PSYCHOLOGY OF COOL: MEANING AND MARKETING

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The word ‘cool’ has entered in the currency of language, especially that of young people. The term enjoys a distinct and well defined meaning in dictionary. In denotative sense it is related to the degree of temperature of a liquid or object or a body. It implies a state when something is ‘neither warm nor very cold or is moderately cold’ 2. Often ‘cool’ is also used in contexts other than relating to temperature, when it signifies character of a person, place or brand. Anything that is considered to be cool enjoys attraction and hence enjoys customer following. However, a perception of ‘un-cool’ has a value robbing effect from a product, place or phenomenon. If being cool can possibly give competitive edge in terms of customer desirability and following, it assumes significance from marketing perspective.

Keywords: Marketing, Brand

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1. Introduction

The term cool in marketing has gained currency by an act of subversion. If Nike and Apple are considered to be cool, these brands have nothing to do with warmth. Rather these brands appropriate a property that is independent of their product attributes and features. And this property is acquired from culturally created symbols. What is represented by the term cool is something radically different from its denotative meaning 1. Cool is an acquired or instilled property into a brand which makes it dear and liked. Cool translates into customer behaviour outcomes which translate into higher revenues and profits. In this sense, cool is a vehicle of profit maximization. Being a cool brand can reverse the effects of free market enterprise system and provide escape routes to monopoly creation by abstracting a quantifiable value into a symbol of expression and identification.

The outcomes that can be obtained by cool phenomenon are tangible but the term itself remains elusive and fuzzy. However, it is a precious resource which can be leveraged to

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create superior market results. Grossman (2003) called cool as the ‘most precious natural resource’ which can make an otherwise substitutable product ‘fantastically valuable’. Cool in this contextualization assumes position like a marketing resource which is used to drive consumer behaviour. As the economies of the world converge and resources can move freely, the commoditization is an inescapable reality. The new globalised economy leaves very little scope to set one product apart from the other. Consider pairs of jeans or drinks or sneakers or automobiles, none differ substantively. But brands like Levis, Ray Ban, Aston Martin and Absolut defy commodity gravity by the power of being the cool stuff. If a brand makes entry in to culturally constructed category of cool, it gains power over potential customers. Becoming un-cool is a sure run down the lane of oblivion.

Cool as a construct is valued by marketing men for its value transformation property. Cool Brands Expert Council compiles a list of brands which are considered to be cool on the basis of expert and consumer opinions in Britain. Their evaluation criteria begin with the understanding that the concept of Cool is very personal and subjective. Hence, no objective definition forms the background in their selection process. However, some factors that guide the consideration of being cool include factors like style, innovation, originality, authenticity, desirability and uniqueness. The top cool brands of 2012-13 include Apple, YouTube, Aston Martin, Twitter, BBC, Virgin Atlantic, Bang and Olufsen, Sony, Bose, Häagen Dazs, and Vogue. The technology brand Apple pushed high price luxury automobile car Aston Martin from its previous top position which has consistently occupied the top slot for many years. This may imply that being expensive, super luxury and aspirational may not be all that which makes a brand cool. Affordability does not prevent a brand from being perceived as cool. Aspects like free spirit, enjoyment and pleasure have assumed significance in defining coolness of a brand.

Cool is about brand characterization. This is achievable by taking brand narrative beyond economic utility. Functionality is limiting in the contemporary marketing environment. It can take a brand into customer consideration but may fail in creating engagement and commitment. The brand must have a narrative which people buy into. Brands build resonance weaving stories which fit with the larger story that a person is striving to create in life. Consider a brand like Harley Davidson which weaves a story around a rebel identity who is against the system which smashes individual identity like a ‘bug on the wind shield’. The brand story has profound appeal for the people who do not conform to

the ideals on which the society is built. Here the brand finds a connection with those who themselves want to write their life narrative around the ideals of individuality, community, ruggedness and above all defiance. On the other hand, Apple brand is about challenging the way things work by adopting a new radically different perspective. Technology solves problems but often it does so by making things that are complex. For instance, prior to Apple, computers were meant only for the engineers. Apple’s brand narrative is about swimming against the tide, it is about iconoclasm. The ‘think different’ is not a slogan, it is brand’s essence.

