Decoding TECH BRANDS

a. Effects of Colour

b. Semiotics of Shape

d. Meaning in Typography

c. Cues in Language
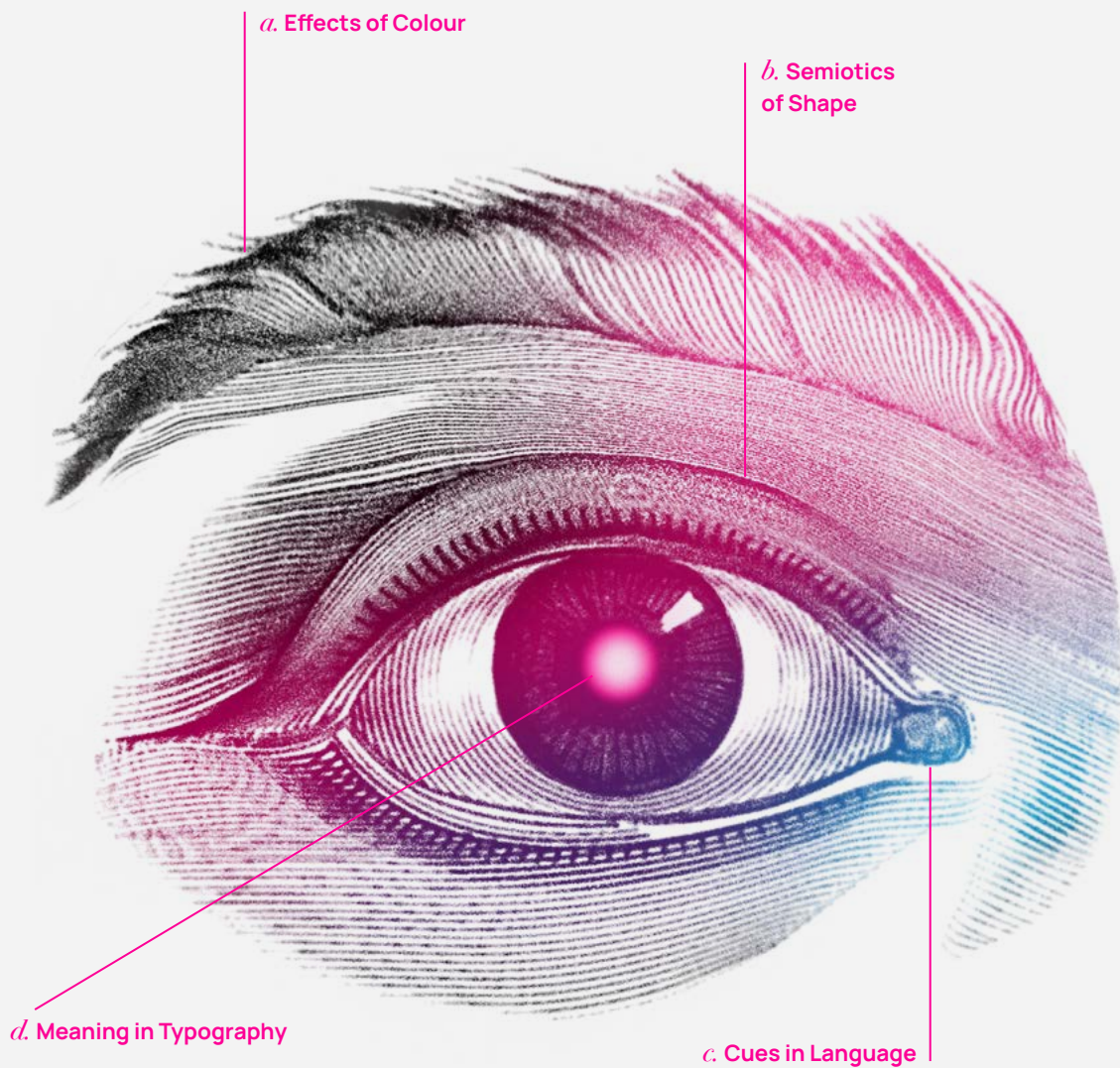
HOT**WIRE** × THE UNIVERSITY OF SYDNEY

Leading THIS REPORT

Drew leads brand strategy and identity design projects for tech scaleups seeking to ignite their next phase of growth.

"Through our brand work with scaleups, we noticed a point in their growth journey when their priorities shift from product development to brand development, triggered by the need to connect with audiences in a more meaningful way - this sparked our hypothesis."

Drew Usher, *Strategy Director, Hotwire Australia*

Dr Stacey Brennan is an Associate Professor of Marketing, and Deputy Head of the Marketing Discipline within the University of Sydney Business School. She has conducted multiple semiotic studies which have been published in the Journal of Brand Management.
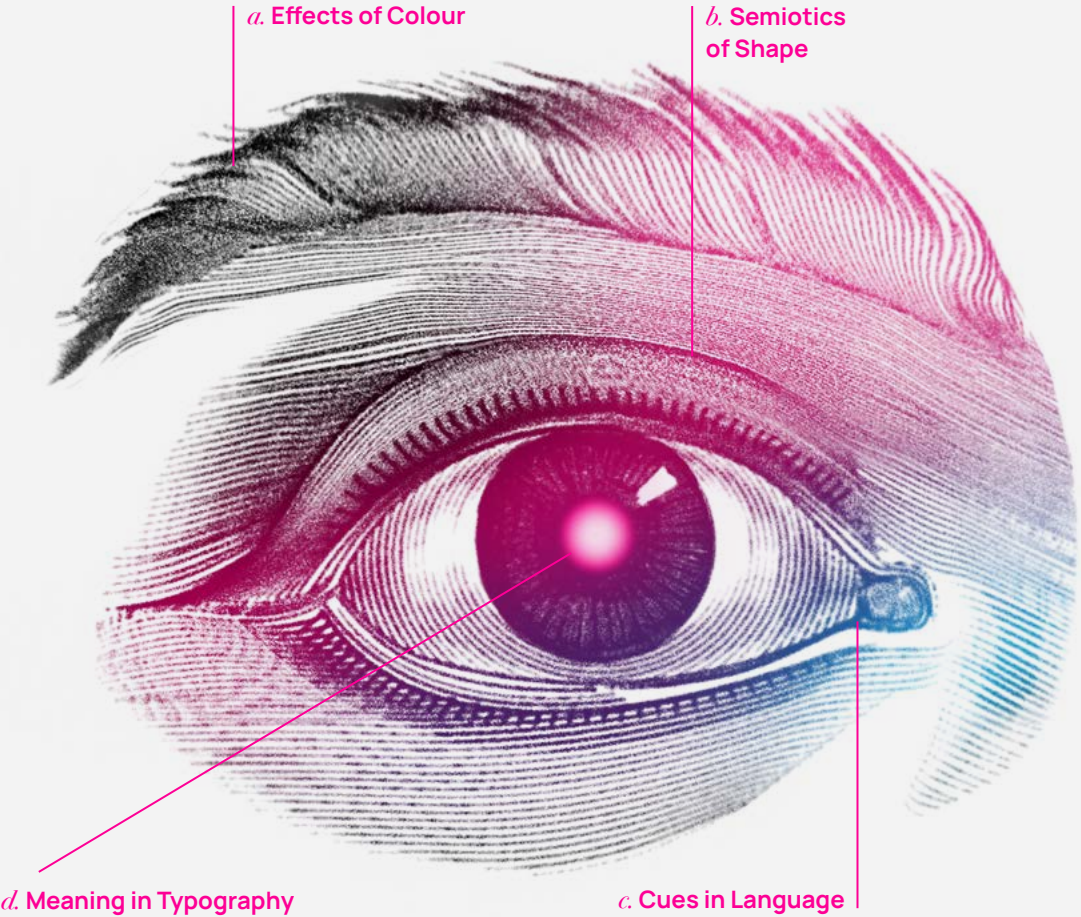
"When the Hotwire team approached me with this hypothesis I was thrilled to get involved, it's a really interesting area of semiotics to delve into."

Dr Stacey Brennan, *Associate Professor of Marketing, The University of Sydney Business School*

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About THE STUDY

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THE HYPOTHESIS

Tech brands are limiting their potential for growth by prioritising product, instead of people, in their brand and marketing strategies.

Signs of the times

Recently we've witnessed tech scaleups putting their product before people in their branding, marketing and communications. But for all the debate on whether this approach is right or not, there hasn't been many facts or consideration given to the broader, and more relevant question – if they do, does it impede their growth?

Hotwire and the University of Sydney Business School have undertaken an unprecedented and extensive study into the use of semiotic codes by tech brands, to understand the patterns of branding at different stages of business growth.

Led by Dr Stacey Brennan, Associate Professor of Marketing at the University of Sydney Business School, the research provided strong evidence that the hypothesis is not only validated, but that there are key learnings for tech companies at all levels, whether they be startups, scaleups or established players.

"This semiotic study explores the meanings and representations of signs and symbols within tech brands and how they shape consumer associations, perceptions and expectations – the findings are very telling."

Dr Stacey Brennan, *Associate Professor of Marketing, The University of Sydney Business School*

THIS REPORT COVERS

1. **Battling for recognition:** Scaleup Tech Brands fail to stand out from the crowd

2. **Keeping it functional:** Scaleup Tech Brands make growth difficult by relying on function

3. **Missing emotion:** Scaleup Tech Brands exacerbate the issue by not maximising key brand assets to emotionally connect

4. **Making it meaningful:** Tech brands at all stages of growth need to balance function and emotion to create meaningful relationships

5. **What we can all learn:** Tech branding actions to ignite growth

Our METHODOLOGY

The study involved analysing both Tech and Non-Tech brand assets, as well as primary research and in depth interviews with senior marketers in tech companies; to understand the effects of certain semiotic codes on consumers as they interact with the brand.

The study used a number of different data and analytics approaches, over three phases of research:

Phase One

Semiotic analysis of brands at different stages of growth, looking at (Fig 1, right):

- 16 x Scaleup Tech Brands (Series B/C funded)
- 16 x ASX Listed Tech Brands
- 20* x Global High Performing Tech Brands (selected from Kantar 2021 most valuable brands index), and
- 16 x Global High Performing Non-Tech Brands (to compare and contrast against – also selected from Kantar 2021 most valuable brands index)

Phase Two

An experimental study, with 1,500 Australians aged 18-70, to evaluate the effect of different brand logo characteristics on brand recall and brand attribute perceptions.

We used a set of 9 brands for the experiment, including 8 randomly selected Scaleup Tech Brands (Fig 2, right centre) and 1 fictitious test brand (positioned in the Buy Now Pay Later category). The fictitious brand was used with variable attributes. (Fig 3, far right).

Phase Three

In depth interviews with experienced tech marketers, discussing the common brand building challenges facing Scaleup Tech Brands today.

*The number of Global High Performing Tech Brands analysed is higher (20) as we looked at multiple brands in the same family e.g. Facebook and Facebook for Business, Microsoft and Microsoft Teams, Amazon and AWS.

Figure 1.

