Brand Literacy: Consumers’ Sense-Making of Brand Management

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[to cite]:


[url]:

http://www.acrwebsite.org/volumes/12359/volumes/v33/NA-33

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ABSTRACT
In cultures where brands play important roles for consumers’ identity construction, people learn how to relate to and use brands ‘knowingly.’ Through the process of learning to consume brands in ways that are recognizable by the consumer culture, consumers develop brand literacy. Based on contemporary studies in literacy, this paper develops the concept of brand literacy. We trace the historical reasons why such literacy emerges and illustrate from a research study the different levels of brand literacy, and discuss the implications for consumers’ engagement and experiences with contemporary consumption life and culture.

INTRODUCTION
Research in consumer culture has provided important insights into the role brands play in consumers’ everyday lives (Fournier 1998; Kates 2004). Today, it is widely acknowledged that brands are not just differentiating marks that help consumers to choose one brand against another, but are also—and indeed more significantly—cultural signs that supply people with individual identities (Elliott and Wattanasawat 1998), and collective identities through brand communities (McAlexander, Schouten, and Koenig 2002; Muniz and O’Guinn 2001). We have learned that brands are meaningful to consumers not just because they are strategically managed by companies, but because consumers incorporate them into their lives and add their own idiosyncratic stories to them (Brown, Kozinets, and Sherry Jr. 2003). In contrast to contemporary strategic brand management models (Kapferer 2004; Keller 2003), research on consumer brand cultures has illustrated how brands are co-constituted through a dialectical process between the consumer culture and the companies’ branding efforts (Holt 2002). Brands, in effect, have acquired, with the changes in consumer culture (Lury 1996; Slater 1997), the status of cultural institution, signifying a constellation of cultures of brand, playing the role of signifying and communicating messages and images that are now often globally read, contested and navigated. As argued by some, while people across cultures are sometimes unable to communicate due to language differences, often understanding each other is possible when brand names, such as Coca Cola or Kleenex or Levi’s or Beckham, are uttered (Hildebrand 1998; Holt, Quelch, and Taylor 2004).

In an iconic consumer culture where brands become important resources for social interaction, consumers develop knowledge and competences in the peculiarities of consuming brands ‘knowingly’ in a given social context. In this way, consumers develop something we call brand literacy and become increasingly skilled in relating to and using brands in a way that is recognizable by the consumer culture. We define brand literacy as the ability of the consumer to decode the strategies used in marketing practices in introducing, maintaining and reformulating brands and brand images, which then, further enables the consumer to engage with these processes within their cultural settings.

According to the literature on literacy (Bernardo 2000; Street 1999; White 1984), three degrees of literacy are needed for complete literacy. The first degree of literacy is the “reading,” the ability to decipher the words (signs, in the broader meaning of literacy) in their systemic unity in order to make sense and understand their complete meaning. A second degree is the “writing,” the ability to compose signs into a set that transmits the meaning intended. This second degree of literacy is needed to improve the first degree, since by “writing” one gets to recognize the intricacies of composition, thus becoming more capable to recognize the strategies and methods employed by the “author” of what is being read and, thereby, having an improved capability to read analytically, in between and behind the “lines.” Finally, a third degree of literacy is the ability to embed one’s reading and writing in particular cultures. Thereby, the literate person can judge how and why novel reconstructions s/he may attempt are likely to be interpreted, decoded and understood by those s/he is trying to communicate with. When one has all three degrees mastered, then s/he is best able to become a participant in the design of signs and, thus, culture, and not simply a receiver.

LITERACY IN SOCIAL LIFE
Literacy is an important concept in many areas of social life. As discussed, in literacy studies, it refers not merely to the act of reading and writing printed language, but also to the ability to extract and process complex meanings in a sociocultural context (Bernardo 2000). While literacy traditionally was considered a cognitive process, isolated from social and cultural interaction, there is an increasing acknowledgement that literacy is embedded in activities and practices of a community. In this way, literacy is an active and creative process that allows the individual to participate in social and intellectual practices (White 1984). Literacy has come to embrace skills and competencies in a variety of areas of social life, such as computing, film and politics (Street 1999). The multifaceted employment of the concept makes it necessary to define it in the context where it is developed and put to use. For as Street (1999, p. 38) writes: “within a given cultural domain there may be many literacy practices, that is, not one culture, one literacy.”

