

Nostalgia booming in marketing communication: does it matter in retro branding activities?

INTRODUCTION

In recent years marketing communication have undertaken a radical change. More and more companies rely on integrated communication plans, thus sustaining sales through plenty of communication tools and media. The proliferation of brands in most every industry and, simultaneously, the proliferation of media make communication tasks tough. Increasing difficulties arise when the objective is to capture clients' attention and preferences for new products and brands. In sum, observers and experts argue that the "old rules and ways of acting" will not be suitable any more in the future.

Focusing on *new* communication and marketing strategies, a sort of *nostalgia boom* characterizes advertising. Besides, in nearly every market new products appear with the name of a once very prominent brand. These brands had either completely disappeared from the market or had become, for some reason, irrelevant in the eyes of consumers with sales levelling towards zero.

It is clear that there can be many advantages for a company in reviving, particularly as an alternative to introducing a completely new brand. In that case marketing communication can leverage both on existing brand salience and on hidden significance. It can communicate the positive values associated to past times that favour *classic* brands: security, solidity and authenticity. It can elicit favour both in once loyal consumers and in new ones, to whom retro brands might evoke different feelings. The investment in marketing communication may be lower than that needed for new brands, as consumers will be exposed to cues that potentially activate pieces of information stored in memory, which Romaniuk and Sharp (2002, 2004) has defined as *brand salience*. Since nostalgia reflects an individual's positive affect for the past, it would appear to evoke positive affective responses from consumers (Holek and Havlena, 1998; Pascal, Spratt, Muchling, 2002) and consequently may be assumed effective in producing favourable advertising outcome.

Apart from retro branding literature, progress in advertising science include the issue of consumers' responses to evoked nostalgia, distinguishing between personal and historical nostalgia. Recent studies explore the affective and cognitive function of nostalgia underlining the vacuum existing in literature referred to the effectiveness of nostalgia in persuasive messages (Perrusson, Ater a l'IUT). In fact, there is no clear indication about its effectiveness as a style nor as a stimulus in persuasive messages.

This study focuses on retro brands. The attempt of the research is to give quantitative insight in those factors influencing the success of retro branding strategies. The research addresses the issue of nostalgia by verifying the relationship between nostalgia and retro brands' success. The ultimate goal is, at the time, to discuss the role of marketing communication for retro brand success, thus contributing, indirectly, to the debate on the influence of evoked nostalgia on consumers' responses to marketing communication.



BACKGROUND OF THE STUDY AND THEORETICAL FOUNDINGS

Brand salience and brand choice affect product success, the role of marketing communication being therefore to favour both those propensities. One way a company can foster and speed up the process of communication is the revival of a dormant or historical brand. This strategy is based on the belief that customers immediately recognise the brand and that the brand still has positive customer-based brand equity. However if an exact reproduction of a product is brought back on the market, the problem of not being able to meet today's performance standards exists, be it functionality, safety or quality (Brown, Kozinets & Sherry, 2003). Retro products are a combination of old-fashioned forms with the most advanced functions.

Moreover, like this, they manage to bring into line the past with the present (Brown, 1999, 2001a). For the purpose of this research, the definition of retro branding developed by Brown, Kozinets and Sherry (2003) will be adopted. Thus, retro branding is: "*the revival or re-launch of a product or service brand from a prior historical period, which is usually but not always updated to contemporary standards of performance, functioning or taste*".

Although conceptions of brand heritage provide one route to an understanding of the process of retro branding, they do not holistically *capture the intriguing dynamics of retro marketing in general and brand revival in particular*. Classic brands not only embody the moral values of craftsmanship and lasting value, they also seem to make the consumer reflect to a time when the world seemed safer, more comprehensible and much less commercial (Pollio and Locander, 1994).

A retro brand's heritage can also serve as a proxy for experience, which can be compelling in a retail environment that is overwhelmed by thousands of new product launches every year (Earle, 2004). Brands express and share their heritage in the form of a narrative - a meaningful, relevant, and memorable story. While brand heritage alone may not be able to predict consumer response to a revival after several years, it can give perspective to consumer response in the past. Among the various influences that motivate consumers to buy products and brands from a past historical era, there are two recurring themes mentioned in the literature. Namely, *nostalgia* and *authenticity* (Geissler, 2004; Gruenewald, 2003; Hedbergh & Singh, 2001; Hein, 2003; Lewis & Bridger, 2000; Lowe, 2002; Lyon & Colquhoun, 1999; Naughton & Vlasic, 1998; Seidel, 2003; Taylor, 1995; Van Bakel, 2002).