PHASE 1 BRANDS AT VARIOUS STAGES OF GROWTH

Global High Performing Tech Brands

Amazon	Adobe
Amazon Web Services	Intel
Apple	Netflix
Google	SAP
Microsoft	Salesforce
Microsoft Teams	Qualcomm
Facebook	Zoom
Facebook for Business	Intuit
IBM	LinkedIn
Paypal	Spotify

Global High Performing Non-Tech Brands

Visa	Vodafone
McDonalds	Toyota
Coca Cola	Budweiser
Nike	JPMorgan
UPS	Adidas
Accenture	Zara
Tesla	Ikea
L'Oreal	Louis Vuitton

ASX Listed Tech Brands

Afterpay	Xero
Zip Co	REA Group
Airtasker	Carsales
MYOB	SmartParking
MoneyMe	FBR
hipages	333D
OpenLeaning	Douugh
Prospa	IntelliHR

Scaleup Tech Brands

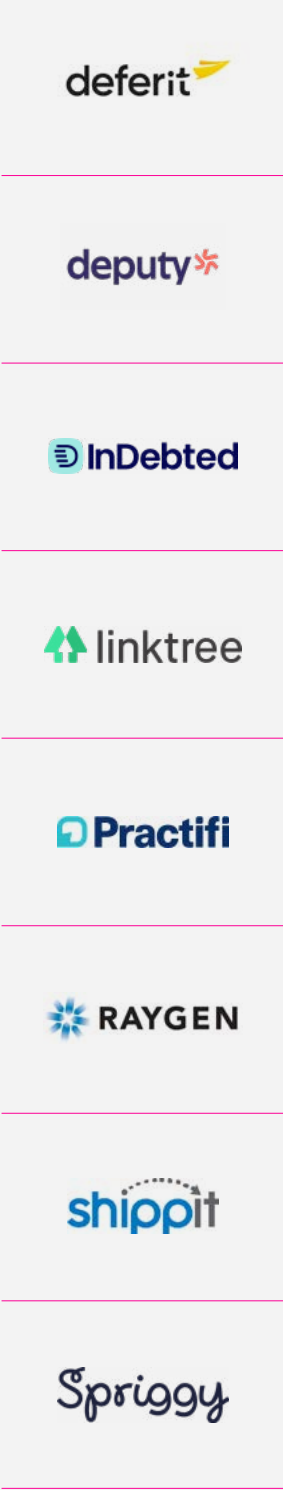|	
Canva	Xplor
LinkTree	AgriWebb
Deputy	Spriggy
Prospection	Practiifi
InDebted	HotDoc
Propeller Aero	Deferit
Baraja	RayGen
Shippit	Mable

Figure 2.

PHASE 2 SCALEUP BRANDS

Figure 3.

PHASE 2 FICTITIOUS TEST BRAND VARIABLES

Variable Name / Descriptive

Variable Name / Arbitrary

Variable Shape / Angular

Variable Shape / Curved

Variable Slogan / Descriptive

Variable Slogan / Emotive

Variable Colour / Blue

Variable Colour / Green

Variable Colour / Red

Key Finding
NUMBER 01

Battling for recognition:
Scaleup Tech Brands fail to
stand out from the crowd.

a. **Blue is used
predominantly
across all
tech brands**

b. **Blue often
communicates
sincerity**

Decoding the Stats

- Blue is the predominant colour used by Tech Brands at all stages of growth, with approximately 50% of all tech companies adopting variants of this colour.

- Blue has a higher association with the tech category than other colours.

- A Fictional Brand can score similar levels of awareness to existing Scaleup Tech Brands and in some cases better top of mind recall.

- Logo graphic devices are designed to reflect product functions and features.

- Descriptive brand names achieve greater recall compared to arbitrary brand names.

Sea of Blue

The analysis of brands in Phase One of the study showed that blue is used predominantly across tech brands at all stages of growth - with approximately 50% in each category of tech brands (Scaleups, ASX Listed and Global High Performers) adopting this colour (Fig 4, top right). The next most common colours amongst the remaining 50% are green, red and orange (ASX Listed) and black and green (Scaleups). Amongst such a sea of sameness, tech brands need to work even harder to deliver recall and to be distinctive.

Consistent with this finding, post-test results in Phase Two indicate that people associate the tech industry (generically) with the colour blue, which is a learned response. Research in colour psychology suggests that the colour blue communicates meaning around competence and sincerity, as it is associated with intelligence, trust, efficiency, duty, dependability, logic, stability, protection and security. So, while they fit with the general concept of the tech industry; by using them in hopes of fitting in; many tech brands are failing to stand out.

Visualising the product

We then evaluated how tech companies use graphic devices within their logo designs to create meaningful connections with their audiences. Logos were categorised into two groups; representative and abstract. Representative logo designs visualised the product itself, or an attribute of the product (for example, Salesforce, a cloud-based product, utilising an image of a cloud). Whereas abstract logo designs did not relate to the product in any way (for example; Xplor, a childcare software brand, utilising a rocket).
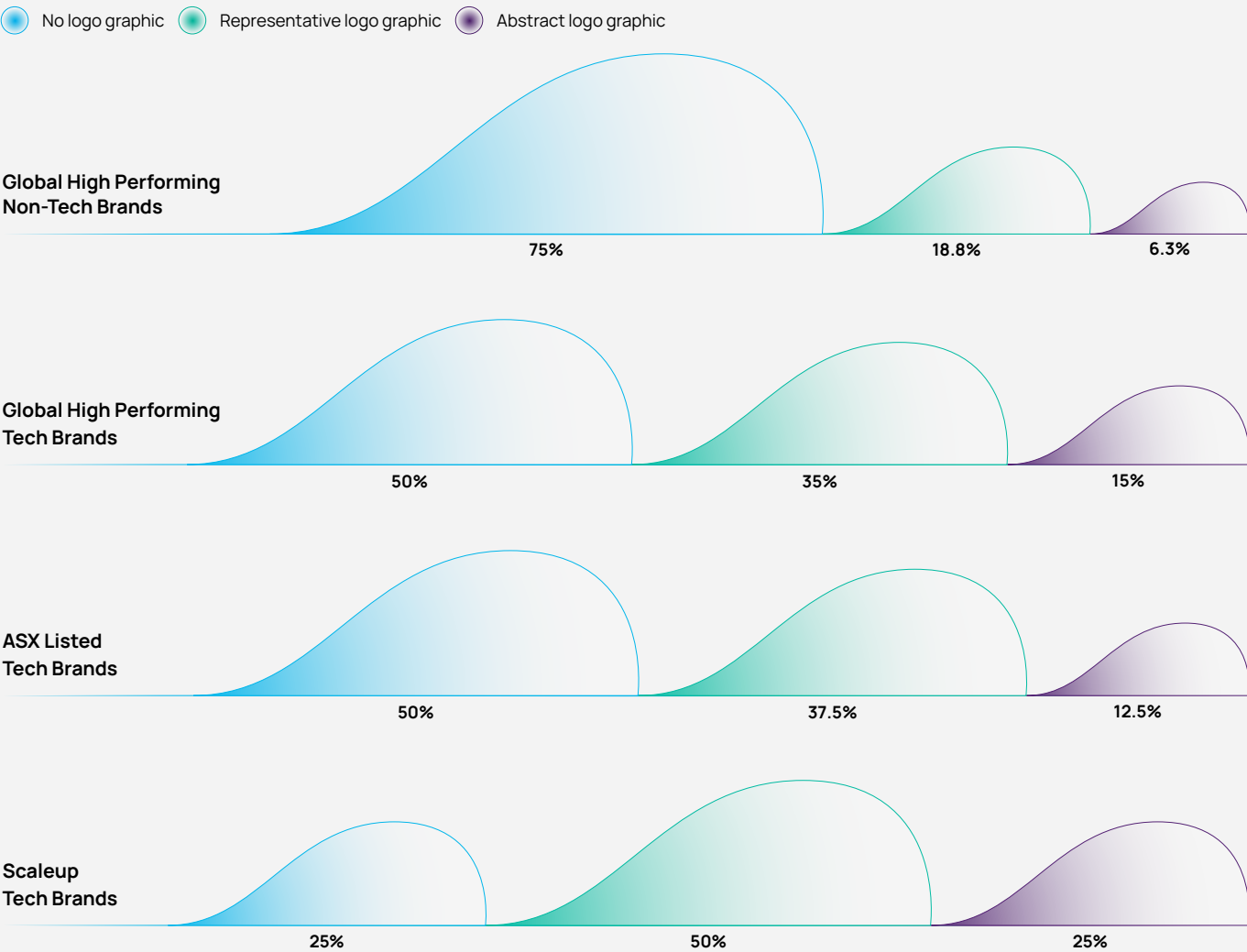
Our findings showed representative imagery was visible across all tech categories, but this design approach was most evident within Scaleups, where 50% used graphic devices within their logos to visually depict their product function, unlike Global High Performing Non-Tech Brands who largely offered no visual representation at all (Fig 5, bottom right).

So does a focus on function help drive more recall for Scaleups?

Figure 4. **Sea of blue**

Figure 5. **Logo types across the brand groups**

○ No logo graphic   ● Representative logo graphic   ● Abstract logo graphic

Global High Performing Non-Tech Brands   75%   18.8%   6.3%

Global High Performing Tech Brands   50%   35%   15%

ASX Listed Tech Brands   50%   37.5%   12.5%

Scaleup Tech Brands   25%   50%   25%

Fictional impact in reality

To understand what aided recall, we first tested respondents to see if awareness of any Scaleup Tech Brands existed. Unsurprisingly, 70% of respondents were unaware of the brands in this study, however what was telling was that Fictional Brands generated similar levels of awareness to real scaleup brands. What was even more surprising, was that when testing different logo combinations, one of the Fictional Brands (MyTab) scored a remarkable 13% for awareness, which was higher than all but one of the real brands – Shippit. (Fig 6, right).

To determine which aspects of the brands influenced cut through and recognition, respondents were then asked to look at a screen with the eight test brands and one of the MyTab/Tabstr combinations (randomly positioned), for 45 seconds. After this, the brands disappeared from the screen and respondents were asked to recall the brands they'd seen. (Fig 7, below).

