Evaluating the Effectiveness and Limitations of Colour Psychology in Branding Across Industries

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To what extent does colour psychology influence branding effectiveness across industries, and how should companies account for cultural and contextual differences in their color strategies?

Abstract

Colour psychology is widely used in branding to influence consumer perception, emotional response, and purchasing behaviour. This paper evaluates the extent to which colour psychology contributes to branding effectiveness across industries and critically examines its limitations. Drawing on established branding frameworks such as Keller's Brand Equity Model and Aaker's Brand Identity Model, alongside key studies in colour psychology, the research analyses how specific colours are strategically employed within different sectors. Case studies from the food and beverage industry and the technology and finance sector illustrate how red and blue are commonly used to signal urgency, appetite stimulation, trust, and reliability. However, the paper also highlights important constraints on the effectiveness of colour psychology, including cultural variation, cognitive heuristics, sensory overload, and colour vision deficiencies. Through this evaluative approach, the study concludes that while colour psychology plays a meaningful role in branding, its influence is highly context-dependent and should function as a complementary element rather than a standalone branding strategy.

Keywords: colour psychology, branding effectiveness, consumer perception, industry-specific branding, cultural context

Introduction

"Products are made in the factory, but brands are created in the mind." This statement by renowned designer Walter Landor encapsulates the essence of branding: it is not solely about creating a product or logo but about constructing an identity that influences how consumers perceive and associate with businesses (Dvornechuck, 2023). Branding involves developing a brand's identity. Think of it as creating your own reputation or personality. A brand's personality, including its name, symbols, and message, is intentionally crafted to build trust, loyalty, and an emotional connection with an audience, similar to how a person's character and style communicate with their family or friends. This also applies to business contexts, where branding is typically defined as the process of applying exclusive or idiosyncratic features to one's organisation to help customers relate to the brand's products or services (Decker, 2019). Kevin Lane Keller, a renowned professor, suggests that it is essential to create a distinctive brand image by designing experiences that evoke positive thoughts in customers' minds (Hawker, 2019).

Building on this, colour psychology plays a pivotal role in helping brands to achieve such outcomes. By leveraging the symbolic and emotional power of colours, brands can create perceptions that could influence customer behaviour to their advantage. Studies show that 85% of consumers identify colour as a primary reason for choosing one brand over another, underscoring the significant impact colour can have on customer decision-making (Lischer, 2024).

While colour psychology remains prominent in the marketing world, the extent to which its results are potent remains disputed. Colour has not only been linked to emotion but also to cultural aspects and how interpretations can vary accordingly. Furthermore, an overuse of colour in branding may overwhelm consumers and have an adverse effect, rather than influencing them to purchase. This raises concerns about the reliability of colour application in various markets and industries and the consistency of its effects. Subsequently, this research paper aims to answer the following question: **To what extent does colour psychology influence branding effectiveness across industries, and how should companies account for cultural and contextual differences in their color strategies?**

Taking everything into account, this research paper evaluates the extent to which colour psychology contributes to branding effectiveness, while examining how specific colours resonate differently across industries, such as red in the food and beverage sector and blue in the technology sector. It further analyses how cultural, cognitive, and contextual factors shape and limit the impact of colour psychology in branding.

Literature Review

A comprehensive understanding of how colours influence branding requires a firm theoretical basis in established branding theories. Aaker's brand identity model, for instance, is a brand blueprint developed by marketing expert David Aaker that primarily emphasizes the importance of brand identity and offers unique solutions for building a strong brand. The Aaker model includes four different brand topics: awareness, loyalty, perceived quality, and brand associations, which give value to different types of brands (Schmidt, 2020). The model offers a unique breakdown of the components that make up brand identity and organizes them through these four quadrants: Brand as product, Brand as organisation, Brand as person, and Brand as symbol. He has also emphasized that colour helps reinforce these quadrants and shapes the overall brand personality. *Fig. 1* displays a visual construction of Aaker's model.

