

Leveraging Consumer Psychology and Behavior to Enhance Brand Reputation

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Abstract:

This essay explains how to utilize consumer perceptions to enhance brand reputation, it can help more companies use this method to improve their brand reputation and then increase market share. In the current market environment, more and more risks become unpredictable, and it is so hard to know consumers' perceptions of the company's products, furthermore, consumers' perceptions always interact with brand reputations. So, it is necessary for the company to know consumers' psychology and use some maneuvers to change consumers' perceptions that can improve their brand reputation. Swatch is a big company in Switzerland which can be recited in the essay because Swatch does well in terms of changing consumers' perceptions to enhance brand reputation. According to so many professors and scholars' essays and research, companies need to find their strengths and use them to create their innovative products and make it popular. This behavior can be exerted in many companies to enhance their brand reputation.

Keywords: Consumers perceptions, Brand reputation, Consumers behavior, Word-of-mouth, Marketing.

1. Introduction

In the current market environment, a good brand reputation will have an important implication for a company, and if a company wants to improve its sales, it is so necessary for the company to enhance its brand reputation, because consumers who want to buy products, will first pay attention to the word-of-mouth of the products, and the estimations of products are the best evidence to validate the word-of-mouth of the products. These estimations would be from other consumers, family, and friends, if someone around you recommends this product, consumers are likely to be convinced. Enhancing brand reputa-

tion is a really important strategy for the company. This essay will analyze what relationships between consumers' perceptions and brand reputation and how a company uses strategy. Previous research focuses on enhancing brand reputation and utilizing word-of-mouth, this essay clarifies what is the consumer's perceptions and brand reputations, how to utilize word-of-mouth, what is the relationship between consumers' perceptions and brand reputation, analyzes how Swatch enhances their brand reputation.

2. The basis of consumers percep-

tion and brand reputation

2.1 Consumers perception

Consumers' perception is the feelings, attitudes and beliefs of consumers who have a connection to the brand. The research shows consumer perception always interacts with a series of factors, including brand image, product quality, price strategy and marketing [1]. Keller's consumer perception structural model indicates: consumer perception is comprised of the association of the brand and constitutes knowledge, affects consumers' buying decisions [1].

Then, consumers' cultural surroundings and personal experience will also interact with their consumer's perception. Hofstede's research indicates: That consumers in different cultures always have difference about estimations of brand and expectations, this phenomenon affects the brand's global strategy and marketing [2].

There are some instances can prove consumers perception better. Taking Apple as an example. In terms of consumers perceptions, Apple's consumers focus on their beautiful design and user experience. Most consumers think the products of Apple have high quality, easy to use and have stylish. Therefore, although Apple's products have high price, consumers also ready to pay for it, because they think they gain the special user experience and brand value. Taking Tesla as an example. Tesla's consumers perception always associated with their innovation, environmental protection concept and high function. Most consumers think Tesla stands for transportation in the future, they have the advanced auto driving tech and long battery life. Tesla's brand image also associated with high tech and sustainable development; it interacts consumers high worth perception to their products.

2.2 Brand reputation

Brand reputation is the estimations from all people. The formation of brand reputation always be interacted by consumers experience, brand credibility and social communication [3]. The research finds positive brand reputation can improve the market performance of brand and consumers' loyalty remarkably [4].

Social media's rise makes the speed of propagation of brand reputation hasten; their scope of influence also be improved. According to the research [5], online estimations and recommendations from consumers have a big influence. Brand reputation not only be decided by consumers' feelings, also be affected by virtual neighborhoods and online estimations [5].

Here are some examples can reflect brand reputation better. Taking Nike as an example. Nike was famous for

their advertisement "Just Do It" and athlete advocate to build strong brand reputation. Despite in 2018 [6], Nike triggered dispute because their advertising cooperation with Colin Kaepernick, but it makes Nike's brand reputation stronger than before, and attract consumers who are empathy for social responsibility. Taking Starbucks as an example. Starbucks build really strong brand reputation in the consumers' experience and social responsibility via implementing fair trade coffee sourcing, environmental protection measures and supporting social welfare activities. By these series actions, Starbucks improve their brand image, make it gain the positive approval around the world.

2.3 The relationship between consumer perception and brand reputation

There is a close relationship between consumer perception and brand reputation. Positive consumer perception always causes positive brand reputation, but negative consumer perception may give rise to worse brand reputation [7]. The two-way interaction between consumer perception and brand reputation can affect brand's overall image and market performance [8].

For instance, in brand management "Brand Consistency" theory indicates, consumer perception and brand reputation need to be consistent in every trigger to augment brand's trust and loyalty [9]. Besides, brand crisis management is also the important facet of brand reputation maintenance. According to the research of Coombs, the coping strategy while brand is facing crisis would affect consumers' reputations and estimations.