The *nostalgia theme* has been largely utilized in advertising independently from retrobranding. Marketers apparently discovered that nostalgia may appeal to a greater collection of consumer age groups. At the same time, they may have attempted to capitalize on the cultural anxiety brought about, firstly, by the end of the millennium and, then, by the global economic crisis. Another possible explanation for the increased use of nostalgic advertising has been associated with the growing age of the population (Pascal, Sprott, Muchling, 2002). If consumers may respond favourably to nostalgic advertising because they derive a sense of security from the nostalgia evoked by the advertisement, nostalgic products and advertising may provide baby boomers a chance to stop the clock and the opportunity to act and feel young again (Naughton and Vlasik, 1998).



EVOKED NOSTALGIA AND CONSUMERS' RESPONSES

Among the various influences that motivate consumers to buy products and brands from a past historical era, nostalgia and authenticity have been frequently evoked by authors. There also appears to be a strong relationship between the two factors according to some researchers. For example, products or brands, which are perceived as authentic, often stem from a prior historical epoch. As their appearance is reminiscent of a prior historical era, they may elicit a nostalgic reaction (Lewis & Bridger, 2000). Nostalgia, on the other hand, is a romanticising of the past, which is often perceived as being authentic, or at least more authentic than the present (e.g. Taylor, 1995). In more depth, the term nostalgia describes a yearning for the past often in idealized form.

In consumer behaviour literature, nostalgia is conceptualised as part of preference in the consumption of goods and experiences (Holbrook, 1993). Accordingly, Holbrook (1993) describes nostalgia as “a preference (general liking, positive attitude, or favourable affect) towards objects (people, places, or things) that were more common (popular, fashionable, or widely circulated) when one was younger (in early adulthood, in adolescence, in childhood, or even before birth)”. Baker and Kennedy (1994) define nostalgia as “a sentimental or bittersweet yearning for an experience, product, or service from the past”. Belk (1990), in turn, describes nostalgia as “a wistful mood that may be prompted by an object, a scene, a smell, or a strain of music”.

Hirsch (1992) remarks that the past that is yearned for is one that actually never existed, it is rather an idealised or sanitised version of an earlier time period. Often this yearning for yesterday (Davis, 1979) is expressed by the individual's attempts to recreate some aspect of the past in present times, either by reproducing activities performed then or by using symbolic representations of the past (Hirsch, 1992). More importantly, the nostalgic urge to recreate the past within the present is often a driving force for action. Furthermore, Davis (1979) makes a distinction between *communal* and *personal nostalgia*. Personal nostalgia is related to individual life cycles. As people get old, they are likely to reflect on how they looked when they were young and attractive. Communal nostalgia, on the other hand, occurs at a societal level aroused by epochal changes brought about by wars, revolutions, invasions, economic dislocation or environmental catastrophe (Davis, 1979).

This nostalgic experience provides reassurance of past happiness and accomplishment, in turn providing comfort and feelings of self worth. Until recently, opinions diverged whether nostalgia can only be felt for a “personally experienced past” (Davis, 1979) or reaches back in so far, that it embraces the whole past (Lowenthal, 1985). Today, it is mainly argued that a person does not have to have lived through a particular period in time in order to feel nostalgic for it (Chase & Shaw, 1989; Holbrook, 1993; Baker and Kennedy, 1994). In most cases the nostalgic emotional reaction was once associated only with individuals of a “certain” age (Wallendorf & Arnould, 1988; Belk, 1988; Holbrook & Schindler, 1989; Louv, 1985); namely the baby boomers, who were around the age of 40 or 50, and senior citizens (Havlena & Holak, 1991). Holbrook and Schindler (1994), however, found that rather than relating only to senior citizens, nostalgia is a positive attitude towards earlier times that some people develop already early in life. More clearly, Stern (1992) describes historical nostalgia as “the desire to retreat from contemporary life by returning to a time in the distant past viewed as superior to the present”. It is in essence an escape fantasy from the here and now (Whissen, 1989), which is represented in the “static, pictorial, [and] contemplative [...] attributes” (Jameson, 1975, p.139) of products, experiences or services. Thus, while in its extreme form nostalgia may result in a withdrawal from reality (Kaplan, 1987; Stern,



1992), in general it can serve a useful purpose, as a response to the experience of discontinuity (Davis, 1977, 1979; Tannock, 1995).

