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**“BRAND ORIENTATION:
Antecedents and Consequences”**

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This dissertation is dedicated to my parents, Panagiotis and Vassiliki, with much love, respect and admiration.





“BRAND ORIENTATION: ANTECEDENTS AND CONSEQUENCES”

LAMPRINI P. PIHA

A thesis submitted for the degree of Doctor of Philosophy

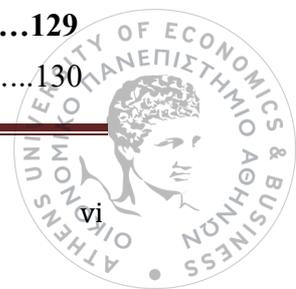
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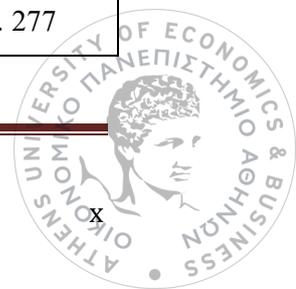


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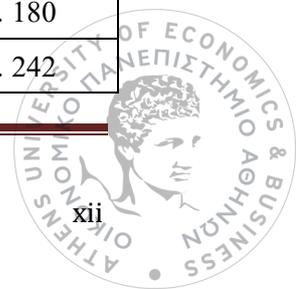


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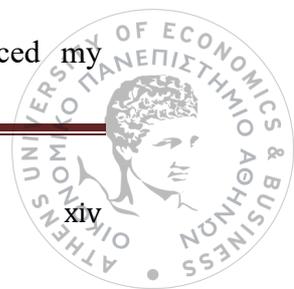
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DECLARATION

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Piha, P. L. and Avlonitis, G. J., “*Brand Orientation: antecedents and consequences*”, **2009 AMS (Academy of Marketing Science) Annual Conference: “Marketing for a Better World”**, Doctoral Colloquium, Marriott Waterfront, Baltimore, MD, USA, 20 – 23 May, 2009.

Piha, P. L., Avlonitis, G. J. and Koritos D. C., “*Brand Orientation: the Construct*”, **38th EMAC (European Marketing Academy) 2009 Conference: “Marketing and the Core Disciplines: Rediscovering References”**, Audencia School of Management, Nantes, 26 – 29 May 2009. *Best paper nominated.*

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Avlonitis, G. J., Giannopoulos, A. A., Piha P. L., “*Desti-nation Branding: more than a term...*”, **The 2010 Athens Tourism Symposium: Current Trends in Tourism Management and Tourism Policy**, Laboratory of Research and Tourism Satellite Accounts, Athens, Greece, 10-11 February 2010.

Giannopoulos A. A., Piha, P. L. and Avlonitis, G. J., “*How can Branding Principles be transferred to the Tourism Destination Context? An Exploratory Research*”, **6th International AM (Academy of Marketing) SIG Brand Conference: “Brand New Territory: Brand Leadership, Relevancy and Practice in Dynamic Environment”**, ESADE, Barcelona, 9 – 11 April 2010.

Piha, P. L., Giannopoulos A. A. and Avlonitis, G. J., “*Destination Branding: Qualitative Insights from the Hotel Industry*”, **39th EMAC (European Marketing Academy) 2010 Conference: “The 6 Senses – The Essentials of Marketing”**, Copenhagen Business School, Copenhagen, Denmark, 1 – 4 June 2010.

Giannopoulos, A. A., Piha P. L., Avlonitis, G. J., “*Toward a successful Destination Brand: Qualitative Findings from the Hotel Sector*”, **2010 ICHRIE**, San Juan, Puerto Rico, USA, 28-31 July 2010.

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ABBREVIATIONS

BO: Brand Orientation
BOA: Brand Orientation as Attitude
BDO: Brand Development Orientation
IBO: Internal Brand Orientation
EBO: External Brand Orientation
CBBE: Customer Based Brand Equity
MO: Market Orientation
EO: Entrepreneurial Orientation
MDP: Marketing Departmental Power
IC: Interdepartmental Conflict
BP: Brand Performance
FP: Financial Performance
EFA: Exploratory Factor Analysis
CFA: Confirmatory Factor Analysis
NBO: Nonprofit Brand Orientation
BRC: Brand Report Card
IMC: Integrated Marketing Communication
HOC: Higher Order Construct
BIM: Brand Importance
BAN: Brand Analysis
BCL: Brand Clarity
BDIF: Brand Differentiation
TMBC: Top Management Brand Commitment
SBV: Shared Brand Values
BCON: Brand Consistency
BPR: Brand Protection
BPA: Brand Performance Assessment



EXECUTIVE SUMMARY

The importance of branding as a way of creating sustainable competitive advantage and the critical role brands play in driving profitable, long-term growth, are nowadays acknowledged by the majority of the academic and business society. However, creating and sustaining strong brands are among the greatest challenges managers face. This is probably the reason why both marketing scholars (Shocker et al., 1994; Keller and Lehmann, 2006), as well as practitioners (McKinsey, 2003) have been stressing for long the need for the development of an integrative theory to guide brand management. In addition, based on the concession that no single or dominant theoretical framework had emerged to guide research in this area, they have been calling for the creation of a general branding model to be tested and calibrated, in order to move branding toward becoming a rigorous science.

The term Brand Orientation was proposed for the first time in 1994 in order to describe such an integrated organizational focus on developing and sustaining strong brands over time. Since then, though, almost all studies on the subject have either been based on a limited theoretical foundation, or have taken a narrow industry-specific perspective (e.g. the charity sector). The lack of a sound conceptualization and rigorous operationalization of Brand Orientation, and of a generally accepted Brand Orientation framework, constituted the point of departure of this thesis. As such, the purpose of this study is to further the interest that has appeared the last years around Brand Orientation, by providing a foundation for the systematic development of a theory of Brand Orientation and empirically testing that theory, operationalizing in this way the branding concept.

A thorough review of the relevant literature that either delves into Brand Orientation per se or implicitly reveals significant insights of the construct by focusing on brand building and management, uncovered several common elements that seem to characterize all



organizations with strong brands. By synthesizing the received view from the literature with the perspectives on Brand Orientation expressed by experts in the context of a qualitative study, the theoretical clarification of the construct became possible. Brand Orientation is defined as *reflecting an integrated organizational approach towards the development, maintenance and enhancement of successful brands over time*. Taking into account the BO dimensions inferred from the literature analysis and the relevant insights from the in-depth interviews, Brand Orientation is suggested to comprise 9 dimensions/components (Brand Importance, Brand Analysis, Brand Clarity, Brand Differentiation, Top Management Brand Commitment, Shared brand Values, Brand Consistency, Brand Protection and Brand Performance Assessment). Based on the fact that certain BO dimensions, despite their conceptual clarity, seemed to have a closer conceptual linkage with some other BO dimensions and a much more distant linkage with some others, the possible existence of some higher order constructs was investigated and eventually confirmed. As a result, and in contrast with previous research efforts, it is suggested that Brand Orientation should be viewed as consisting of four facets – building blocks (Brand Orientation as Attitude, Brand Development Orientation, Internal Brand Orientation, External Brand Orientation), each of which comprises one or more BO dimensions.

Therefore, the operationalization of Brand Orientation entailed the development of four distinct scales, according to the respective building blocks, which can be used separately or together, depending on the research context. In other words, Brand Orientation is suggested to represent a hierarchically organized reflective construct, with its building blocks operating as higher order factors. After all, the concept of branding, which is intended to be expressed via the BO construct, is large enough to be effectively represented by a simple scale.



In order to operationalize the higher order BO scale, all recommended scale development steps were carefully followed. Based on the construct definition and content domain, a large pool of items was initially generated and later reduced to a more manageable one based on expert judging and a pilot study on relevant population. The resultant BO scale was finalized through a large quantitative study in 242 large organizations. Our empirical findings lent support to the broad BO conceptualization and confirmed that the BO scale developed reliably and validly measures the intended notion. More specifically, all scales measuring the four building blocks of BO appear to be reliable and exhibit high levels of construct validity. The BO entire scale was also proved to be reliable and valid, confirming the proposed hierarchical structure of the construct. Additionally, all individual BO dimensions were shown to be distinctive, yet related, brand-oriented aspects of an organization. Regarding the internal causal structure between the building blocks of BO, it was proven that a strong branding culture is the starting point of a Brand Orientation, guiding all behavioral branding aspects in an organization. Based on a thorough brand analysis, the development of clear and differentiated brands is in order, so as to create brands with distinct competitive advantages. In a subsequent step, the brand values have to be honestly supported by the top management and effectively shared by all employees and partners of the firm, in order for brand supportive behaviors to be generated. Finally, based on a positive attitude towards brands, the development of clearly differentiated brands and internal brand assimilation, the brand promise can be effectively delivered externally through consistency, long-term protection and periodical assessment.

In sum, the Brand Orientation construct developed, as it is conceptualized and operationalized, hopefully summarizes the branding concept from the supply – side perspective, by reflecting the adequate branding philosophy, firm strategy and activities towards successful brand building and management over time. In other words, Brand

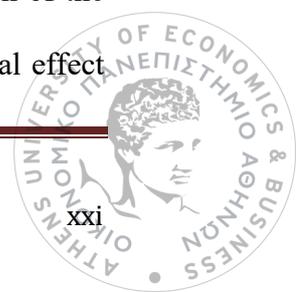


Orientation captures the way an organization can build, maintain and enhance strong brands over time, operationalizing the broad branding concept reliably and validly.

The determination, through empirical research, of the antecedents and consequences of a Brand Orientation was also among the main research goals of the thesis. Regarding the drivers of such an orientation, it was found that Brand Orientation is directly, positively and strongly affected by Market Orientation, which is revealed as a significant predictor of BO. Brand Orientation was also found to be facilitated by the company's degree of Entrepreneurial Orientation and the power of the Marketing Department. On the other hand, Interdepartmental Conflict appears to indirectly reduce the level of a Brand Orientation.

As far as the consequences of the construct of interest are concerned, Brand Orientation is proved to have a direct significant positive effect on Brand Performance and an indirect effect, through Brand Performance, on Financial Performance. Most importantly, Brand Orientation's positive effect on business performance is found to be strong, regardless of the rate of change in the composition of customers and their preferences, the level of competition and the rate of technological change. Moreover, it was found that the achievement of high brand awareness, loyalty, trust, etc., apart from winning strategies such as those engendered by a Brand Orientation, necessitates time since the business unit's age was shown to covariate with brand performance.

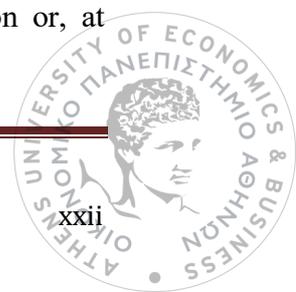
Finally, additional evidence supported the important role of a Brand Orientation in an organization. More specifically, Brand Orientation was revealed as the primary mediator of interest in the relationship between Market Orientation and Business Performance. The same was shown for the relationship between Entrepreneurial Orientation and Business Performance. The full mediation uncovered can be viewed as an additional indication of the important role of Brand Orientation as an intermediate variable in explaining the total effect



of Market and Entrepreneurial Orientation on performance. Such a finding is of enormous importance, as it provides strong empirical evidence of the indispensability for firms to adopt and successfully implement a Brand Orientation. In other words, findings suggest that a Market Orientation is a necessary but no longer a sufficient strategy in order to achieve high levels of business performance. Brand Orientation is revealed as the primary mediator of the Market Orientation → Performance relationship, changing in this way the prevailing, so far, view in the literature regarding this relationship.

The present thesis has hopefully important implications for both the business world and the academic society. Managers are shown a way to strengthen their firm's market position, by rallying the entire organization, its commitment, efforts and resources toward the development of strong brands. In other words, the present thesis summarizes the way a company can build, maintain and enhance one or more strong brands over time, offering important branding guidelines that stem from a theoretically grounded and empirically validated Brand Orientation theory.

As far as marketing scholars are concerned, with this thesis, they have at their disposal a carefully developed theory of Brand Orientation, which summarizes the broad concept of branding from the supply-side perspective. They now also possess a reliable and valid scale of Brand Orientation, which allows for the sound measurement of the level of such an orientation in organizations. The conceptualization and operationalization of Brand Orientation as a hierarchically organized construct, allow marketing researchers to opt for either all or any combination of the higher order constructs forming Brand Orientation, depending on the research context. Additionally, this thesis comes to “question” the prevailing view regarding the market orientation – performance relationship, by providing strong evidence that this relationship is completely mediated by Brand Orientation or, at



least, that BO constitutes a primary mediator in this relationship. This finding does not oppose to previous knowledge, but further explains the way organizations should work in today's challenging environment, supplementing the marketing knowledge so far with a novel integrative concept that seems to exert a very significant influence on company results.

The thesis concludes by recognizing the research limitations of the study and suggesting possible extensions of the present work in future studies.



CHAPTER 1:

INTRODUCTION

“Building and properly managing brand equity has become a priority for companies of all sizes, in all types of industries, in all types of markets.”

Kevin Lane Keller, 2000 (p. 147)



1.1. TOPIC SELECTION

In our increasingly complex world of hyper-competition, globalization, and rapid technological obsolescence, marketers are struggling to find new conceptual bases on which to successfully design and deliver their marketing programs. According to Kotler (2005), the haunting truth behind this reality is that traditional marketing is not working enough and he maintains that two answers apply to this marketing challenge facing today's companies. One is to know your customers better and to get closer to them. The other is to differentiate your offering through your branding work, so that the offering stands out as relevant and superior in value to a clear target market.

Indeed, more and more marketing professionals recognize the need to develop sustainable competitive advantages based upon non-price competition. As a consequence, an augmenting number of top managers believe that more resources should be diverted into brand-building activities and, therefore, put brand-building efforts at the top of their priority list of management challenges. In this context, several large firms experiment with different organizational forms, in order to enhance and protect their brand value. Colgate & Palmolive, for example, has created a management of brand equity position to be a guardian of the value of its brands, and 3M has formed a distinct department named "Brand Identity and Design Department", in order to supervise at a corporate level its brand building and management efforts.

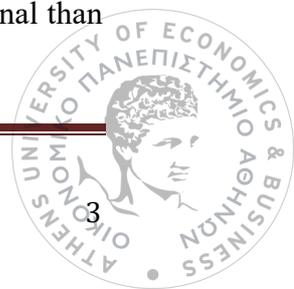
Apart from the business society, the **importance of branding** and the critical role brands play in driving profitable, long-term growth is nowadays acknowledged by almost all academics. Keller (2008) argues that creating strong brands that deliver on their promise, maintain and enhance their strength over time, has become a management imperative. Properly managed, brands can be a company's most valuable asset, creating lasting customer



loyalty and preferences strong enough to overcome intense competition and price differences. Fischer et al. (2010) support this view, maintaining that brands are of enormous economic importance to companies and, for many firms, brand management is highly relevant, if not of the utmost importance, to top management. As Keller and Lehmann (2006) asserted, branding has emerged as a top management priority in the last decade due to the growing realization that brands are one of the most valuable intangible assets that firms have.

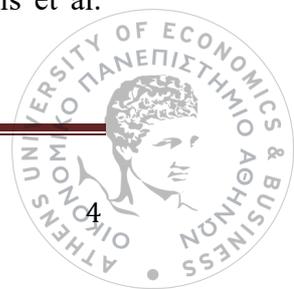
According to Keller (2000), branding should become a priority for companies of all sizes, in all types of industries, and in all types of markets. Keller and Lehmann (2006) noted that branding and brand management has clearly become an important management priority for all types of organizations. The **universality of branding**, which is an additional indicator of its importance, is now more and more recognized as it is difficult to come up with a product or service where the role of branding is not crucial. Many academics pertain that virtually any type of product or service can be branded (e.g. Calkins, 2005; Keller, 2008), supporting the view that brands are not only for luxury goods or consumer packaged goods. **Physical goods** are traditionally associated with brands and include many of the best-known and highly regarded global consumer companies/products like Coca-Cola, Starbucks, Nike, BMW, IKEA and Apple, or greek consumer companies/products like Goody's, Folli Follie, Neoset, Apivita and Attiki honey. However, there are also hundreds of successful brands of business-to-business products, services, high technology products, and even commodity products.

In particular, **business-to-business** marketers are showing increased interest in the potential of branding, especially at the corporate level. Organizational buyers differ in many ways from consumers, including what they perceive to be important, the decision processes they follow, and the purchases they make. Although they are thought to be more rational than



consumers, thereby limiting the impact of brand messages, they have long been known to consider service and other more intangible aspects of the offer, in addition to price and product quality (Mudambi, 2002; Lindgreen et al., 2010, Zaichkowsky et al., 2010). Webster and Keller (2006), as well as Auh and Shih (2009), have also emphasized the importance of branding in business-to-business marketing. Studies of business markets have concluded that intangible attributes such as reputation and image can be of equal or greater importance than tangible physical product attributes (Lehmann & O'Shaughnessy, 1974; Shaw et al., 1989). Industrial brand value has been described as a function of the expected price, the expected benefits of the basic product, the expected quality of the augmenting services, and the brand intangibles (Mudambi et al. 1997). It is not accidental that some B2B companies have developed exceptionally powerful brands such as IBM, Boeing, and GE.

As far as **services** are concerned, two of the main challenges in marketing are their intangibility and their variability in quality, depending on the people who provide them. Taking this fact into account, as well as the Riley and de Chernatony (2000) research conclusion that: “the service brand is a holistic process beginning with the relationship between the firm and its staff and coming alive during the interaction between staff and customers” (p. 138), we may infer that branding can be of enormous importance to service firms as a way to address all problems that arise from their particularities in regard to products. As de Chernatony and Riley (1999) suggest, although the emphasis given to different elements of the branding strategy of services may differ, the conceptual basis of “the brand” remains the same. The example of successful service brands in telecommunications (e.g. Cosmote), online services (e.g. Google, Facebook), institutions (e.g. Harvard), etc. are indicative of the role brands play in this sector. As shown in the research of Davis et al.

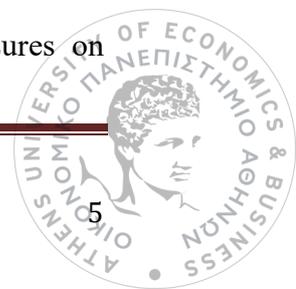


(2008), it is even possible to use brands to differentiate commodity-like B2B services such as logistics.

An increasing number of **high-technology companies** have also undertaken brand-building activities under the premise that such initiatives can create an asset that generates long-term profits (Aaker and Jacobson, 2001). Intel's "Intel Inside" campaign, which began in 1991 amid considerable skepticism, enhanced margins, trust, positive associations and sales.

Commodity products are nowadays branded. Successful brands of water exist, such as Evian, Perrier, Avra and Zagori. Pharmaceutical companies have built strong brands, developing associations in the minds of patients and health-care professionals; Depon, Viagra or Bepanthol are all brands with clear associations. Public figures such as politicians (e.g. John F. Kennedy), entertainers (e.g. Lady Gaga), or professional athletes (e.g. Tiger Woods) are brands. Non-profit organizations are brands (e.g. WWF), destinations are brands (e.g. Paris, Santorini), and even each person can be considered as a brand.

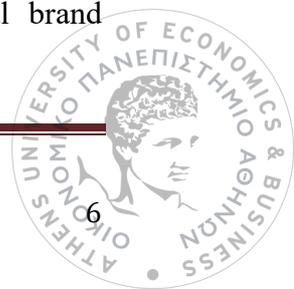
Some people would assume that creating powerful brands, such as the ones mentioned before, is an easy task, including the formation of an appealing name, an attractive logo and a “catchy” slogan. However, this is not the case. In reality, building and maintaining strong brands are among the greatest **challenges** a manager will face, especially in today's marketplace. Developing and sustaining a successful brand presupposes resources, continuous efforts and dedication in the concept of branding (Wong and Merilees, 2008). As Keller (2005, p.19) noted, “Today's challenging and unforgiving marketplace makes brand building difficult. Fickle consumers, intense competition, demanding retailers, constrained resources, and impatient investors put unparalleled pressure on marketers to skillfully design and execute their programs”. A similar view regarding the environmental pressures on



branding has been also expressed by Shocker et al. (1994), who argued that successful marketers should be able to competently respond to the evolving needs of buyers within a market increasingly dominated by global competitors, to an augmenting pace of technological change, the growing power and independence of the channels of distribution as intermediate customers, and the continuous pressure from investors for profitable results. On the same path, Calkins (2005) identified three key challenges facing brand leaders: 1) the need for executives to deliver short-term financial results, although brands are long-term assets, 2) the necessity of getting an entire organization to embrace the branding efforts and successfully deliver the brand promise over time, and 3) the need to stand out in a cluttered environment where customers are bombarded every day by hundreds, or even thousands, of messages and marketing appeals.

Given the serious challenges branding faces nowadays, but also the importance and the universality of brands, as well as the concession by the majority of the academic and the business society that one of the most valuable assets for any firm is the intangible asset represented by its brands, it is **crucial to properly manage brands** in order to maximize their value.