Theories of literacy have also been used in marketing and consumer research where advertising literacy has been introduced as a concept for understanding peoples’ advertising experiences (O’Donohoe and Tynan 1998). Ritson and Elliott (1995) use literacy theory and propose a model of advertising literacy. Their model is based on a ‘practice account of literacy’ which involves meaning construction in the individual domain and an ‘event accounts of literacy’ which involves meaning construction of self and group identity in the social realm. Their model of advertising literacy emphasizes how readers of advertisements are active co-creators of advertising meanings that display an ability to read, co-create and act on polysemic meanings from ads (Ritson and Elliott 1995). While advertising literacy is an important concept addressing consumers’ ability to read and make sense of advertising, it does not embrace the skills and competencies that are necessary for consuming brands ‘knowingly’ in a cultural context. Sense making of advertising can indeed be an important aspect of consumers’ encounters with branded goods but is not the only facet of brands that people experience through their consumption.

Brand literacy is acquired in many ways; through everyday consumption of branded goods and advertising, through social interaction with other people, and through experiences in cultures in which brands are prominently displayed through multiple media. There are historical reasons why brand literacy has developed in contemporary culture. We shall first explore this history, then try to develop an understanding of brand literacy itself. Finally, we shall
discuss how brand literacy can be understood in the context of consumers’ sense making of co-branding and the implications it has for consumers.

HISTORICAL REASONS FOR BRAND LITERACY

Different consumers develop knowledge about brands in different categories of products. Some consumers, for example, have a high degree of knowledge in automobile brands and others in brands of wine. Partially, such knowledge may depend upon the person’s interests due to occupation or hobby or relations to someone in the “business.” How brands work and the designing of strategies behind brands may thus be gained through such special interest in a product category. Of greatest interest to us in this paper, however, is the lay consumer’s literacy of brands, gained for reasons of pure consumer interest; that is, literacy based not on obvious reasons, such as occupation, but on consumption experiences.

Why does such brand literacy develop? Why do so many people in our world today care to care about brands? The origins of these complex phenomena can be partially traced in the development of modernity, and specifically, in modern consumer culture. Modernity’s project is one of emancipating the human being from all impositions; originally of nature and, then, also of all restrictions and oppressive obligations inscribed in erstwhile social orders (Russell 1972/1945). Through such emancipation, humanity can, with the use of scientific discoveries and technologies, take control of its own destiny to build a society that provides all the conditions enabling all individuals to fulfill their utmost potentials and visions (Habermas 1983). In effect, the modern project is to realize a grand future for humanity. Such a project required that all individuals be able to practice their own free will (Rorty 1979). The result of efforts to find and implement principles to make this project a reality, efforts in both the discursive and practical domains of human life and society, specifically in western cultures, has been the growth of individualization, commoditization, consumerization, and marketization (Slater 1997). These phenomena, in turn, have constituted the foundations of the institutionalization of brands.

The idea of the modern market has been integral to the quest of the modern project (Angus 1989). In modern thought, the market is envisioned as a mechanism (Slater 1997) that allows free sellers and buyers to come together and exchange their resources without any prior or subsequent obligations to each other. They need not know each other, be obliged or bound to each other in any way. Thus, the idea is that through this market mechanism, all individuals become free agents who can obtain what they want and can afford, according to their own free wills, not having to feel or have any obligations that could thwart their wills. With the growth of the market, then, that is through marketization of more and more human interactions, free agency of the human individual is enhanced.

With marketization comes the individualization of the modern human subject. By freeing the individual from all obligations that institutionally tie her/him to others and others’ wills, individuality becomes more possible as does the capability to act as an individual. Thus, each individual is further enabled to act one’s free will and constitute oneself as distinct and different from others; this emancipation of the individual being a principle inscribed deeply in the ideology of modern human rights.