Gries (Geissler, 2004) says that a feeling of anxiety for the future brings about the current nostalgia or retro trend. Similarly, according to Hedberg and Singh (2001), as people are craving for stability, brands that awaken a sense of nostalgia can help bring stability. Naughton and Vlasic (1998; see also Beukert, 2002; Steffens, 2003; Crain, 2003) point out future anxiety and the pace of innovation (technological anxiety) to be the reasons why people yearn backwards to a time when everything seemed more innocent and idealistic. Gruenewald (2003) names a specific event as being one cause of anxiety for the future: the terrorist attacks on September 11, 2001. According to him consumers are missing a vision of the future, they feel the pressure for change and know that something will change, but they do not know where this change will lead to. Consequently, consumers behave in ways to minimise risks, they become prudent, austere, and hesitant in their decisions. Their search for simplicity, orientation and control leads them to complexity reduction, avoiding multiplicity and variety.

These desires for the spirit of the past might be fulfilled by retro brands, as with buying these brands a consumer also buys the subjective participation in an authentic attitude towards life (Peters, 2003). Naughton and Vlasic (1998) argue that younger consumers tend to reinterpret the old times. Products are often updated with an ironic twist, as they are taken out of their authentic context. Similarly, Scholz (2003) says that the trend leverages on revisiting the past in a positive way. The “cherry picking” of various nostalgic elements, often from different periods, produces an eclectic mix that in some cases does and in some cases does not reflect historical reality (Ironson, 1999).

Historical reality seems inextricably linked with authenticity. This concept can be defined as “genuine, reliable, trustworthy, real, actual, original and of an established credit” (Oxford Dictionary). Accordingly, consumers tend to reject mass-produced and mass-marketed commodities in favour of products and services that can claim to be authentic in some way. As work, family life and society no longer provide self-fulfilment, consumers are increasingly searching for authenticity in one of two ways: through the consumption of spirituality and through “retail therapy”. According to Lewis and Bridger (2000), people seeking authenticity try to circumvent or even avoid the sometimes blatant display of high-priced status symbols. Instead, people seek for more subtle, minimalist demonstrations of their wealth, such as high quality produce (e.g. biological, pure, and unprocessed) (Lewis & Bridger, 2000). In fact, both of these outlined behaviours are related to the theme of identity reconstruction.



RESEARCH METHODOLOGY AND HYPOTHESIS

This study focuses on retro branding. The key research question is “are there advantages in re-launching an historical brand versus a new brand, from the consumer perspective?”, by that verifying the importance of nostalgia in retro branding strategies. Five hypotheses are developed and then tested by means of a logistic regression. Logistic regression is used since there is a dependent variable to predict on the basis of continuous independents, to determine the percent of variance in the dependent variable explained by the independents; to rank the relative importance of independents; to assess interaction effects; and to understand the impact of covariate control variables. The impact of predictor variables is explained in terms of odds ratios.

The data was collected from a relatively large (246 observations) convenience sample through an anonymous online questionnaire.

The research approach chosen for this study is deductive, implying that the researcher has developed some propositions, which are tested in the field (Miles & Huberman, 1994). The research is based on a conceptual model of the influencing factors in the purchase intention of retro brands. This initial version is tested against the data obtained from the questionnaire responses. Subsequently, the preliminary model is adjusted as it is tested against the empirical results of this research.

Following the research questions, the 5 hypothesis are:

Hypothesis 1: The exposure to retro brands elicits a strong emotional reaction - positive aspects of nostalgia – (Baker and Kennedy, 1994)

Hypothesis 2: Retro brands are symbols of security, structure, and orientation in a time of constant change - communal nostalgia – (Hirsch 1992).

