

Does emotional intelligence help in developing consumer-based brand equity resear...

[Business](#), [Marketing](#)



Abstract

The research focuses on how emotional appeals in advertising impact consumer-based brand equity. In order for a firm to efficiently communicate emotional appeals to consumers, the firm must have emotional intelligence. Emotional information management ensures that emotional intelligence can be utilized effectively in organizing consumer desires. The research demonstrates that innovative companies create emotional bonding with consumers leading to better consumer-based brand equity. This study examines both positive and negative emotional appeals in the context of emotional information management and how it relates to brand awareness, brand associations, perceived quality, and brand loyalty.

Key Words: Emotional Appeals, Consumer-Based Brand Equity, Emotional Intelligence, and Emotional Information Management

Introduction

Every important marketing decision and communication are impossible without emotional persuasion (Taute et al., 2011). Many researches on emotional intelligence and emotional information management explain the role of emotional advertising and its influence on consumer responses and brand choice.

This writing examines both positive and negative emotional advertising appeals in the context of emotional information management and how it relates to brand awareness, brand associations, perceived brand quality and brand loyalty.

Emotional Information Management and Emotional Intelligence

Emotional intelligence is a feature that helps any company to efficiently communicate emotional appeals to customers (Taute et al., 2011). This notion is closely connected with emotional information management, which helps companies to utilize their emotional intelligence in an effective manner.

Emotional intelligence (EI) is conceptualized as an individual diversity factor that helps in problem solving and is parallel to the ability to adapt efficiently to the social environment (Taute et al., 2011). This notion includes several important dimensions and namely the ability to recognize emotions, differentiate and handle them effectively. Additionally, it includes motivation, self-regulation, self-awareness, social skills and sympathy and distinguishes several areas of study, organizational behavior, consumer choice and social cooperation (Taute et al., 2011). Although emotional information management (EIM) is often related to emotional intelligence (EI), it studies how consumers distinguish emotional appeals, regulate their emotions, and show empathy to certain ads. Both EI and EIM consider empathy as the most valuable response to emotional advertising content (Taute et al., 2011). Individuals with good EIM abilities can enhance or restrain the emotional impact of appeals and as a result influence the decision making process. People with low EIM skills considerably reduce their emphatic response to advertising content (Taute et al., 2011).

Positive and negative emotional advertising appeals

Emotional advertising appeals, positive (friendship, love, warmth) or negative (fear, shame, guilt), may strengthen consumer responses to various marketing tools (Taute et al., 2011). Despite considerable disagreements regarding the influence of various factors on responses to emotional ads, there is still no independent effect of positive and negative emotional appeals on advertising responses. However, positive emotions strengthen the cogency of both positive and negative appeals (Taute et al., 2011). Moreover, people's ability to use or ignore the effect of information may have important results for the positive influence of emotional appeals. Taute, McQuitty and Sautter support a contrary assertion and suggest that individual characteristics can influence the efficiency of positive and negative emotional advertising appeals (Taute et al., 2011). Their EIM model reports that people, who can control their negative emotions, may be less influenced by negative ad appeals. When responding to positive appeals, people get more opportunities for better use of emotional information (Taute et al., 2011).

Consumer based brand equity

Companies utilize emotional advertising appeals to improve consumer based brand equity (CBBE), which helps while assessing the value of various brands in the consumer mind (Taute et al., 2011). Branding is very important for the corporate success as it may increase profitability providing more knowledge about their products. The goal of any advertising is brand awareness, which describes an extent to which a certain brand is identified by potential

consumers. Emotional advertising appeals form brand associations, which create images associated with a certain brand, influence perceived quality, which describes consumers' feelings about a brand and may influence their final choice (Taute et al., 2011). Marketing strategies of various companies aim at cultivation of loyal customers. Thus, emotional ads appeals play a crucial role in building of brand loyalty.

Literature Review

Marketing research studies present a great variety of information from consumers regarding why they prefer a certain brand or product. Recent academic studies provide different opinions concerning emotional advertising appeals and their influence on the consumer brand choice and decision-making process.