A number of important attempts to determine the most appropriate strategies firms should follow in order to develop and maintain valuable brands has been made (e.g. Doyle, 1989; Aaker, 1996; Davis and Dunn, 2002; Keller, 2008; de Chernatony, McDonald and Wallace, 2011), providing theoretical guidelines for the development and maintenance of valuable brands over time. However, all aforementioned contributions in branding from a company's perspective, although of tremendous importance and utility for the business society, are theoretical and descriptive in nature, based mainly on best-practices. As a consequence, they provide only conceptual frameworks in respect to successful brand



building and management. It is not accidental that important academics (e.g. Shocker, Srivastava and Ruekert, 1994) call for the development of an integrative theory to guide brand management, based on the concession that no single or dominant theoretical framework has emerged that guides research in this area.

In 1994 the term “**Brand Orientation**” was proposed for the first time by Urde, in order to describe such an integrated organizational focus on developing and maintaining strong brands over time. This was the first effort to integrate the organizational perspective of branding under a coherent term, paving the way for later studies to follow that could focus not only on conceptualizing brand orientation, but also on providing a valid measure of the notion, operationalizing in this way the branding concept.

However, as it is shown in detail in the literature review chapter of the thesis, most of the studies on brand orientation have focused on the development of a brand orientation framework and fewer on its empirical measurement (e.g. Bridson and Evans, 2004; Ewing and Napoli, 2005). Most importantly, almost all studies on the subject to date, while providing useful insights for the construct, either have been based on a limited theoretical foundation, using qualitative means of survey such as case studies, or have taken a narrow industry-specific perspective (e.g. the charity sector). Only recently did Baumgarth (2010) provide a broader empirical measurement of Brand Orientation but, focusing explicitly on the business-to-business sector, he conceptualized brand orientation similarly to the existing market orientation model of Homburg and Pflesser (2000), translating the marketing framework to the branding context.

Taking into account all aforementioned facts and in particular:

- The augmenting interest on branding, as a way for creating sustainable competitive advantage,



- The universality of branding, as it can provide important benefits to companies of all sizes, in all types of industries, and in all types of markets,
- The challenges facing brand management nowadays that increase the need for winning brand strategies,
- The call from the academic society (e.g. Shocker et al., 1994) for the development of an integrative theory to guide brand management, based on the concession that no single or dominant theoretical framework has emerged that guides research in this area,
- The increasing interest on Brand Orientation, as an integrated organizational approach towards the development and management of strong brands over time, and finally
- The lack of a sound conceptualization of Brand Orientation, of a generally accepted Brand Orientation framework, and of a rigorous operationalization of the construct,

this thesis is devoted to Brand Orientation, aiming at conceptualizing and operationalizing its domain, empirically testing the influence factors and outcomes of such an orientation in organizations, and providing a coherent and empirically tested framework for successful brand building and management. The title of the present dissertation is therefore:

“Brand Orientation: antecedents and consequences”

Hopefully, the outcome of this thesis is a robust conceptualization of Brand Orientation, a valid operationalization of the notion, an empirical investigation of its antecedents and consequences, and strong empirical evidence of its important role in the operation and performance of an organization.



1.2. RESEARCH GOALS

The **purpose** of this thesis is to *further the interest that has appeared the last years around Brand Orientation, by providing a foundation for the systematic development of a theory of Brand Orientation and empirically testing that theory, operationalizing in this way the branding concept.*

Several **research goals** are set regarding the outcomes of the thesis. In particular, the present doctoral research seeks to:

1. Provide a clear definition of the term “Brand Orientation”, by delineating its domain and roughing out all factors that engender this orientation in organizations.
2. Rigorously develop a reliable and valid scale of Brand Orientation for effectively measuring its degree in an organization, based on the domain of the construct and its dimensions.
3. Determine, through empirical research, the factors that influence and affect the degree of Brand Orientation in an organization (antecedents).
4. Examine the outcomes of such an orientation (consequences) in an organization and investigate, in general, the importance of its role in achieving high levels of company performance.



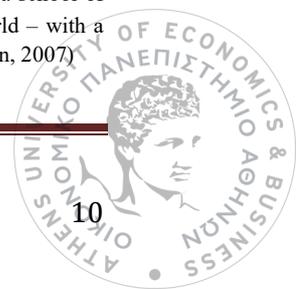
1.3. RESEARCH METHODOLOGY

This thesis supports the view that theory needs to come first and then its empirical application¹. In this vein, the thesis is conducted in two stages.

The **first stage** refers to **theory development**. For this purpose, an extensive review of the relevant literature that either delves into Brand Orientation per se or implicitly reveals significant insights of the construct by focusing on the way organizations should work in order to develop and maintain successful brands was first realized. A carefully planned qualitative research was then conducted, which involved in-depth interviews with 30 key-informants from multinational companies and 5 marketing academics. The qualitative research provided novel insights into the meanings and causes of Brand Orientation and supplemented the received view from the literature. In this way, taking into account the views expressed in the literature and based on a thorough analysis of the in-depth interviews, the theoretical clarification of “Brand Orientation” became possible.

The **second stage** of the thesis pertains to the **empirical validation of the proposed theory of “Brand Orientation”**. First, a rigorous operationalization of the construct was realized, by following all adequate scale development procedures and conducting multiple studies in order to result in a reliable and valid measure. This second stage was completed with a large quantitative research in order to further confirm the reliability and validity of the new Brand Orientation scale developed and empirically test its antecedents, consequences and importance in the operation of a firm, thus validating the proposed relationships of the “Brand Orientation” theory.

¹ This view is in accordance with the theory of logical positivism (also called logical empiricism and neo-positivism), a school of philosophy that combines empiricism – the idea that observational evidence is indispensable for knowledge of the world – with a version of rationalism incorporating mathematical and logico-linguistic constructs and deductions in epistemology. (Flynn, 2007)



1.4. RESEARCH CONTRIBUTION

Brand Orientation refers to an integrated organizational approach towards the development, maintenance and enhancement of successful brands over time that, through this thesis, is proved to be of enormous importance for the achievement of high levels of company performance. Since this thesis constitutes the first effort to a) thoroughly conceptualize and operationalize the wide meaning of Brand Orientation, and b) construct a comprehensive and empirically tested framework of this notion, its contribution is hopefully significant for both business firms and the marketing discipline.

Building and managing strong brands requires from organizations a certain approach and brand competence. In this vein, our anticipated contribution to business society is to “show” firms a way to strengthen their market position, by rallying the entire organization, its commitment, efforts and resources toward the development of strong brands. Overall, our effort provides managers with a comprehensive view of what a brand orientation is and how it can be attained. When brands are brought into focus, a route is opened towards intangibly based competition. Taking into account that a brand orientation may not be easily engendered, it could be considered an additional and distinct form of sustainable competitive advantage.

As far as marketing academics are concerned, with this thesis, they have at their disposal a carefully developed theory of Brand Orientation, along with a reliable and valid scale in order to measure the level of this orientation in an organization. Brand Orientation, can now be assessed along with other important marketing organizational constructs. Therefore, exciting opportunities are offered for researchers to undertake research work in such a novel concept in order to further validate the proposed theory and confirm the tremendous importance of a Brand Orientation for an organization’s success.



1.5. ORGANIZATION OF THE THESIS

The thesis comprises of four main parts. The first part (chapters 1 – 2) pertains to the theoretical aspect of the research work, the second part (chapters 3 – 6) refers to the description of the research goals and the methodology followed for the development of a sound Brand Orientation theory and its empirical validation, the third part (chapter 7) is concerned with the empirical analyses conducted in the realm of the main study of the thesis and the respective results, and the fourth and final part (chapter 8) refers to the discussion of the results of the thesis and their contribution to the marketing discipline. The specific chapters of each part and their contents are as follows.

After the current introductory chapter, chapter 2 summarizes the literature on branding from a supply – side perspective and extensively analyzes the literature that explicitly deals with Brand Orientation. The chapter concludes with the identification of the research gaps in the relevant literature.

Chapter 3 introduces the research scope of the study and the research goals, as those are formed by the literature review and the respective research gaps. The chapter closes with the depiction of a preliminary research framework, based on the accumulative knowledge on Brand Building and Brand Orientation received from literature.

Chapter 4 describes in detail the Brand Orientation theory development process. More specifically, the way the received view from literature was synthesized with the insights gained from the in-depth interviews is presented, leading to the construct definition and the clarification of the content domain. The chapter ends with the description of the final research framework of the study, based on the theory developed, that will guide all research decisions.

Chapter 5 presents in detail the scale development process followed for the operationalization of the Brand Orientation construct.

Chapter 6 proceeds with the description of all methodological details of the main empirical research of the study, which aimed both at the finalization and confirmation of the Brand Orientation scale developed, as well as at the empirical validation of the proposed Brand Orientation theory.

Chapter 7 deals with empirical analysis and presents the results of the main research of the study. The reliability and validity of the Brand Orientation scale developed are confirmed, the antecedents and consequences of Brand Orientation are presented, and the crucial role of such an orientation in the operation of a firm is proved.

Finally, chapter 8 discusses the results of the present study and the conclusions that can be drawn from it, casts the implications of the thesis to the business world, as well as its contribution to the marketing academia, addresses some important research limitations, and suggests possible directions for future research, based on the present work.

CHAPTER 2

LITERATURE REVIEW

« Brand Building goes far beyond creating awareness of your name and your customer promise. It is a voyage of building your corporate soul and infectiously communicating it inside and outside the company to all partners so that your customers truly get what your brand promises. »

Philip Kotler, 2002
(Back cover of *Building the Brand Driven Business*)

2.1. INTRODUCTION

Through this chapter, it is intended to introduce the reader to several issues surrounding the topic of Brand Building and Brand Orientation in particular, and provide the necessary background for the further development of the thesis.

Towards that end, Section 2 opens the chapter by exploring the meaning of brands and branding, signaling the differences between products and brands, and outlining the role of branding in differentiating competitive offerings. Section 3 describes the development of branding as a necessity in the business world and Section 4 provides evidence of the several advantages of strong brands that constitute them so valuable to marketers. Sections 5 and 6 turn to explore the brand equity concept, as well as the brand value creation system, describing the way these topics are seen by researchers so far. Section 7 motivates the discussion with a thorough review of the brand building and brand management literature, revealing the accumulative knowledge up to date regarding the appropriate way of building and managing successful brands over time. Section 8 introduces the reader to Brand Orientation, by reviewing all research conducted on the topic. A concluding section summarizes the chapter, providing an overview of the literature reviewed and identifying the research gaps that the present thesis aims at covering.

2.2. BRANDS AND BRANDING

In order to define brands and branding, we should first understand the way a brand differs from a product. A product is anything we can offer to a market for attention, acquisition, use or consumption that might satisfy a need or want (Kotler et al., 2006). Thus, a product may be a physical good like a coffee, perfume, or mobile phone; a service such as a telecommunication provider, an airline, or a consulting firm; a retail outlet like a supermarket; a place like a city; an institution like a university and so on. On the other hand, a brand may be a physical good like a Starbucks coffee, Chanel No5 perfume, or Nokia mobile phone; a service such as a Vodafone telecommunication provider, Emirates airline, or Mc Kinsey consultant company; a retail outlet like a Carrefour supermarket; a place like Mykonos island; an institution like Cambridge university and so on.

Therefore, a brand is much more than a product, as it can have dimensions that differentiate it in some way from other products designed to satisfy the same need (Keller, 2008). These differences may be rational and tangible – related to product attributes and product performance of the brand – or more symbolic and intangible – related to what the brand represents and stands for. As Calkins (2005) stated, brands have a remarkable ability to impact the way people view products. Consumers rarely just see a product or service; they see the product together with the brand. As a result, the way they perceive the product is shaped by the brand. These views are in accordance with Levitt's argument (1960) that the new competition would not be between what companies produce in their factories but between what they add to their factory output in the form of packaging, service, advertising, customer advice, financing, delivery arrangements, warehousing, and other things that people value. It is worth noticing that the above argument made by Levitt almost fifty years ago, seems more than ever contemporary since today's reality shows that the most valuable assets

many firms have are not the tangible ones, such as plants and equipments, but intangible assets like management skills, marketing or operations expertise, and most importantly the brands themselves.

In common with other areas of research in marketing, there is a plethora of definitions for the "brand". The American Marketing Association (AMA, 2004) adopts in large the definition of brand given by Kotler (1991) and defines a brand as "*a name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers*". In other words, according to AMA, whenever someone creates a new name, logo or symbol for a new product or service, he or she has created a brand. However, as the majority of academics and practitioners acknowledge, a brand is much more than that. This is probably the reason why many marketing academics nowadays (e.g. Brodie and de Chernatony, 2009) uphold the view that new perspectives about brand challenge the traditional AMA (2004) definition, suggesting it is probably time to revise it.

In this vein, a great number of researchers have attempted to define the brand, describing their view on what a brand is and which functions in the business context a brand has. Over one hundred articles from academic journals as well as from trade exist that provide a broad and rich perspective of the range of definitions used. De Chernatony and Dall'Olmo Rilley (1999) content analyzed all those articles, identifying twelve main themes which they thought were an accurate categorization of the broad range of definitions of the "brand" in the literature. Table 2.1 depicts the aforementioned twelve main categories of brand definition. As one can notice, there is some overlap among the elements of different definitions, and therefore they are not mutually exclusive. However, the twelve themes represent a categorization of the most important definitions of "brand" provided in the branding literature until 1998.

Table 2.1

Main categories of brand definition in the branding literature		
<i>Definition Category</i>	Basic concept	Citation examples
Brand as a legal instrument	Branding is defined as a legal statement of ownership, or as adopting a mark (trademark) to designate legal ownership.	Broadbent and Cooper, 1987; Crainer, 1995
Brand as a logo	The brand's logo and other visual features of the product are considered the basis of differentiation.	AMA, 1960; Watkins, 1986; Aaker, 1991; Dibb et al, 1994; Koch, 1994; Kotler et al, 1996
Brand as a company	By "borrowing" the value accrued by an instantly recognizable corporate identity, product lines become an extension of the corporate personality.	The Economist, 1994; Vick, 1993
Brand as a shorthand	Brands act for consumers as a shorthand device of functional and emotional characteristics, enabling rapid recall of information in memory and speedier purchase decisions.	Brown, 1992; Chevan, 1992
Brand as a risk reducer	Acting as a guarantee of consistent quality, a brand reduces performance risk.	Staveley, 1987; Kapferer, 1995
Brand as an identity system	A carefully managed identity system helps managers reinforce a meaning behind a brand for consumers, communicating the essence of the brand to all stakeholders and encouraging a more strategic approach.	Fombrun and Shanley, 1990; Balmer, 1995; Aaker, 1996; Diefenbach, 1992
Brand as an image in consumers' minds	The brand tells the consumers many things, not only by the way it sounds but, more important, via the body of associations it has built up and acquired over a period of time.	Boulding, 1956; Martineau, 1959; Arnold, 1992; Keller, 1993
Brand as a value system	Consumers find value in the brand, in its heritage, in their personal experience with it and in how it reflects what the individual stands for.	Clark, 1987; Sheth et al., 1991; Cook, 1995; Meenaghan, 1995
Brand as a personality	Brands are considered symbolic devices with personalities that users value beyond their functional utility.	Alt and Griggs, 1988; Blackston, 1992; Arnold, 1992; Goodyear, 1993; Zinkhan et al., 1996; Aaker, 1996
Brand as a relationship	A brand relationship is a logical extension of brand personality and if brands can be personalized, then consumers would not just perceive them, but would also have relationships with them.	Blackston, 1992; Kapferer, 1992; Blackston, 1993; Duboff, 1986; Woodward, 1991; McKenna, 1991
Brand as adding value	A brand is a product that provides functional benefits plus added values that some consumers value enough to buy.	Jones, 1986; Murphy, 1992; Doyle, 1994.
Brand as an evolving entity	Brands are categorized according to their evolution, where the emphasis of the brand gradually shifts from the firm to consumers.	Young & Rubicam, 1994; Goodyear, 1996

Source: De Chernatony and Dall'Olmo Riley, 1999

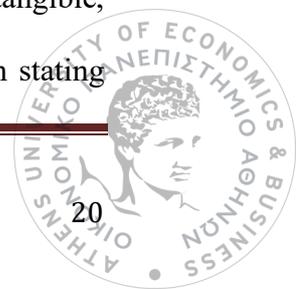
A definition category not captured by the work of De Chernatony and Dall'Olmo Riley (1998) refers to the definition of **brand as an asset**. Aaker (1991), attributing a long – term perspective to branding, defines a brand as an important intangible asset of a firm, which provides the basis of a competitive advantage that is sustainable. As Aaker (1991) notes, a brand asset can provide barriers to competitors, allowing the competitive advantage to persist over time, thus leading to long – term profits. Anyone can decide to distribute refreshment, but few have the skills to do it as effectively as, say Red Bull. As all important assets of a firm (e.g. employees), a brand asset is intangible in that it cannot easily be capitalized. In the same root, Davis (1995) indicated that brand management should take a long – term perspective and suggested that management should change its ways and start managing its brands much more like assets, increasing their value over time. Tollington (1998) adopts the brand asset definition suggesting that a brand asset is used to uniquely identify the goods or services of a seller from those of its competitors, with a view to obtaining wealth in excess of that obtainable without a brand. The definition of brand as an asset continues to attract supporters (e.g. Wood, 2000; Davis, 2000). Davis and Dunn (2002), for example, contend that the brand is the most powerful asset a company owns, followed closely by its people. They also argue that managers should treat the brand as an asset, with every strategic and investment decision an organization makes either impacting or being impacted by the brand. More recently, Keller and Lehmann (2006) confirmed once more the growing realization that brands are one of the most valuable intangible assets that firms own.

Another view of brands is the one that defines it **as a concept**. This view is effectively expressed by Calder (2005) who argues that, fundamentally, a brand is a concept that consumers form of a product, just as they do with anything else they experience. Defining a brand as a concept helps people understand a critical aspect of branding that deals with

perceptions. It is through the process of branding that the marketer can influence perceptions that result in one concept versus another.

Building on the definitions of a brand as a value system or added value (see Table 2.1), de Chernatony et al. (2009) states that a brand could be defined **as a cluster of values** that enables an organization to make a promise about a unique and welcomed experience. This definition recognizes that brands are about building on their values to create value and promising a unique and welcomed experience for the customer. Brands deliver a variety of benefits, which for ease can be classified as satisfying buyers' rational and emotional needs. According to de Chernatony (2011), emphasis may initially be placed on functionally oriented values, which then become augmented with emotionally oriented values as brand management sophistication increases, driving a visionary promise that adds value to all stakeholders. In other words, this recent definition of brands as cluster of values is similar to that of brands as added values. After all, the definition of brand as an added value, together with that of brand as an asset, have received the greatest attention from both researchers and business managers.

At this point, apart from the academics' view, it would be interesting to investigate the way practitioners perceive and define brands. Jack Welch, the former CEO of General Electric, helped make the shift to an asset mentality at GE a permanent one when he stated that the most valuable assets of the company are the intangible assets, implying within his statement both the GE brand and the GE employees. Other top executives at major corporations talk about the brand in a similar manner. James Burke, former CEO of Johnson and Johnson, has described a brand as the capitalized value of the trust between a company and its customers. Denise Yohn, vice president of segment marketing and brand planning at Sony, defined brand as a bundle of attributes, emotional and rational, intangible and tangible, that create value for all of a company's stakeholders. The definition of brand worth stating



though is the one given by Scott Bedbury, former senior head of advertising for Nike and former senior vice president of marketing at Starbucks. According to Bedbury (2002, p. 15), “a brand is the sum of the good, the bad, the ugly, and the off-strategy. It is defined by your best product, as well as your worst product. ... It is defined by the accomplishments of your best employee – the shining star in the company who can do no wrong – as well as the mishaps of the worst hire that you ever made. It is also defined by the receptionist and the music your customers are subjected to when placed on hold. For every grand and finely worded public statement by the CEO, the brand is also defined by derisory consumer comments overhead in the hallway or in a chat room on the internet. ... Brands become psychological concepts held in the minds of the public, where they may stay forever. As such, a firm can’t entirely control a brand. At best, a brand can only be guided and influenced”.

In an effort to synthesize all the above, we could present the words of Sherry (2005, p.41): “A brand is a differentiator, a promise, a license to charge a premium. A brand is a mental shortcut that discourages rational thought, an infusing with the spirit of the maker, a name that invites this essence to inhabit this body. A brand is a performance, a gathering, an inspiration.... A brand is a contract, a relationship, a guarantee”. In the same vein, Wood (2000) suggested an integrated definition according to which a brand is a mechanism for achieving competitive advantage for firms through differentiation and the attributes that differentiate a brand provide customers with satisfaction and benefits for which they are willing to pay.

In effect, a brand, if managed effectively and consistently, tells customers and other stakeholders exactly what it does and why it does it. It also tells management what they can and cannot do with the brand (Davis and Dunn, 2002). We therefore adopt the view of Kotler (2005) that *branding is much more than attaching a name to an offering. Branding is about*

making a certain promise to customers about delivering a fulfilling experience and a level of performance. As Sherry (2005) suggested, branding is a holistic combination of marketers' intentions, consumers' interpretations, and numerous sociocultural networks' associations, a co-creation and co-production of stakeholders from start to finish. By creating perceived differences among products through branding, marketers create value that can be translated into competitive advantage and financial profits for the firm (e.g. Keller, 2008; Strizhakova et al., 2008).



2.3. THE EVOLUTION OF BRANDING

Having clarified the meaning of the brand, it is worth appreciating how brands evolved. This historical review shows how different aspects of branding were emphasized.