This theoretically meritorious ideal(s) of freeing the individual through the market requires the other two phenomena of commoditization and consumerization. Commoditization, that is the separation of the objects or items of use from their producers and the processes by which they are created (Marx 1976/1867), is necessary so that those who exchange for them can possess them without any linkages; the commodities stand on their own and are considered to contain, in themselves, the qualities that their possessors seek in them. Thus, possessing and using them is an independent act that involves only the possessor and the commodity, and nothing or no one else.

Consumerization, that is the separation of the individual from the process of production of what is used, is, then, another necessity for the existence of modern markets. Consumerization enhances the freedom to have and use commodities of all kinds, which means non-reliance on solely one’s own production, and provides the ability to consume what others produce and are willing to exchange. This separation from production of commodities consumed means that individuals relate to most of the items they consume in modern society simply as consumers. Thus, as people become consumers, acquiring what they use, the market expands its existence and individualization is furthered (Firat and Dholakia 1998; Slater 1997).

The above phenomena in modern culture are responsible for the development and institutionalization of brands and brand cultures as much as, if not more so than, the manufacturers’ (marketers’ in general) need to establish recognition and relations with their customers. Indeed, the principle of the individual’s emancipation from all that did and could repress one’s free will, and, thus, her/his ability to decide his/her own destiny, partaking in social choices, has been and is one of the most voiced and revered ideal(s) of our time. Much of this freedom of the will has come to focus on consumption choices (Dholakia and Dholakia 1985) thanks to marketization, individualization, commoditization and consumerization, along with the increased centrality of the economic in modern culture and, thereby, greater ability to consume increasingly coming to define improvement of human lives. Consumption has also become the locus of exhibiting individuality with greater rationalization of workplaces and, thus, increasingly routine and homogenized work-lives for the large majority of people during production.

Consequently, for people seeking to express their individuality in and through what they consume, brands, especially those that represent the categories of consumption they find expressive—for this can be different for different people—have provided the ground for articulating symbolic meanings, identities and, thus, individuality (Lears 1994). In a consumer culture where practically everyone has access to all product categories in a mass-market, distinguishing marks tend to be more easily found or inscribed in brands than in products.

When the history of brands is studied, certain patterns are recognized. First branded products appealed most to upper classes, thus becoming signs of distinction for the superordinate groups in society. Similar to fashion, brands exhibited a trickle-down process (Simmel 1904), where the upper classes first adopted premium brands that later diffused to subordinate groups. While the brand owners’ original intention for brands may have mostly been to distinguish their products from others, brands fast became signs of distinction for consumers. Thus, the brand has always been a part of the symbolic consumption system. Specifically, the brand name or icon is a signifier that simultaneously becomes a sign—a union of the signifier and the signified a la Saussure (Barthes 1967)—for any recognition of the brand immediately conjures up associations. As a signifier, however, the brand is a free-floating expression, for at the same time or through time it may be associated with varying meanings (signified).

Given this history of development and institutionalization, what is a brand today? It is no longer simply a sign of ownership of the brand by those who manufacture or distribute it, but an iconic sign that constellates images that serve as a means by which people have life experiences and meanings, and through which these
cultural values and meanings are communicated. The construction of this sign is only partially controlled by the marketer who is the owner of the brand. The complete brand is the result of cultural processes whereby other players negotiate the meanings and contribute to its articulation (Holt 2004), which is, in effect, always in the process of being constructed however stable it may seem at times.

In contemporary times, the increasing prominence of brands in people’s lives is also a sign(ality) that an iconographic culture is on the rise—meaning that in the articulation of distinctions made and the hierarchical significance of these distinctions, iconic imagery plays an increasingly dominant role. In language, literature, films, in all cultural media, communication of what is what and who is who becomes most prominently and easily accomplished through elicitation of iconic brands (Friedman 1985). Iconic brands, of which there are now so many, used in this manner, also contribute to the growth of the iconographic culture, a culture where meanings are relayed and less through sets of words (signs in general) constructed according to linguistic (or more generally, semiotic) rules of formulating analytically logical connections and, thus, sense making unit(i)e’s, but more and more through iconic signs that at once conjure up images that transmit meanings and elicit senses that can be felt as well as cognitively processed.