2. Genesis

The arrival of cool in branding context is interesting and intriguing. Brand gains power by developing a perception of being cool, which implies that it appropriates myths and mythology of the term cool which comes from a non-branding context. That is, a brand achieves value transformation by tapping into meaning reservoir housed in socio-cultural construction of the society. Becoming cool is about dissolution of objective reality and subtly replacing it with a subjective perceptual construction. It is about de-centering, shifting the product from the centre of the consumer’s perceptual frame to the side and filling the centre with the imagined reality.

One of the parallel words that can be traced in a dictionary to the word cool is calm. Calm state implies freedom from agitation, excitement and disturbance. The forces contained in the environment are often responsible for disturbing the mental equilibrium and peace, as like dropping a stone in a pond. Calmness is about cultivating a mental peaceful state by which one is able to detach himself from disturbance causing thoughts or external factors. To remain calm amidst agitation requires control over mind which arouses negative emotions. There is no apparent connection between branding and the literal meaning of cool. When does a brand become cool? And how does a brand achieve value transformation by becoming cool? What symbolic qualities does a brand need to appropriate in order to be cool? What does cool have to do with the culture of consumption?

Cool psychologically is about reining emotions and thereby controlling physiological and physical response to internal or external stimuli. It is about cultivation of a sense of detachment from surroundings. The search for cool temperament may be triggered as a survival strategy to an adverse situation. This is something like giving in or surrendering to a situation because nothing can be done to alter forces causing the situation. In this sense cool or cool attitude is a reactionary phenomenon. The term cool is therefore traceable to groups
like slaves, prisoners and others on the fringes of society. During the periods when slavery characterized a dominant Western practice, slaves were forced into developing a psychological state of being able to detach from the oppressive surroundings as it was the only way to survive. Detachment was necessary to survive in an environment of oppression and exploitation for reactions would be met with severe torture and death. Cool in this sense is ironic. It is akin to an active volcano inside but serene outside. The essence of cool is paradoxical. Slavery was all about humanity surrounded by bestiality but aggression was not the way out. Cool represents paradoxical fusion of submission and subversion (Bornstein, 2010). Cool is about curbing and concealing the internal agitation and presenting an unaffected facade outside. Cool is about disguise and deceit.

3. Philosphic Interpretations

A deeper and more profound connection can be drawn between the terms cool and equanimity. Equanimity refers to a state of stability and composure of mind. It is state of mental equilibrium in which mind remains unaffected by waves of disturbance unleashed by emotions. All kinds of emotions including pleasure and pain have a tendency to disturb the mental poise. Human conditioning lures mind into seeking sources of potential pleasure disturbances and avoid the ones that create pain. People are drawn towards sources of sense pleasure which often comes packaged in the form of products and services. Life operates on a pleasure maximization and pain minimization principle. The cycle of happiness through matter is all consuming. The marketing apparatus is oiled by the endless quest for pleasure maximization. It operates through exaggerating saliency of the void or deficit- what is not present but could potentially be achieved- and then providing the escape routes within reach. Consider a typical beauty brand’s communication like Olay which promotes the myth of perpetual youth and Fair & Lovely which tops sales charts by diving deep into subconscious hankering for fairer skin. Philosophically, this cycle of liberation through consumption is self-defeating and many religions therefore take a more evolved view of life and advocate virtuous existence.

Equanimity is one of the core tenets in Buddhist philosophy. It is one of the four great virtues along with compassion, loving, kindness and sympathetic joy which should be cultivated by any Buddhist. Equanimity is English translation of Pali word, ‘upekkha’ and Sanskrit word ‘upeksha’. The state of equanimity implies that one is not ruled by passion, desires, likes and dislikes. It is claimed that ‘upekkha’ does not mean ‘indifference’. Bhikkhu Bodhi, a monk and scholar described it as: “a state of inner equipoise that cannot be upset by
gain and loss, honor and dishonor, praise and blame, pleasure and pain. Upekkha is freedom from all points of self-reference; it is indifference only to the demands of the ego-self with its craving for pleasure and position, not to the well-being of one’s fellow human beings. The corresponding Sanskrit word ‘upeksha’ translates into a state of non-attachment, non-discrimination, even mindedness and letting go (Thich Nhat Hanh, 1998). It is about liberation from the influence of passion, desires, likes and dislikes.

Hindu philosophy lays stress on realization of the Absolute Reality (‘Brahman’). The pure self can be achieved by dissolution of ego or identity. The life is characterized by duality and people get stuck in negotiating between the opposites of pleasure and pain, success and failure, happiness and misery. And all this is caused by the mind which houses both ego and identity. Transcendence from attachment to joys and aversion to misery is cultivation of equanimity. Breaking from these dualities is a movement toward realization of the true self. Being affected by the dualities is not the true nature, rather, being unaffected and unattached is. One of the core principles of Bhagavad Gita is winning over senses and not to be affected by opposites that surround life. Being in the world of pleasures and pains and yet being unaffected and unattached to them is core to the reaching of the real being.