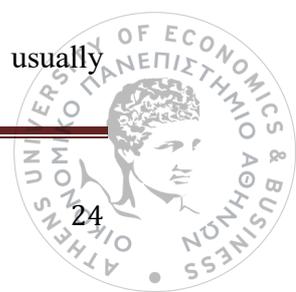
Branding, in one form or another, has been around for centuries and a number of authors have tried to trace its evolution (e.g. Low and Fullerton, 1994; Goodyear, 1996; McEnally and de Chernatony, 1999; Riezebos, 2003).

There were examples of brands being used in Greek and Roman times (de Chernatony, McDonald and Wallace, 2011). Marks have been found on pottery jars from ancient Greece and Rome, on early Chinese porcelain, and on goods from India dating back to about 1300 B.C. In the Middle Ages, craftsmen with specialist skills began to stamp their marks on their goods and trademarks, and differentiating between suppliers became more common. In these early days, branding gradually became a guarantee of the source of the product and ultimately its use as a form of legal protection against copying grew. The next landmark in the evolution of brands was associated with the growth of cattle farming in the New World of North America. Cattle owners wanted to make it clear to other potentially interested parties which animals they owned. This is why the word *brand* is thought to have probably derived from the Old Norse word *brandr*, which means “to burn”, as brands were and still are the means by which owners of livestock mark their animals to identify them (Keller, 2008).

However, the real starting point for the development of modern brands and brand management can be argued to be the industrial revolution (Roper and Parker, 2006). Low and Fullerton (1994) point out various macroeconomic factors that allowed innovative companies to lay the foundations of modern brand strategy. Improvements in transportation

(e.g. railroads) and communication (e.g. telegraph and telephone) made regional and even national distribution increasingly easy. The improvement in production processes allowed mass production of high quality products and corresponding economies of scale. This fact, combined with consistent quality in the manufacturing process, allowed producers to persuade customers that they could rely on their products. Improvements in packaging, along with providing the necessary protection, meant that manufacturers could make their products instantly recognizable and thus begin the cycle of consumers asking for the product by name and repeat purchase. Newspapers and magazines provided mass communication and were supported by the establishment of the advertising industry as a legitimate form of persuading customers to support a brand. The first department and variety stores were a move towards self-selection by consumers thereby weakening the power base of the existing distribution channel, increasing the importance of individual purchase decisions by consumers. The rise of the middle classes, created by the industrial revolution, ensured that there was a growing group of more prosperous and better educated-customers waiting to take advantage of the new brands. Legal factors, such as the recognition of trademarks, have also assisted in the evolution of brands. The law has extended to allow the trade making and copywriting of not just names but shapes and colors used in packaging, thus further protecting the difference and added value inherent from a branded good.

All of these aforementioned factors facilitated the development of consistent-quality consumer products that could be efficiently sold to consumers through mass market advertising campaigns. In this fertile branding environment, mass-produced merchandise in packages largely replaced locally produced merchandise sold from bulk containers. This change brought about the widespread use of trademarks. However, national manufacturers sometimes had to overcome resistance from consumers, retailers, wholesalers, and even employees from within their own company (Keller, 2008). To do so, the firms usually



employed sustained “push” and “pull” efforts to keep both consumers and retailers happy and receptive of national brands. Consumers were attracted through the use of sampling, premiums, product education brochures, and heavy advertising. Retailers were lured by in-store sampling, promotional programs, and self maintenance assistance.

By the second half of the nineteenth century, wholesalers had enormous power. As a response, many major manufacturers had embarked on branding, advertising and using a sales force. In fact, by 1900 the balance of power has swung to the manufacturer. With several changes in the balance of power from the wholesaler to the manufacturer and vice versa till now, the case today seems to be that the power of branding is in the hands of customers. They are becoming more empowered to decide what degree of information search they wish to undertake and are co-creating brands with suppliers (de Chernatony, McDonald and Wallace, 2011).

In other words, branding appeared with an original purpose to associate a product or offering with its producer or owner. Through the years, it has evolved as a way of making a certain promise to customers about delivering a fulfilling experience and a level of performance (Kotler, 2005). Modern day customers relate to brands and modern day brands communicate in a myriad of ways with customers. This enormous move is effectively represented by Goodyear’s branding continuum (Goodyear, 1996); from unbranded goods to brands with a physique, personality, culture, relationship, reflection and consumers’ self – image. A brand management system has taken place in companies (Low and Fullerton, 1994) and brand managers are central coordinators of all marketing activities for their brand and usually responsible for developing and implementing the annual marketing plan, as well as identifying new business opportunities (Hehman, 1984). The evolution of branding was so radical that we now live in the era where brands are not only important, but are recognized on

balanced sheets as assets in the same way that tangibles such as buildings are assigned a value. It is nowadays acknowledged that companies are not simply about processes and tangibles; the brand has a valuable relationship with its customers that would exist even if the tangible assets of a company were destroyed.



2.4. WHY DO STRONG BRANDS MATTER?

In 1988, Jacobs Suchard and Nestlé fought for the ownership of Rowntree. At the time of the takeover battle, it was estimated that Rowntree's tangibles net assets were worth around £300 million, yet Nestlé won control by paying £2.5 billion. This difference of £2.2 billion represented the value that Nestlé saw in the potential earnings of strong brands such as KitKat. More recently, in 2006, Procter and Gamble paid £31 billion for Gillette, of which only £4 billion was accounted for by tangible assets. Successful brands are valuable because they guarantee future income streams (de Chernatony, McDonald and Wallace, 2011). This is probably the reason why Procter and Gamble paid £27 billion for the intangible assets of Gillette.

The aforementioned examples prove the certainty of most managers that building or acquiring a strong brand yields a number of marketing advantages. Companies increasingly recognise that loyal customers will repeatedly buy their brands, trust their brands, and even support them during crises. A number of authors have identified key benefits that arise for companies by having successful brands (e.g. Davis and Dunn, 2002; Hoeffler and Keller, 2003; Keller, 2008; de Chernatony, McDonald and Wallace, 2011). However, strong brands have important functions and benefits for customers, as well as for the economy as a whole (e.g Kapferer, 1997, Gieske, 2004).

2.4.1. Functions and benefits of strong brands for firms

Brands in general provide a number of valuable functions to their firms (de Chernatony and McWilliam, 1989).

Fundamentally, they serve an **identification** purpose, by simplifying product handling or tracing (Keller, 2008). They represent a sign of ownership, showing who generated the

marketing for that particular offering and whether the primary activity of the generator was production (manufacturers' brand), distribution (distributors' brand) or both.

A brand also offers the firm **legal protection** for unique features or aspects of the product or service. A brand can retain intellectual property rights, giving legal title to the brand owner (Bagley, 1995). Almost everything can be legally protected: brand names through registered trademarks, manufacturing processes through patents, packaging through copyrights and designs, etc. These intellectual property rights ensure that the firm is protected against counterfeiting and can therefore invest in the brand and exploit the benefits of a valuable asset.

Brands serve also as a **signal of a certain level of quality**, so that satisfied customers can choose the product again (Erdem and Swait, 1998). This fact offers predictability and security of demand for the firm, creating barriers that make it difficult for other firms to enter the market.

Brands also offer **differentiation** by associating products and services with added values, thus creating unique associations to the minds of customers. Differentiation constitutes a key function for firms as, without it, there would be little basis for commitment and therefore it would be difficult to develop and retain a loyal customer base (Aaker, 2004). Perceived differences that create unique associations can be related to attributes or benefits of the product or service itself, or they may be related to more intangible image considerations.

Although manufacturing processes and product designs may be easily duplicated, long-lasting favorable brand associations in the minds of customers may not be so easily reproduced. In this sense, branding can be also seen as a **powerful means to secure a competitive advantage**.

In sum, brands represent enormously valuable assets with several important functions to firms, providing most probably the security of sustained future revenues. The research findings of Madden et al. (2006) are indicative since they show that strong brands not only deliver greater returns to stockholders but do so with less risk. This view of brands as **sources of financial returns** is better explained through the marketing advantages of strong brands, which are presented in detail directly after.

Regarding the specific *marketing advantages of strong brands for firms*, these are effectively highlighted by several researchers, who focused their research on the positive effects of strong brands characteristics on customers' attitude and behavior. In particular, a number of benefits have been shown to result from a strong brand, both in terms of greater revenue, and lower costs. Following Keller's (2008) seven major categories regarding the marketing benefits to a firm possessing brands with a high level of awareness and a positive brand image, the marketing advantages of strong brands will be presented next, in a form where relevant evidence from published studies will be added to each category of marketing advantage:

1. *Greater loyalty and less vulnerability to competitive marketing actions and crises.*

An advantage related to brand strength is the differential inclusion of brands that are more accessible into customers' consideration sets (Simonson, Huber and Payne, 1988). The accessibility advantage for brands with a greater number of associations in a wide variety of contexts implies familiar brands are more likely to be in consumers' consideration sets (Lehmann and Pan, 1994; Lane and Jacobson, 1995). It is also shown that consumers begin their search with well-known and regarded brands that are seen as being more likely to satisfy their needs (Simonson, Huber and Payne, 1988). Moreover, consumers will develop a greater number of stronger links for familiar brands (Kent and Allen, 1994), as consumer confidence

is increased when consumers get more familiar in a domain (Laroche, Kin and Zhou, 1996). As a result, the losses of switching away from a known brand seem larger than the potential gains from using another, lesser-known brand (Dhar and Simonson, 1992). Moreover, brand leaders have usually financial strength that enable them to outgun competitors in terms of aggressive promotion and innovation (Doyle, 1989).

In sum, different types of brand associations can affect customer product evaluations, perceptions of quality and purchase intentions (e.g. Dacin and Smith, 1994). Firms with strong brands enjoy therefore greater loyalty from their customers, as customers value their brands enough to stick with them regardless of significant changes in both customer attitudes and competitive activity over time.

2. Larger Margins.

Customers may differ in terms of the price they are willing to pay, as well as in terms of how they respond to price increases and decreases (Hoeffler and Keller, 2003). Brand leaders have been proven to command greater price differences (e.g. Agrawal, 1996; Sethuraman, 1996). Research has also shown that loyal customers to a brand are less likely to switch in the face of price increases and more likely to increase the quantity of the brand purchased in the face of price decreases (e.g. Krishnamurthi and Raj, 1991). After all, as Erdem et al. (2002) indicated, brand credibility decreases price sensitivity. This is probably the reason why Davis and Dunn (2002) maintain that strong brands provide protection against price wars.

3. Greater trade cooperation and support.

The activities of wholesalers, retailers and other middlemen in the distribution channel can facilitate or hinder the success of a brand, as they play an important role in the selling of products. Research suggests that strong brands have a much higher chance of being accepted

in a distribution channel and gain shelf space in supermarkets (Montgomery, 1975). Stores are also more likely to feature well-known brands if they are trying to convey a high-quality image (Lal and Narasimhan, 1996). In general, when a brand has a positive image, distributors are more likely to respond to the wishes of customers and actively promote it (Fader and Schmittlein, 1993; Dawar, 2004).

4. Increased marketing communication effectiveness.

A number of communication-related effects have been attributed to successful brands. For example, consumers who are highly loyal to a brand have been shown to increase purchases when advertising for the brand increases (Hsu and Liu, 2000). Consumers are more likely to have a negative reaction to repetition of advertisements with unknown as opposed to well-known brands (Campbell and Keller, 2003). It is worth noticing evidence from Ahluwalia et al. (2000) indicating that consumers with high level of commitment to a brand are more likely to counterargue with negative information. This is probably the reason why strong brands were shown to better face a product-harm crisis (Dawar and Pillutla, 2000). Strong brands can also benefit from increased selective attention. Tellis (1988) asserted that familiar brands are selectively given more exposure, attention, comprehension and retention by consumers. In the same vein, Kent and Allen (1994) contended that consumers will selectively pay more attention to advertising for well-known brands. In other words, in the case of strong brands, customers may be more likely to notice relevant communication, more easily learn about the brand, form favorable opinions, and retain and act on these beliefs over time.

5. Possible licensing opportunities.

Firms with strong brands can more easily capitalize on their value by licensing their brand names, logos or other trademark items to another company for use on its products and

merchandise (James, 1985). This is an advantage given by the fact that a strong brand often has associations that may be desirable in other product categories. The rationale for the licensor is increased profits, promotion and legal protection, whereas for the licensee is that consumers will pay more for a product because of the recognition and image lent by the trademark. Licensing is a means for firms with well-known brands to enhance the awareness and image of the brand, broadening its exposure and increasing the strength, favorability and uniqueness of brand associations.

6. Additional brand extension² opportunities.

An extension for a brand with a positive image allows the firm to capitalize on consumer knowledge, providing important benefits for both the new-product introduction and the parent brand. Through strong brand extensions, new-product introductions enjoy reduced perceived risk by customers and distributors, decreased costs of gaining distribution and trial, increased efficiency of promotional expenditures, no costs of developing new names, as well as packaging and labeling efficiencies (Rangaswamy et al. 1993; Lane and Jacobson, 1995). The parent brand image can also be enhanced, since the strength, favorability and uniqueness of brand associations are improved, and the perceptions of company credibility are ameliorated (Morrin, 1999). Extensions can also help to communicate the broader meaning of the brand to customers and clarify the company's core benefit proposition, increasing in general the market coverage for the firm (Roedder et al., 1998; Sheinin, 2000). Introductory marketing programs for extensions from an established brand have been shown to be more efficient (e.g. Erdem and Sun 2002, Smith 1992, Smith and Park 1992). In sum, well-known

² With the term *brand extension*, we refer to either line or category extension (Keller, 2008):

A *line extension* uses a current brand name to enter a new market segment in the existing product class.

A *category extension* uses the current brand name to enter a different product class.



and well-regarded brands can extend more successfully (e.g. Aaker and Keller, 1990; Bottomley and Doyle, 1996) and into more diverse categories (e.g. Keller and Aaker, 1992).

7. Other benefits.

Strong brands with positive image and reputation can provide other advantages to the firm, not directly related to the products themselves. In particular, a firm with strong brands may be a magnet for recruiting the best employees and retaining them over time, generate greater interest from investors and gain more support from shareholders (Aaker and Jacobson, 2001). Finally, successful brands elicit local authority and governmental support (Doyle, 1989).

2.4.2. Functions and benefits of strong brands for customers

Apart from the functions and benefits they offer to commercial entities, brands provide important functions to customers as well (Keller, 2008). First of all, brands *identify the source* or maker of a product and allow consumers to *assign responsibility* to a particular manufacturer or distributor. Moreover, when customers recognize a brand and have some knowledge about it, they do not have to engage in a lot of additional thought or processing of information to make a buying decision (Nelson, 1970). In other words, based on what they already know about the brand – its quality, product characteristics, and so forth – customers *low the search costs* for a product or service, by making assumptions and form reasonable expectations about what they may not know about the brand. Brands also take on special meaning to customers (Fournier, 1998). Due to past experiences with several brands and their marketing program over the years, customers learn which brands satisfy their needs and which ones do not, obtaining in this way a *means of simplification for their product decisions* (Jacoby et al., 1977). Customer recall from memory sufficient brand information to make a decision, using brands as *shorthand devices*. As a result, a brand can also serve as a *risk*

reducer for customers (Roselius, 1971), by decreasing the perceived uncertainty of customers about whether the brand will work as expected, whether they will be wasting money, whether their peer group will disagree with their choice, whether they will feel comfortable with the purchase, etc.

Customers offer their trust and loyalty to specific brands, which in turn behave in certain ways and provide customers with utility, through consistent product performance and appropriate pricing, promotion, distribution programs and actions (Keller, 2008). To the extent that customers realize advantages and benefits from purchasing the brand, and as long as they derive satisfaction from its consumption, they are likely to continue to buy it. As a result, customers develop *profound relationships and strong bonds with certain brands*, increasing their feelings of satisfaction, security and certainty when buying them.

Brands serve, finally, as *symbolic devices*, since they enable customers to communicate something about themselves to their peer groups (e.g. emotion, status, etc.), projecting to brands their self – image (de Chernatony, McDonald and Wallace, 2011). Customers personify brands and when looking at the symbol values of brands, they seek brands which have very clear personalities and select those that best match their actual or desired self – concept (Fournier, 1998).

Consistent with the above views, it is worth presenting the eight functions of brands for the customer, according to Kapferer (1997), as shown in Table 2.2.

Table 2.2
The Functions of the Brand for the Consumer

Function	Consumer benefit
Identification	To be clearly seen, to make sense of the offer, to quickly identify the sought-after products.
Practicality	To allow savings of time and energy through identical repurchasing and loyalty.

Guarantee	To be sure of finding the same quality no matter where or when you buy the product or service.
Optimization	To be sure of buying the best product in its category, the best performer for a particular purpose.
Characterization	To have confirmation of your self-image or the image that you present to others.
Continuity	Satisfaction brought about through familiarity and intimacy with the brand that you have been consuming for years.
Hedonistic	Satisfaction linked to the attractiveness of the brand, to its logo, to its communication.
Ethical	Satisfaction linked to the responsible behavior of the brand in its relationship towards society.

Adapted from: Kapferer, 1997

2.4.3. Functions and benefits of strong brands for the marketplace as a whole

Brands, finally, have a high economic importance for the marketplace as a whole. According to Gieske (2004), there are seven reasons why brands really matter to our economy:

1. Strong brands protect the customers. Brands today need to be differentiated but at the same time they must compete – with commodities and others – on price. The added value of a brand must be worth paying for or customers will go elsewhere. Given this, brands protect the customers because they have to ensure that they provide innovative, differentiated products and services at competitive price points in addition to a guarantee of quality.
2. Strong brands drive share performance. Companies with strong branded portfolios consistently outperform companies with weakly branded portfolios (FutureBrand, 2004). While not the only guarantee of share performance, a strong brand will help to minimise investment risk – safeguarding investment portfolios. Moreover, strongly branded companies are usually more resistant to economic stress, providing a higher level of predictability of demand and more reliable, stable forecasting. More certainty of revenue and profit allows greater confidence in predicting economic returns. Less risk brings

about a greater market confidence and increased support from financial audiences, which in turn stimulate and encourage further investment.

3. Brands ensure a competitive economy. In any liberalised market, brands provide the means of competition by allowing those in the market to distinguish one competitor from another and helping them assess – quickly and efficiently – one offer against another.
4. Brands help the economy to adapt and grow. Customer needs and desires evolve constantly and are driven by a number of trends. Brands help companies adapt more quickly to these evolving trends, as they build a more dynamic response function between producers and consumers. Overall, brands contribute significantly to the process of adaptation and growth, which is crucial to our competitive economy. Brands that fail to deliver on what customers want will disappear quickly, making space for new and more effective alternatives.
5. Brands help business cross geographic and cultural borders. Brands are vital in achieving success abroad and are a significant source of international competitiveness. They can help transcend cultural borders as they are able to speak an “international language”. On the other hand, strong domestic brands are helpful as they may provide an effective, customer-focused response to foreign competition.
6. Brands benefit all stakeholders. For partners, suppliers and other third parties, there are greater opportunities for mutually beneficial business terms and agreements when dealing with strongly branded organisations.
7. Brands ensure businesses are accountable for their actions. Brands ensure that companies act responsibly. The actions of well-known brands are scrutinised by press and customers

alike to judge whether businesses are following the letter of the law and the expectations of society, be it accounting standards, environmental protection or ethics.

The following table (Table 2.3) summarizes the importance of brands for firms, customers and the marketplace as a whole.