This phenomenon further indicates the necessity of expanding the meaning of literacy as we discuss brand literacy, where “reading” (sensing) and “writing” (constructing/composing) in an iconographic culture require more than abilities related to understanding and using of words, where participating in brand cultures requires abilities related to a multiplicity of signs that impact on all senses—sight, hearing, smell, touch, and taste. Brand literacy requires, what has been called, (multi)significifacy (Firat 1996).

Therefore, those who are most brand literate today are the ones who are privileged in having (multi)significance. While this is a necessary condition for high brand literacy, it is not the only variable in acquiring brand literacy. Additionally, similar to distinctions between those who are fashion oriented, whose actions are informed by their concern for and reactions to fashion, and those who largely remain uninformed about fashion, there are distinctions between those who care about and those who remain uninformed about brands. Furthermore, there are different degrees and types of involvement with and literacy of brands. Therefore, the question arises as to whether the culture will favor those who care about brands or those who do not. In the case of the persistence of an iconographic culture, the use of iconic signs, thus of brands, and the influence of those who can make such use expertly is likely to increase.

**BRAND CULTURES IN HISTORICAL RETROSPECT**

While market exchanges have constituted a common characteristic of human life for several thousands of years, the culture of branded goods—especially as articulated in contemporary marketing literature—is a relatively recent phenomenon. Mass produced branded goods gradually became more readily available in the late Nineteenth Century in United States (Strasser 1989). The reason why manufacturer brands became a viable phenomenon, as well as desirable for their legal owners is generally explained by a number of macro-environmental changes, such as industrialization and urbanization that brought new innovations, improved transportation and, not the least, mass consumption (Low and Fullerton 1994).

An important aspect of consumer cultures is recognized to be that people desire a good not just because of the utilitarian value of the commodity, but also for its symbolic capacity, such as enabling the individual to express social status or to construct and maintain self identity (Belk 1988). In this symbolic market (Levy 1959), the availability of branded goods is not a prerequisite for such processes to occur. In the Eighteenth Century, when branded goods were still rare, consumption became increasingly complex as people were encouraged to select from a variety of styles and colors (Breen 1993). With the introduction of branded goods, however, distinctions among competing goods were intensified and, given the history of the market discussed earlier, consumers were encouraged to also consider the brand in their consumption decisions.

Since the early days of mass produced branded goods in the United States, a common feature of brands has been the claim and/or expectation of consistency. When branded food products gradually became available from around 1850 in United States, consumers learned that, unlike grocery products that could be bought in bulk by the merchant and then by the consumer, branded goods promised a consistent quality that should not vary from one purchase to another (Strasser 1989). As Miller’s (1998, p.142) research illustrates, the issue of consistency and predictability (cf. Ritzer 1993) is, today, still an important feature of branded goods. In a world that is rapidly changing, where consumer identities are found to be fluid and constantly rearticulated (Bauman 2001), brands become powerful because they help consumers to anchor their identity projects (Elliott and Wattanasuwan 1998).

**BRAND LITERACY**

Consistent with contemporary viewpoints of literacy, brand literacy refers to the ability of the consumer to make sense of and compose the signs of a brand culture, and to understand the meaning systems that are at play. More specifically, this means that the consumer’s understanding of the brand goes beyond the immediate surface meanings of the words and symbols associated with the brand. Consumers who exhibit literacy of a brand know that the brand name and the symbols associated with it are not just signs used to distinguish one manufacturer from another, but signs that carry complex cultural meanings. These cultural meanings are produced throughout the life of the brand where consumers and cultural intermediaries contribute to the cumulative (re)formulation of the brand. For instance, a person who demonstrates literacy of the Lacoste brand knows that this is the classical brand for polo shirts that was launched by the French tennis player René Lacoste in 1933. In addition to knowing the history of the brand, brand literacy also includes the ability of the consumer to relate to the brand’s contemporary status in his/her imagined consumption context. For the Lacoste literate consumer, this ability can consist of a flair for effective use of the brand and sensitivity towards the connotation it may generate in his/her consumption context.