Fig. 1: Aaker's Model

In addition, another theory, Keller's Customer-Based Brand Equity Model, is a well-recognised framework that posits that brands must shape how customers think and feel about their products. Keller insists that when you have a strong brand identity, your customers tend to be unwaveringly loyal, buy more from you, and as a result also recommend you to others (Mind Tools content team, 2024). His model suggests that associations and meaning contribute to brand equity. According to an article by SquareHoles, research demonstrates that 81% of customers refuse to do business with a brand that they don't trust. Whilst other findings show that 43% of customers spend more money on brands that they are loyal to, which further accentuates the role of brand equity in driving positive outcomes (Jacob, 2023). Although these theories have their own propositions, the message that remains universal is the importance of brand representation in customers' eyes. Branding that is visually appealing and evokes the brand and its products leaves a lasting impression on customers and is indispensable for brands to carry out effectively.

Now that these branding theories have been established, we must delve into research on colour psychology and marketing. Elliot and Maier's (2014) research on Colour Psychology explored the effects of colour perception on human psychological functioning and provided empirical evidence of colour-emotion links. Some colour effects are thought to represent inherent tendencies to interpret and respond to colour in a manner similar to that observed in our nonhuman primate relatives, whilst other effects are thought to be rooted in the pairing of colour and particular concepts, messages, and experiences. Additionally, Singh's (2006) study is another notable work that found that people make up their minds within 90 seconds of their initial interactions with either people or products, and that about 62-90 percent of those judgments are based on colors alone. This underscores the prevalence of colour in our immediate decisiveness. Accordingly, Singh emphasizes the prudent use of colour for firms to differentiate their products from competitors'. Furthermore, he advises managers to use colour judiciously to maximise sales through effective marketing. Lastly, Labrecque & Milne's (2012) study concluded that blue tones generally convey competence and reliability, while red evokes excitement and passion. Such findings illustrate how colour molds our perception in real time and influences our discernment.

We can further understand the importance of colour in the consumer decision-making process through the lens of Kahneman's dual system theory. Kahneman describes the brain's two modes of thinking: System 1 (fast, intuitive, automatic), which makes quick, effortless decisions based on patterns and experience, and System 2 (slow, deliberate, effortful), which handles complex computations and conscious, analytical tasks. System 1 thinking leads us to use heuristics, i.e., taking mental shortcuts, often relying on the most evident or visible cues. For brands, this becomes colour, which then opens the way for them to exploit colours to their advantage. Singh's (2006) examination of color in marketing emphasizes this urgency, indicating that color can influence initial perceptions and trigger buying choices in just a matter of seconds.

However, it is paramount for us to understand that colour is not always perceived in branding as intended. For instance, an important question that arises is whether the meaning behind colours is universal or influenced by culture. Speaking to this, the cross-national research by Madden, Hewett, and Roth discovered both trends – specific associations (like red with passion or dominance) are prevalent across cultures, while others vary significantly depending on cultural context (for instance, white represents purity in numerous Western societies but may signify mourning in some East Asian regions). This blend of similarity and difference implies that colour strategies effective in one country may fail globally if cultural significance is overlooked (Madden et al., 2000).

Studies on category norms and colour differentiation introduce an additional aspect. Although using surprising colour selections can enhance uniqueness, deviating too far from what's typically expected can make things less clear and more complicated to understand. Labrecque and Milne's research on color norms indicates that brands need to find a balance between differentiation and appropriate category signaling to ensure that System 1 associations are helpful rather than perplexing. Overall, it is recommended that brands consider cultural aspects and colour differentiation to achieve both distinct branding and improved sales.

Colour Psychology in Practice: Case Studies

Food and Beverage Industry

Brand	Logo
McDonalds	
Five guys	
In and out	
Burger king	
Pizza hut	
KFC	
Coca cola	

All the above fast food giants, idiosyncratic in their own ways, have one glaring thing in common: the use of the colour red. The colour red, pervasive in the food and beverage industry, has been found to cause multiple psychological evocations. According to an article by Luelfesmann & Riegel (2022), red has positive connotations: active, strong, passionate, warm; conversely, it can evoke aggressive, intense, or even angry associations. Furthermore, physiological studies show that red tends to raise heart rate and blood pressure, increasing arousal, whereas cooler colours tend to calm us.

In the food and beverage sector, brands like McDonald's, KFC, and Coca-Cola have not chosen red by accident. These firms harness red's psychological effects: driving appetite, urgency, and attention, and encouraging rapid decision-making. For example, McDonald's famous red and yellow arches, KFC's predominantly red logo and store decor, and Coca-Cola's red branding on bottles and signage all emphasise speed, visibility, and a certain energetic atmosphere which primes consumers for quick purchases.