Table 2.3

The Importance of Brands		
Firms	<i>Functions</i>	Means of identification
		Means of legal protection
		Signal of a certain level of quality
		Means of differentiation
		Means to secure a competitive advantage
		Sources of financial returns
	<i>Marketing advantages</i>	Greater loyalty and less vulnerability to competitive marketing actions and crises
		Larger Margins
		Greater trade cooperation and support
		Increased marketing communication effectiveness
		Possible licensing opportunities
		Additional brand extension opportunities
		Other benefits (e.g. recruitment of best employees)
Customers	<i>Functions</i>	Identification of the source of product/service
		Assignment of responsibility to product/service maker
		Means of simplification for purchase decisions
		Shorthand devices
		Risk reducers
		Profound relationships creators
		Symbolic devices
Marketplace	<i>Functions</i>	Protect the consumer
		Drive share performance
		Ensure a competitive economy
		Help the economy to adapt and grow
		Help business cross geographic and cultural borders
		Benefit all stakeholders
		Ensure businesses are accountable for their actions

2.5. BRAND EQUITY CONCEPT

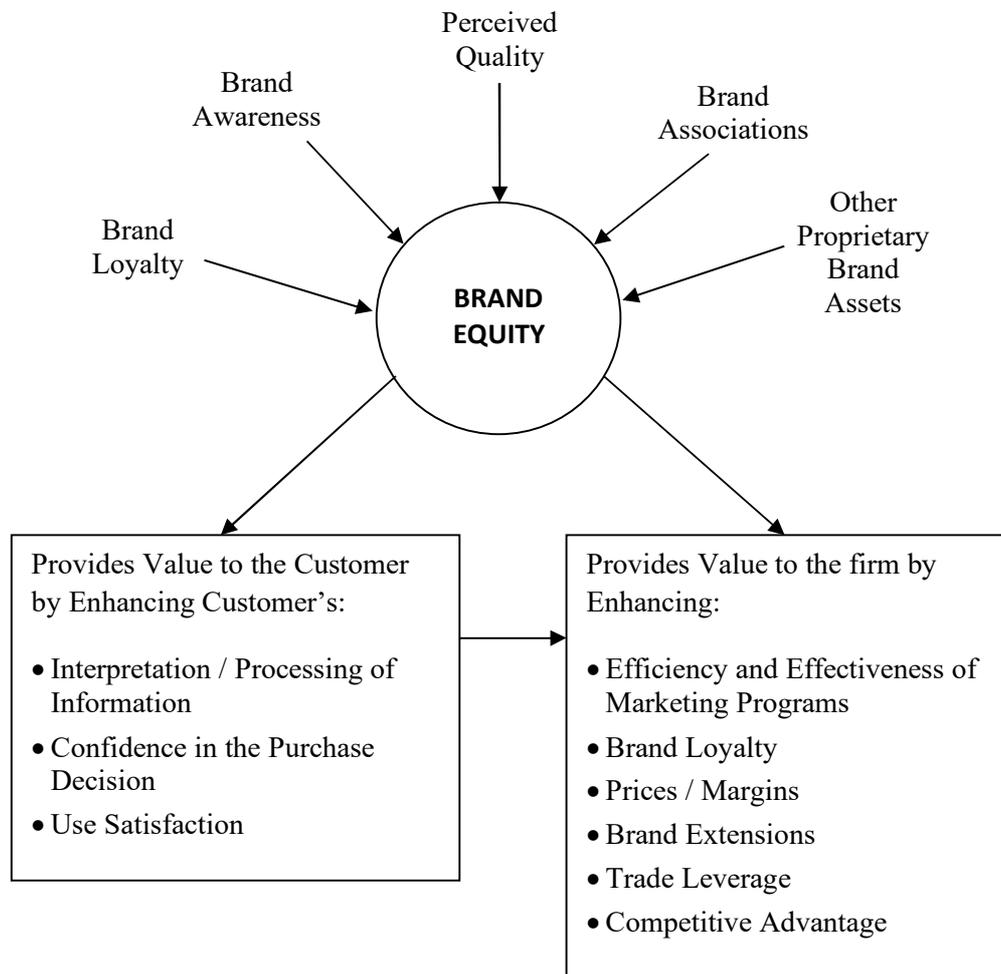
Since the late 1980's, brand equity has been one of the most important marketing concepts in both academia and practice (Leuthesser, 1988; Washburn and Plank, 2002; Srinivasan et al., 2005). However, no standard conceptual definition or operational measurement of brand equity exists, since the concept has been viewed from a variety of perspectives (Keller, 2008).

There are two prevailing perspectives on brand equity. The first is the **cognitive psychology perspective**, which conceives of brand equity as the differential customer response to a brand's marketing mix that results from customer associations for the brand (e.g. Aaker, 1991; Keller, 1993). The cognitive psychology view, which focuses on customer cognitive process, asserts that customers with more favorable brand associations (i.e. stronger brand equity) will respond more favorably to marketing mix activity than customers with less favorable brand associations. Several authors have viewed brand equity from this perspective following Aaker's and Keller's suggestions (e.g. Kamakura and Russel, 1993; Park and Srinivasan, 1994; Srinivasan et al., 2005).

More specifically, Aaker (1991; 1992; 1996b) defines brand equity as a set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers. These assets were grouped by Aaker into five categories, as shown in Figure 2.1. The figure also shows that brand equity, creates value for both the customer and the firm.

Figure 2.1

Brand Equity



Source: Aaker, 1991

Following the same perspective, Keller (1993) defined brand equity in terms of the marketing effects uniquely attributable to the brand. That is, brand equity explains why different outcomes result from the marketing of a branded product or service than if it were not branded. He proposed a conceptual model of brand equity from the individual customer perspective, which he called customer-based brand equity. According to Keller, customer-based brand equity (CBBE) occurs when the customer is familiar with the brand and holds some favorable, strong, and unique brand associations in memory, defining it as the

differential effect of brand knowledge³ on consumer response to the marketing of the brand. The basic premise of the CBBE model is that the power of a brand lies in what customers have learned, felt, seen, and heard about the brand as a result of their experiences over time. In other words, the power of a brand, its brand equity, lies in what resides in the minds of customers (Keller, 2008).

In general, the cognitive psychology perspective contributes to brand equity research by introducing the notion that brand equity results from customer response to marketing activities, which is influenced by customers' brand associations and evaluations.

The second perspective on brand equity is the **information economics perspective**, which holds that brand equity is the increased utility that a brand name gives to a product (e.g. Erdem and Swait, 1998). Unlike the cognitive psychology view, this perspective explicitly considers the imperfect and asymmetrical informational structure of the market. It argues that the content, clarity, and credibility (determined endogenously by the dynamic interactions between firms and customers) of a brand as a signal of a product's position may increase perceived quality and decrease information costs and the risk perceived by customers. These effects, in turn, increase customer-expected utility, signaling the value of a brand to a customer.

In general, the information economics perspective contributes to brand equity research by introducing the notion that firms make investments and incur costs to market their brands, thereby injecting a firm perspective into the brand equity arena.

³ Brand Knowledge is conceptualized according to an associative network memory model in terms of two components: brand awareness (the strength of the brand trace in memory) and brand image (perceptions about a brand as reflected by the brand associations held in customer memory).



A third perspective on brand equity can be argued to be the **financial markets perspective**. This perspective argues that brand equity is a financial measure that can be calculated by subtracting tangible asset value from a firm's market value (e.g. Simon and Sullivan, 1993). Brand equity is defined as the incremental cash flows which accrue to branded products over and above the cash flows which would result from the sale of unbranded products⁴.

In general, the financial markets perspective contributes to brand equity research by introducing the notion that brand equity is a forward-looking measure of the net present value of future cash flows.

Regardless of the perspective, the majority of academics provide definitions of brand equity that are broadly consistent with Farquhar's (1989) definition as *the value added by the brand to the product*. Another definition which is characterized by its inclusiveness and its managerial perspective is the one provided by Srivastava and Shocker (1991) and endorsed by the Marketing Science Institute, which defines brand equity as *a set of associations and behaviors on the part of a brand's customers, channel members and parent corporation that enables a brand to earn greater volume or greater margins than it could without the brand name and, in addition, provides a strong, sustainable and differential advantage*. Finally, American Marketing Academy defines brand equity as *the value of a brand*, based on customer attitudes about positive brand attributes and favorable consequences of brand use.

In order to better understand the process in which brand equity increases the financial value of a branded business, de Chernatony et al. (2011) illustrated, as shown in figure 2.2.

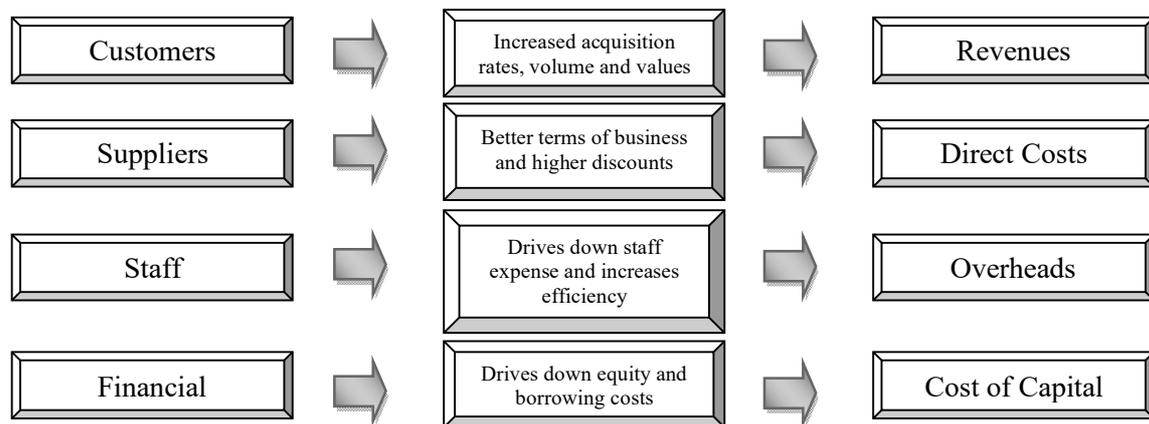
⁴ The incremental cash flows are based on the value customers place on branded products and on cost savings brand equity generates through competitive advantages.



and based on Brand Finance (2008), the effect brand equity has on each stakeholder group's behavior that ultimately leads to increased financial value.

Figure 2.2

The financial effect of brand equity on each stakeholder group



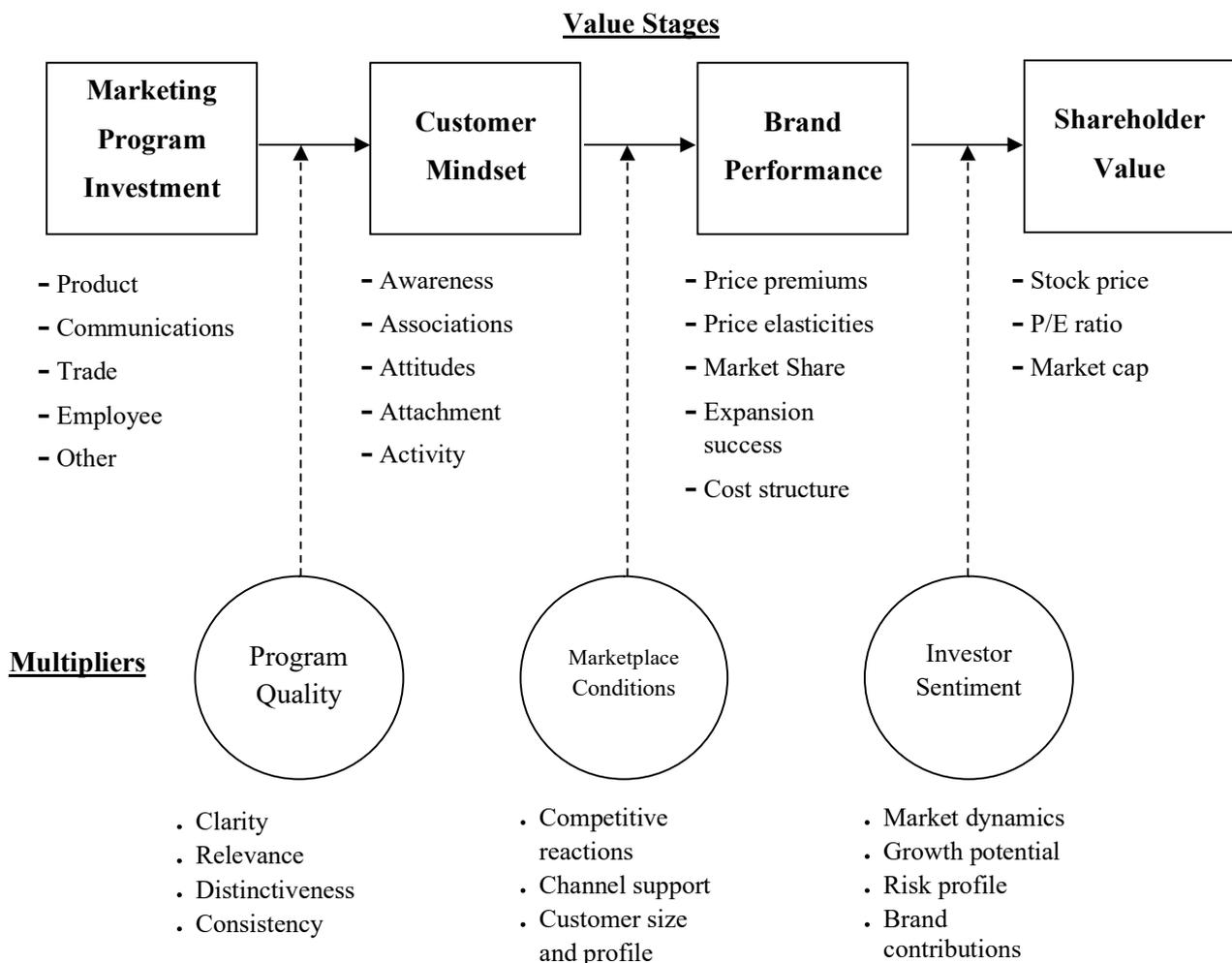
Source: de Chernatony L., McDonald M. and Wallace E., 2011

2.6. BRAND VALUE CREATION SYSTEM

Critical for a profitable brand management that leads to high brand equity is the comprehension of how brand value is generated. In order to help marketers trace the value creation of their brands and better understand the financial impact of marketing investments, Keller and Lehmann (2003) presented a model of brand value creation, which they called “the brand value chain” (figure 2.3).

Figure 2.3

The Brand Value Chain

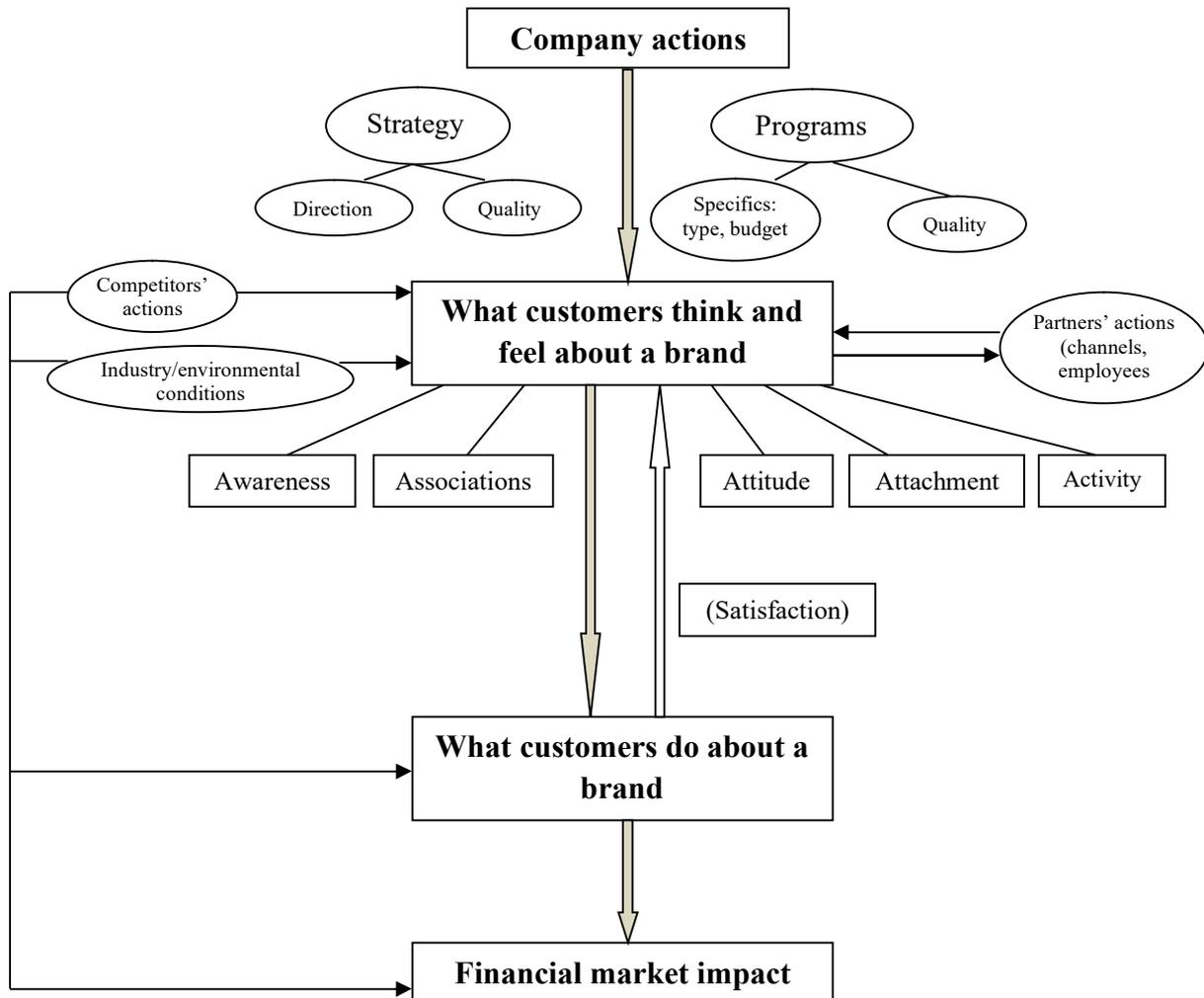


Source: Keller and Lehmann, 2003

The “Brand Value Chain”, according to its generators, assumes that the brand value creation begins the moment a firm decides to invest in a **marketing-branding program** with the aim of creating the desirable associations in the minds of actual or potential customers. All marketing efforts associated with the branding program influence the **customer mindset**, and in particular the customer knowledge, attitude and behavior with regard to the brand. This mindset, which is expressed through customer actions (e.g. quantity purchased, price paid), is then translated into **brand performance**, in terms of both direct revenue and indirect benefits for the firm. In turn, the brand performance results in stock price and future prospects, forming the **shareholder value**. The model also shows that some factors intervene between these stages. These factors have an impact on how the value created at one stage “multiplies” to the next one. More specifically, the successful effect of the marketing program on the customer mindset depends on qualitative aspects of the program, such as relevance and distinctiveness. Moreover, the ability of the customer to create brand value depends on various contextual market factors (e.g. competition), external to the customer. Finally, the value created for the brand is more likely to generate shareholder value when specific conditions exist, such as a healthy and growing industry environment.

Later on, Keller and Lehmann (2006) expanded on the notion of the “brand value chain”, by presenting a model of how brand value operates and the cause-and-effect links within it (figure 2.4). The model again includes four major stages and can be characterized as a simpler representation of the brand value creation system. There are only two main differences with the previous model that are worth stating: a) the first stage refers not only to the marketing/branding program a firm creates, but also to the whole company strategy and b) the customers’ attitude towards the brand not only affects their brand behavior, but a reverse effect also exists, based on the brand satisfaction customers experience after the brand purchase.

Figure 2.4

A Systems Model of Brand Antecedents and Consequences

Source: Keller and Lehmann, 2006

In other words, and in an effort to interpret and simplify the above models, we could argue that the brand value creation system (figure 2.5) consists of two main parts: the “*supply side*” part, referring to the firm and its branding philosophy, strategy and specific marketing activities towards successful brand building and brand management over time, and b) the “*demand side*” part, pertaining to the attitude (e.g. brand associations, awareness, image,

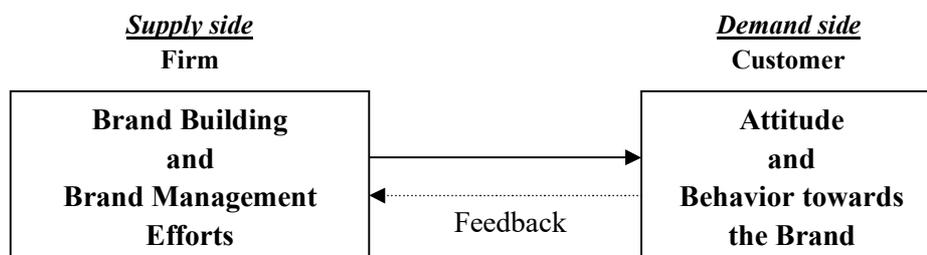
trust) and behavior (e.g. brand purchases, word of mouth communication, behavioral loyalty) that customers form, as a result of the firm's branding efforts.

Successful brand building and brand management strategies from the "supply side" positively influence the way customers perceive the brand and behave in respect to the brand, leading to high brand and financial performance for the firm and its shareholders.

The relationship between the supply side and the demand side in the brand value creation system is reciprocal as the firm may refine or redirect its branding efforts, based on feedback received from customers regarding the brand.

Figure 2.5

The Brand Value Creation System



The **demand side** has been extensively studied in the branding literature and a host of constructs have been developed in order to conceptualize and measure the attitudinal and behavioral reactions of customers in response to the firm's branding efforts and describe the role brands play in customers' purchase decisions and brand choices.

Keller (1993), as analyzed in the previous section of brand equity, defined the customer response to the marketing of a brand as *customer-based brand equity*, and provided a respective measurement construct, based on the concept of brand knowledge and its dimensions (brand awareness and brand image). Customer-based brand equity has been the research focus of many other academics (e.g. Walfried et al., 1995; Washburn and Plank, 2002; Pappu, Quester and Cooksey, 2005; Buil, de Chernatony and Martinez, 2008). Aaker (1996), under the spectrum of the brand equity concept which was analyzed in the previous

section, provided adequate measures of *brand awareness*, *brand associations*, *brand perceived quality* and *brand loyalty* from the customer perspective. Several other valid demand-side brand measures are available in the branding literature. Some examples are *brand trust*, defined as the willingness of a consumer to rely on the ability of a brand to perform its stated function and *brand affect*, which refers to a brand's potential to elicit a positive emotional response in the average consumer as a result of its use (e.g. Chaudhuri and Holbrook, 2001), *brand preference* (e.g. Grimm, 2005), *brand familiarity* and *brand reputation* (e.g. Chaudhuri, 2002), *brand commitment* that pertains to the level of devotion in a brand (e.g. Chaudhuri and Holbrook, 2002), and *brand personality* that refers to the set of human characteristics customers associate with the brand (e.g. Aaker J. L., 1997; Geuens, Weijters and de Wulf, 2009). Branding research has also given considerable attention to the different forms of relationships between consumers and brands (e.g. Fournier, 1998; Escalas, 2004), as well as to the consumer responses to brand performance failures (e.g. Roehm and Brady, 2007). Recently, new concepts have been developed with regard to customers' reactions evoked by brand-related stimuli. Some examples are *brand experience* referring to all sensations, feelings, cognitions and behavioral responses customers exhibit towards a brand (Brakus, Schmitt and Zarantonello, 2009), and *brand engagement*, a construct developed to capture differences between consumers with respect to their general engagement with brands (Sprott, Czellar, Spangenberg, 2009).