Figure 6. **Brand Awareness**

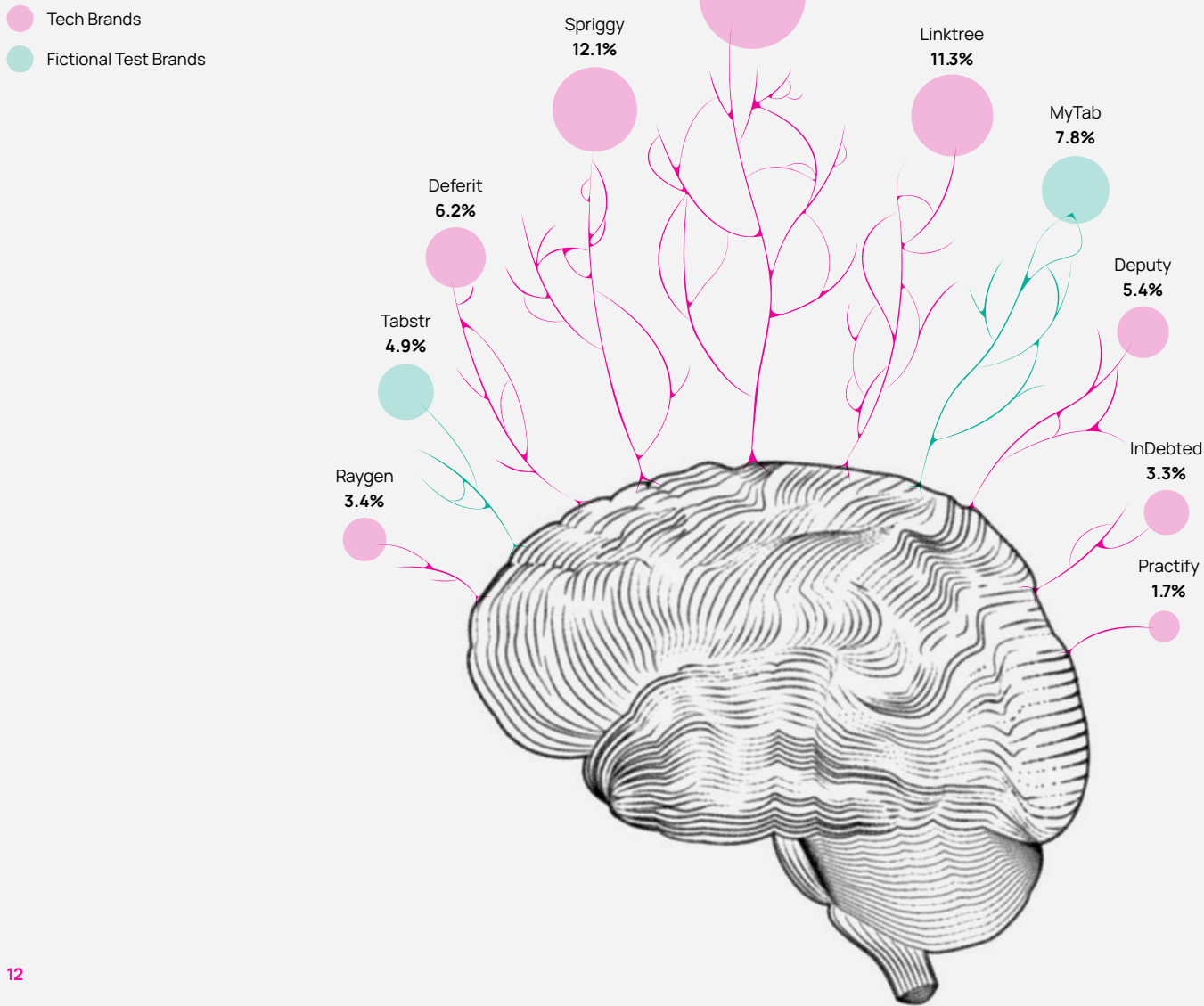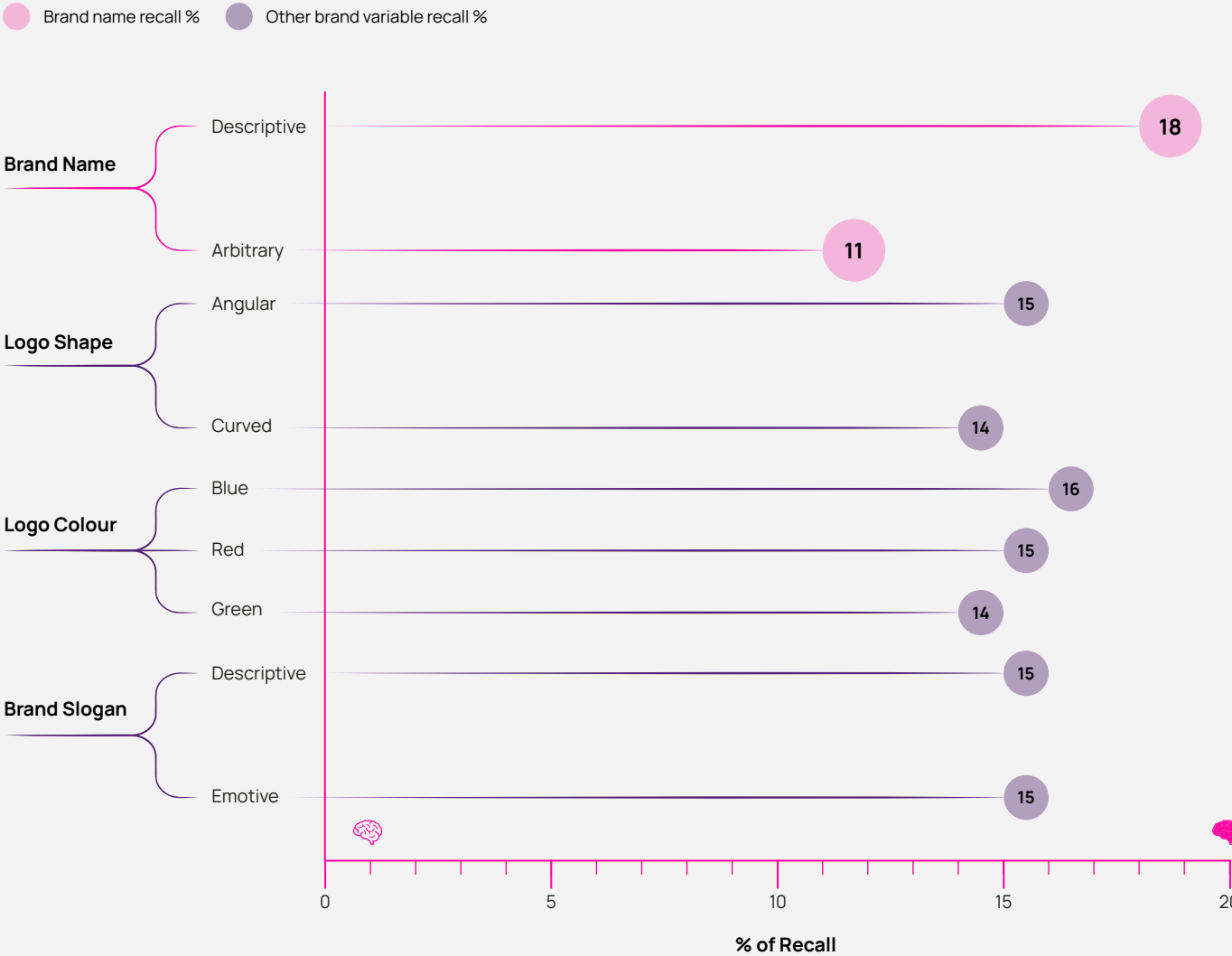| BRAND	AWARENESS
Shippit	17.5%
Mytab (green, curved logo, descriptive tagline)	13%
Linktree	8.9%
Deferit	5.3%
Spriggy	5.1%
Deputy	4.7%
Raygen	3.5%
Indebted	3.5%
Practifi	3.4%
Mytab/Tabstr (Combined average)	3.1%
None of these	70.6%

Recall is not equal

If we consider top of mind recall, which is a good indicator of what consumers are likely to retain (i.e. first brand mentioned), the highest brand (Shippit) had 1 in 5 people recall it first, whereas most other brands had a lot lower top of mind recall. Whilst low, there was a significant difference in recall between our two test brands, with MyTab scoring 7.8% top of mind recall compared to Tabstr's 4.9%. In analysing this further we were able to identify through different test combinations which brand elements were the most significant drivers of total recall and recall in general.

Results showed (Fig 8, below) that MyTab (descriptive brand name) achieved significantly greater recall when compared to Tabstr (arbitrary brand name) whereas no other brand attributes significantly influenced recall over others. To put this into context, 50% of Scaleups in our study had an arbitrary brand name, which would suggest that 1 in 2 Scaleups are restricting their ability to drive recall through name alone.

With a high use of undifferentiated colours, product focused logos and descriptive brand names, we are already starting to see a reliance on functional branding at the expense of emotional connection, but does this result in poor recall? It would seem so, when we factor in that using a descriptive brand name is really the key element to significantly influence recall of a brand.

Figure 7. **Top of mind name recall results**

- Tech Brands
- Fictional Test Brands

Shippit 19.1%
Spriggy 12.1%
Linktree 11.3%
MyTab 7.8%
Deferit 6.2%
Deputy 5.4%
Tabstr 4.9%
Raygen 3.4%
InDebted 3.3%
Practify 1.7%

Figure 8. **Total Recall Results**

- Brand name recall %
- Other brand variable recall %

		% of Recall
Brand Name	Descriptive	18
	Arbitrary	11
Logo Shape	Angular	15
	Curved	14
Logo Colour	Blue	16
	Red	15
	Green	14
Brand Slogan	Descriptive	15
	Emotive	15

Hotwire Hot Takes

It can be clearly demonstrated that the tech industry has moved on, but not far.

1 **Scaleups need to pay more attention to their brand beyond logo and brand name.** Considering the ease with which new entrants can come to market and add to the plethora of brands fighting for consumers and business attention; the level of competition for attention has never been higher.

2 **Using blue helps position brands in the tech category - but offers the brands no distinctiveness.** While it's striking that so many tech and digital companies don't deviate from blue – it's certainly feasible that they're hoping to convey the traditional semiotic meanings of the category within their branding. Given the predominance of blue in the category; people have learnt to link it to the category.

3 **Using another colour could create a better point of distinctiveness.** In the fight for share of mind, our results show that recall didn't differ by colour at all. So be brave and ditch the blue!

4 **A descriptive brand name, paired with an abstract yet emotive visual identity, will give the greatest chance of success.** Given that the visual identity helps drive an emotive response, whereas a descriptive name helps to aid recall - if brand owners are really only looking to be distinctive and to be recalled, pairing these is the surest way to go.

"Companies like Canva have enabled companies to build a brand on a budget, which is great, but this cookie cutter approach means that many startups all look and sound the same"

Josephine Lanzarone
*VP of Marketing Asia Pac, Pluralsight*

If the only job for a brand was to drive recall, we could end here. But as we all know - a brand is more than this. Widely seen as one of the leaders and pioneers in branding, David Aaker says a brand is "far more than a name and logo, it is an organisation's promise to a customer to deliver what a brand stands for…in terms of functional benefits but also emotional, self-expressive, and social benefits".

So let's look at the detail of these aspects of tech brands over the following pages.

Key Finding
NUMBER 02

Keeping it functional:
Scaleup Tech Brands make
growth difficult by focusing
on function.