An empirical study that supports this strategy is the work of Bellizzi & Hite (1992), who conducted two laboratory experiments simulating retail environments dominated by red or blue. They found that blue environments generally yielded more positive retail outcomes than red environments: in blue settings, people were more inclined to browse, more likely to make purchases (with fewer purchase postponements), and more willing to explore and spend time, etc. While red increased arousal, it also had trade-offs: in many cases, it led to negative effects, including more tension, fewer shopping/browsing behaviours, and sometimes delayed decisions.

Thus, in fast food, the urgency dimension is emphasized: red encourages quick decisions, signalling speed. McDonald's lobby design, drive-thru queues, and KFC's bright red branding all reinforce the idea that you order and eat fast. Yellow often complements red by being attention-grabbing and cheerful, helping with visibility and sign recognition. Together, these colours work to stimulate appetite (warm colours are generally associated with arousal and elation, rather than relaxation) (Luelfesmann & Riegel, 2022).

In sum, when comparing how different sectors rely on specific colours, the food and beverage industry is a prime case: red (often with yellow) is not just a branding aesthetic, but a strategic choice grounded in psychological theory. Brands such as McDonald's, KFC, and Coca-Cola consistently apply red in their logos, packaging, and physical environments to reinforce fast service, visibility, hunger stimulation, and high turnover.

Technology and Finance Industry

Brand	Logo
IBM	
Samsung	
Pay Pal	
LinkedIn	
American express	
Twitter	

The table above lists renowned brands that have adopted the colour blue, much like red, in their respective industries. Blue is a colour perceived as less threatening and more stable. Psychological theories suggest that blue instills emotions of trust, reassurance, and safety, qualities that technology and finance companies aim to project (Cherry, 2024). Additionally, humans subconsciously associate blue with calm, safety, and reliability, and it is therefore a common choice for most firms in their branding. Beyond this, the colour blue represents intelligence, logic, and efficiency. Using blue can give a brand a sophisticated, corporate feel, suggesting that the company is a leader in its field. This is famously employed by IBM, which has been nicknamed "Big Blue" for decades (Ferria, 2023).

Both the technology and finance industries rely on stability and trustworthiness to build consumer and investor confidence and to mitigate high-stakes risks. These industries involve large-scale transactions and must maintain privacy and security to minimise potential losses. To create this consumer perception, firms often consider colour as a strategic branding tool, and this is where blue becomes significant. Returning to previously mentioned studies, Labrecque & Milne (2013) found that blue is seen as a secure and wise colour. Their findings suggest that blue is recurrently associated with competence, intelligence, communication, and trust in marketing and brand identity. Moreover, this corroborates why blue is a key colour for brands aiming to convey these specific attributes.

However, a notable exception is Apple, which, despite being a technology company, has counterintuitively succeeded without relying heavily on blue. Unlike most of its competitors that adopted blue to appear trustworthy and dependable, Apple took a completely different route. While it originally had a blue logo, it soon shifted to a cleaner palette of black, silver, and white, colours that perfectly matched its minimalist, futuristic image. This change wasn't just aesthetic; it reflected Apple's identity as a brand that values simplicity, sophistication, and innovation above all else. The lack of bright or "attention-grabbing" colours makes the design itself stand out, the sleek finish of the devices, the refined packaging, and the uncluttered look of their stores. In a way, Apple proved that success doesn't always come from following the norm. When a brand truly understands who it is, even a simple colour choice can become part of its personality.

Evaluation of Colour Psychology in Branding

There is no doubt that colour has proved crucial to branding. Brands have recognized that colour can dictate human behaviour and have wielded it to their advantage. Whether it be to form a distinct brand image, create memorable brand experiences, or even to increase revenue, colour has prevailed in not just one but a myriad of industries (Lischer, 2024). That being said, given its ubiquity in the marketing world, marketers may sometimes misemploy colour: often oversimplifying its role and evocations. Like formerly mentioned, Singh's (2006) study - which found that people make up their minds within 90 seconds of their initial interactions with either people or products and about 62-90 percent of those judgments are based on colors alone - highlights that colour can act as a tool to guide customers into making instantaneous decisions; hence, it takes form of a heuristic. However, heuristics force decision-making based on scant information, and some may argue that marketers are exploiting colour's abilities.