As far as the **supply side** of the brand value creation system is concerned, the majority of attention in the branding literature is mainly centered on the appropriate way of building and managing strong brands. The next section provides a thorough review of the existing literature on brand building and management from the supply side perspective, since this side is the one explicitly related to the scope of this thesis.

2.7. BUILDING AND MANAGING STRONG BRANDS

Building and managing powerful brands involves strategic and tactical imperatives that create significant organizational challenges. An important number of authors has focused their research on the way an organization can be adapted to address these imperatives. The present section provides a review of the marketing literature that deals with the firm and its branding philosophy, strategy and specific marketing activities towards successful brand building and brand management over time. Considering the fact that the brand building and management literature can be argued to be unbounded, this section briefly reviews the most important research contributions on the topic which had an impact both on academia and the business world.

2.7.1. Building Strong Brands: general models and guidelines

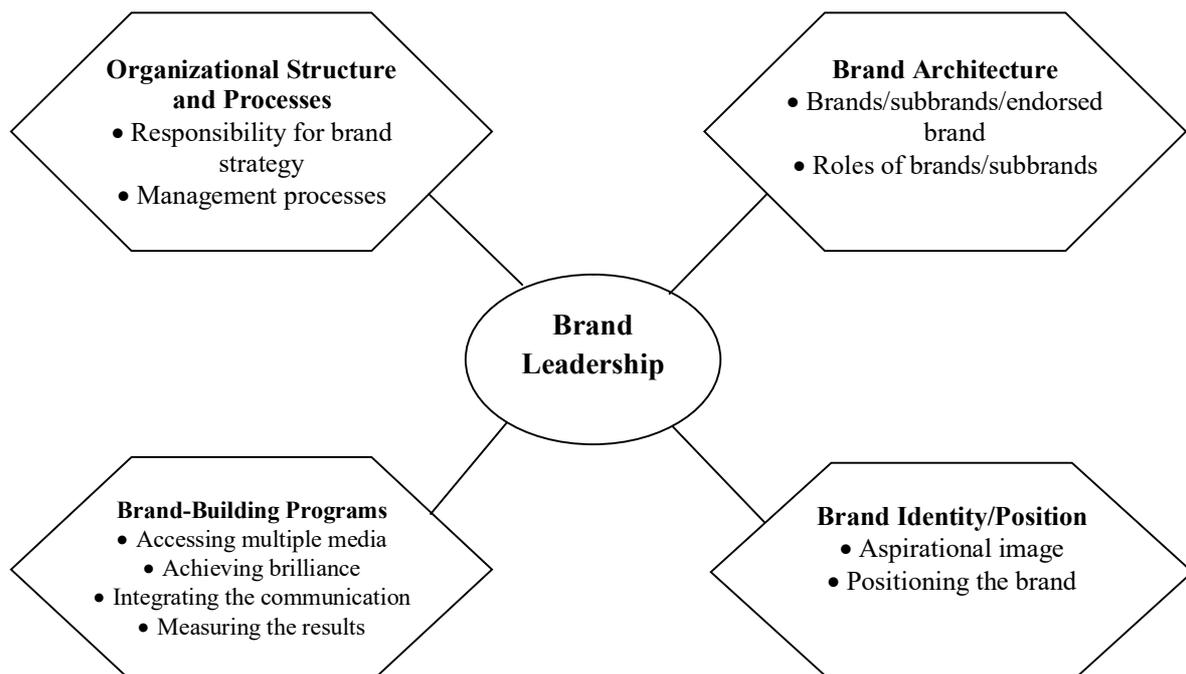
Following the words of Bernhard Eggli, Head of Brand Management at UBS, that “*there is no authority on branding to equal David Aaker*”, we will first report the main views and general precepts of Aaker on creating and managing strong brands. Aaker has made very important contributions to the branding literature through his well-known brand books and much cited articles in respected journals. His work is mostly based on best practices on branding and his long experience as a marketing and branding consultant in companies with the most powerful brands globally. The main insights provided by his work are summarized directly after.

According to Aaker and Joachimsthaler (2000), there are four main challenges that need to be addressed when seeking for brand leadership. Figure 2.6 presents these four pillars of creating strong brands.

The first challenge is to create an **organizational structure and processes** that will lead to strong brands. Someone (or some group) needs to be in charge, so that brands are not at the mercy of ad hoc decisions made by those with no long-term vested interest in the brand. Specific organizational processes are also needed, in order to provide a common set of inputs, outputs, and vocabulary that all those involved with the brand will use. The communication system should allow for the sharing of insights, experience and brand building initiatives. In short, the organization must establish a brand-nurturing structure and culture.

Figure 2.6

Brand Leadership Imperatives



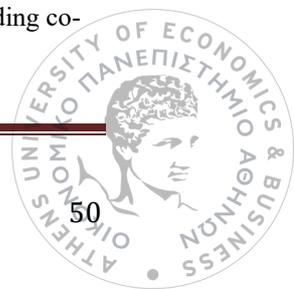
Source: Aaker and Joachimsthaler, 2000

The second brand leadership challenge is to develop a comprehensive **brand architecture** that provides strategic direction. Brand architecture is the organizing structure

of the brand portfolio⁵ that specifies the brand roles and the relationships among brands. In other word, it involves identifying the brand and subbrands that are to be supported, their respective roles and, critically, their relationships to each other. According to Aaker (1997b; 2004), a key dimension in creating an effective brand architecture is deciding when and how to stretch an existing brand. Aaker has extensively studied the conditions under which brand extensions succeed (e.g. Aaker, 1990; 2004b; Aaker and Keller, 1990; 1993). His findings suggest, in large, that all interactions between the parent brand and an extension should result in perceived fit regarding quality, image, positioning, etc. In any case, the relative role of each brand in the portfolio should be determined. A well conceived brand architecture will lead to clarity in customer offerings, real synergies in the brands and their communication programs, and an ability to leverage brand assets. As Aaker and Joachimsthaler note (2000, p.26), “it is destructive and wasteful to have a host of brands drifting among a confused set of offerings, surrounded by monumental communication inefficiencies”.

The third brand imperative is to develop a brand strategy for the key brands that includes a motivating **brand identity**, as well as a position that differentiates the brand and resonates with customers. According to Aaker (1996), the brand identity is the heart of the brand leadership model, the main organizational imperative brand strategists should face, as it is the vehicle that will be used to guide all the brand-building efforts, providing direction, purpose and meaning for the brand. Brand identity is “a unique set of brand associations that the brand strategist aspires to create or maintain” (Aaker, 1996, p. 68). These associations represent what the brand stands for and imply a promise to customers from the organization members. In a fundamental sense, brand identity constitutes the way strategists want the brand to be perceived by its target audience, representing what the organization wants the

⁵ The brand portfolio includes all the brands and subbrands attached to product-market offerings, including co-brands with other firms (Aaker, 2004)

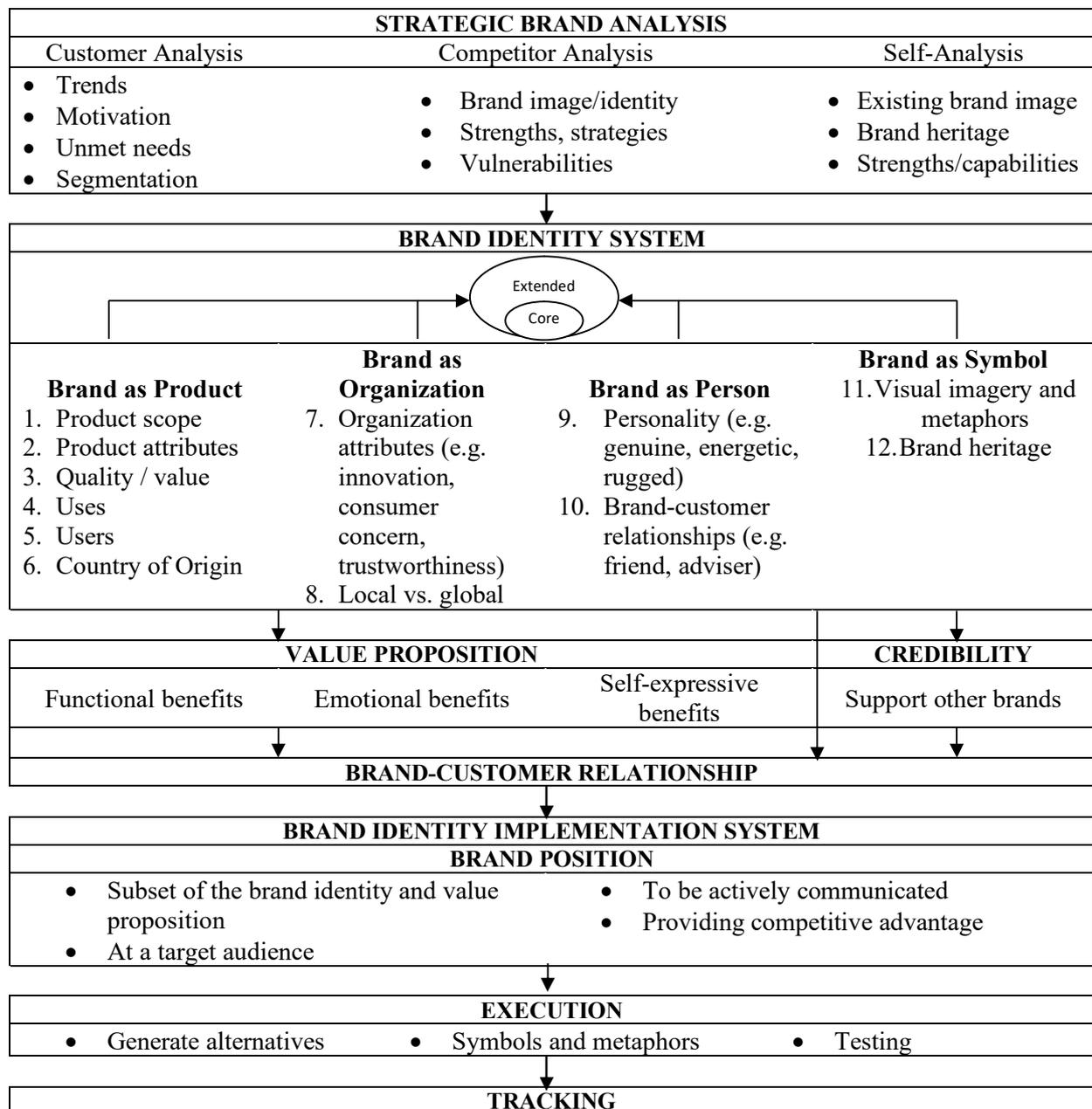


brand to stand for. If the brand identity is confused or ambiguous, there is little chance that effective brand building will occur (Joachimsthaler and Aaker, 1997).

As shown in figure 2.7, to be effective, a brand identity needs to resonate with customers, differentiate the brand from competitors, and represent what the organization can and will do over time. Thus, the brand identity clarification should begin with a strategic brand analysis, referring to a customer, competitor and self-analysis, in order for brand strategists to understand the market and the customers, the competition, and the brand itself (including the organization behind the brand). It is worth noting that the brand identity structure, according to Aaker, includes a core and an extended identity. The core identity, which is central to both the meaning and success of the brand, contains the associations that are most likely to remain constant as the brand “travels” to new markets and products, whereas the extended identity includes elements that provide texture and completeness, filling in the picture and adding details that help portray what the brand stands for.

Figure 2.7

Brand Identity Planning Model



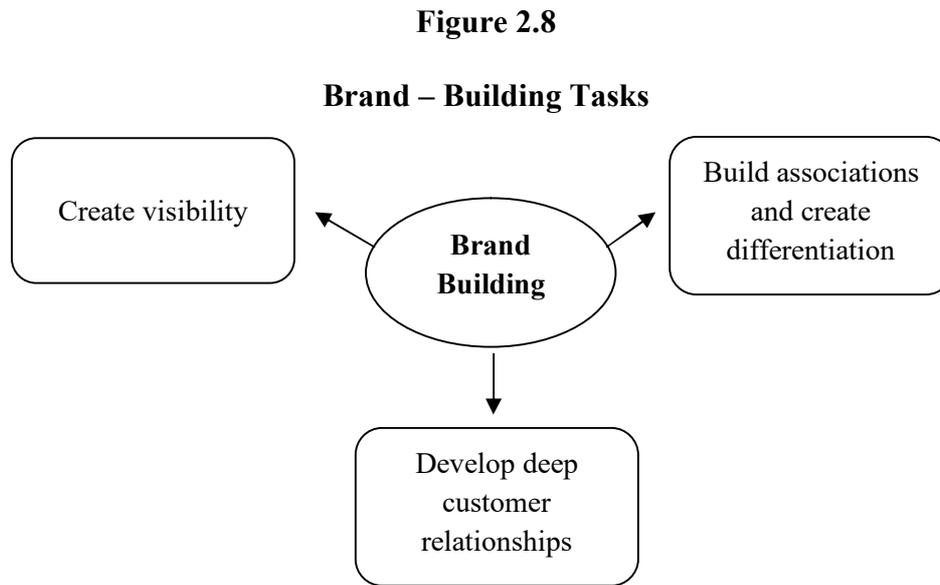
Source: Aaker, 1996

It should also be stated that there are twelve categories of brand identity elements organized around four perspectives: the brand as product, organization, person, and symbol. These elements help brand strategists consider different patterns that can contribute in clarifying, enriching and differentiating an identity. Not every brand identity needs to employ all or even several of these perspectives. For some brands only one would be viable and

appropriate. In this way, the brand identity helps establish a relationship between the brand and the customer by generating a value proposition involving functional, emotional or self-expressive benefits. The above process results in the selection of a **brand position** that successfully reflects the part of the brand identity that is to be actively communicated to the target audience, setting the direction of marketing activities and programs and creating key brand associations in the minds of customers and other important stakeholders that differentiate the brand in a meaningful way, demonstrating an advantage over competitive brands. Thus, the brand position guides the current communication program and is distinct from the more general brand identity construct. The brand identity planning model ends with tracking, referring to the assessment of whether the brand is perceived from the target audiences according to the brand identity and position determined by the organization.

The fourth brand imperative, when seeking for brand leadership, is to develop effective and efficient **brand-building programs** together with a system to track the results. As Aaker stated, the key to most strong brands is brilliant execution that bursts out of the clutter, provides a boost to the brand, and creates a cumulative impact over time. Brilliant execution requires the right communication tools. These tools are often more than just advertising – in fact, sometimes advertising plays a small role or even no role. Communication and other brand-building programs are needed to realize the brand identity. Finally, successful management involves measurement. Without effective measurement, budgets become arbitrary and programs cannot be evaluated. The key, according to Aaker, is to have indicators to tap all dimensions of brand equity: brand awareness, perceived quality, customer loyalty, and associations that include personality as well as organizational and attribute associations. It is also important to note that brand strategy should drive the business strategy, so that brand building is actively made part of the firm's strategic plans (Joachimsthaler and Aaker, 1997).

Aaker (1996) also proposed a triptych of Brand Building tasks, as shown in figure 2.8.



Source: Aaker, 1996

Interpreting the above figure, implementation of brand strategy focuses on creating or enhancing visibility, brand associations and deep customer relationships, each of which is guided by the brand identity and position. Strong brands such as Zara, Intel and Goody's, have developed dominant market positions largely on the basis of sheer presence. Each is omnipresent within its context and this visibility provides credit for leadership, success, quality, and even excitement and energy. Successful brands such as Ferrari, Cartier and Aegean Airways have created strong associations and also perceived differentiation, based on unique characteristics of the brand. Powerful brands have also gone a step beyond achieving visibility and differentiation to develop deep relationships with customers. Brands such as Harley Davidson and ION chocolate have become a meaningful part of the customer's life and self-concept. When a deep relationship occurs, the functional, emotional and self-expressive benefit will have a relatively high intensity. The customer will be highly loyal, likely to speak to others about the brand, discussing merits and defending shortcomings.

Finally, David Aaker recently posted on his blog (2010) the brand percepts that, according to his view, stand out as the most important out of his five brand books. Synthesizing these percepts with the guidelines for creating powerful brands presented in his book “Building Strong Brands”, the following ten elements summarize the insights derived by the work of Aaker on brand building and are presented as the most critical “to do” tasks for someone charged with creating and managing brands:

1. Treat brands as assets. Acceptance of the concept that brands are assets and have equity really changes not only branding and marketing but also the business strategy itself. No longer is branding a subset of marketing to be managed as a communication problem. It becomes strategic, both reflecting and enabling the business strategy. Importantly, a brand is more than image and awareness – it also includes the size, the engagement, and the loyalty level of the customer base. That means that brand strategy needs to be developed in tandem with the business strategy, as both need to be clear on the target market, the value proposition, and the investment priorities over time.

2. Show the strategic pay-off of brand-building. Part of the challenge of getting brands accepted as strategic is to demonstrate that they pay off. Unlike tactical marketing which can demonstrate short-term results, the long-term effects of brand building are difficult to demonstrate. One way is to observe the success of a business strategy and show how dependent that strategy was on brand assets. Another is to use surrogates for long-term impact such as measures of customer loyalty. But it is reassuring to know that, on average, brand building does pay-off.

3. Recognize the richness of brands. Brand building starts with determining the aspirational associations, what associations should come to mind when the brand is cued. In the brand

identity model, they are termed the core identity elements that drive effective marketing programs and are most likely to resonate with customers.

4. Get beyond functional benefits. There is a tendency to focus on attributes and functional benefits because they are assumed to be what customers are buying and because market research is often functionally focused. Functional benefits, however, rarely provide a basis for sustainable differentiation or a deep customer relationship. Attention should be given to emotional and self-expressive benefits. Thus, a customer can feel safe in a Volvo, excited in a BMW, energetic with Coca-Cola around, or warm when receiving a Hallmark card. Brand personality should be also considered.

6. Understand the brand relationship spectrum. Brand portfolios can be so messy and dysfunctional that a firm's new product process is paralyzed because there is no concept of which brand to use on a new offering. Customers may be so confused that they can't even buy. Brand strategists have to ensure that the brand relationship spectrum helps create clarity, leverage, and synergy in the portfolio. Brand leverage should entail brand extensions only if the brand identity will be both used and reinforced. Care should be taken to manage the integrity of the resulting brand identities.

7. Be consistent over time. Consistency should characterize the identity, position, and execution over time. Organizational biases towards changing the above elements should be resisted, so that the essence of the brand remains consistent across all customer contact points.

8. Make sure there is brand responsibility. A person or a group of people should be in charge of the brand, creating the identity and position, and coordinating the execution over organizational units, media and markets.

9. Invest in brands. Continuous investment in brands is needed, even when the financial goals are not being met, or even when brands have gained a good market standing.

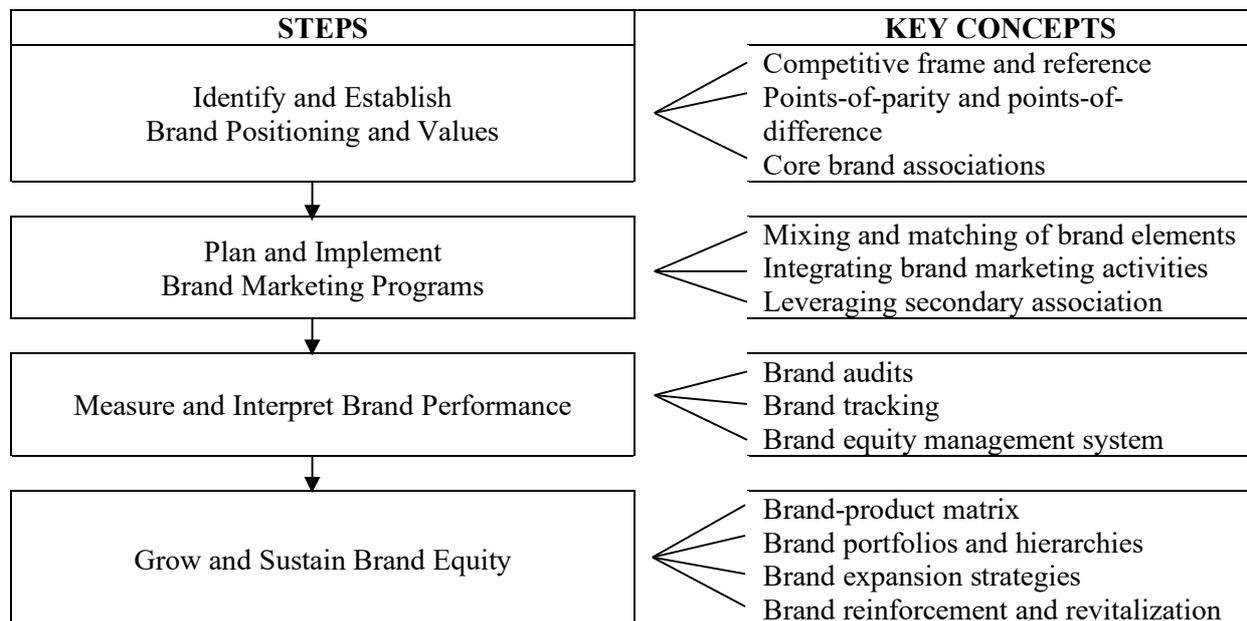
10. Tracking brand equity. The monitoring of brand equity is necessary over time, including awareness, perceived quality, brand loyalty, and especially brand associations. After all, relying on short-term financial indicators alone is a recipe for brand erosion rather than brand building.