Barroso and Llobet in their article "Advertising and Consumer Awareness of New, Differentiated Products" demonstrate that advertising process influences customer awareness and may considerably sped it up (Barroso & Llobet, 2012). Additionally, advertising may increase consumer utility and has an effect on consumer final choice. The authors emphasize the dynamic effect advertising has on consumers and develop a structural model that regards advertising as an essential element of a corporate strategy (Barroso & Llobet, 2012). Their findings demonstrate that the great dispersion in expenditures for marketing actions and advertising leads to a great disparity in the consumer awareness process. In this model the positive effect of advertising is separated from the negative effect that is created by new products in the market (Barroso & Llobet, 2012). Incorporation of positive

and negative effects within a structural model explains the evolution of sales of various products.

Bad advertising process slows consumer awareness and may decrease corporate sales. Advertising is specifically useful and effective while the introduction of new products as it helps to increase initial sales (Barroso & Llobet, 2012). Thus, brand advertising is a large part of a company's costs and at the same time it helps to considerably enhance sales of certain products (Barroso & Llobet, 2012). Consequently, this writing focuses on advertising of new products and its influence on consumer awareness. However, it does not distinguish the particular effect of advertising for mature brands. Further researches may complement the analysis presented in this article.

Another writing that focuses on consumer-generated advertisements is presented by Thompson and Malaviya in their research study titled "Consumer-generated Ads: Does Awareness of Advertising Co-creation Help or Hurt Persuasion?" (Thompson and Malaviya, 2013). They emphasize that involvement of a fellow consumer in the ad co-creation process may increase persuasion. However, there exists a suspicion that the ad creator may cause a negative impact on persuasion. The "skepticism-identification" model proposed in the article describes ad creator's influence on persuasion (Thompson and Malaviya, 2013). Their research provides several specific contributions. Firstly, the study demonstrates that customers trust more to professional ad's creators than to ads created by consumers (Thompson and Malaviya, 2013). Thus, advertising appeals and messages to a customer may decrease brand evaluation and hinder consumer awareness of a certain

product. Additionally, this work extends previous researches on consumer-brand relations, adding more information about how consumers react to other customers' interference in the development of brand advertisements (Thompson and Malaviya, 2013). The writers suggest that more information about the ad creator may have a positive response to consumer-generated ads. Moreover, consumers with low brand loyalty negatively react to consumer-generated advertising appeals (Thompson and Malaviya, 2013). Thus, such advertising strategies may have the positive effect in retaining and attracting customers with high brand loyalty and frighten away those customers, who are not loyal to a certain brand.

Additional approach to emotional brand attachment is presented by Malär and his colleagues, who underline the crucial role of self-congruence in creating strong emotional brand connections with customers (Malär et al., 2011).

The writers suggest that self-congruence may considerably enhance consumer loyalty to a certain brand and increase company financial performance (Malär et al., 2011). This effect is stronger when consumers are involved with the product and when the level of public self-esteem and self-consciousness is high (Malär et al., 2011). However, ideal self-congruence is less important for emotional brand attachment, which is explained by the coexistence of the positive and negative impact of ideal self-congruence on emotional brand loyalty. The result of this study suggests that collaborative branding, when consumers contribute to brand development, may become an excellent way to create a brand personality corresponding to consumer personality (Malär et al., 2011).

Emotional branding is widely discussed in the modern marketing literature. People demonstrate specific emotions towards brands they buy, and namely trust, bonding, resonance, companionship, and love (“ Emotional Branding Pays Off,” 2011). According to the latest survey data, bonding is achieved by 20 (twenty) per cent of consumers, while love, companionship and resonance account less than 5 (five) per cent. Additionally, women are reported to be more receptive to emotional advertising appeals than men (“ Emotional Branding Pays Off,” 2011).