a. **Features**

b. **Function**

c. **Facts**

d. **Feelings (the
missing piece)**
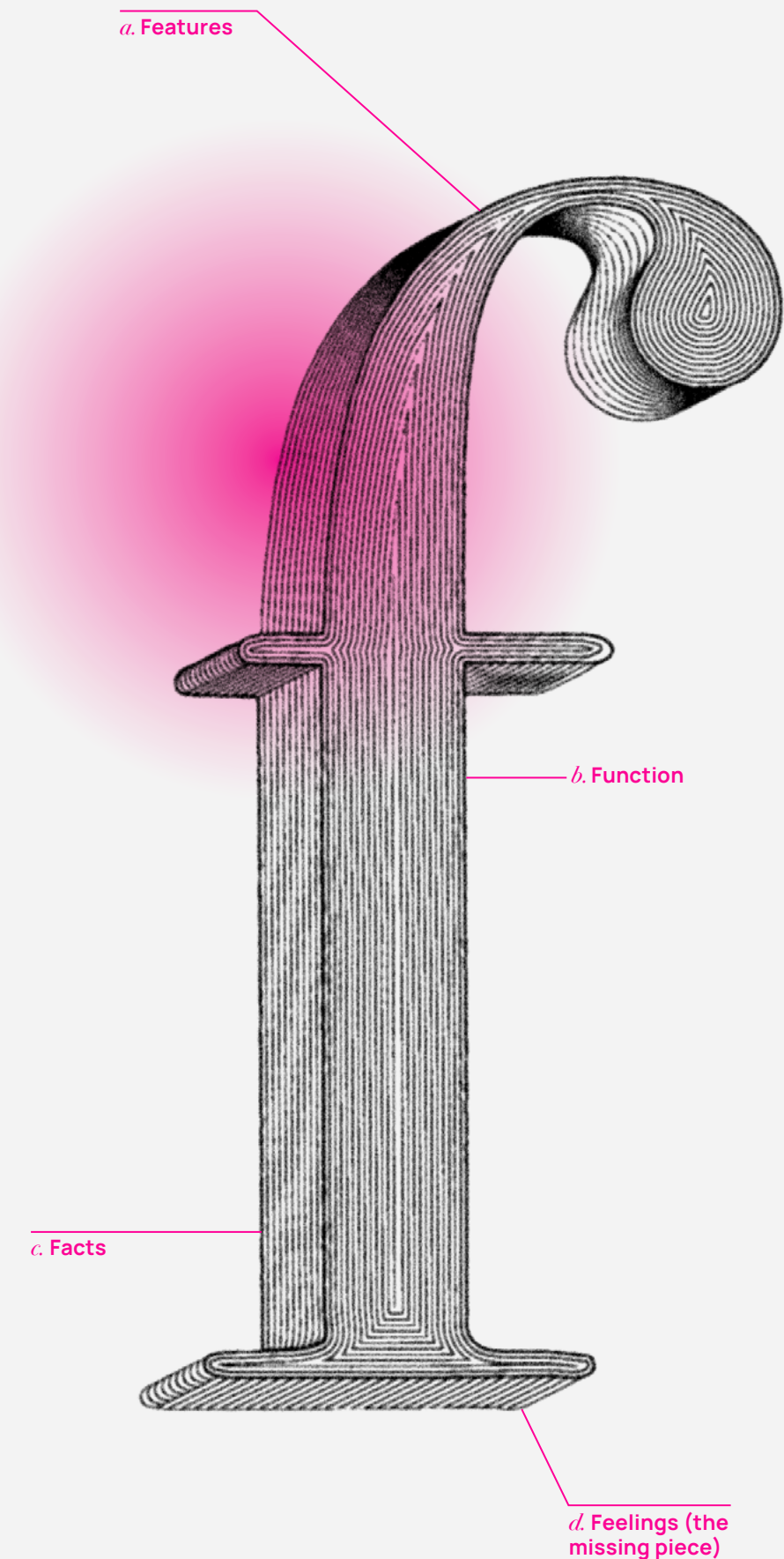
Decoding the Stats

- Descriptive brand names are more heavily used in the ASX Listed and Scaleup Tech Brand categories.

- Descriptive brand taglines/slogans are most prominent amongst ASX Listed and Scaleup Tech Brands.

- Most Global High Performing Brands (Tech and Non-Tech) use non-descriptive brand taglines/slogans.

- Emotional taglines/slogans can be used to create stronger emotional connections.

- Consumers are more likely to seek out information on brands that create emotional connections.

What's in a name?

In Phase One of the research, brand names were categorised into two groups; descriptive and arbitrary. Descriptive names were defined as suggestive in nature, that is, the name described the product (for example, Afterpay, Open Learning, Shippit). Arbitrary brand names were those that were English words with no association to the product or category (for example, Apple, Amazon, Intel), or were coined fictional words that were unrelated to the product or category (for example, Google, Baraja, Budweiser). (Fig 9, right).

When comparing across the four brand categories a clear divide in brand naming was evident between Global High Performing Brands (Tech and Non-Tech) when compared to ASX Listed Tech Brands and Scaleup Tech Brands. So to further dissect naming conventions, all brands were evaluated again, in terms of the naming strategies they adopted.

We assessed naming strategies across the following:

- **Neoligism** (arbitrary/coined words, unrelated to product features or benefits)

- **Founder name** (family names)

- **Functional** (describes the product function or feature)

- **Acronym** (abbreviation of other words)

- **Experiential** (emphasise brand or human benefits)

No brands in our analysis were found to have adopted Experiential naming strategies.

Descriptive best describes me

It's clear from these findings that established Global High Performing Brands (Tech and Non-Tech), adopt more arbitrary brand names that follow neologism naming strategies, suggesting that more novel names can be introduced with success as a brand grows. In comparison, Scaleups and ASX Listed Tech Brands appear to rely more on descriptive and functional names that signal their product attributes (e.g. Smart Parking, Open Learning, Propeller Aero), often using coined words and linguistic devices to describe the product but in an ownable way (Fig 11, next page).

Figure 9. **Analysis of naming across brand groups**

Figure 11. **Common linguistic devices for brand naming**

1. *Clipping*
- Canvas → Canva
- Intelligent HR → Intelli HR

2. *Blending*
- RayGen
- AgriWebb

3. *Compounding*
- Defer + it → Deferit
- Money + me → MoneyMe

4. *Homophones*
- Prospa
- Douugh

Figure 12. **Language across brand taglines**

Functional   Emotional

Global High Performing Non-Tech Brands — 18% / 82%

Global High Performing Tech Brands — 41% / 58%

ASX Listed Tech Brands — 75% / 25%

Scaleup Tech Brands — 75% / 25%

Tagline connections

But a brand isn't just a name; other elements of the identity are just as important. Taglines and slogans can also be used to provide cues beyond function, and to form meaningful connections.

Brand taglines were categorised into two groups; functional and emotional. Functional brand taglines were those that were either descriptive or suggestive of the product function (for example 'Resolve your debt with ease' – InDebted). Whereas emotional taglines were those that provided no information as to the nature of the product but rather focused on the human experience (for example "I'm lovin' it" – McDonalds).

Alongside showing that Scaleup Tech Brands are more likely to adopt descriptive brand names (e.g. Shippit) the findings highlighted that Scaleups and ASX Listed Tech Brands focus on descriptive brand slogans (e.g. "Shipping made simple"). Whereas Global High Performing Brands tend to adopt novel brand naming strategies (e.g. Intel) alongside emotive brand taglines/slogans (e.g. "Experience what's inside").

We can see that 75% of Scaleups and ASX Listed Tech Brands adopt functional brand taglines and slogans which were descriptive or suggestive of the product, when compared to only 42% of Global High Performing Tech Brands, and just 18% of Global High Performing Non-Tech Brands. (Fig 12, top right).

Emotion drives intention

The results of Phase Two of the research, questioned this approach and showed that by using emotional brand taglines and slogans, respondents were more likely to feel an emotional connection to the brand, alongside using descriptive names, curved designs and the colour green. (Fig 13, bottom right).

More importantly, further investigation utilising regression analysis showed that emotional connection is a significant positive predictor of intention to find out more and therefore is crucial for brands that are looking to drive behavioural change, not just increase recognition.

Our analysis showed that respondents were more likely to find out more about brands that displayed certain characteristics, including; playful, trustworthy, interesting, dynamic, exciting and meaningful. In comparison, attributes such as modern and down-to-earth negatively influenced intention to find out more.

The attribute "modern" was found to be one of three attributes most associated with the tech industry (alongside innovative and technical), which suggests that brands require more than the traditional tech cues to create connection and behavioural change with their audiences.
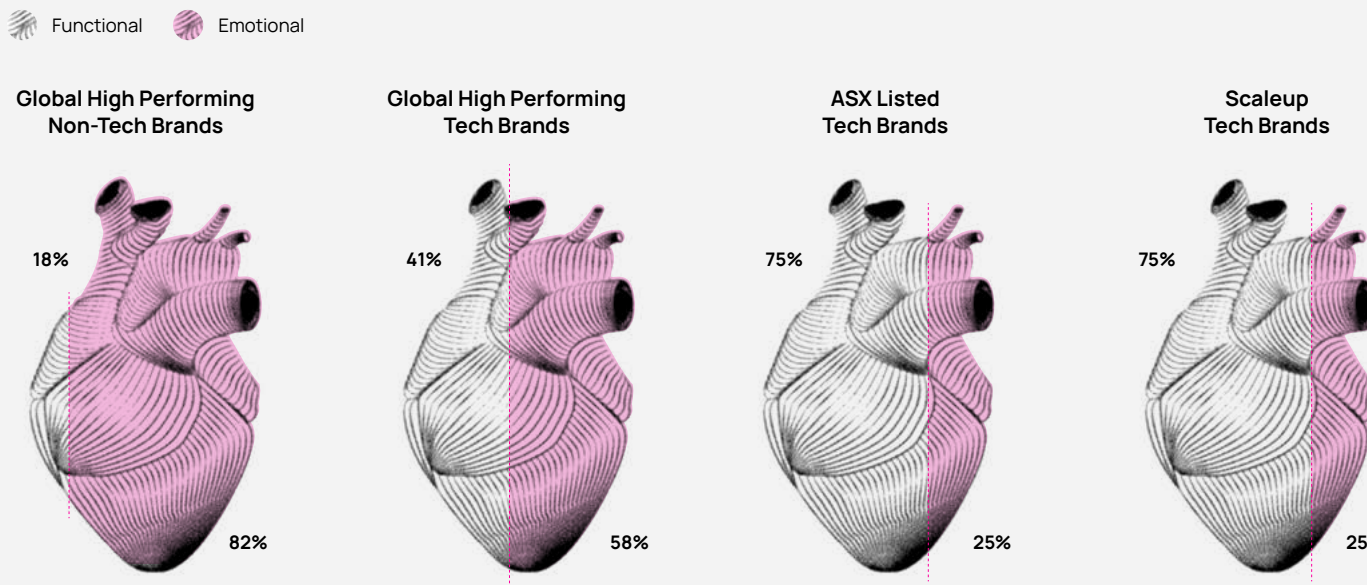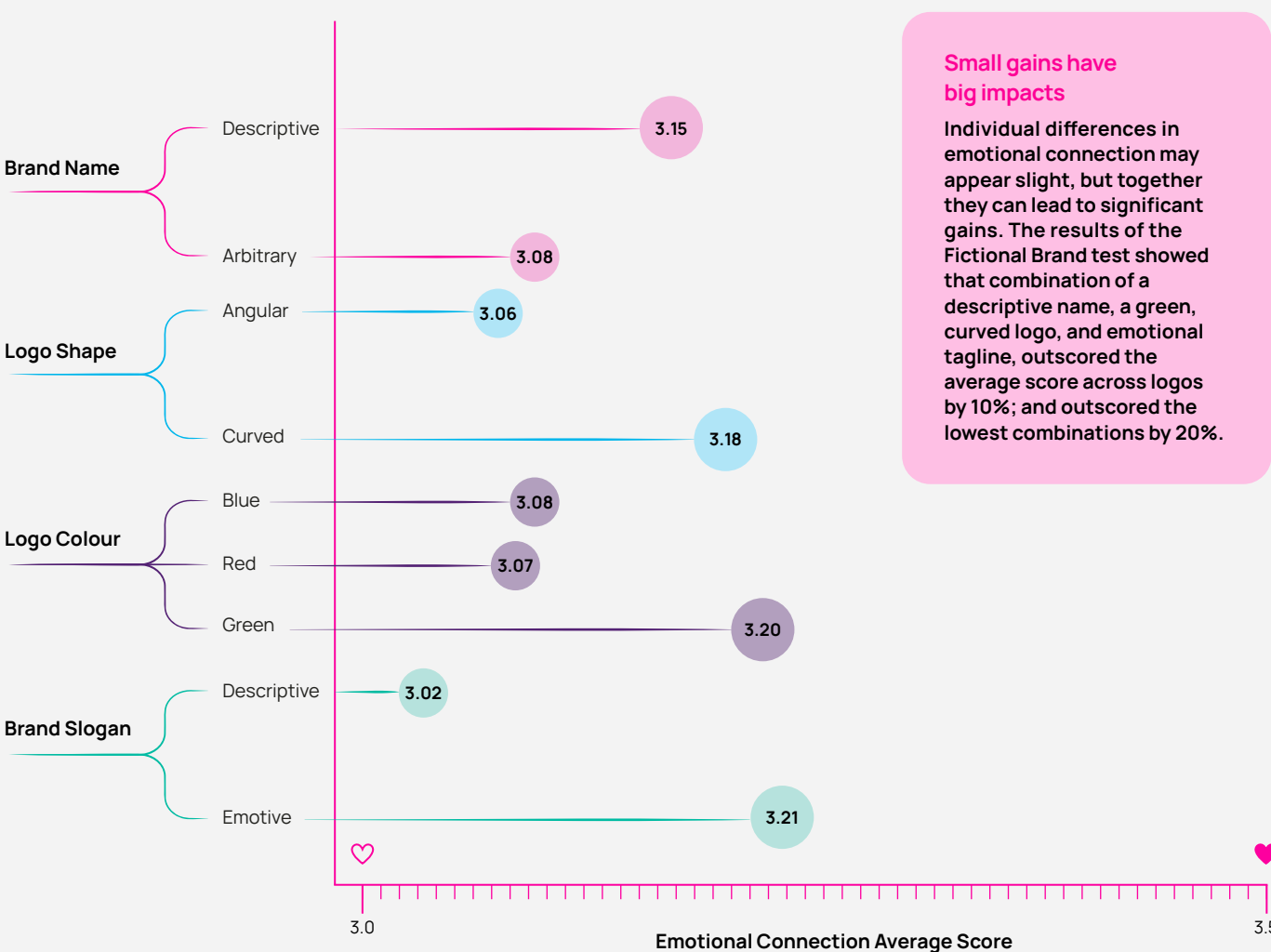
Figure 13. **Average score for emotional connection (brands were evaluated on a 5 point score)**