Elaborating on this, the fluency heuristic proposed by Schooler and Hertwig (2005) refers to a simple, one-reason inferential strategy in which individuals rely on the ease or speed with which information comes to mind when making judgments or decisions. People tend to favour concepts that are easy to process and understand (Pohl et al., 2016). As a result, marketers believe that it's human nature to prefer what feels clear and certain. However, this assumption can be limiting as it overlooks how colour actually interacts with broader brand identity and context, leading some firms to rely on formulaic colour associations rather than strategic design choices. Consequently, brands must understand how to use colour effectively to their advantage. In many cases, colours are used incongruously, overwhelming customers and provoking sensory overload. Research suggests that colour combinations can be highly decisive in persuading customers: the wrong combinations may impair brand identity, while the right ones can elevate it. For instance, when yellow and green are grouped together, they can be aesthetically unappealing due to low contrast (Pandey, 2022). Thus, the strongest brands are those that apply colour consistently and coherently to reinforce recognition and meaning.

In addition to the colour combination, a brand must consider its industrial context and background before selecting its colour palette. As seen in the case studies conducted, firms in the same industry tend to employ a similar set of colours. Therefore, the integrated colours mustn't surprise customers or look odd or out of place. Here we must mention the case of Tropicana, which suffered through a severe rebranding failure. Tropicana, a brand associated with natural products and bright colours, wanted to update its image more toward that of a younger generation. The idea was to design a 'cleaner' and 'younger' image that would attract new customers while retaining existing customers. The brand underwent significant changes to its logo, tagline, and packaging, which deviated from its fun, fresh identity and shifted toward something simpler (Zoviz, 2025), as seen in *Fig 2*. This caused many loyal customers to switch to rival brands, leading to cascading sales overall, as the change ended the sentimental attachment many had to the brand. This cost Tropicana $20 million within just one month - a staggering amount, knowing that they had just spent $35 million on the rebranding (Andrivet, 2015), which goes to show how disregarding industry alignment to differentiate yourself may have a counterintuitive effect on brand image and sales.

Fig. 2: Tropicana's rebranding attempt

Furthermore, another aspect that diminishes colour's potency is colour deficiencies. Extensive random population surveys have shown that the prevalence of deficiency in European Caucasians is about 8% in men, about 0.4% in women, and between 4% and 6.5% in men of Chinese and Japanese ethnicity (Birch, 2012). This indicates that a non-trivial segment of consumers may not perceive brand colours as intended, weakening the universality of colour-based psychological cues. As a result, colour alone cannot reliably communicate meaning or emotion to all consumers. For these stakeholders, other branding elements, such as typography, iconography, shape, and messaging, become more influential than colour itself. This suggests that even small yet often overlooked consumer groups are significant for brands to consider, as over-reliance on colour psychology could limit accessibility and reduce brand effectiveness, potentially influencing overall brand success.

Conclusion

Overall, branding remains a central component of firms' marketing strategies, playing a critical role in shaping brand identity, consumer perception, and purchasing behaviour. Within this process, colour and colour psychology have emerged as influential tools, enabling brands to differentiate themselves, convey symbolic meaning, and elicit emotional responses. However, this paper has demonstrated that while colour can enhance branding effectiveness, its influence is neither universal nor consistently reliable across contexts.

Through an evaluation of established branding frameworks such as Keller's Brand Equity Model and Aaker's Brand Identity Model, alongside empirical studies in colour psychology, it becomes evident that colour functions most effectively when integrated with broader brand meaning rather than used in isolation. Case studies from the food and beverage sector and the technology and finance industries illustrate how colours such as red and blue are strategically employed to signal urgency, trust, and reliability. At the same time, exceptions such as Apple highlight that strong brand identity can be achieved even when dominant industry colour norms are rejected.

Crucially, the paper's evaluative analysis reveals several limitations to colour psychology as a branding strategy. Individual cognitive differences, cultural variation, colour incongruence, sensory overload, and colour vision deficiencies reduce the universality of colour-based cues. These factors challenge the assumption

that colour associations alone can reliably shape consumer behaviour, suggesting that over-reliance on colour psychology may weaken rather than strengthen brand communication.

In conclusion, colour psychology does influence branding effectiveness to a meaningful extent, but its impact is conditional and context-dependent. Colour should therefore be viewed as a supportive branding element rather than a standalone determinant of success. For brands operating across diverse markets, effectiveness lies not in rigid colour formulas, but in strategically aligning colour choices with brand identity, cultural context, accessibility, and overall consumer experience.

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