Hypothesis 3: Retro brands are perceived as representing a point of difference in today’s mass-produced product surrounding (Earle 2004 on heritage).

Hypothesis 4: Certain product categories are more likely than others to benefit from retro branding.

Hypothesis 5: The retro brand cannot be re-launched “as is”, it requires updating with cutting-edge functions and to harmonize the past with the present (Brown on re-launching historical brands, 2003).



DATA COLLECTION

The sample of respondents is a convenience sample. (Flick, 2000). However, an attempt has been made to ensure that this sample is an accurate representation of a population. The respondents all have higher education (university degree or above) and there is an almost equal number of males and females. All adult age groups are represented and the dominant age group (18-24) means that there are not too many respondents with previous direct knowledge of the re-launched brands discussed. The survey was conducted online which requires a certain amount of familiarity with the tool (although it is fairly user friendly). Two nationalities (Italian and Swiss) have larger than average shares in the number of responses but overall it can be stated that the respondent profile corresponds to a specific type of consumer: well-educated, cosmopolitan, familiar with the concept presented and therefore in target as far as the typical retro brand is concerned.

The data was collected over three weeks between February and March 2010. A web-based questionnaire was used, respondents were sent a link and asked to access the survey on-line. The total number of responses on the day the survey was closed was 246; in the more complex elaborations 235 observations are taken into account .

The likelihood that a consumer will declare a preference for an historical brand versus a newly launched one serves as the dependent variable. The variable was constructed by collecting the responses to the statement “I would be more likely to look at a brand I had heard of before, even if it was no longer present on the market, than a completely new one when considering a purchase”.

The independent variable is the extent to which an historical brand as opposed to “modern” alternatives provides security, and the extent to which a retro (re-launched) brand is considered to have stronger distinguishing features as opposed to a new one. This is constructed by averaging the responses to the following statements:

Independent variable 1: Feelings associated to historical brands: indifference, negative, positive.

Independent variable 2: “An old, known brand gives more security than a newly launched brand”

Independent variable 3: “Retro (re-launched) brands are more likely to have strong, distinguishing features in comparison with a new brand.”

In order to obtain comparability the dependent variable is transformed into a binomial with value 0 assigned to answers 1-3 and 1 to answers 4-5. This then allows for a logistic regression¹ of the dependent variable on the independent variables and on the moderator.

The re-launch strategy is the moderator (responses to question 4): a consistent strategy should strengthen the relationship an inconsistent one weakens it which is measured through the indications given in the re-launch strategy examples.

The consistency of the re-launch strategy is a complex construct which is represented by a number of interdependent aspects which relate to the brand.

Firstly, the type of product category that is suitable for re-launch will vary. Secondly the type of re-launch strategy must be consistent with the product category and this is measured by matching the category to a number of options. The hypothesis is that if the functional aspect is the dominant association, then there will be expectations for this to be reproduced. For example if the category is strongly related to taste or olfactory

¹Logistic regression is a useful way of describing the relationship between one or more independent variables (e.g., age, sex, etc.) and a binary response variable, expressed as a probability, that has only two possible values.