Brand Name — Descriptive 3.15; Arbitrary 3.08

Logo Shape — Angular 3.06; Curved 3.18

Logo Colour — Blue 3.08; Red 3.07; Green 3.20

Brand Slogan — Descriptive 3.02; Emotive 3.21

Emotional Connection Average Score (3.0 – 3.5)

Small gains have big impacts

Individual differences in emotional connection may appear slight, but together they can lead to significant gains. The results of the Fictional Brand test showed that combination of a descriptive name, a green, curved logo, and emotional tagline, outscored the average score across logos by 10%; and outscored the lowest combinations by 20%.

Hotwire Hot Takes

To influence consumer behaviour, the functional elements of a brand must be balanced with the emotional connection that consumers expect.

1 **To drive audience interest,** tech marketers must position their products and services as both functionally and emotionally compelling.

2 **The key to connection is defining both product and human benefits from the offset,** for example laddering functional, emotional, self-expressive and transformative benefits into branding strategies.

3 **Product and brand need to be clearly delineated, to maximise the benefits of both** - whereas in many cases, Scaleup Brands place the product function as the key driver in their brand proposition. This may stem from Tech Startups emerging from a place of product or category disruption, where new product features and attributes are thought to enhance the customer experience.

4 **A disruptive brand can help magnify the product dimension,** by building in distinctive emotional connections along the customer journey. Disruption should not just be a product perspective, but should also feed the brand, the culture and other aspects of the company.

"If you don't have a tone of voice defined, you can't truly connect with your audience – it becomes far too easy to fall into jargon, and then you only connect with a small minority who understand what you're talking about"

Davis Grainger
Marketing Manager, Binance

This concept links to where brands find themselves in their life stage, with brand owners placing different emphasis on what they want or need from their brand. Early stage Tech Brands can learn valuable lessons from more Established Tech Brands, by looking forward to the brand life stage ahead.

For tech marketers, mapping where they are on this life stage journey (Fig 14, right) and what is expected from the brand, means that there is a much clearer focus on the brand job to be done. It also helps to determine how to use key brand assets to communicate why the brand is relevant to whom, and why they should want to connect with it.

Figure 14. **Brand building by business life stage: how brand elements need to evolve with business growth.**

	STARTUPS	SCALEUPS	STALWARTS	STANDOUTS
Awareness	Generate a base level understanding of brand	Develop a more nuanced understanding of brand and prominence in the market	Achieve brand preference in market	Maintain understanding and preference, to developed ownership of category
Brand Assets	Create basic brand assets	Develop into a complete brand system	Hero successful brand assets and evolve the unsuccessful	Leverage distinctive brand assets and push boundaries with confidence
Proposition	Establish key functional and emotional elements of the brand proposition	Expand into unique value propositions for different key audiences	Own brand proposition in the category, with all audiences	Maintain relevance with every audience and evolve if necessary
Tone of Voice	Develop tone of voice in line with the proposition	Maintain consistency, but customise messaging for different key audiences	Increase use of customisation across channels and audiences	Evolve tone of voice to ensure audience fit, considering current cultural norms and trends

Key Finding
NUMBER 03

Missing emotion:
Scaleup Tech Brands exacerbate the issue by not maximising key brand assets to emotionally connect.

a. **Content that connects**

b. **One second to stop thumbs**
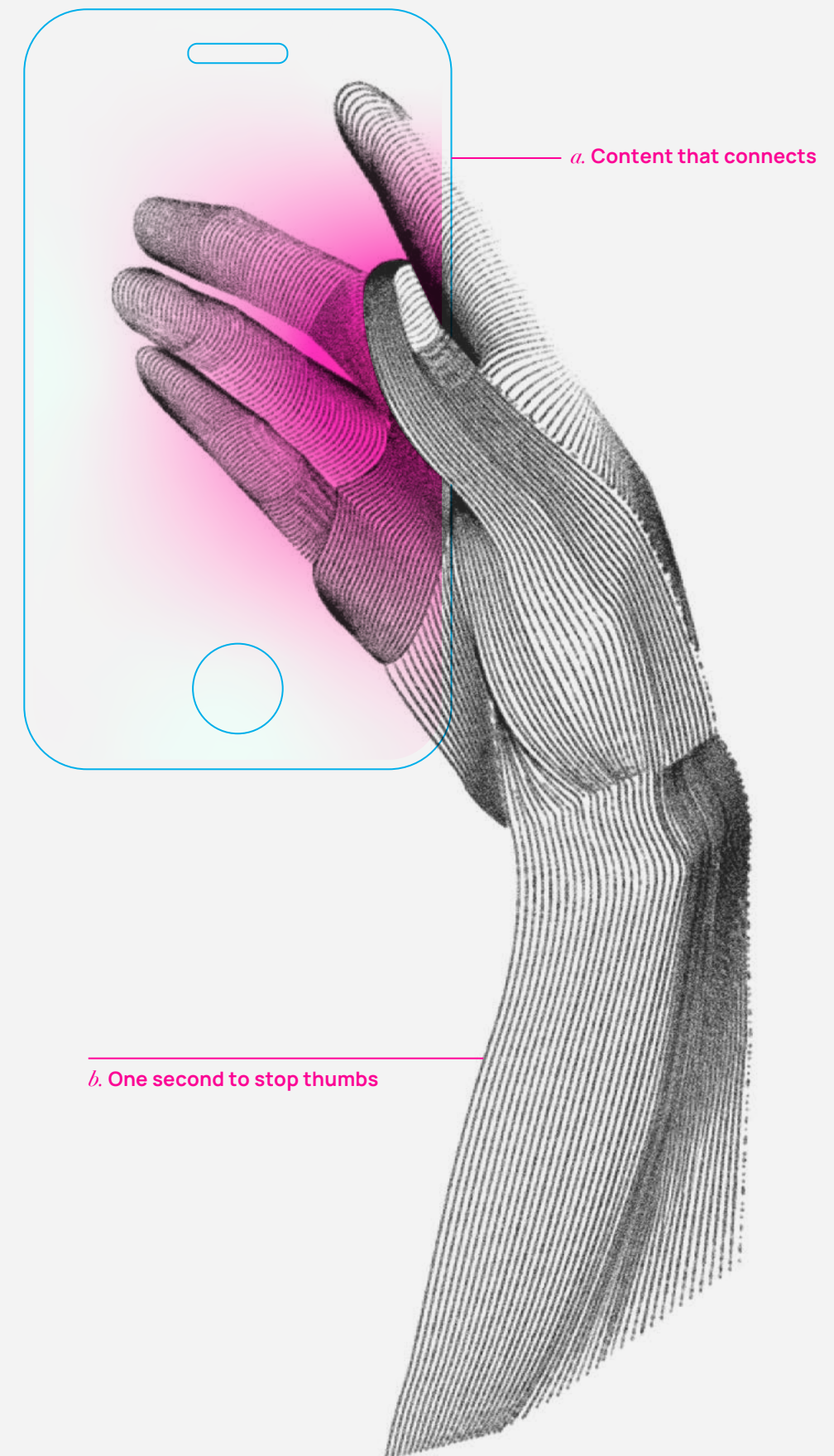
Decoding the Stats

Websites

- Tech Scaleups use their homepage to convey general information and drive action e.g. download, subscribe.

- Only Global High Performing Non-Tech Brands use their homepage as a brand image building platform.

- ASX and Scaleup Tech Brands showcase performance statistics (e.g. number of customers, years in operation, markets serviced) like badges on their homepage.

- Tech brands at all stages of growth communicate the functional benefits of their product offering.

- No Scaleup Tech Brands communicate the human benefits of their offering.

- Global High Performing Non-Tech Brands often employ imagery that captures a genuine brand moment, whereas ASX Tech Brands and Scaleups feature stock photography depicting models in staged poses.

Breaking down websites

Given their primary role in communicating brands to external audiences, in Phase One of our research, websites were evaluated and analysed to determine content type, imagery style and overall characteristics.

Brand content on the homepage was found to fall into one of five primary categories:
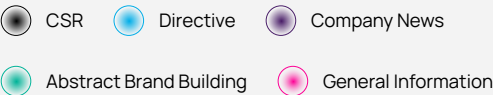
1. Promotion of Corporate Social Responsibility (CSR) initiatives,

2. Communication of company news events,

3. Abstract brand image building,

4. General information delivery, or

5. Directive-based content (i.e. sign-up, download, purchase).
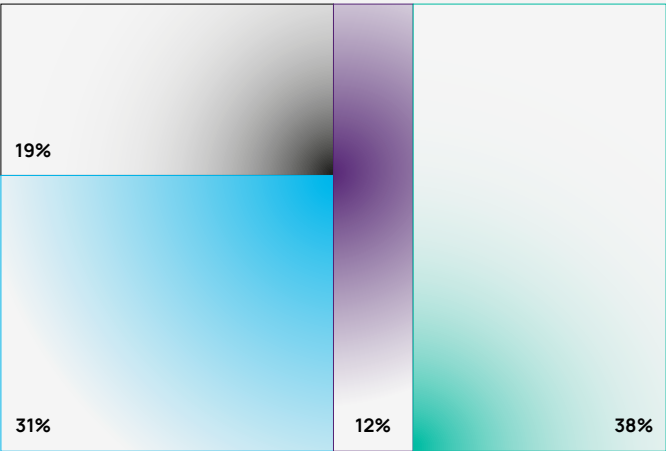
Missed opportunity to build brand

Only Global High Performing Non-Tech Brands use their home page as an opportunity to build their brand, through the use of more abstract brand storytelling and CSR content. This is vastly different when compared with tech brands, where no Scaleup or ASX Listed Tech Brands used their website homepage as a tool to build their brand image. Instead, the brand's homepage is primarily used as a generic information portal and a site to prompt action (e.g. download, purchase, or sign-up). (Fig 15, right).