It is not only that the concept of equanimity was central to the eastern religious philosophies. Stoicism is ancient Greek philosophy founded by Zeno. Fundamental to Stoic belief is the system that pain or adversities should be endured as they are not in one’s control. And this endurance should be done without display of emotions. Indifference is crucial doctrine of Stoic philosophy. The Stoic philosophers of Greece had their own ideas of dealing with the world full of disturbances. Conflicts and turbulence are inherent to existence and to which a mindful indifference should be cultivated. An attitude of indifference is right for the things that are beyond one’s control like death and actions of others. Sufferings are avoidable by leading life based on the ‘apatheia’ or apathy. These are unimportant. Only those things are important which depend upon us like passions, desires and impulses. And these must be improved.

4. Cool and Popular Culture

The term cool it seems has been exported out of its original context to mainstream popular culture. It has acquired its own meaning and context. The cool has been adopted by

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5 http://buddhism.about.com/od/basicbuddhistteachings/a/Buddhism-And-Equanimit.htm (14/3/13)
marketing for what it means and signifies, and thereby, adds value. There is something exciting about cool that it has become a marketable commodity. The idea of cool makes sense to a lot of people especially the youth. Cool has evolved into a lifestyle phenomenon which signifies life governing belief and value system. What draws people into cool phenomenon is the discourse which certain segments of population subscribe to. The phenomenon of cool which owes its origin to paradoxical juxtaposition of intense agitation causing environment with emotionally unaffected behavior has come to signify a different meaning in popular culture. Cool is used in different contexts and implies different meanings. Some of the expressions in popular culture go as ‘cool money’, ‘cool looks’, ‘cool treatment’, ‘that’s cool’, ‘cool song’, ‘cool person’, ‘cool down’, ‘cool it man’, and ‘take it cool’.

Cool has gained currency in popular culture in spite of lack of concurrence on what it means and signifies. The apparent lack of a clear cut meaning of what cool is and what it means prompted one research to investigate its meaning (Dar-Nimrod et al., 2012). This study attempted to discover what is associated with the term cool. The results found that the term cool is indeed used in somewhat different sense in popular culture removed from its original meaning and context. The participants in the study connected cool to words like ‘confident’ and ‘popular’ more than ‘aloof’ and ‘calm’. The study reached the conclusion that coolness is not easy to define but it is nevertheless recognized by people. Cool is like a coin with two sides, on the one side is a jazz musician like Miles Davis and on the other is a person who is confident, successful and attractive minus edginess. Miles Davis is known for his jazz music, a form of music that has an element of confrontation of blacks with European music. Jazz has a strong connection with the time of slavery in the United States. Jazz had evolved in twenties and was perceived by older generations as something hostile to old values and culture and promotion of decadent values associated with twenties. Two facets of coolness are social desirability and rebelliousness. The first version implies the contemporary interpretation while the latter has historical connections.

What actually is implied when the word ‘cool’ is used in a popular sense? Cool, it seems is that what strayed from its original context of aggressive external environment and a learnt response of emotional detachment. Cool has also been linked with a category of people called ‘hipster’. Hipster is derived from the word ‘hip’ referring to a person who knows and is aware of what is new and stylish. In other words hipster is someone who is up to date with emerging trends. The origins of the words ‘hipster’ and ‘ hippie’ is traceable to counter and
popular subculture. Hipsters were influenced by jazz music and players in the forties, who embraced their dress, language, attitude, drugs, and liberal sexual behaviours. Hipster is ‘... amoral, anarchistic, gentle, and over-civilized to the point of decadence. He is always ten steps ahead of the game because of his awareness’ (Tirro, 1977). Marty Jezer (1982) describes Hipster as a state of being without offering an explanation why. Their ideology was based on the rejection of what was common and adoption of the bohemian, juvenile delinquent and the Negro. Hipster subscribed to an alternative lifestyle that ran counter to the mainstream ideology, it was their own liberal sensibility.