Kevin Lane Keller is also acknowledged as one of the international leaders in the study of brands, branding and strategic brand management. With his exemplary book “Strategic Brand Management” and with over sixty published papers in the major marketing journals, his research has been widely cited and has received several awards.

Keller proposed a strategic brand management process involving the design and implementation of marketing programs and activities to build, measure, and manage brand equity (2008). As shown in figure 2.9, he defined the strategic brand management process as having four main steps.

Figure 2.9

Strategic Brand Management Process



Source: Keller, 2008

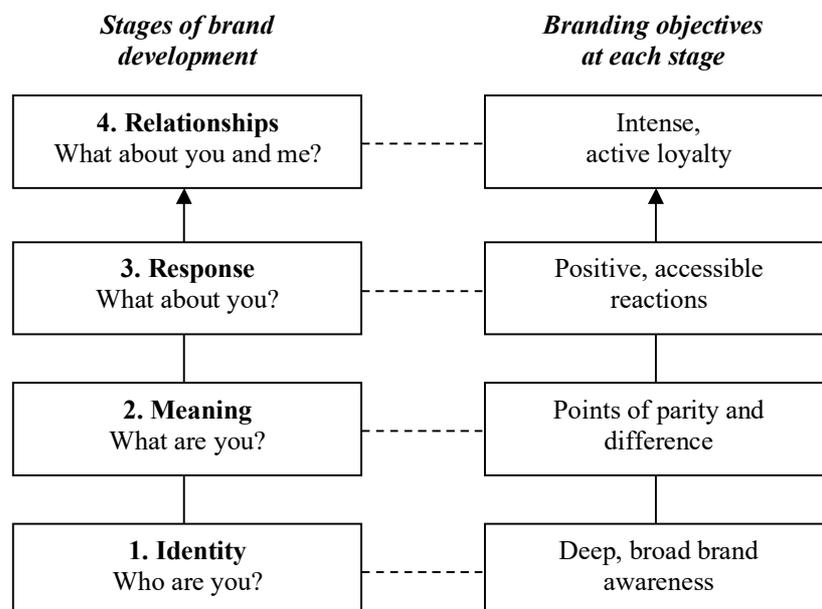
According to Keller (2008), the strategic brand management process starts with a clear understanding of what the brand is to represent and how it should be positioned with respect to competitors. The brand values should be clarified and the brand positioning should be formed, expressing the core brand associations that best characterize the brand. Fundamentally, brand positioning is all about creating brand superiority in the minds of customers, by convincing them of the advantages (or points of difference) a brand has over competitors, while at the time alleviating concerns about any possible disadvantages – establishing points of parity (Keller, 2000). Building brand equity requires creating a brand that customers are sufficiently aware of and with which they have strong, favorable, and unique brand associations. Therefore, a knowledge building process follows next, which will depend on a) the initial choices of the brand elements or identities making up the brand and how they are mixed and matched, b) the integrated marketing activities related to the brand, and c) other associations indirectly transferred to or leveraged by the brand as a result of

linking it to some other entity such as the company, other brand, etc. A brand audit is next needed, in order to measure and interpret the brand performance, by tracking from the perspective of both the firm and the customer the brand associations, uncovering sources of brand equity, and suggesting ways to improve and manage that equity. Brand equity should be finally sustained and leveraged over time based on the firm's branding strategy regarding its brand offering and portfolio. It is worth noting that, according to Keller, effective brand management requires taking a long-term view of marketing decisions, so that proactive strategies are designed to maintain and enhance brand equity over time, in the face of external changes in the marketing environment and internal changes in the firm.

Keller (2008) also proposed four stages for successful brand development (see figure 2.10), based on customers' fundamental questions about brands that command specific actions from companies.

Figure 2.10

Customer based brand equity development



Adapted from: Keller, 2008

Following the above model, brand strategists should first answer to the question “Who is the brand?”, by ensuring identification of the brand with customers and an association of the brand in customers’ mind with a specific product class or customer need leading to brand awareness. The question of “What is the brand?” should be answered next, by firmly establishing the totality of brand meaning in the minds of customers and strategically linking a host of tangible and intangible brand associations with certain properties, creating ideally competitive advantage for the brand. Eliciting the proper customer responses to this brand identification and meaning comes next, in order to answer to the questions of “What about the brand? What do customers think and feel about the brand?”. Customer responses and reactions to the brand are hopefully converted into an intense, active loyalty relationship between customers and the brand.

One of the most important contributions of Keller in the branding literature is the “Brand Report Card”, published in Harvard Business Review (2000), which summarizes Keller’s view on what are the prerequisites for successful brand building and brand equity maximization. In this article, Keller identifies the ten characteristics that, according to his knowledge and experience, the world’s strongest brands share. In particular, the world’s most powerful brands are characterized by ten attributes:

1. **The brand excels at delivering the benefits customers truly desire.** Customers do not buy a product because it is a collection of attributes, but because those attributes, together with the brand’s image, the service, and many other tangible and intangible factors, create an attractive whole. In this vein, brands should deliver superior benefits to customers, creating differentiation and ideally competitive advantage.
2. **The brand stays relevant.** In the case of strong brands, brand equity is tied both to the actual quality of the product or service and to various intangible factors. Those intangibles

include “user imagery” (the type of person who uses the brand), “usage imagery” (the type of situations in which the brand is used), the type of personality the brand portrays, the feeling that the brand tries to elicit in customers, and the type of relationship it seeks to build with its customers. Without losing sight of their core strengths, the strongest brands stay on the leading edge in the product arena and tweak their intangibles to fit the times.

3. **The pricing strategy is based on customers’ perceptions of value.** The right mix of product quality, design, features, costs, and prices is very difficult to achieve but well worth the effort. Value pricing should not be adopted at the expense of essential brand-building activities. Instead, it should successfully align with customers’ perceptions of the product value.
4. **The brand is properly positioned.** Brands that are successfully positioned occupy a particular place in customers’ mind. They are similar to and distinct from competing brands in certain reliably identifiable ways. As such, they keep up with competitors by creating points of parity in those areas where competitors are trying to find an advantage, while creating points of difference with competitive advantages in some other areas.
5. **The brand is consistent.** Sustaining a strong brand presupposes that the brand’s image does not get muddled or lost in a cacophony of marketing efforts that confuse customers by sending conflicting messages. When a brand takes particular care to ensure that the essence of the brand is the same in all activities, it is hard to beat.
6. **The brand portfolio and hierarchy make sense.** Brands at each level of the hierarchy should contribute to the overall equity of the portfolio through their individual ability to make customers aware of the various product offerings and foster favorable associations with them. Each brand should also have its own boundaries, as it can be harmful to try to cover too much ground with one brand or to overlap two brands in the same portfolio.

7. **The brand makes use of and coordinates a full repertoire of marketing activities to build equity.** Powerful brands mix and match all the marketing elements – logos, symbols, slogans, packaging, signage, and so on – to perform a number of brand-related functions, such as enhancing customer awareness of the brand and helping to protect the brand competitively. In other words, integrating marketing communications involves mixing and matching different communication options to establish the desired awareness and image in the minds of customers (Keller, 2009).

8. **The brand’s managers understand what the brand means to consumers.** Managers of successful brands are aware of all the core associations people make with the brand, whether intentionally created by the company or not, and have outlined customer-driven boundaries for brand extensions and guidelines for marketing programs. In this way, they are able to make decisions regarding the brand with confidence.

9. **The brand is given proper support, and that support is sustained over the long run.** Brands should be continuously given sufficient marketing and R&D support, and managers should avoid the temptation to cut back support for the brand, in reaction to a downturn in the market or a slump in sales.

10. **The company monitors sources of brand equity.** Strong brands make good and frequent use of in-depth brand audits and ongoing brand-tracking studies, in order to reveal where corporate and customer views regarding the brand conflict and thus showing brand strategists where they have to alter their efforts.

Building strong brands involves maximizing all ten characteristics. In practice, however, this is tremendously difficult as, in many cases, when a company focuses on improving one characteristic, others suffer. It is important to recognize that in strong brands,

the above ten traits have a positive, synergetic effect on one another; excelling at one characteristic makes it easier to excel at another.

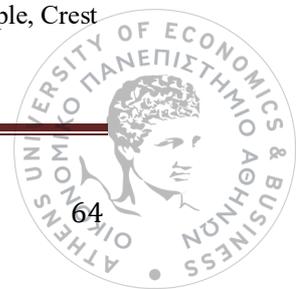
Keller and Lehmann, in their award winning review paper on brands and branding (2006), identified the most influential work in the branding area, highlighting what has been learned from an academic perspective on important branding topics, such as brand positioning, brand integration, brand-equity management, brand growth and brand management. The major findings that can be inferred from their review regarding the prerequisites for successful brand building and brand management are presented below:

- The formation of a **clear brand positioning** is necessary that sets the direction of marketing activities and programs, by representing what the brand should and should not do with its marketing. This brand positioning should involve the establishment of key brand associations in the minds of customers and other important constituents to differentiate the brand and establish (to the extent possible) competitive superiority (Keller et al., 2002). It should also be based on tangible product attributes, but also on brand intangibles that cover a wide range of different types of brand associations such as actual or aspirational user imagery; purchase and consumption imagery; history, heritage, and experiences (Keller, 2001), differentiating in this way the brand with competitors (Park et al., 1986) and transcend physical products (Kotler and Keller, 2006).
- Brand strategists, through branding, should strategically manage a customer's entire experience with a product or company (Schmitt, 1999; 2003). Through a successful **customer experience management**, brands can create strong favorable relationships with customers (e.g. Aaker J. et al., 2004; Aggrawal, 2004). This may even lead to the creation of brand communities, based on a structured set of social relations among admirers of a

brand, where brand loyalty takes probably its most vivid form (Muniz and O’Guinn, 2001; McAlexander et al., 2002).

- Marketers employ a variety of branding and marketing activities to help achieve the desired brand positioning and build brand equity. The success of those activities depends not only on how well they work singularly, but also on how they work in combination in order to create synergistic effects (Duncan, 2002). Marketing activities have interaction effects among themselves, as well as main effects and interaction effects with brand equity. **Coordinated marketing activities** can therefore lead to beneficial results (e.g. Naik and Raman, 2003; Naik et al., 2005).
- Managers should **regularly assess the brand performance**, so that they have a clear understanding of the equity in their brands. They should measure and value the brand equity at different levels – customer, product and financial market – in order to understand what are their brands worth and in what areas improvements are needed.
- Brands grow primarily through product development (line and category extensions) and market development (new channels and geographic markets). Growth – extension success depends largely on consumers’ perceptions of **fit between a new extension and a parent⁶ brand** (e.g. Aaker and Keller 1990; Klink and Smith 2001; van Osselaer and Alba 2003). Based on a meta-analysis of seven studies using 131 different brand extensions, Bottomley and Holden (2001) concluded that brand extension evaluations are based on the quality of the original brand, the fit between the parent and extension categories, and the interaction of the two, although cultural differences influenced the relative importance attached to these model components. In general, brand strategists should make sure that customers see the proposed extension as making sense. The success of a brand extension is of extreme

⁶ The parent (or master) brand is the primary indicator of the offering, the point of reference. For example, Crest is a master brand that defines a line of dental products from P&G (Keller, 2008).

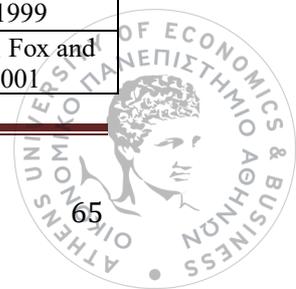


importance, as a major concern in this context is that a failed brand extension could hurt the parent brand in various ways (e.g. Aaker, 1990; Ahluwalia and Gürhan-Canli, 2000). Finally, the **brand architecture** should be given particular care in order to achieve an optimal design of the organizing structure of the brand portfolio that specifies in the best possible way the brand roles and the relationships among the firm's brands.

Although extensions constitute a large topic for research on its own, and therefore are beyond the direct scope of this thesis, what would be important and relevant for this study to retain from the extensive literature on brand extensions are the conditions under which these are successful. The following table (Table 2.4) adopted from Völckner and Sattler (2006) summarizes the determinants of brand extension success, as these are suggested in the most cited articles in this area. These articles, through empirical studies, investigate the effect of certain success factors (e.g. quality of the parent brand) on some kind of extension success measure (typically, customer evaluations of brand extensions linked, for example to the perceived quality of the extension). In sum, the literature resulted in ten success factors that seem to influence brand extension success.

Table 2.4
Success Factors of Brand Extensions

Main Effects: Direct Effects of the Success Factors	A brand extension is more successful...	Source (examples)
Parent-Brand Characteristics		
Quality (strength) of the parent brand	If the quality of the parent brand is high	Smith and Park, 1992
History of previous brand extensions	If the history of previous brand extensions is successful. For example, - high number of previous brand extensions - high variability among product types offered by the parent brand - low variance in quality among previous brand extensions	Dacin and Smith, 1994
		Boush and Loken, 1991
		Dacin and Smith, 1994
Parent-brand conviction (exposure of customers to it)	If parent-brand conviction is high	Kirmani, Soon and Bridges, 1999
Parent-brand experience	If parent-brand experience is high	Swaminathan, Fox and Reddy, 2001



Extension's Marketing Context		
Marketing support	If the marketing support is high. For example, - Advertising support - Firm's marketing competence	Reddy, Holak and Bhat, 1994
Retailer acceptance	If the retailer acceptance is high	Nijssen, 1999
Relationship of Parent Brand to Extension Product		
Fit between parent brand and extension product	If the fit between the parent brand and the extension is high. For example, - high global similarity - high ability of the owner of the parent brand to make a product in the extension product class - high relevance of the extended associations for the extension product	Aaker and Keller, 1990
		Broniarczyk and Alba, 1994
Linkage of the utility of the parent brand to product attributes of the original product category	The less the utility of the parent brand is linked to product attributes of the original product category.	Rangaswamy, Burke and Oliva, 1993
Extension's Product Category Characteristics		
Perceived risk	If the perceived risk is low	Nijssen and Bucklin, 1998
Consumer innovativeness	If consumer innovativeness is high	Klink and Smith, 2001

Source: Völckner and Sattler, 2006

It is worth reporting that Völckner and Sattler (2006) tested the significance and relative importance of the determinants of extension success by simultaneously investigating the aforementioned ten success factors. They found, similarly to the view of other academics (e.g. Aaker and Keller 1990; Klink and Smith 2001; van Osselaer and Alba 2003), that the fit between the parent brand and an extension is the most important driver of brand extension success. This factor, according to Völckner and Sattler (2006) is followed by marketing support, parent-brand conviction, and parent brand experience.

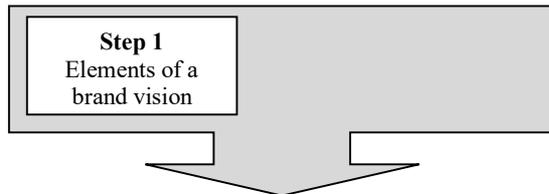
Another important contribution in the branding literature is the proposed by Davis (2000) Brand Asset Management model, which is shown in figure 2.11. Davis (2000, p.12) defines Brand Asset Management as “a balanced investment approach for building the

meaning of the brand, communicating it internally and externally, and leveraging it to increase brand profitability, brand asset value, and brand returns over time”.

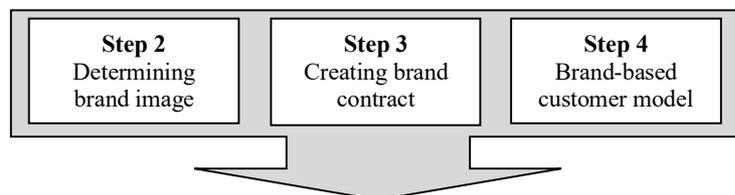
Figure 2.11

Brand Asset Management Process

Phase 1 – Developing a brand vision



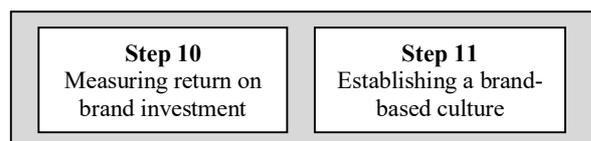
Phase 2 – Determining Brand Picture



Phase 3 – Developing a brand asset management strategy



Phase 4 – Supporting a brand management culture



Source: Davis, 2000

The Brand Asset Management process, as proposed by Davis, involves four phases and eleven steps. The first phase (consisting of a single step) refers to the development of a brand vision. The basic objective of this step is to clearly state what the branding efforts must do to meet corporate goals. The second phase is to determine the company’s “Brand Picture” by understanding customer perceptions about the brand and about competitor brands. This phase consists of three steps: determining the brand’s image, creating the brand’s contract

list of customer's perceptions of all the current promises the brand makes—, and crafting a brand-based customer model, which allows for understanding of how consumers act and think, and how and why they make their purchase decisions. The third phase is to develop a brand asset management strategy, in order to determine the correct strategies for achieving goals according to the brand vision. This phase consists of five steps: positioning the brand, extending the brand, communicating the brand's positioning, leveraging the brand, and pricing the brand. Finally, the fourth phase pertains to the support of a brand asset management culture. This final phase consists of two steps: creating a measure of the return on brand investment and establishing a brand-based culture.

Later on Davis, with the assistance of Dunn in the book “Building the Brand-Driven Business” (2002), maintained that the success in operationalizing the brand depends on being effective in five specific brand-driven areas:

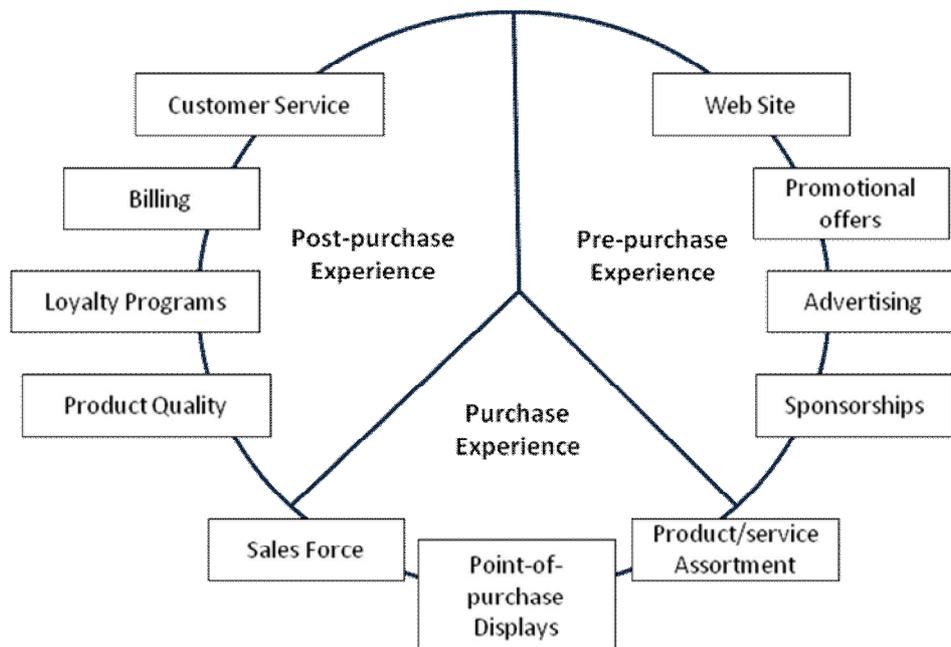
1. Achieving total alignment between the business and brand strategy.
2. Demonstrating a clear and consistent level of commitment to brand building by top executives within the organization.
3. Controlling critical interactions that customers and stakeholders have with the brand, based on what the brand stands for.
4. Transforming the company into a brand-driven organization, which signifies having all employees understand the brand's promises, the role they need to play in bringing the brand to life within their functional area, and the critical importance of permanently changing their behaviors in accordance with what the business and brand strategists are trying to achieve.
5. Implementing a consistent measurement and reward system that allows companies to monitor, benchmark and upgrade their brand performance.

Following Davis and Dunn (2002) argument, by achieving success in each of the above areas, the chances of making the most out of a brand are maximized and longer-term financial and strategic objectives are met.

Special emphasis was given by Davis and Dunn (2002) to the maximization of the actual experience a customer has with a brand during and after the use of the product or service. They identified multiple ways that a brand interacts with and makes an impression on customers, employees and other stakeholders, which they called brand touchpoints. They represented all these touchpoints in a wheel (figure 2.12) and maintained that brand strategists should make sure that every time current or potential customers and other stakeholders “touch” the brand, they have the same experience regardless of how they access the brand.