To expand upon their focus on 'pushing out information', brand home pages were also evaluated for their inclusion of performance statistics (e.g. number of customers, years in operation, markets serviced). It was evident that a high proportion of ASX Listed and Scaleup Tech Brands explicitly include performance indicators on their brand's home page as a means of building trust and credibility.
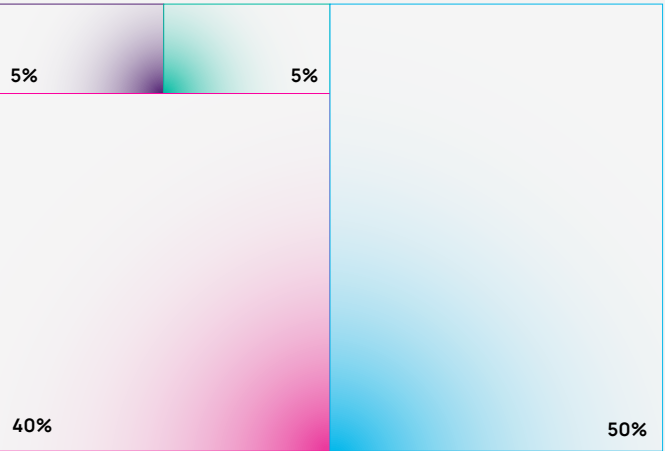
Figure 15. **Website homepage content across brand groups**

- ● CSR
- ● Directive
- ● Company News
- ● Abstract Brand Building
- ● General Information

Global High Performing Non-Tech Brands

| 19% | | |
| 31% | 12% | 38% |

Global High Performing Tech Brands

| 5% | | 5% |
| 40% | | 50% |

ASX Listed Tech Brands

| 6% | |
| 38% | 56% |

Scaleup Tech Brands

| | |
| 44% | 56% |
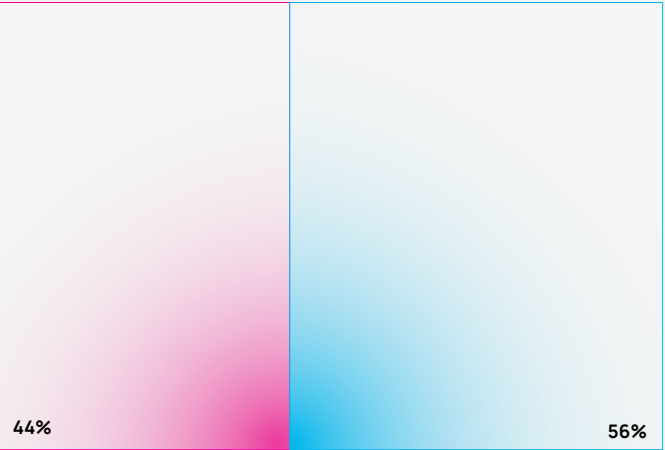
Functional benefits only

Brand home pages were also evaluated in terms of how brand benefits were communicated. Brands were identified as promoting either their functional or human benefits. Functional benefits were those that illustrated tangible outcomes experienced through brand engagement or product use (i.e. reduced time spent on task). Whereas human, or intangible benefits were more abstract consequences of the brand experience (i.e. how the brand made a consumer feel). (Fig 16, below).

Findings showed that Tech Brands at every stage of growth all focus on the functional benefits of their offering. However this trend is most evident in Scaleup Tech Brands, where no brands evaluated emphasised any human benefits of their offering at all. For Global High Performing Non-Tech Brands the focus on functional versus human benefit was more equal.
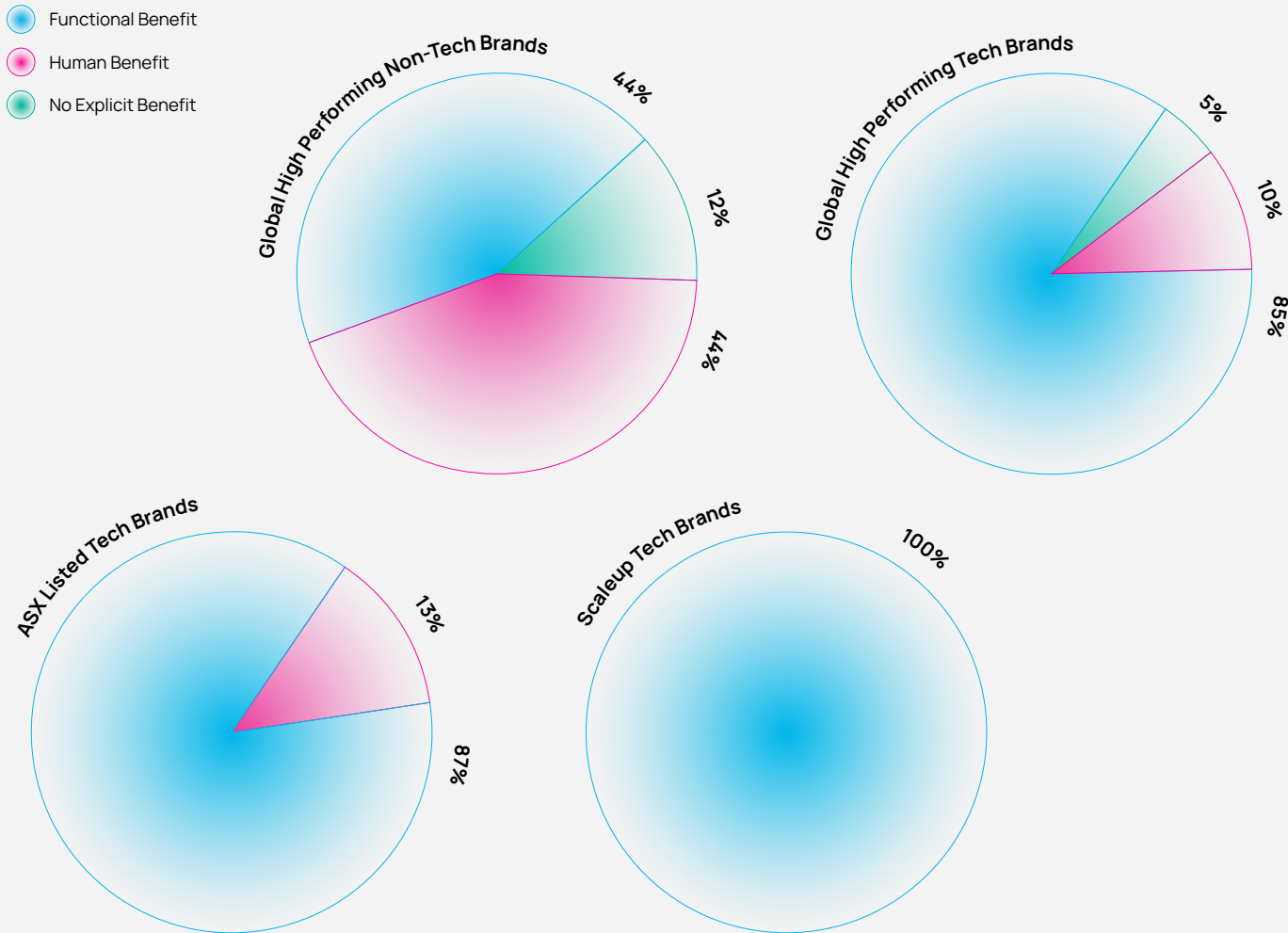
A picture says a thousand words

In terms of how brands used imagery on their website; we identified that home and company information pages depicted either the product in use, people, or both. Where people-based imagery was used, it was evaluated on whether it was presented in a genuine brand moment (i.e. engaging in a company initiative or product usage) or alternatively in a staged or static pose.

Global High Performing Non-Tech Brands often used 'genuine brand moment' imagery, whereas staged imagery was more evident in the tech brand categories, particularly for ASX Listed brands.

Global High Performing Brands (Tech and Non-Tech) used bespoke imagery, often depicting people in a branded environment, smiling but without a direct gaze. This conveys a genuine moment of emotional connectivity between the brand and its audiences. In contrast, Scaleup and ASX Listed Tech Brands showed people using a less authentic, direct to camera – "say cheese" approach, characteristically aligned with stock photography.

Decoding the Stats

Social Media

- Global High Performing Brands focus on the human benefits of their offering.

- Scaleup Tech Brands focus on the functional benefits of their offering (except via Instagram).

- ASX and Scaleup Tech Brands primarily communicate news events across both B2B and B2C platforms (LinkedIn and Facebook).

- Global High Performing Brands (Tech and Non-Tech) communicate a variety of messages across B2C platforms (Facebook and Instagram) but prioritise news and event content in their B2B platform (LinkedIn).

- Most scaleup brands adopt cognitive messaging in communications, very few adopt affective messaging.

- Affective messaging is most evident via Instagram when compared to Facebook and LinkedIn.

Socially but not emotionally invested

Given that social media presents a low-investment opportunity to push out branded content, in Phase One of our research, social pages and postings were evaluated and analysed to determine content type, benefits and overall characteristics.

It was important to look at what platforms Tech Brands are communicating on, and how they use each platform for communication purposes. Understanding this would expose if discrepancies in social strategies exists across our brand groups.

Our research showed that Scaleup Tech Brands largely communicate the functional benefits of their offering across Facebook (Fig 17. below) as well as LinkedIn, suggesting that they don't separate audience messaging on these platforms. Interestingly, Scaleups did balance functional and emotional content more equally on Instagram.

Figure 16. **Brand benefits represented on home pages**

- Functional Benefit
- Human Benefit
- No Explicit Benefit

Global High Performing Non-Tech Brands — 44%, 12%, 44%

Global High Performing Tech Brands — 5%, 10%, 85%

ASX Listed Tech Brands — 13%, 87%

Scaleup Tech Brands — 100%

Figure 17. **Benefit-led content communicated on Facebook**

High Performing Global Non-Tech Brands
Human *87%* | *13%* Function

High Performing Global Tech Brands
Human *70%* | *25%* 5% no benefit / Function

ASX Listed Tech Brands
Human *54%* | *46%* Function

Scaleup Tech Brands
Human *36%* | *64%* Function
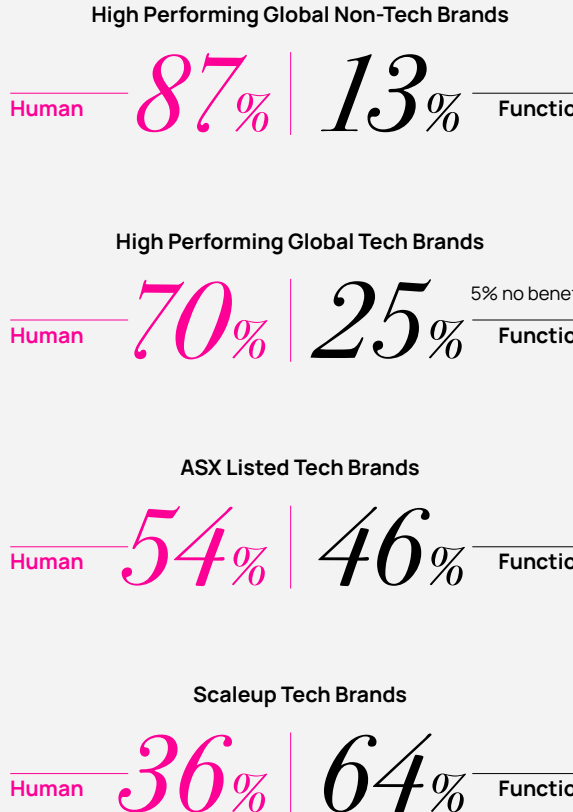
Figure 18. **Brand content across social platforms**

⬤ Facebook   ⬤ LinkedIn   ⬤ Instagram

Global High Performing Non-Tech Brands:
A variety of messages created and published across platforms, with increased CSR content for LinkedIn.