Another emotion that has a tremendous influence on consumer behavior and preferences is fear. This emotion can be effective in emotional advertising by persuading customers to do some activity and avoid fearful results (Modig et al., 2014). If the emotion of fear is effectively handled, it can increase a positive impact on persuasion. Coping with fear, consumers become more attached to certain brands than those who experience exciting or happy emotions (Modig et al., 2014).

Consequently, consumers perceive and evaluate brands not only on the basis of message content, but also relying on the way the message is reported. To attract consumers and influence their final choice, advertisers apply “ efficient” and “ creative” advertising, depending on marketing cost level and other factors (Modig et al., 2014). Efficient advertising has a positive impact on sales and cost reduction; however, it has a negative effect on brand attitude, interest and loyalty. Thus, creative and more expensive advertising appeals are more beneficial and effective in developing consumer-based brand equity, which in its turn, enhance financial returns, reduce risks and build long-term profit (Modig et al., 2014).

Emotional intelligence is crucial for successful marketing exchanges as it has an impact on customer relationships and sales performance. Although many studies have examined various emotions that influence customer choice and brand awareness, it is important to address salespeople's emotions, their abilities to recognize and respond to consumer emotions and their influence on marketing exchanges. This problem is discussed in the 2011 article "Emotional Intelligence in Marketing Exchanges" (Kidwell et al., 2011). The scientists provide a valuable key for understanding how salespersons interact with consumers and how their cooperation influences financial results of companies. People and organizations with high EI skills have more positive effect on consumers, their needs and preferences (Kidwell et al., 2011). In addition, EI helps in building relationship between sales performance and customer orientation and suggests that salespeople's emotional abilities are very useful when they apply strategies for cooperation with consumers (Kidwell et al., 2011). Consequently, professionals, who possess strong EI can employ such techniques more effectively. Moreover, it is very crucial for any organization to train sales professionals and make them more emotionally intelligent as EI is a forerunner of successful sales performance and selling behaviors. Furthermore, EI interacts with cognitive ability resulting in reinforced performance (Kidwell et al., 2011).

Consequently, salespeople with high EI can influence sales revenue and retain more customers. They can identify customers' feelings and emotions in various situations, know which emotion is more useful and manage emotions to avoid anxiety and frustration. Additionally, EI can improve the use of selling strategies and techniques and build stronger relationships

between brands and consumers (Kidwell et al., 2011).

Emotional intelligence influencing company's performance should be regarded in consumer-based brand equity framework. There are several approaches to brand equity in the marketing literature, which underlines the importance of brand-image associations (Sonnier & Ainslie, 2011). General brand effect penetrates consumer attitude towards a certain brand on specific image dimensions. As a result, the value of various brand-image associations may be formed on the basis of the general effect.

A study of brand-image associations and brand personality is important for brand success and consumer loyalty. A well-defined brand personality boosts consumer preferences and influences their purchase decisions (Venkateswaran, 2011). Recent studies demonstrate what brand personality factors lead to brand loyalty. Among these factors excitement, sincerity, sophistication and competency are the most important (Venkateswaran, 2011). Any organization should enhance their brand's personality and their core characteristics to be successful and popular among their consumers. Consequently, if a company wants to be competitive, retain and attract new customers, it should constantly work on and improve its brand personality and features (Venkateswaran, 2011). Modern consumers are loyal to certain brands and rarely switch them. So if companies want to be successful and to compete their rivals, they should improve brand personality and constantly introduce brand building tools and strategies.

Hypotheses

- There is a positive relationship between emotional intelligence and consumer attitudes.

Emotional intelligence that describes the ability to recognize and handle emotions has a positive impact on consumer attitudes. However, it depends upon the content of information provided to consumers, whether the impact will be positive or negative. Very often negative emotional appeals provoke negative consumer attitudes. In spite of this fact, fear has a positive impact on people's attitudes persuading customers to do actions and avoid fearful outcomes (Modig et al., 2014).

Furthermore, people and companies with well-developed emotional intelligence skills usually have more positive effect on their consumers and their preferences. Good emotional abilities are very useful for cooperation with customers and for building a strong relationship with them. Managers with high EI can easily predict and manage consumer emotions in various situations and influence consumer attitudes (Kidwell et al., 2011). Thus, emotional intelligence is crucial for building positive consumer attitudes towards a certain product.