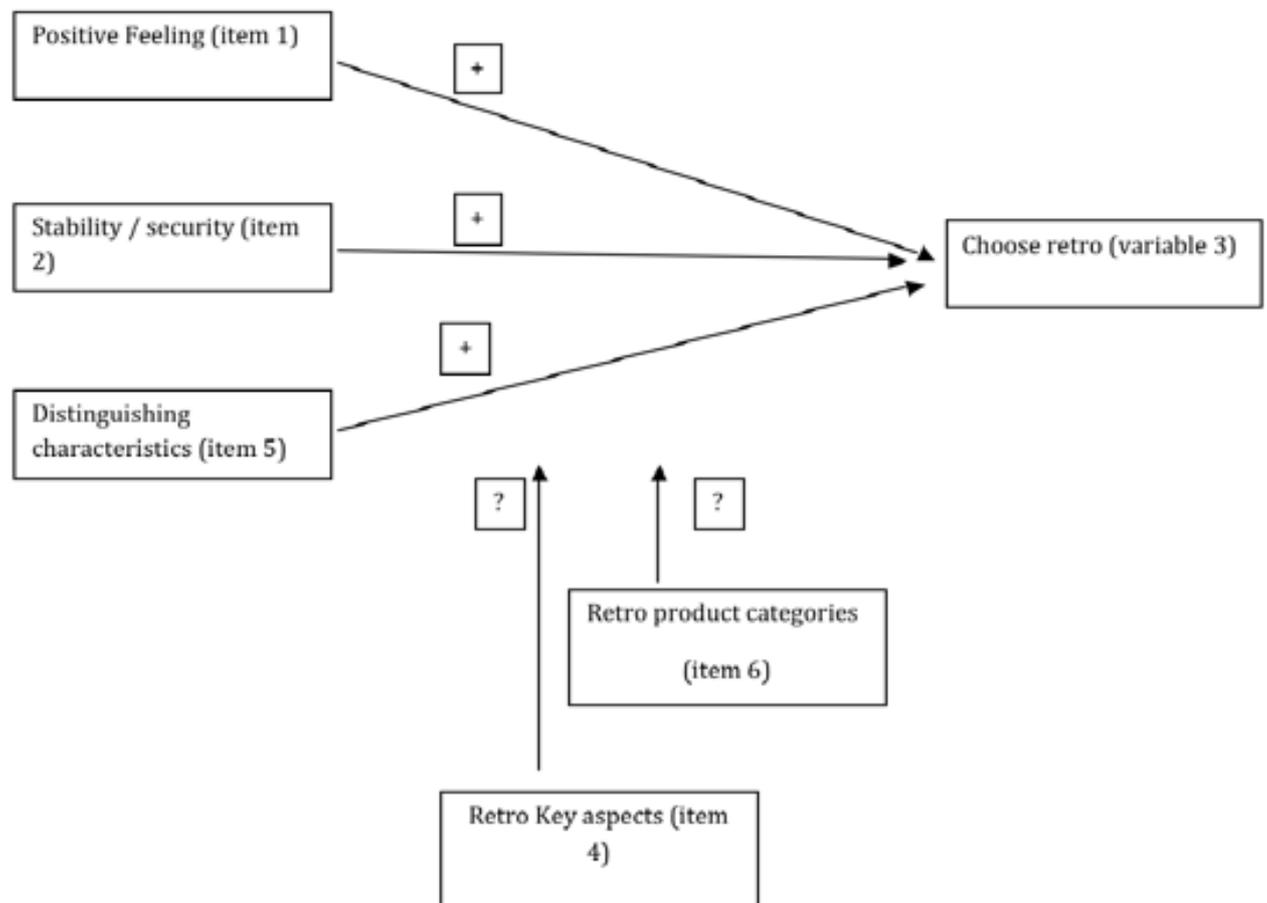
memories, the responses on re-launch characteristics should focus on reviving the particular scent (for perfume) or taste (for a food product). Where the category is more linked to intangibles, the responses should direct towards bringing the image not the product features back to life. The difference between driving a vintage car with no seat belts or power steering and a modern car with retro styling. This is measured by verifying the consistency of the responses between the choice of product category that most lends itself to revival:

I would be more likely to look at a re-launched (retro) brand versus a completely new one in the following categories: cars, watches, perfume, chocolate, shoes.

and:

the choices made on the features that have determined the success of two re-launched brands.

Control of age, sex, and nationality differences is through the demographic variables. Further control of differences between marketing and non-marketing professionals is exercised in order to verify possible bias.



ANALYSIS OF THE RESULTS

The basic model is significant with a chi2 of 0.008 and in this basic model hypothesis 2 which states: *retro brands are symbols of security, structure, and orientation in a time of constant change (communal or historical nostalgia)* is confirmed since the correlation coefficient is positive at 2.35. The odds ratio is positive at 1.54 indicating



updating discussed in the literature. Van Bakel (2002) indicated that nostalgia alone is not enough to make an old brand young and relevant again and Hein (2003) proposes that resurrecting brands has to incorporate changes. The original version of the brand should change so that consumers perceive it as even better than before. It can be taken out of the original context and continue to represent spirit of the time (Scholz, 2003)². It is also true, that often product features are a proxy for the overall perception that a consumer has of the offer which might explain the fact that the other items are not significant in the analysis.