Global High Performing Tech Brands:
The highest presence across Instagram compared to other tech groups with a focus on abstract brand building.

ASX Listed Tech Brands: Content focus on Company News with limited other content.

Scaleup Tech Brands: Content focus on Company News with limited other content.

One corporate message for all

Further findings from Phase One showed that ASX Listed and Scaleup Tech Brands used social media primarily to communicate company news. This approach was consistent across all three platforms (Facebook, Instagram, LinkedIn).

Global High Performing Brands however adopted a slightly different approach with their social platforms, by using each to communicate a broader range of messages, with Global High Performing Non-Tech Brands dialling up CSR on LinkedIn, and Global Tech Brands focusing more on abstract brand building on Instagram. (Fig 18, left).

Information over emotion

To validate the characteristics of content posted on social platforms. Posts were also categorised as adopting either a cognitive, affective or conative positioning:

- **Cognitive positioning** when the communication was primarily informational,
- **Affective positioning** when employing an element of emotion, or
- **Conative positioning** when focused on action (e.g. sales promotion).

Global High Performing Tech Brands and Scaleup Tech Brands adopt a cognitive positioning approach across both Facebook (B2C) and LinkedIn (B2B). Very few Scaleup Brands adopted an affective positioning approach (except for Instagram communication). The use of affective positioning approaches is most evident within the Global High Performing Non-Tech and ASX Listed Tech Brand categories. (Fig 19, below).

Less tech more human

Findings demonstrated that only Global High Performing Non-Tech Brands use social platforms to connect with audiences using human benefits and affective positioning. In stark contrast, Scaleup Brands focus on functional benefits and cognitive positioning across both Facebook and LinkedIn - with little difference in content seen across both platforms. This suggests that little customisation of content is happening between these two channels even though the audiences are potentially different, or at least in a different mindset. Scaleups did however demonstrate the ability to switch to more human benefit-focused content on Instagram, perhaps suggesting this is seen more as an exclusively consumer platform, rather than a business one.

Figure 19. **Social content positioning**

	BRAND GROUPS			
	Global High Performing Non-Tech Brands	**Global High Performing Tech Brands**	**ASX Listed Tech Brands**	**Scaleup Tech Brands**
Facebook				
Cognitive	13%	50%	23%	64%
Affective	47%	35%	46%	9%
Conative	40%	15%	31%	27%
Instagram				
Cognitive	6%	45%	25%	30%
Affective	81%	55%	67%	50%
Conative	13%	-	8%	20%
LinkedIn				
Cognitive	19%	50%	29%	63%
Affective	62%	25%	64%	13%
Conative	19%	25%	7%	25

Hotwire Hot Takes

Scaleup marketing teams are often limited by the channels they can use to build their brand, so they need to maximise the ones they do have.

"Look at how startups start, it's usually 4-5 people sat around a table coming up with ideas, 4 are engineers, only 1 person is a marketer who instantly inherits responsibility for the website and t-shirts"
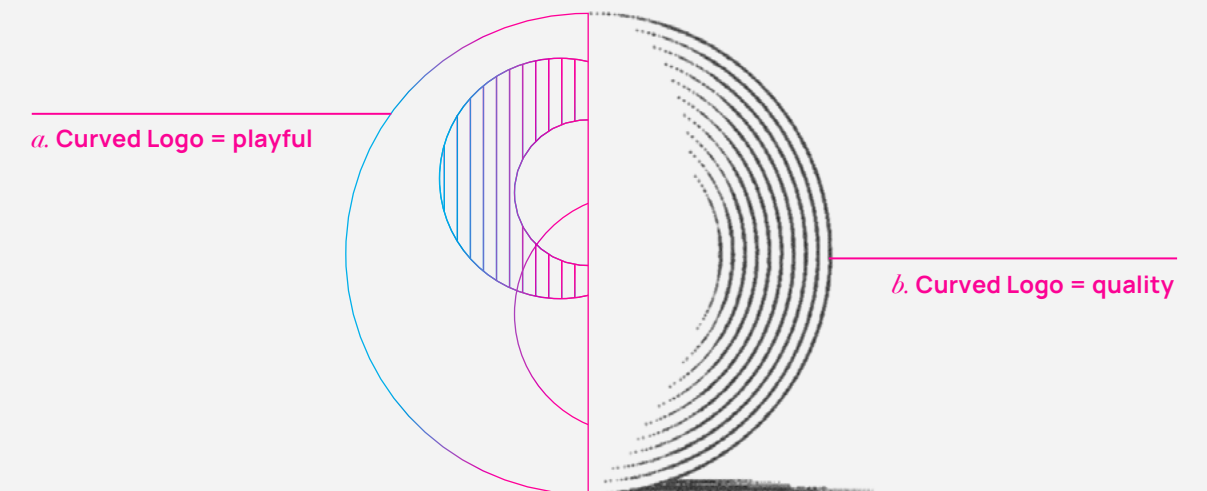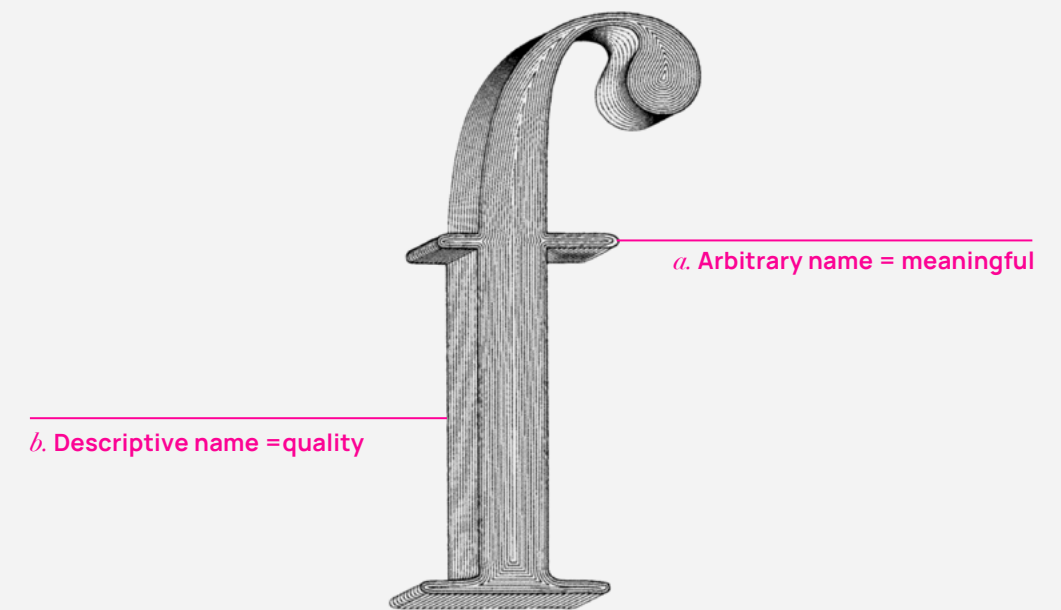
Nick Flude, *CMO, Sekuro*

1 **Consider the mindset of the audience in the channels being used.** While B2B and B2C content may be starting to blur with the arrival of B2E (business to everyone), the tech world in general can learn from Global High Performing Non-Tech Brands and their use of brand communication assets, from more 'in the moment' imagery, through to utilising different social platforms for more suitable messaging or content.

2 **The emotional context for the brand should not come at the expense of the functional elements.** They need to sit alongside each other to communicate the full brand story – in essence the yin and the yang of it.

3 **Consider if information alone creates an irresistible brand experience.** A brand's website must reflect more than just generic information, performance metrics and directive calls to action – it must reflect your brands unique personality. There is an inherent danger of blending into the background when developing brand assets, like websites that feel like you've seen and heard them somewhere before.

4 **Your website is a brand building tool.** It's often the first interaction that a potential customer, employee or investor has with a company, so it presents an opportunity to build your brand and create a lasting first impression.

5 **Connect in a more human way through social media.** It's one of the few places that brands can connect with audiences on a deeper level, yet Scaleups are utilising it as a company news platform to push out updates, rather than an opportunity to pull in audiences by connecting in a more human, emotive and meaningful way.

6 **For most scaleups, social channels are the primary outlet for brand messages to reach audiences.** But our findings show that even with a captive audience during a survey, looking at only nine brands for 45 seconds, only 1 in 3 people could remember seeing a particular brand. So if social media's role is to provide connection, then without brand recall, it is also unlikely that this objective will succeed.
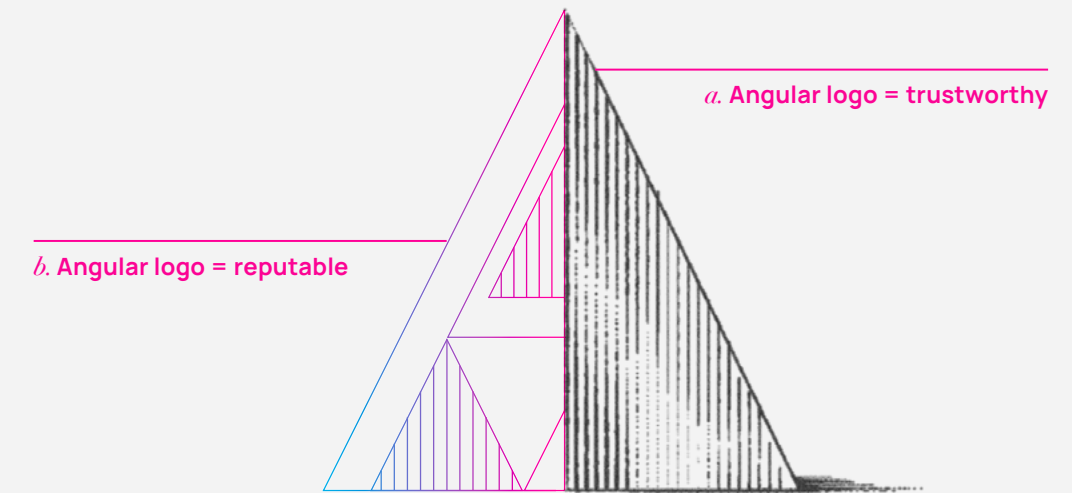
Key Finding
NUMBER 04

Making it meaningful:
Tech brands at all stages of growth need to balance function and emotion to create meaningful relationships.

a. **Angular logo = trustworthy**

b. **Angular logo = reputable**

a. **Arbitrary name = meaningful**

b. **Descriptive name =quality**

a. **Curved Logo = playful**

b. **Curved Logo = quality**

Decoding the Stats

- Brand logo shape, colour and slogan do not influence brand recall, but they *do* change the perception of a brand.

- Different combinations of these factors can create different brand associations, one size won't fit all.

- Certain brand attributes can lead to either a positive or negative outcome.

Your brand says a lot about you

Scaleup Tech Brands may only have a few seconds of attention to convey what they are and stand for – so design of branding assets and communicating them effectively is key. In Phase Two of our research, it was important to determine the effect of the different design elements and their impact; both in isolation and in combination with other elements.

Although brand name had an impact on recall, results showed that brand recall was not dependent upon the shape or colour of the logo, nor the brand slogan presented. Further, no conditional effects were found when considering the combined logo design characteristics (logo shape x logo colour).