- There is a positive relationship between consumer attitudes and consumer-based brand equity.

Consumers associate certain value and attitudes towards various brands developing consumer-based brand equity. The better association consumers have regarding certain products, the more positive brand equity appears. Different brand-image association and their value are crucial for positive brand equity as they increase company's financial performance and build

strong loyalty.

- There is a positive relationship between consumer-based brand equity and emotional intelligence.

Emotional intelligence interacts with consumer-based brand equity indirectly. However, this relationship is extremely valuable and important for better understanding of EI role and influence on the development of consumer-based brand equity. EI is important for any manager and company, which want to succeed, it is important for marketing exchanges and may enhance sales performance. Emotional intelligence influencing people's emotions and regulating their brand awareness and attitudes, forms a strong brand image and develops consumer-based brand equity.

Thus, these three hypotheses describe the relationship among three important variables, which exist in an emotional branding framework.

Emotional intelligence is the necessary skill of any modern successful manager and company that forms and develops consumer attitudes resulting in strong and positive consumer-based brand equity.

Study

Findings

Approximately 95 percent of respondents' attitudes towards positive advertisements were evaluated as positive. The most striking result was achieved regarding respondents' attitudes towards negatively valenced advertisements: more than 98 percent of respondents' attitudes were evaluated as positive (Figure 1). Moreover, women were reported to come under the influence of emotions and emotional advertising appeals.

Figure 1. Respondents' attitudes towards positively and negative valenced advertisements

Thus, emotional intelligence and emotional advertising appeals have a positive effect on consumer attitudes and influence their final brand choice. As a result, positive consumer attitude influence consumer-based brand equity and improve sales performance.

Research and Methodology

The research study applied descriptive model relying on data collected through a well-structured questionnaire to receive the respondents' opinions. More than 500 consumers participated in the study. After viewing various advertisements participants were asked to call certain brands "bad" or "good" using a bipolar measure scored -5 to +5 according to consumer attitudes formed on the basis of emotional advertising appeals. Participants rated the brands and appropriate advertisements relying on this bipolar measure.

Discussion and Implications

Emotional intelligence and emotional information management are skills that vary across individuals and organizations (Taute et al., 2011). These skills help effectively predict and manage consumers' positive and negative emotions. This, in its turn, influence people's attitudes towards certain brands and may form positive customer-based brand equity. Our study finds evidence of positive interaction between emotional intelligence, consumer attitudes and customer-based brand equity. We also find that negative emotional advertising appeals are more influential and efficient.

This research provides the important findings and contributes greatly to previous researches on EIM. Earlier studies have found that negative emotions and emotional advertising appeals have low levels of persuasiveness. However, our study suggests that managers' ability to handle emotions can impact the effectiveness of positively and negatively valenced emotional advertisements. People with well-developed EI skills who can better control their negative emotions may be less affected by negatively valenced advertisements (Taute et al., 2011). Positive ads provide more benefits to consumers who can manage emotional information successfully. This research also provides insight into relationships among emotional intelligence, consumer attitudes and customer-based brand equity. These three notions are interdependent and the value of each can be hardly underestimated.

Conclusion

This study helps to understand how positive and negative emotional appeals relate to brand awareness and brand associations, what role emotional intelligence has in developing consumer-based brand equity. In this study well-developed EI skills lead to positive consumer attitudes, improve the use of selling strategies and techniques and build stronger relationships between brands and consumers. Since marketing strategies of various companies aim at cultivation of loyal customers, emotional ads appeals play a crucial role in building of brand loyalty. Various emotions influence customers in different way. However, both positive and negative emotions provoke positive attitude and increase loyalty to certain brands. Thus, any company should develop

emotional intelligence of its employees to be top of consumers and improve brand loyalty.

Future research needs to determine whether other emotional messages can create additional emotional attachment to brands and additional responses to advertising.

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