Figure 2.12

The Brand Touchpoint Wheel



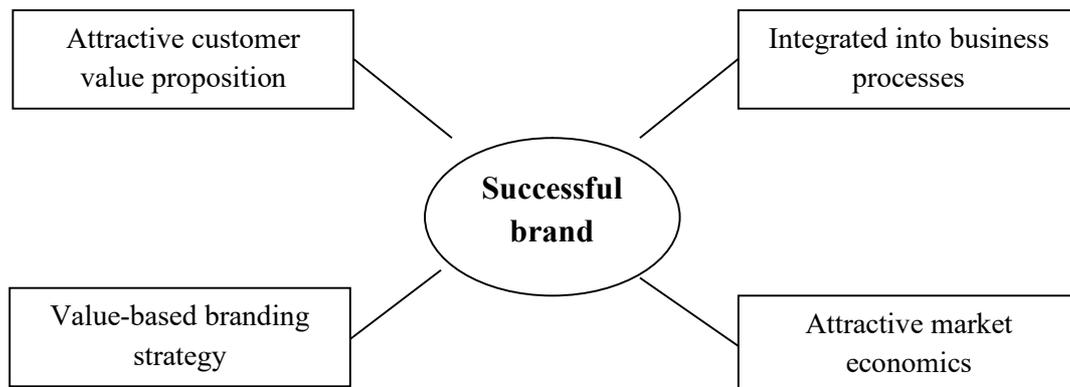
Source: Davis and Dunn, 2002

Peter Doyle (1989), at first, suggested that four elements are important in order to build customer brand preference and loyalty. More specifically, according to Doyle, **perceived quality** is the most important determinant of brand strength, as it boosts market share, resulting in lower unit costs through economies of scale, and permits higher relative price. **Superior service** is then necessary, since it is not easily copied by competitors because it depends on the culture of the organization and the training and attitudes of its employees. This is probably the reason why superior service is considered by Doyle the most sustainable differential advantage. Doyle also suggested that one of the most common means of building an outstanding brand is to **enter first into the market**, as it is much easier to build a strong brand in the customers' mind and in the market when the brand has no established competitors. Finally, Doyle maintains that brand strategists should look for brand **differentiation**, so that a competitive advantage is created in the customers' mind.

Later on, Peter Doyle (2001; 2001b) maintained that brands that create shareholder value have to meet four requirements, as shown in figure 2.13. In other words, the success of a brand is determined by:

- 1) a strong customer proposition, involving an effective product, clear differentiation and, most importantly, added values, which give customers confidence in the functional or emotional benefits of the brand.
- 2) effectively integrated brand(s) with the firm's other value-creating assets, namely the *product development process*, which enables a firm to create innovative solutions to customer problems, the *supply chain management process*, which acquires inputs and efficiently transforms them into effective products and services, and the *customer relationship management process*, which identifies customers, understands their needs, builds customer relationships and shapes the perceptions of the organization and its brands.
- 3) brand(s) positioned in a sufficiently attractive market. The attractiveness and profitability of a market is determined by the intensity of competition and the level of pressure from customers. Brand managers should ideally seek to position their brands in attractive markets.
- 4) appropriate management in order to maximize the value of the brand's long-term cash flow. The right strategy entails a marketing mix that is oriented to maximizing the net present value of the brand's future cash flow.

Figure 2.13

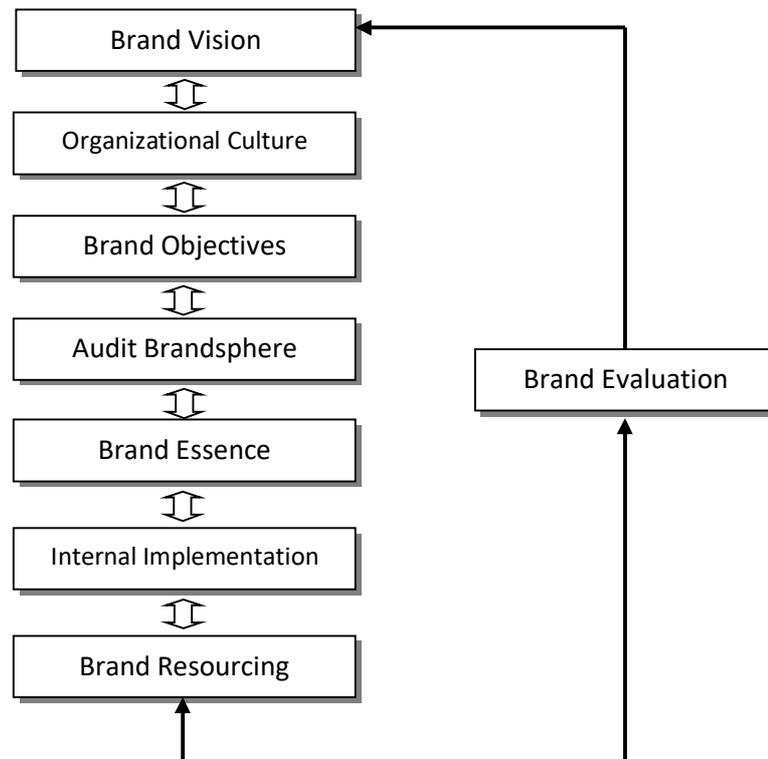
Determinants of the successful brands

Source: Doyle, 2001

Leslie de Chernatony is another academic with important research work on branding. Although his research mainly delves into building and managing service brands, as well as into internal branding, he has presented a theoretical general model (2001b) on how to grow and sustain brands strategically (figure 2.14).

Figure 2.14

The Process of Building and Sustaining Brands



Source: de Chernatony, 2001b

The model starts with the senior management team developing a brand vision. This vision should be powerful, representing the brand values, inspiring the brand purpose, and encouraging the commitment of the staff. An appropriate and welcome organizational culture can then provide a brand with a competitive advantage. In order for the brand to go towards the direction given by the brand vision, long-term objectives for the brand should be set and then broken down into a series of shorter-term objectives. According to de Chernatony, five key forces can enhance or impede the brand, namely corporation, distributors, customers, competitors, and the macro-environment. By auditing each of the forces separately, the firm can capitalize on the positive forces and face the negative ones. This analysis should result in conceiving the core of the brand, the brand essence, ideally summarized in a brief statement about a promise. To implement the brand essence, a suitable value delivery system is needed

to support both the functional and the emotional aspects of the brand, creating a unique relationship with customers. Just as the marketing mix enables a marketing strategy to be enacted, so brand resourcing such as distinctive name, legal protection, etc. enable the brand essence to be realized. Brand metrics are finally needed that monitor the suitability of the internal supporting systems along with the external favorability of the brand's essence. Information from this evaluation can then be used to fine and tune the brand, and ultimately grow the brand's equity. De Chernatony maintains that following the stages in the model, there is a greater likelihood of developing an integrated brand which is respected by all stakeholders.

Farquhar, in his theoretical paper "Managing brand equity" (1989) asserted that three elements are essential in building a strong brand, namely *high quality* which leads to positive brand evaluations, *attitude accessibility* referring to the ability of customers to quickly retrieve their positive brand evaluations from memory, and *consistent delivery of the brand image* through the distinct marketing activities. M'Zungu et al. (2010), through a theoretical work, maintained that strategic brand management for building and protecting brand equity consist of three stages:

- 1) adopting a brand-centric culture, according to which brands are regarded as strategic resources and expressions of organizational identity,
- 2) developing internal branding capabilities, by ensuring that management team members have the leadership qualities to build a leadership brand, training employees so that they have the requisite skills to deliver the brand, and motivating employees through career planning and incentives in order to live the brand, and
- 3) delivering the brand in a consistent way, so that brand equity is safeguarded. Yakimova and Beverland (2005), based on case studies, asserted that brand equity should be maintained

over the long run by constantly keeping the brand relevant to its targeting constituents, emphasizing in this way the importance of brand relevance in brand management.

All aforementioned models constitute important contributions in the branding literature that present general guidelines for companies to address the branding imperatives. The models presented so far do not have a specific focus as, although they are basically developed with consumer goods as a reference, they can easily be used for all types of brands. The following sections however, exhibit branding models explicitly developed for services, business and corporate brands respectively.

2.7.2. Building Services Brands

The increased competition in **services markets** has made many companies realize that a strong service brand is an essential part of their competitive advantage (de Chernatony and Dall'Olmo, 1999b). However, in view of the similarities as well as differences (intangibility, heterogeneity, inseparability of production and consumption, perishability) between the goods and service context, few research efforts are witnessed that explicitly try to identify the appropriate way of building and sustaining strong service brands. In general, no important differences are witnessed between the brand building models and suggestions regarding goods and services brands, as the main guidelines remain the same. It is not accidental that branding models designed for goods, as stated by de Chernatony et al. (2003), are often adopted for the service context (e.g. *The brand asset management model* – figure 2.11, *The process of building and sustaining brands* – figure 2.13). What can be concluded though, based on the few brand building models that explicitly delve into services branding, is that different weight should be given to the several branding imperatives in the services context, since specific brand building and management elements raise as more important.

In order to successfully develop and maintain service brands, marketers should take heed of Free's (1996) contention that an effective service brand strategy must reflect a true competitive advantage, encompassing factors such as:

- *High quality top management.* The commitment of top management is fundamental to guarantee excellent service brand delivery.
- *Vision.* All employees need to understand and be committed to the brand vision. Long-term rather than short-term plans are required to ensure the development of meaningful relationships with customers.
- *Results driven.* The vision should be translated into clearly defined goals for all staff.
- *Competitiveness.* The company should benchmark its performance against best practice, both inside and outside the sector.
- *Use of technology.* Effective exploitation of new technologies is a fundamental source of sustainable competitive advantage.
- *Customer focus.* The customer needs to be regarded as central to everything the organization does.

Berry (2000), based on a primary research with 14 high performance service firms, proposed one of the few services-specific models for cultivating brand equity. The model (figure 2.15) is comprised of four main ways in which service companies can build strong brands:

Dare to be different, referring to a conscious effort to differentiate the brand from competitors.

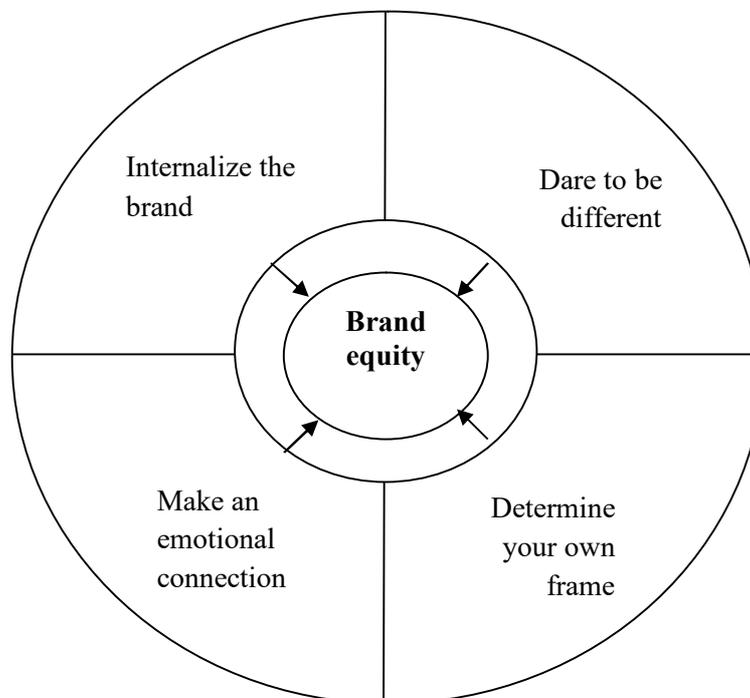
Determine your own frame, meaning that strong service brands should mean something important and represent a valuable offering to their target market. They should perform the service better than competitors and communicate this fact effectively to customers.

Make an emotional connection, pertaining to the fact that strong service brands should evoke feelings of closeness, affection and trust in the customer. For this purpose, the brand values should reflect the core values of the customer, so that customers identify with the brand.

Internalize the brand, emphasizing the importance of employees “living” the brand’s values and ideas. If the brand has been internalized, its delivery will be more consistently in line with its values and therefore the values will more effectively be communicated to customers.

Figure 2.15

Building service brand equity



Source: Berry, 2000

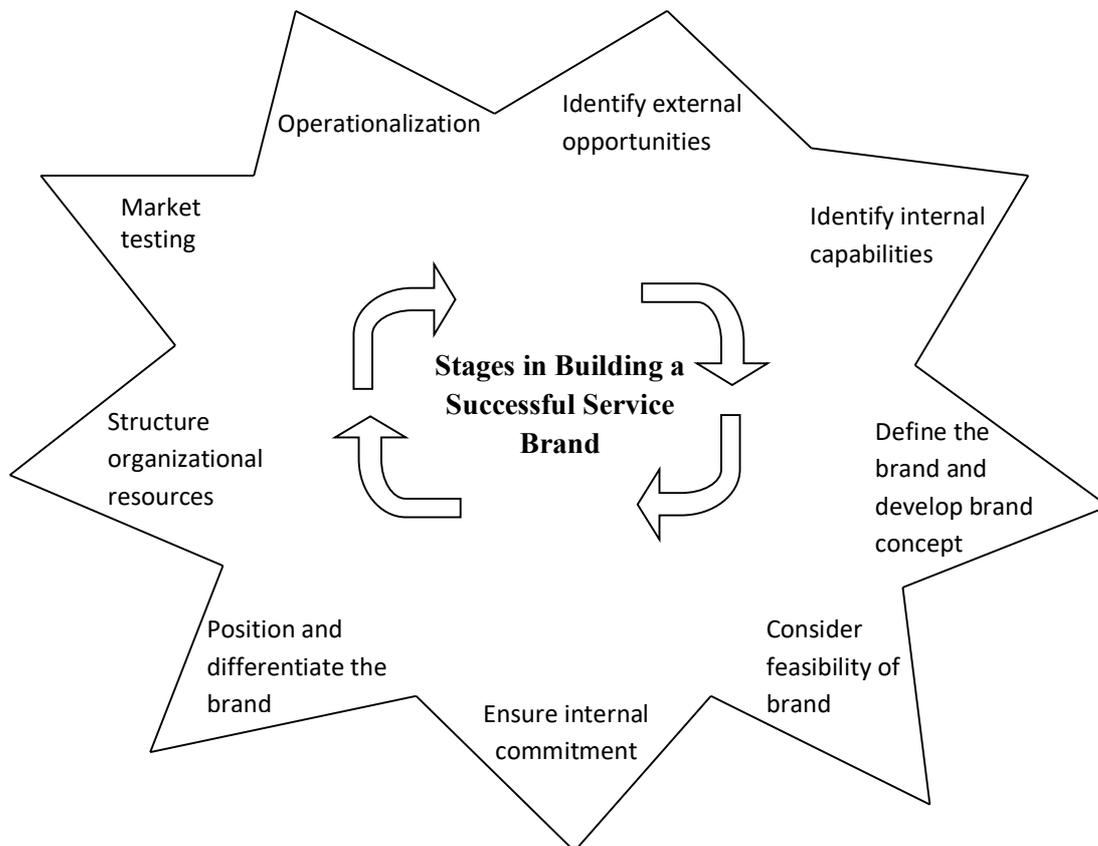
As Berry (2000, p.128) explained, “Branding plays a crucial role in service companies because strong brands increase customers’ trust of the invisible purchase. Strong brands enable customers to better visualize and understand intangible products. They reduce customers’ perceived monetary, social or safety risk in buying services, which are difficult to

evaluate before purchase. Strong brands are the surrogates when the company offers no fabric to touch, no trousers to try on, no automobile on test-drive”.

Recognizing that little was known about the actual process of building and sustaining powerful service brands, de Chernatony et al. (2003) also tried to investigate the issue further, by conducting a series of interviews with experts in the field of services branding. This research resulted as well in one of the only dedicated services brand building models, as shown in figure 2.16. The service brand building stages comprising the model are the following:

- *Identify external opportunities* – Initially, a market opportunity must be identified. Extensive research (both qualitative and quantitative) is useful, encompassing competitors, resource availability, supply and demand, cost-benefit analysis, the political and economical environment, as well as current segmentation within the sector.

Figure 2.16
The cog wheel model for building and sustaining services brands



Source: de Chernatony, Drury, and Segal-Horn, 2003

- *Identify internal capabilities.* – The identification of the organization’s key competencies is essential and benchmarking may be used to facilitate this.
- *Define the brand* – The brand concept should be developed, expressing the meaning of the brand and its core brand values.
- *Consider feasibility of the brand* – Practical considerations such as scale, timing and the firm’s availability of financial resources should be taken into account.
- *Ensure internal commitment* – There needs to be genuine belief in the service brand throughout the organization. The service brand must be internalized by employees and

employees should be encouraged to be proud of their brand, in order to effectively communicate it to the consumer (de Chernatony et al., 2004).

- *Positioning and differentiation* – This allows the brand to gain a meaningful competitive advantage over its competitors and to appear unique to the consumer.
- *Structure organizational resources* – In a service context, the most important organizational resource will almost always be staff. It is important that the right people are recruited and then trained and motivated in the most effective way to “live the brand”.
- *Market testing* – As service brands inherently involve public exposure, there is a need to pilot test the brand prior to full service roll-out.
- *Operationalization* – It is vital to have a consistent, strong brand message across all media. Staff views on brand communications need to be taken into account, as it is the staff who will ultimately be delivering the promises made and the service delivery process must match or even exceed the brand promise.

As stated by de Chernatony et al. (2003), not all brands will go through the stages shown in the figure in the same order, or go through every single stage.

de Chernatony et al. (2004) also identified a number of factors that contribute to employee adoption and therefore sustainability of services brand values:

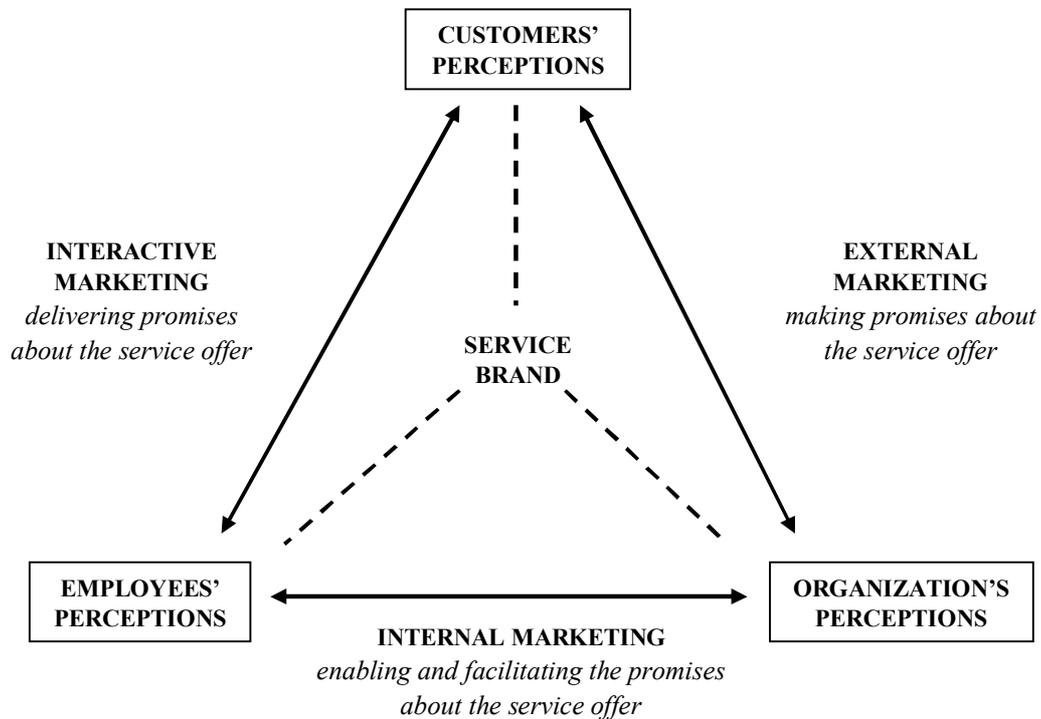
- Define clear values that are appropriate and that people can identify with – the best way to achieve this is to involve employees in the identification of brand values and the ways that they should best be enacted.
- Use internal communication to help employees internalize brand values – when people are trained to understand the brand history, they are proud to be part of the brand.
- Use artifacts to illustrate what a brand stands for – allowing the brand values to become part of the ritual and language of the organization helps to keep them alive.

- Advertise – external marketing communications also reinforce brand values internally.
- Create offshoot brands – creating new brands as offshoots helps to retain the values of the parent brand over time.
- Behave in-line with values – managers must “walk the talk” to reinforce brand values for employees.
- Create champions – owners or managers must be passionately committed to the brand and make others share those beliefs.
- Use the human resource function – recruitment of people with the same values helps to reinforce employee buy-in to brand values.

Finally, a conceptual framework for the service brand was first developed by Calonius (1986), refined by Bitner (1995) and Grönroos (1996, 2006, 2007) and adapted by Brodie et al. (2008). This framework is presented in figure 2.17. Within the framework, the external, internal and interactive marketing activities of the organization form the customer, employee and organizational brand perceptions. The framework also portrays the service brand as playing an integrating role aligning customer, employee and organization brand perceptions and attitudes.