How does brand literacy relate to other concepts such as *brand awareness, brand image, brand loyalty, brand relationship, and involvement with branded goods* which deal with peoples’ brand behaviors? Our argument is that these concepts are all important components of brand literacy, but they are not in themselves an indication whether or not the consumer has acquired brand literacy. In order to play a role in a specific brand culture—that is a context in which a particular brand is socially constructed—it is important that the consumer has an understanding of what other people think and feel about the brand. By definition, each and every consumer who has awareness of a brand has an image of the brand that may be influenced by certain associations. However, while a brand image generally refers to the perceptions of the brand held in consumer memory (Dobni and Zinkhan 1990) it does not take into account whether or not this image is cognizant of the cultural meanings the brand has in the particular consumption context. Because consumers oftentimes personalize the meaning of a brand through consumption rituals, a brand image can be more or less idiosyncratic.
One of the main goals of brand management has been to provide a basis for differentiation from competitors' products. In brand management literature, it is generally suggested that successful differentiation on product attributes is not a source of long term differentiation, since these attributes can easily be copied by competitors. In a market where competing firms have access to the same technological solutions, competition moves to the symbolic domain where brand owners seek to differentiate their brands through attributes that relate to consumers' emotional states. In this way, branding becomes a way to nurture perceived symbolic differences that speak to consumers' desires. Indeed, brands provide people with a variety of benefits. During shopping, well known brands help consumers to make decisions instantly, where tried and trusted brands are oftentimes chosen without much consideration because of their record of consistent delivery in past experience. Hence, brands tend to display and inform consumers of certain features, whereas some other features of the product are hidden. When no obvious or important differences exist at the product level, branding becomes an important tool for managers who seek to relate their brands to symbolic differences perceived by consumers. In this context, brand literacy becomes an important skill. As companies execute their branding strategies, over time some consumers become more knowledgeable about the principles of and the techniques for branding processes partaking in the institution and constitution of brands. Sophisticated forms of brand literacy make consumers potent, for example, to unmask the processes that may be hidden behind the brand façade.

Consumers at different levels of brand literacy can also be expected to react differently and relate differently to brands. In a research conducted to understand how consumers relate to co-branded products--products where two or more brands are used in conjunction--at least three distinct orientations have been found in relation to levels of brand literacy.

### RESEARCH AND FINDINGS

The goal of the research was to collect empirical accounts of consumers' sense-making of co-branded products. In this context, co-branded products refer to marketplace co-operations where two
or more brands are used as co-endorsers for the product (Askegaard and Bengtsson 2005). By exploring the ways in which consumers understand and relate to this particular form of marketplace cooperation we were able to demonstrate the different levels of brand literacy. An important goal for this study was to include consumers with first hand experience from consuming co-branded products. Consumers were recruited in two different grocery stores after they had been observed buying at least one co-branded product. Consumers who agreed to participate in the study were later contacted for in-home interviews. Phenomenological interviews (Thompson, Locander, and Pollio 1989) were conducted with each consumer at his/her home in order to elicit the lived experience of co-branded products. Each interviewee was interviewed for a total of four to six times, for one to two hours each time, over a six-month period. Through this multi-interview approach, it was possible to elicit how brand literacy was acquired. Thus, the data consist of interviews of seven consumers living in a large city in western United States. The selected interviewees represent a variety of ages, incomes, education levels, religions, and both sexes.