Taking TikTok as an example. TikTok, as one of the most well-known short videos apps currently, TikTok has their own methods to enhance brand reputation. For consumers, analyze their personality: the consumers who are outgoing tend to create and share something, because they enjoy social activities and showing themselves; The consumers who are sensitive they prefer to watch something rather than create and share something, because they always pay attention to the feedbacks of contents and some negative estimations, they care other's opinion [10]. And according to the research of consumers motivations, there are four motivations around consumers: Entertainment motivations, consumers use TikTok to entertain, these motivations contribute consumers to watch and show something interesting; Social motivations, the consumers who want to have a connection with others tend to create and show; Self-expression motivation, the consumers who like to express themselves would create and show positively, in order to show their personal characteristics and creativities; Motivation for information acquisition, some con-

sumers utilize TikTok gain some information and contents of education, it always affect their behavior [10]. Based on consumers personality and motivations, on the one hand, TikTok can provide instant fun and relaxation, it can help people release the pressure. Another hand, TikTok's short-form video format and algorithm-driven content recommendations enable users to get quick satisfaction. TikTok affect consumers perceptions [11]. TikTok's kernel is short video, consumers can create and show videos 15 seconds to 10 minutes, TikTok support more editing tools and shoot special effects, encourage consumers to create innovative videos, and their algorithmic recommendation system also spur consumers to use it [12]. And according to Anderson's user group and behavior research: TikTok impact young people's perceptions, because young people always accept platform's innovative functions and contents and they like new things. Besides, young people like to create more new things, they all think TikTok is a good platform to express themselves. [12]. This behavior attracts more consumers to use it, improve their brand reputation.

And every company which want to enhance their brand reputation, they bound to follow six things: social currency, trigger, story, practical value, public, emotion. This is the basis of word of mouth, if company utilize these six things well, they can improve their brand reputation effectively. Swatch, a watch company from Switzerland, in recent years, it has rapidly occupied the share of the watch market, and obtain good brand reputation. How Swatch do that? The answer is leveraging consumers perceptions to enhance brand reputation.

3. Swatch Analysis

Swatch, as a famous watch brand from Switzerland, via their special design and innovative marketing strategy from 1980 [13], received strong support from consumers. Consumers perception and brand reputation play a really important role in it.

How consumers to understand and experience Swatch? According to the research of Keller, consumer perceptions are the feelings, attitude and belief of consumers who have the connection of brand [1]. In the case of Swatch, this definition can be reflected on the research of Long, Swatch be fond of consumers via their colorful and innovative design [17], for instance, Swatch's Moon Watch product was made by two beautiful paintings: His bright dream and Her bold dream which were made by Saype. This is the valued inspiration, two children have the same dream, they both want to explore the earth, even solar system. Moon Watch's design style is moon and stars, like it is really on the moon. And Swatch's other products

also have their own special design, this is unprecedented. Brand's innovation and fashion make company stands out in the competitive watch market [18]. Swatch's market positioning strategy and lower price also improve their brand's awareness and attraction highly [19].

When Swatch was just starting out, they decided to utilize lower price to enhance their sale, and this strategy was a good option because in that moment most watch has high price and most young people did not want to waste money buying unfashionable watches, this is also the important factor.

And Swatch changed the consumers perceptions via re-branding successfully in the 1990 [13]. Originally Swatch was simple and practical, Swatch had gradually transformed into a representative of fashion and art. Swatch's image became more avant-garde and fashion by cooperating with some famous artists and designers [20], for instance, cooperated with Keith Haring, Jean-Michel Basquiat, it improved Swatch's attraction through young people.

Brand reputation always be influenced by series factors: loyalty, price, word of mouth. According to the research of Kotler and Keller, the two-way interaction between consumer perception and brand reputation can affect brand's overall image and market performance [8]. Swatch wins good reputation by their high-quality products and attracting stories [15], every product in Swatch would have their own story, it always associates with some famous paintings and buzz, attracts more people to buy it. Besides, brand's marketing activities and cooperate with some famous artis also enhance positive Brand reputation [16]. For instance, some new products' inspiration will be based on some paintings which their writer is cooperating with Swatch and established Peace Hotel, Shanghai where people can create watches by themselves, and they can gain these one- of- a- kind watches. Social media and consumers' estimations play a role in formatting Swatch's Brand reputation [21], when other customers post their own styles which they made in Peace Hotel, Shanghai on WeChat Moments or Instagram after designing their watches, this will attract other consumers to come and design, because this is really new in the watch market, which is also a means for Swatch to attract customers. There is also a membership system launched by Swatch, if the higher the membership level of the consumer, the more benefits will be enjoyed, when you see that others can make friends in the club, design personalized watches, and enjoy better after-sales service, most people will imitate the behavior of others to open a membership.

In culmination, Swatch's consumers perceptions and brand reputation closely related. Brand's innovative design, resonable pricing and efficiency marketing strategy

all influence consumers perceptions and reputations remarkably.

4. Conclusion

Swatch, as a famous brand in Switzerland, their colorful design and innovative products attract many consumers. And innovativeness and fashion can interact consumers perceptions, change their ideas, feelings, estimations of products, so as to interact their perceptions.

Swatch utilize their high-quality products and improve consumers` experience, improve their own service to consumers and good welfare to build strong brand reputation, and if Swatch build strong reputation, this is the symbol of they have good word of mouth, consumers think Swatch`s product is so good, they would be willing to assist Swatch to publicize their products to others.

In culmination, Swatch build good reputation by leveraging consumers perceptions, Swatch use their innovative brain and efficient strategy, good service change consumers perceptions, and consumers who like this products or brand, positive perceptions always cause good reputation, they would be willing to assist to publicize. This is a really good strategy to build strong brand reputation, so other enterprise can also learn this method.

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