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. logistic choose positive_feeling stability distinguishing_char design features image
Logistic regression          Number of obs   =      246
                             LR chi2(6)         =     12.37
                             Prob > chi2          =     0.0542
Log Likelihood = -122.001    Pseudo R2       =     0.0483
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| | choose | Odds Ratio | Std. Err. | z | P> z | [95% Conf. Interval] |
|---------------|--------|------------|-----------|-------|-------|----------------------|
| positive_f-g | | .8535101 | .1587168 | -0.85 | 0.394 | .5928177 1.228842 |
| stability | | 1.518057 | .2862756 | 2.21 | 0.027 | 1.048982 2.196887 |
| distingul s-r | | 1.089496 | .2265627 | 0.41 | 0.680 | .724798 1.637701 |
| design | | .8769675 | .3122933 | -0.37 | 0.712 | .4363808 1.762388 |
| features | | 1.816067 | .4821709 | 2.25 | 0.025 | 1.079283 3.055824 |
| image | | 1.128698 | .2866149 | 0.48 | 0.634 | .6861651 1.856636 |

Hypothesis 5: The retro brand cannot be re-launched “as is”, it requires updating with cutting-edge functions and to harmonize the past with the present is therefore partly confirmed in the sense that the features updating is considered mandatory whereas the harmonisation of the past with the present expressed by the image and design options is not. Adding the control variables to the regression, the model is still significant with a chi2 of 0.07 with the relationships confirmed as in the previous step. The nostalgia feeling remains negative, stability positive, features positive, design and image not significant. The reason for the neutrality of image and design can be explained either by the fact that respondents find it easier to relate to a concrete example and need to have more specific prompts (which will be examined later) or that the product features are considered to represent the updating more significantly than other items in the offer. In the next step feelings (nostalgia) and key re-launch aspects (design, features and image) are analysed. The model is still significant with a chi2 at 0.05, the z coefficient is +2, the P(z) is 0.04 and the odds ratio at 1.46.

² The new line of products had to have an evocative name that would immediately be associated with Citroën. Logically, the brand turned to its heritage.

Looking beyond its huge renown, the DS name embodies the impudence of a truly French car, bold and non-conformist. In the way that it expresses design and sensuality, distinction and status, difference and sense, daring and savoir-faire, the DS is compliant with Citroën’s identity: a Different Spirit.

The DS name symbolises innovation and success, styling and technology. It is a powerful component of Citroën’s heritage. DS expresses a new approach to cars and a new way of looking at the future. A future inspired by a unique genetic code, passing on the genes of innovation and distinctive design. DS INSIDE is the Citroën experience viewed from the inside.



CONCLUSIONS AND LIMITATIONS OF THE RESEARCH

This study has shown that retro branding is not only a viable alternative to brand extension as had been suggested in previous studies, but it has also gone some way to providing quantitative validation of the proposition. It indicates that since stability is a key issue at times of economic crisis, retro branding might be a more suitable alternative in an unstable economic climate. It could be preferred by consumers since it represents the security they seek and it would allow the firm to leverage residual brand equity and save valuable resources. Retro brands evoke *continuity* and *stability* and tend to reassure customers when instability and risk perception increases (Geissler, 2004; Hedberg and Singh, 2001; Naughton and Vlastic, 1998; Beukert, 2002; Steffens, 2003; Crain, 2003; Gruenewald, 2003).

Retro brands offer only partial acknowledgements to the opinion of Lyon and Colquhoun (1999) who state that the past serves routinely as a symbol of quality. More precisely, the perceived quality concept is strongly related to *authenticity*. In sum, stability and authenticity appear to be the key drivers in retro brands' success.

A central concept to retro branding refers to the updating to contemporary standards of functionality. In fact, as Van Bakel (2002) argues, nostalgia alone is not enough to make an old brand young and relevant again. To Schmid (2003) it's the *emotional authenticity* which is important with retro brands: the original version of the offer is changed in so far that consumers perceive it as even better than before.