However, there were perceptual differences that were observed, both in some of the individual design factors and in how they were combined.

Be deliberate with design

When comparing brand logo shapes, a significant difference was found. For example, results show that an angular brand logo can heighten perceptions of the brand being interesting and down to earth. Whereas brands with curved logos on the other hand can be perceived as more playful, mature, reputable and quality.

Brand slogans also showed differences. Participants viewed the brand with a descriptive slogan as more modern. However, brands with an emotive brand slogan were perceived as more playful, reputable, sincere and meaningful.

When exploring this further, different associations were found in different attribute combinations. Given that we have already established that some of these attributes can increase consumers' intentions to find out more about a brand, these differences are important to understand.

Understanding the impact of variables

The research identified that certain design characteristics were linked to particular attributes, (Fig. 20, right) indicating that marketers need to understand the variables at play, and how each brand attribute can help or hinder the attractiveness of the brand, and in turn, positively or negatively influence audience intent to find out more.

Figure 20. Signalled brand attributes

	NAME		LOGO		COLOUR			SLOGAN	
	Descriptive	Arbitrary	Curved	Angular	Red	Blue	Green	Emotive	Descriptive
Positive Brand Attributes*									
Playful	●	○	●	○	○	○	○	●	○
Trustworthy	●	○	● *or*	●	○	● *or*	●	●	○
Interesting	● *or*	●	● *or*	●	○	● *or*	●	●	○
Dynamic	○	○	○	○	○	● *or*	●	●	○
Mature	●	○	●	○	○	○	●	○	○
Quality	●	○	●	○	○	○	○	●	○
Sustainable	○	○	○	●	● *or*	●	○	○	●
Reputable	○	●	● *or*	●	○	○	○	●	○
Exciting	●	○	○	○	○	● *or*	●	○	○
Meaningful	○	●	● *or*	●	●	○	●	●	○
Negative Brand Attributes**									
Modern	○	○	○	●	○	○	○	○	●
Down to earth	● *or*	●	● *or*	●	○	○	○	●	○

***Positive Brand Attributes:** Brand attributes shown to prompt intention to find out more about the brand.
****Negative Brand Attributes:** Brand attributes shown <u>not</u> to prompt intention to find out more about the brand.

Hotwire Hot Takes

Small changes in the semiotics, and combinations of different elements, can drive different perceptions of a brand.

"Unlike big enterprises, scaleups have the opportunity to build the brand with their audience, to get their input on the brand as well as the product. To do this, they need to let them in behind the scenes, and ask them to help co-create and shape the brand, right from the beginning"

Josh Peacock, *Head of Marketing, Vol*

1 Companies need to think carefully around the branding decisions they make, as they have long-term consequences. Given the results show that many brands will be fighting for recognition, any interaction with the brand is important to show what the brand stands for as clearly as possible, and to start building human connections.

2 To be distinctive, brand owners will need to work hard to create connection and share of mind for their brands, not just recognition. Semiotic codes can create some linkages, to support in the development of distinctive brand assets. This goal of many companies in recent years is also supported by the work of Byron Sharp and the Ehrenberg Bass Institute.

3 Taking the time to understand the right combination of elements that will be most effective in building meaningful relationships, will make all the difference, but doing so requires some groundwork. Many scaleups have the mantra of being "customer-centric", and they rely heavily on early-stage customers to provide them with regular ongoing feedback but this often only extends to the product or service being offered, not the brand.

4 Co-creation can ensure that both the product and the brand are given the best chance of success; especially when businesses are looking to scale. To do this well, it is important to supplement that close network, by bringing potential or desired customers into the process, and by seeking feedback beyond the product and into brand perceptions. This allows for brand owners to understand the perspectives and possible connections that their brand can have.

5 An absence of information, or lack of brand management, means that audiences start shaping their own narrative of what the brand stands for. Where the fictitious brand was shown with an arbitrary name and emotive slogan (i.e. where the respondent was given the least amount of descriptive information on what the brand stands for), we found respondents more likely to see this brand as meaningful. This could lead to brand owners losing control of their brands, as consumers attach meaning (perhaps inaccurately) due to an absence of information.
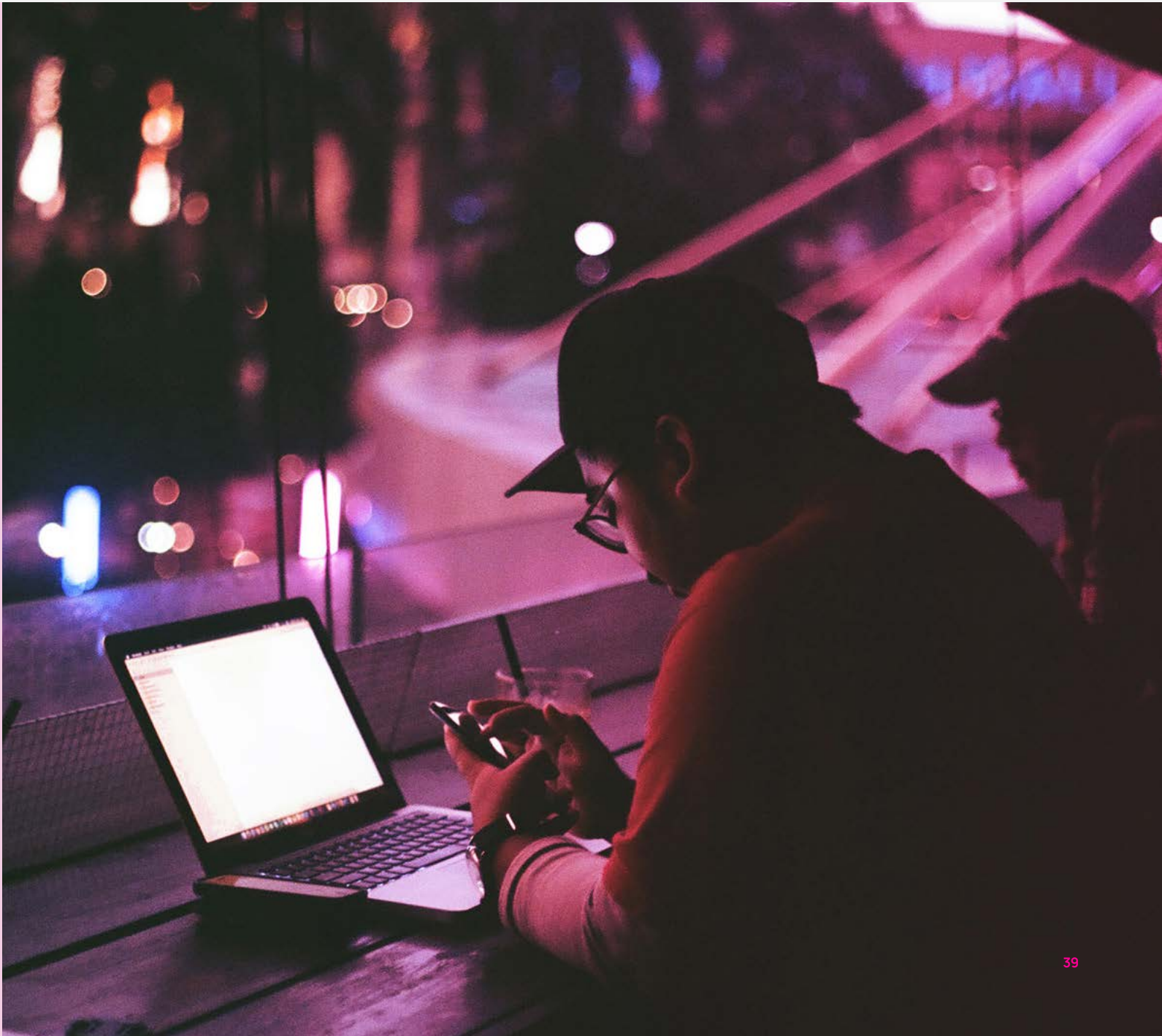
Our CONCLUSION

Do tech scaleups prioritise product over people? And crucially, if they do – is it limiting their growth?

This report has demonstrates that:

- Scaleups prioritise product over people;
- The impacts of this limit their business growth; and
- By failing to address this balance, they create a trickier path to success.

The key to success is to focus on brand perceptions , earlier and more consistently, like the world's most valuable brands.

Most Scaleups don't track how their audience perceives them, as it is seen as a costly exercise. It's simply seen as too large an investment in the early stages of a business. And yet, by failing to do so, they miss the changes to their brand metrics over time, and so can't use them to steer the building of brand awareness, reputation and loyalty through their brand. These key activities tend to be picked up later, and approached as solely marketing, or PR issues – but must be addressed early, and across the board, to achieve best outcomes.

"Brand perception tracking is seen as a nice to have, not a necessity. There is a lack of belief, or confidence that tracking the brands equity has any real value, as it does not directly link to revenue."

Josephine Lanzarone
VP of Marketing Asia Pac, Pluralsight

Most scaleups don't need full blown brand tracking programs.

Scaleups can measure with a dipstick approach to determine where their brand is, and how audiences perceive them today, against the perceptions they are hoping to build in the future. This will help guide what action to take next, and ensure the brand is always evolving, and driving their business, based on true market findings.

It's time for the next revolution in tech.

By elevating their brand and marketing strategies to be more meaningful, distinctive and memorable, Tech Scaleups will:

- Unlock the potential in their businesses, now and into the future.
- Drive real financial outcomes on the top, and bottom, lines.
- Enable employees, customers, investors and shareholders to buy into their brand vision.
- Make their brand vision a reality.

"Sit with the CEO and founders to understand the future potential of the company – then iron out marketing messages with more substance around the aspirations of the business – thus creating more emotive, future led, marketing messages."

Nick Flude, *CMO, Sekuro*

"By understanding the nuances of the brand design process, and how each attribute impacts human behaviour, we can unlock a series of incremental audience gains for Tech Scaleups. The gains can increase emotional connection and intent to find out more, by up to 20%. Showing that the right semiotics can positively influence perception and accelerate the growth of tech scaleups."

Drew Usher*, Strategy Director, Hotwire Australia*

1 **Be clear on the brand from the beginning.** Clearly articulate the key elements of the scaleup brand, how it is to be used, and what it must communicate.

2 **Cocreate more meaningful connections.** Try working with potential customers to ensure emotional, as well as functional engagement with the brand. (A useful by-product of this can be brand advocacy that moves brand from purely spending on social media, to creating Word of Mouth that generates unpaid media.)

3 **Work with specialist brand designers.** They will be aware how context can influence semiotic codes across culture, industry and sector. This moves design from a set of general semiotic codes to more specificity, driving contextual success for the brand.

4 **Create distinctiveness from current and future competitors.** Pay more than lip service to the brand. It could be key in setting the business apart as a clearly defined proposition, with a strong product and emotive story to tell to customers, employees and investors can drive further interest and attractiveness.

5 **Understand the brand, and know how to build and utilise it effectively.** First, understand how audiences perceive the brand today; then use that to guide decisions around whether a refresh is required, and to what extent, in order to realign the brand, ready to drive awareness, recognition and loyalty into the future.

Hotwire Australia is a global tech communications consultancy specialising in branding, marketing and communications. Our brand transformations ignite growth by making the technical irresistible.

Hotwire's brand capabilities include:
- Market research & insights
- Audience personas & empathy mapping
- Brand strategy, value proposition & positioning
- Brand architecture
- Brand narrative & messaging
- Employee brand & internal communications
- Naming & taglines
- Visual identity & design systems
- Brand launch, training & playbooks
- Brand performance & measurement

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