Our analysis of the data collected indicates that consumers at different levels of brand literacy construct at least three different categories of stories that justify or rationalize their relations to co-brands. There is an almost exact correspondence between the three levels of brand literacy and the three types of stories we elicited from the interviews. Consumers who showed a low level of brand literacy produced, what we call, production stories about co-brands. In these stories, the interviewees understood co-branding primarily as a way of sourcing primary products, where one of the brands is portrayed as supplier of a product that is bought by the other brand (or the company behind this brand) in order to be used as an ingredient in the product which the consumer is buying. For instance, a recently retired woman expressed that she thought the visual display of the chocolate brand Hershey’s in a Betty Crocker brownie mix had to do with supply of the chocolate ingredient. She thought Betty Crocker bought the chocolate from Hershey’s and then put the brand name on the package. In her opinion this procedure was a good solution where Hershey could sell their chocolate through another brand. As this example illustrates, production stories reflect a low level of brand literacy where co-branding is understood as a way for companies to manage their sourcing of primary products whereas understanding of the marketing logic that drives companies to initiate co-branding agreements is very limited. Consumers who had brand literacy at the medium level produced, what we call, strategic stories. Here the consumers provide analytical interpretations of co-branding activities by companies, explaining why and how their practices may or may not make sense and how it may influence their idea about the brands. For instance, a woman expressed her thoughts about the Betty Crocker brownie mix with Hershey’s syrup and concluded that her idea of Betty Crocker had changed because of the kind of business co-operation the brand has with Hershey’s through the co-branding activity. She had always thought of Betty Crocker as a homespun brand but now it seems to be fairly business oriented, entering partnerships with other brands to improve profits, the warm, fuzzy feelings she associated with the brand changed. Finally, consumers with high levels of literacy produced, what we call, critical stories. Here, consumers exhibit an ability to critically question companies’ co-branding efforts. In the research, consumers at this level of literacy indicated an understanding that co-branding has marketing implications but rejected or criticized this practice as a symbolic game that intended to make the products more appealing to consumers. Related to this rejection was the understanding that behind many brands there are multinational conglomerates that control many of the brands in the marketplace. Co-branding was therefore seen as an opportunistic display of two brand symbols when it made sense from a marketing perspective. The reason co-branding is seen as opportunistic is that when such display is not favorable—such as the example of a display of Philip Morris on Kraft Foods—the link is kept secret so that consumer do not make a connection between the two companies and their brands. Other examples of critical stories occur when consumers critically evaluate a marketing organization’s policies, offering strategies to better articulate or improve the brand.

IMPLICATIONS OF BRAND LITERACY

As literacy in general influences the individual’s relations to/society, brand literacy affects the relationships consumers have with brands and with consumption in general. In a growing iconographic culture, consumers’ brand literacy influences their degree of effective involvement in the images, strategies, and use of brands, and the degree to which they can impact on companies’ policies. We see from the research on co-branding, for example, that consumers at different levels of brand literacy employ different levels of interpretation strategies. Interpretation, in dealing with understanding brands involves processes of juxtaposition (matching, comparing and contrasting of the values and beliefs of consumer’s culture with the perceived signs from the marketer, resulting in temporary or longer-term co-existence of meanings), resistance (intended ignoring or critical refutation of perceived meanings of the signs), and transformation (intentional or unintentional reconfiguration of the signs or their intended meanings), similar to consumers’ involvement in fashion (Thompson and Haytko 1997). Consumers at higher levels of brand literacy, as they move from production to strategic to critical stories about brands, also tend to employ more of the interpretation strategies and with greater depth. With increasing brand literacy, the consumers’ reactions in terms of appropriating, interpreting, negotiating, and constructing signs and their attached meanings regarding the co-brand take different forms. Consumers encountering the stories emanating from the marketing organization’s promotional efforts for the brand tend to juxtapose these to stories from other brand cultures, transform them in the process of appropriation, or resist them with greater intensity as their brand literacy grows. 

Brand literacy is and will likely increasingly become a significant element in consumers’ life experiences. Indeed, one can choose not to care about brands and let others acquire literacy about brands. However, in consumer cultures that are permeated with brands and where brands are important vehicles for social interaction, it becomes apparent that brand literacy is an important skill in everyday life that becomes difficult to opt out of. We recommend, therefore, a focus on this construct, developing a greater understanding of it through further articulation of its dimensions and, also, measures or scales of it, in order to appreciate fully its role in contemporary consumers’ lives.

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