As far as the role and the importance of nostalgia is concerned, consumers in general are not moved to consider a purchase purely based on nostalgia. But the research results indicate quite clearly that, in the re-introduction phase, a company should view the nostalgia element as an accelerator since it certainly tends to generate positive feeling. However, elaborated results indicate that nostalgia alone cannot be the core of a re-launch strategy. As just underlined, product features are indicated as being crucial in the evaluation: thus, a retro brand should look similar to its original version while at the same time be adapted to contemporary standards, so that it corresponds to the updating requirements that respondents indicate as essential.

Since there are no notable differences in the responses by sex, age group or nationality in terms of responses, it can be assumed that consumers will not have significantly different requirements in terms of the offer associated to a retro brand as had been discussed in previous research. It can be expected that older consumers will assess the brand's quality anew even if they had previous experience of it since their expectations concerning a brand's performance will have changed with technological progress over the years. Furthermore, if the outer appearance looks too "old," this might have negative repercussions on the quality perception of the product itself. In addition, if the brand itself or the product looks old, in the sense of old fashioned, it will not be preferred or associated with *trendy*, which was indicated in the qualitative responses as an additional reason to choose a retro brand. In both responses to the questions "what determined the successful relaunch" of the two brands indicated in the questionnaire (Fiat 500 and Blancpain watches) design/style obtained the greatest number of preferences.

"Retro" as a function of fashion can only maintain a certain degree of desirability as long, as the retro trend exists. The research indicates that if the brand is not updated in its outer appearance as well as its image or mystery surrounding it, it might end up as a fad. Marketers need therefore to develop a new point of difference.

Concerning promotional activities, companies reviving a brand should not just rely on the existing brand equity in the minds of consumers. The results of this research reveal that consumers will not give a retro brand unconditional approval. In general, promotional activities should refer the product to the time it represents: the "cool 70ies"



or the “individualist 80ies”. Although the nostalgia effect is not a reason for purchase on its own, it is quoted as essential in re-launching and positioning the retro brand. It therefore makes sense to leverage this and to do so with specific reference to the time it is anchored in. The company will therefore have to revive stories about the brand, leverage symbols or old associations to attract a self-developing consumer group which is not necessarily defined by demographic variables.

Considering the older generation as a model for younger consumers is risky and short sighted as there are no indications older consumers have a stronger drive the need to buy a retro brand. Thus, extensive advertising is needed to support retro brands, in order to increase the relevance of them amongst younger consumers rather than rely solely on the retro trend. This is especially true for those brands, which are reintroduced on the market many years after they were abandoned. As far as Italian experiences are concerned, the Fiat 500 re-launch began 500 days before the product became available with a web site which encouraged consumers to post stories, photos and old songs as well as make suggestions as to what they would like in the new version of the car. Cremonini built the transition from the old to the new very carefully leveraging the old character in the advertisements for a time to restore the image before moving to a new format.

It should be noted that the research was carried out at a time of severe economic crisis. Also, the choice of “comfort” products such as perfume and chocolate as preferred categories for re-launch over bigger ticket items, such as cars, might be partly influenced by the current turbulent market situation.

With respect to the research results, some limitations of the study need to be mentioned. Firstly, it is important to note, that there are no indications as to whether the respondents have direct experience with a retro brand, only that they are aware of what it represents and most recognise at least one of the two examples presented. Therefore, the questionnaires examine the issue from a hypothetical rather than an experiential basis, and only provide insight into an interest in the concept rather than an evaluation of a direct experience.

Secondly, concerning the intangible issues such as nostalgia or even stability or security which are sensitive or subconscious, investigating through a questionnaire rather than face-to-face interviews will provide concise but not exhaustive, in depth results.

Finally, the convenience sampling technique might sacrifice reliable information to some extent although all elaborations indicate that results across groups are consistent.

Since the topic of retro branding has not been extensively researched but shows great promise in terms of consumer interest, further investigation would be strongly recommended. Additional research into specific product categories is definitely key since it would provide a further validation of whether the high-tech versus low-tech categorisation (i.e. consumers are less willing to accept a high-tech re-launch unconditionally) proposed in the findings makes sense. The indication that nostalgia is only an accelerator and not a driver of purchase motivation could also benefit from further study in the field of consumer behaviour and communication. Finally, the sample used is predominantly composed of young, well-educated consumers. It might be worthwhile to re-test the hypotheses on older consumers, particularly if they have direct experience of the brands used as examples.