Hipster becomes cool alternative lifestyle and created an arresting pull among white population. Norman Mailer (1957) wrote how black emergent counter culture attracted younger non-whites. The pull of lifestyle related to blacks was so strong among younger whites that many of them voluntarily adopted artefacts, language, dress, music and values associated with blacks. The hipster phenomenon can be seen as a quest for an alternative meaning in life through rejection of the establishment through non-conformity. It is a kind of protest against discrimination and prejudices and a quest for new meaning of life through sensory gratification by use of stimulants and sex. At the heart of their rejection of the mainstream is black communities’ marginalized existence in the American society. The life to them was a series of battles to be fought day-to-day. Mailer describes hipster as psychopath who vents out his frustration against the system by spontaneous acts of protest and rebellion. Rejection and rebellion are two core ideas governing hipster beliefs and attitude.

5. Cool and Marketing

Being cool is one of the important ways to do business. Brands that remain cool have buyers and those which become un-cool lose market. Cool is about value addition. Cool is an intangible resource capable of catapulting a brand into higher end of price and customer following. Some of the brands defy implications of passing time and continue to remain cool like Apple or Harley Davidson. Cool is not only about brands but also about products. For instance, denim fabric continues to hold sway over people’s choice. Notwithstanding the difficulties in catching the essence of this elusive and opaque phenomenon, marketing managers strive to crack the DNA of cool. Cool is a scarce resource capable of bringing about value transformation.

Thoughts and concepts that aim to capture the concept of cool in neat descriptions fail to do so. The concept is characterized by plurality of perspectives which can be categorized as:
behaviour, state of being, aesthetic appeal, as epithet, social distinction and elusive essence. Cool is about specific behavioural pattern like postures, facial expressions, voice modulations and body movements laden with symbolism which is valued in a specific peer group context. In the backdrop of aggressive environment of slavery, these behaviours masked the inner protest to avoid punishment (Poutain and Robins, 2000). Cool as a state of being signifies a harmonious state or poise, which is attributable to an absence of conflict or tension between body, mind and soul. Cool gets diffused into mainstream culture thought attitude exhibited by actors and intellectuals. Their exhibited attitude, style and mannerism appeal to people aesthetically and thereby get infiltrated into popular culture. For instance, the jazz artist’s relaxed attitude, liberal sexual orientation and hedonistic orientation is idealized and emulated by young people. In language, the word cool is interjected to add a meaning. Cool as epithet is often used as slang especially amongst younger people. It does not hold a specific meaning; rather its meaning is construed as per the context - cool as stylish, cool as calm, cool as interesting, and cool as skilled or clever.

Coolness can bestow a person with socially distinctive identity or position in comparison with someone less cool. In this contextualization cool can provide status and distinction. Heath and Potter (2006) observed that the phenomenon of cool as counterculture has been imported into common consumption culture. The idea of rebelliousness is outwardly iconoclastic but in reality it is about status seeking and thus, snobbish. The core ideology of counterculture has been appropriated by consumer culture in that capitalists sell cool as a mark of distinction to status seeking affluent people. The last perspective to cool defines it as an ‘elusive’ substance. Getting a concrete answer to the question what is cool is difficult for it implies different things and it is constantly a moving target (Poutain and Robins, 2000). Cool is a reality and its influence is palpable, yet the concept of cool is surrounded by abstraction. It is hard to pin down to its definite concept completely and exactly.

Cool is important for marketing and marketers. Its capacity to mediate consumer preferences makes it a crucial aspect of brand identity and image management. The perception of being a cool brand is important for its consumer consumption driving behaviour. Becoming cool assumes significance in managing marketing because of a number of reasons. First, cool drives brand favourability irrespective of product categories. Second, cool is not relevant for a specific age group as cool is generally linked with younger

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age groups. Cool is relevant for all age groups but what is considered cool by one group may be different from the other. Third, characteristically cool brands tend to be different. The unique aspect primarily drives consumer behaviour. Finally, uncovering cool requires taking a dive into consumer subconscious. It is difficult to capture the cool with conscious engagement. The house of cool is the hemisphere that houses intuition and perception.7

Brands lose appeal when they become un-cool. Brand like Levis seems to be going downhill. Many causes are attributed to its declining fortune. Behind the manifested sales statistics lies a reason that its quintessential blue pair of jeans is no longer perceived to be cool (Poutain and Robins, 2000). The blue double seamed riveted jeans become cool during fifties and sixties for associations and imagery that Levis acquired with working class typically defined as blue collar workers. It was a group of people in opposition with the then prevalent bourgeois. It was a sartorial expression of a rebellion which pitched two classes in opposition. Jeans were described by some as clothes of the bad boys and as a consequence were banned in schools. The anti-conformity, anti-establishment symbolism continues to hold sway upon customer till seventies and eighties. It is about this time the erosion of coolness began for the brand Levis. At the heart of this un-coolness was the question, how can a brand which is worn by parents be cool for the young generation? A pair of blue jeans symbolized conformity not a challenge. The brand perceptually represented the system, and the new generation was looking for its own rebel identity. The jeans brands were inventing new cool which enjoyed resonance with the youth of nineties. Accordingly, new cool was found in brands like Calvin Klein and Tommy Hilfiger.

