos da marca Lush Cosmetics?
4. Com que frequência utiliza e adquire produtos da marca Lush Cosmetics?
5. Segue ativamente a marca?
6. Nos últimos três meses, onde teve contacto com a marca?
7. Qual dos logótipos associa à marca Lush Cosmetics?
8. Que categorias de produtos associa à marca Lush Cosmetics?
9. Dos seguintes atributos, escolha os três que considera melhor descreverem a marca Lush Cosmetics. Amigável; Premium; Vegetariana; Generosa; Ética/Sustentável; Handmade; Alternativa; Aromática; Serviço Personalizado.
10. Como descreveria a comunicação da marca da Lush Cosmetics?
11. Classificaria a marca como sendo eficaz?
12. O que diferencia a Lush Cosmetics de outras marcas no mercado?
13. Quais considera ser as características mais apelativas das lojas Lush?
14. Quais considera ser as características mais apelativas dos produtos Lush?
15. Consegue enumerar algumas das causas que a Lush tem vindo a apoiar ao longo dos anos?
16. Quando procura produtos de cosmética naturais, qual é a sua preferência pela marca Lush Cosmetics?
17. Se tivesse de descrever o que sente pela marca numa frase, o que diria?
18. Recomendaria esta marca a um amigo/a?