Cool is an exploitable commodity. Brands succeed by appropriation of the ideas that are considered to be cool. The journey to becoming a cool brand necessarily has to begin with uncovering what is cool in a given customer group. What is cool should be hunted down from the jungle of consumer psychology. It is about identification of current and future cultural trends. Cool hunting refers to a market research methodology which seeks to predict future trends; the term refers especially to marketing aimed at teenagers and the fashion world. Cool hunters utilize both overt methodologies such as focus groups, and covert methods such as entering a chat room posing as a member of the target market. This style of research is the most common among teenagers due to the perceived lack of response to direct and targeted advertising among this demographic group.

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The Levis becoming un-cool has very little to do with the product element of the brand. The pair of jeans with its fabric structure and shape cannot account for decline of Levis and the rise of other brands. Similarly, a product category like cigarette is passing through the same trials and tribulations. Smoking was, back in time, considered to be cool and various brands drew their cool imagery from actors in the popular media. It is impossible to forget cool imagery of Marlon Brando, David Niven and Gregory Peck. But the product does not seem to enjoy a connection with the youth and the category seemed to be rendered void of its charm and charisma. It is un-cool to be a smoker in the current times. Here the reference is to brand discourse and movement of customer along the time line. Brands appropriate ideas, symbols, images, symbolism and discourse from culture and through this appropriation brands forge relationships. For instance, brand creators have for long relied upon black struggle during the times of slavery to build brand identities based on calm in difference to aggression. The ‘got to be cool’ rhetoric is all about indirectly saying ‘got to be black’ (Klein, 2000). Often brands used cultural icons that are considered to be cool in order to suck their cool property and transfer it to brand symbolism.

6. Concluding Remarks

Marketing is all about movement and change. What is ‘in’ today is unlikely to be ‘in’ tomorrow. Obsolescence is a dark reality of business. The cycle of innovation endlessly spins opportunities but casts doom on many simultaneously. Like the products of yester years like typewriters and CD players have been pushed into oblivion by innovative products that offer superior functionalities to consumer problems, brands lose their appeal by losing their cool. Cool in this sense is a new resource for a marketer which spins the wheel of consumerist culture. It needs to be hunted, appropriated and disseminated into a resonating brand narrative.

References

Heath, J. and A.Potter (2006), The Rebel Sell: How the Counterculture became the Consumer Culture,
This paper discusses the concept of exchange rate pass-through (ERPT) in export prices. Exchange rate variations affect international price-competitiveness of exports and their profitability in domestic currency terms. ERPT for exports refers to the degree to which exchange rate changes affect prices of traded goods measured in importer's currency, i.e., whether changes in exchange rates are passed on to foreign consumers or absorbed by exporters, to retain market shares, by maintaining stable prices in international markets. The choice depends on the assumptions regarding the international market structure and product differentiation. Magnitude and speed of pass-through helps understand the relation between exchange rate changes and its impact on trade balance. In this paper, we estimate the ERPT for Indian aggregate non-oil exports and find low pass-through over the long period between 1960-2007. The magnitude increases slightly in the post-1991 period in the wake of competitive currency adjustments by many developing countries. It can thus be argued that currency adjustments alone cannot bring about an adjustment in current balance. There is a need to pay attention to commodity mix and aspects of non-price competitiveness to improve shares in world exports.

Keywords: Exchange Rate Pass-Through, India, Pricing to Market

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1. Introduction

The relationship between exchange rates and prices has been explored in the context of the law of one price and the exchange rate pass-through (ERPT). The former tests the purchasing power parity hypothesis and the latter examines the ability of currency devaluation in correcting trade imbalances. Effect of currency devaluation on price competitiveness of exports highlights the relationship between exchange rate movements and prices of traded goods. This relationship is called ERPT. Text-book models assume perfect competition, constant mark-ups and thus complete pass-through. This is refuted empirically because markets are imperfect whereby mark-ups adjust and pass-through is incomplete.