Figure 2.17

Types of marketing and their influence on the perceptions of the service brand



In general, in comparison with the traditional branding of goods, more work is required in terms of organizational culture and internal branding when building services brands (de Chernatony et al., 2003). This means that a service brand personality depends very much on everyone in the company, from the CEO to anyone who has contact with customers, since staff is an integral part of service brands. It is therefore important to train staff to ensure a greater likelihood of consistent delivery of the service brand (de Chernatony et al., 2011). Building and sustaining brands needs to be undertaken by everyone in the firm and involves a profound understanding of every aspect of the interaction between customers and the company.

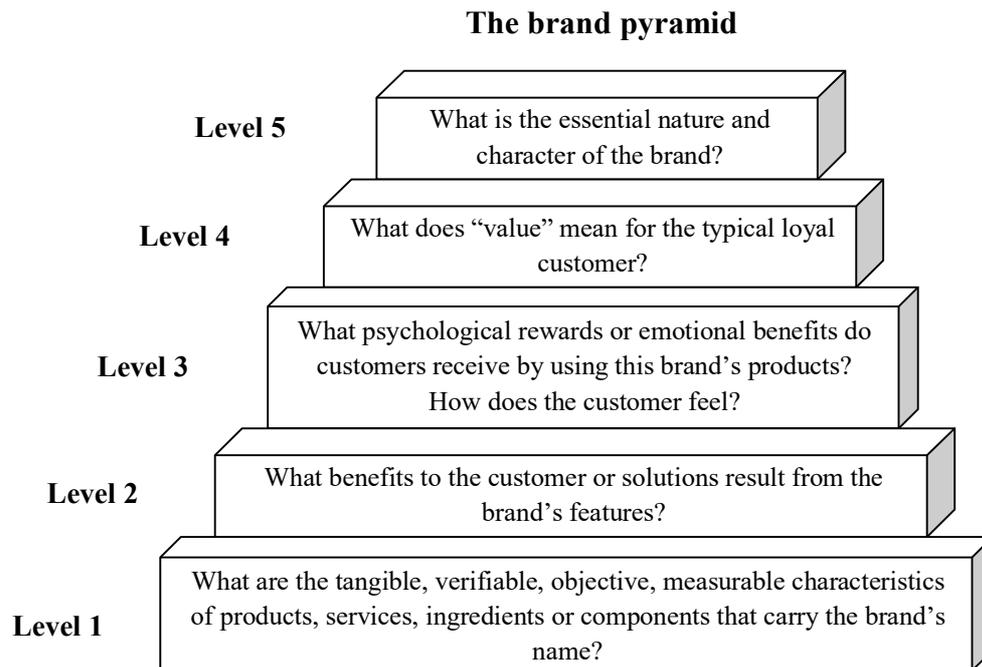
2.7.3. Building Business-to-Business Brands

As mentioned in the first chapter of the thesis, it is nowadays more and more acknowledged that brands play as important a role in **business to business** markets as they do in consumer markets (e.g. Mudambi, 2002; Auh and Shih, 2009; Zaichkowsky et al., 2010). The role of brand equity in organizational markets has been the subject of some debate over recent years. The first challenge is defining what brand equity means in a business to business market. van Riel et al. (2005) explored this challenge of conceptualizing B2B brand equity by suggesting that, just as consumer literature would say that the power of the brand resides in the minds of the customer (Keller, 2008), business-to-business brand equity can also be measured from the industrial buyer's perspective. They explained that although industrial buyers are often thought to be more rational and price driven, they sometimes make decisions based around the brand.

The benefits of brand equity have also been presented in the literature. Schultz and Schultz (2000) maintain that a strong brand allows the business-to-business company to command a premium price, gain a greater market share and be perceived as of higher quality.

One of the very few B2B brand building models is the one provided by Ward et al. (1999). The model is represented by a brand which consists of 5 levels (figure 2.18). At each level there is a question that needs to be effectively answered by the organization in order to build a strong high-tech business brand.

Figure 2.18



Source: Ward et al., 1999

The first two levels of the pyramid represent the elements of product competition rather than brand competition. However, if a company can raise its offering to encompass level three, emotional rewards can offer competitive advantage. The top two levels of the pyramid represent the stages reached by powerful brands, where the brand is recognized in terms of its personality and values. Again, no serious differences are noticed between a B2B and a “classical” brand building model.

2.7.4. Building Corporate Brands

Corporate branding draws on the traditions of product branding in that it shares the same objective of creating differentiation and preference (Knox and Bickerton 2003). However, this activity seems more complex at the corporate level, as managers try to achieve differentiation at the level of the organization, a fact that requires the management of interactions with multiple stakeholder audiences. King (1991) is considered to be the first author to make a clear distinction between product and corporate brands, emphasizing the

importance of a multidisciplinary approach in order to manage them. In particular, King (1991) and Balmer (1995) both identified the need for corporate branding strategies to be multidisciplinary, combining elements of strategy, corporate communications and culture. Balmer and Gray's (2003) literature review on corporate branding conclude that corporate brands constitute valuable resources and are leading to the development of a new branch of marketing which should be known as "corporate – level marketing" (Balmer and Greyser 2003). They maintain that for a corporate brand to be successful, it should be rare, durable and imperfectly imitable.

Aaker (2004) defines a corporate brand as a brand that represents an organization and reflects its heritage, values, culture, people, and strategy. Corporate branding deals with developing brands at an organizational level, which requires managing interactions with multiple stakeholders (Balmer and Gray 2003, Knox and Bickerton 2003, Hatch and Schultz 2003, Aaker 2004b). A corporate brand is defined primarily by organizational associations and requires a multidisciplinary approach with the human resource department playing a vital role (King, 1991). The organization's core values must be the guiding light of the brand building process, both internally and externally (Urde, 2003). As Urde noted (2003; p. 1036) "Core values influence continuity, consistency and credibility in the building of a corporate brand".

Hatch and Schultz (2003) distinguish six differences between product and corporate branding:

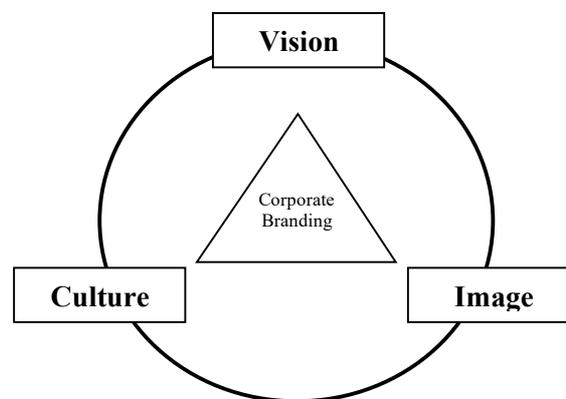
- 1) The shift in focus from product to corporation of the branding effort,
- 2) The different exposure the organization is subject to, which makes the firm's behavior and its interaction with society much more visible,
- 3) The relation of the brand to all company stakeholders, not just customers,

- 4) The requirement of organization-wide support,
- 5) The temporal dimension of corporate brands includes past and future, not just present,
- 6) The greater reach of corporate brands than product brands means that they take on more strategic importance.

Given these differences, they describe a corporate branding framework, shown in Figure 2.19, which is based on three elements: strategic vision, organizational culture and corporate image. They argue that developing the corporate brand involves articulating and aligning these three elements, which can be achieved when an effective dialogue between top management, external stakeholders, and members of the organizational culture is established.

Figure 2.19

Elements of corporate branding



Source: Hatch and Schultz, 2003

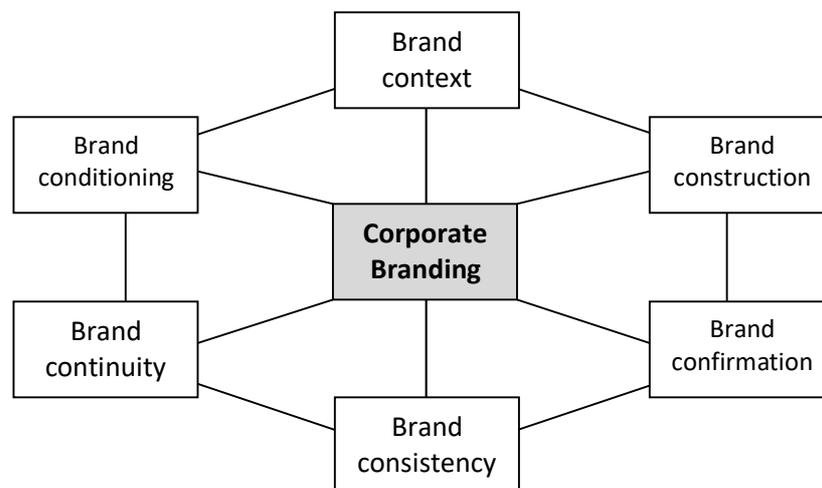
Given the fact that corporate brands concern multiple stakeholders, Knox and Bickerton (2003) suggested that this framework should be extended in order to include a fourth variable: the competitive landscape of the organization.

Knox and Bickerton (2003), based on a fieldwork, identified six “conventions” of corporate brand building, illustrated in Figure 2.20. These are:

- Brand context: the development of a competitive context for the corporate brand, which builds understanding across the current image of the organization and its future competition, as well as the current culture of the organization and its vision for the future,
- Brand construction: how the corporate brand is positioned, based on the organization's current brand strengths and desired future position
- Brand confirmation: the way the corporate brand positioning is articulated to the rest of the organization and all external audiences
- Brand consistency: consistent delivery of the corporate brand to all stakeholders through the communication channels
- Brand continuity: the alignment of business processes with the corporate brand
- Brand conditioning: the ability to monitor, manage and review, if needed, the corporate brand on a continuous basis

Figure 2.20

The Six Conventions of Corporate Branding



Source: Knox and Bickerton, 2003

Once more, we witness several similarities between the “classical” brand building models presented earlier in this chapter and corporate branding models. It could be argued that the brand imperatives are almost identical, however applied in a corporate level instead of a product one.

2.7.5. Internal Branding

As evident throughout the brand building section so far, regardless of the context and level of branding, the internalization of brand values by employees is critical for the effective communication and delivery of the brand promise to customers and thus critical for the brand success. What is called “internal branding” has recently attracted attention as an effective tool for creating and maintaining strong brands. The fact that several researchers have focused their work on internal brand management has led to the review of this issue in a distinct section. After all, and as de Chernatony (1999; p. 159) has stressed, *“the new branding model is one which emphasizes value through employees’ involvement in relationship building. Internally, brand management is becoming culture management, and externally it is customer interface management.”*

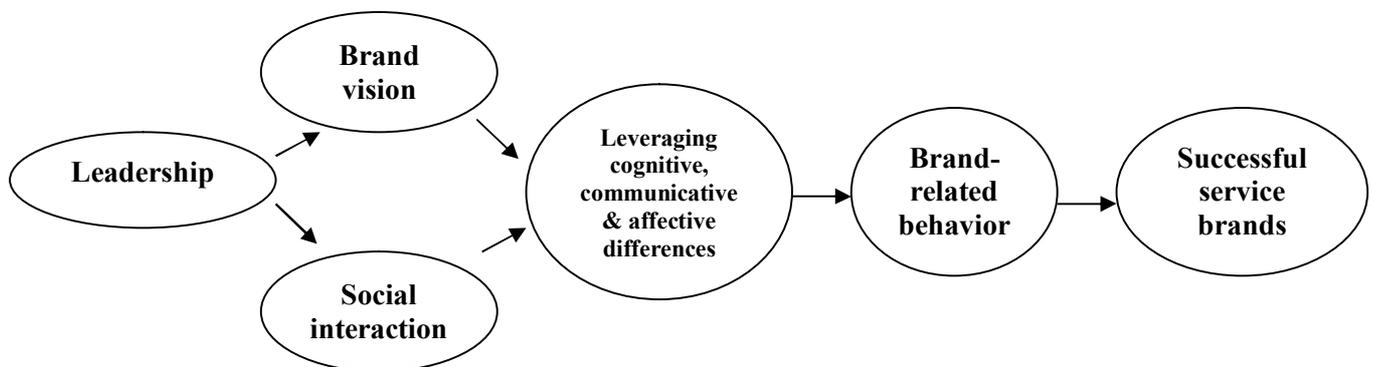
Fortune magazine’s 2011 ranking of “Best companies to work for” has some of the well known firms on the list: SAS, Google, Cisco, Goldman Sachs, Intel, Microsoft and Starbucks. Most of those companies feature also in Fortune’s annual list for 2011 of the “Most Admired Companies”. In Greece, the list of the best workplaces for 2011 published in Vima newspaper on April, 4, 2011, includes high performance companies such as Athens brewery, Elais – Unilever Hellas and Tasty Foods. From a brand perspective, we could infer that the employees of these companies embody what their brand(s) stand for. They live the brand on a daily basis, within a culture that revolves around the customer’s relationship with the brand. This high level of employee pride for the brand and customer focus, along with great performance and strong brand leadership, has helped them become ranked among the most admired and successful companies (Davis and Dunn, 2002).

Internal brand management is seen by many as a potential route to acquiring sustainable competitive advantage by means of building a strong brand whose positioning is

extremely difficult to threaten or copy (Burmann et al., 2009). The strong positive impact of internal brand management is based on the view that the behavior of employees lies at the heart of any brand (Punjaisri and Wilson, 2007). The entire body of employees, regardless of their hierarchical or functional role in the company, plays a crucial part in building competitive advantage through branding. Although the contribution of each individual employee for “living the brand” may differ in degree and scope, none of them is negligible when it comes to building a powerful brand.

Authors have recognized the importance of internal branding as a process to align staff’s behavior with brand values (e.g. de Chernatony, 1999; 2001; Tosti and Stotz, 2001). A shared understanding of the brand’s values, along with strong commitment and identification, needs to be anchored in employees’ minds and hearts to encourage brand supportive behavior (Vallaster and de Chernatony, 2005). According to the same authors, one way to ensure that culturally diverse employees develop a shared understanding of brand values is through top managers leveraging cognitive, affective and communicative differences. In order to do so, two behavioral competencies are crucial: defining a clear brand vision, and facilitating verbal and non-verbal forms of social interaction – internal communication used to exchange thoughts and attitudes (showing commitment, trusting employees, and living brand values) which may result in a shared appreciation. This leads to the development of passion, commitment and organizational identification amongst employees, ultimately responsible for the success of brands. The above theory was developed based on interviews with professionals in the field and summarized in one of the very few internal brand building models (figure 2.21). This theory is, of course, of particular relevance for services brands, where a key challenge is to overcome the variability at the “moment of truth” (Norman, 1984). However, internal brand building yields as a prerequisite for every brand (Burmann et al., 2009).

Figure 2.21

Internal Brand Building: a model of leadership based brand building

Source: Vallaster and de Chernatony, 2005

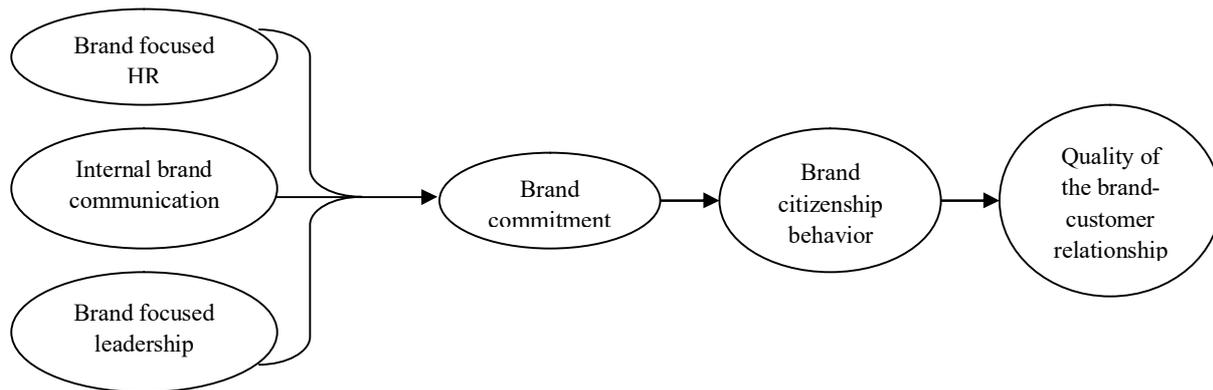
In other words, the authors emphasize in their work that the success of brands depends critically on staff reinforcing the desired values through appropriate behavior. Employee behavior that is aligned with brand values allows for a consistent delivery of the brand promise across all contact points between the company and its stakeholders. However, for this to become a competitive advantage, employees need to deeply understand and believe in the brand's values, regardless of geographical and cultural distance (Ind, 2001).

More recently, Burmann et al. (2009) used a qualitative survey with in-depth interviews with brand managers to test another internal branding model (figure 2.22). Using also some exploratory empirical data of employees and customers of 14 companies, the authors examined the factors behind the three key concepts of their internal brand management model: brand commitment (the extent of psychological attachment of employees to the brand), brand citizenship behavior (a number of generic employee behaviors that enhance brand identity), and brand-customer relationship (the extend to which a brand is capable of creating differentiation and preference in brand-relevant behavior). The findings support the view that brands can be significantly strengthened by applying targeted internal

brand management practices, such as brand focused HR, internal brand communication, and brand focused leadership.

Figure 2.22

A holistic model for internal brand management



Source: Burmann et al., 2009

For Ind (2001, p.30), the best way to develop a brand “is to ensure that the employees of an organization understand and believe in the values of an organization”. De Chernatony et al. (2003), based on in-depth interviews with leading edge brand consultants, asserted that ensuring everyone in the company understands the brand and that a common vocabulary defines the brand’s characteristics is critical for brand success. For this reason they maintained that recruitment, induction, training and motivation based on the brand values are keys for brand effectiveness. As values are hard to change, staff recruitment based on the level of value congruence is sometimes more valuable than emphasizing merely on their technical or operational skills. Then, training and development programs are essential to enhance employee performance and bring consistency to the external brand experience. Therefore, HR should be led by marketing and incorporate the brand concept into all employee development programs (Aurand et al., 2005). To maintain brand standards, an organization should reward employees accordingly (Hoffman and Mehra, 1999). Effective reward and recognition schemes can enhance employee motivation and commitment. In other

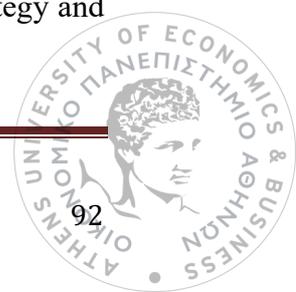
words, HR aligning policies behind the brand and employees being brand exemplars enhance brand success (de Chernatony and Cottam, 2008).

Top managers' role is also important as they should work across the organization to ensure commitment, enthusiasm and consistent staff brand behavior in delivering the brand values (de Chernatony, 1999). Senior management must legitimize and reinforce the importance of brand delivery through their own behavior (Tosti and Stotz, 2001).

When internal branding efforts are implemented, employees are more likely to understand the brand, take ownership in the brand, and provide evidence of the brand in their organizational responsibilities (Devasagayam, et al., 2010). It should be noted though that all partners of the organization that have a role in the delivery of the brand promise are important and should “live” the brand. The work of Huges and Ahearne (2010) is indicative, since it proves that a manufacture's success in the marketplace depends in large on its ability to energize its downstream channel members in support of its brands. In other words, gaining the focused effort of the reseller's sales personnel, mainly through strengthening the psychological connection between their brands and reseller sales personnel leading to brand identification, is particularly important, and this has become increasingly challenging as resellers broaden their brand portfolios in the wake of industry consolidation. Therefore, messages conveyed to the employees and all partners of an organization are just as important as those sent to customers (Mahnert and Torres, 2007; Punjaisri et al., 2009).

Dunn and Davis (2003), by acknowledging that if everyone in an organization helps bring the brand promise to life, the market success is guaranteed, identified four key internal branding factors as important for brand success:

1) the company should make sure all employees are fully educated on the brand strategy and understand how their roles help deliver the brand effectively,



- 2) employees across all organizational levels and functions should understand and strive to uphold the brand's promises and the goals of the brand strategies,
- 3) the brand's goal and influence should go well beyond the marketing department, so it becomes an integral part of the company's way of doing business, and
- 4) top management should demonstrate clear and consistent commitment to the brand, by championing the message that the brand is the responsibility of the entire organization.

Although much of the research work on internal branding is conceptual and based on qualitative studies (e.g. King and Grace, 2008, Punjaisri et al., 2008; Foster et al., 2010), few research efforts have appeared trying to operationalize the internal branding notion (e.g. Mohr et al. 1996; Punjaisri and Wilson, 2007). Specific internal branding notions from the employee perspective have even been coined such as the “employee brand building behavior” construct proposed by Morhart et al. (2009). This construct is used to express employees' contribution (both on and off the job) to an organization's customer-oriented branding efforts. However, all these constructs are designed for and measured from the employee side, giving evidence of the employees' view of the company's internal branding efforts, but mainly of the outcome of the organizational policies on employees' attitudes and behaviors towards the organization's brand or brands. Through the above measures, evidence was also provided that internal branding influence employees brand attitudes, which in turn influence the way employees deliver the brand (e.g. Punjaisri and Wilson, 2007; Punjaisri et al., 2008). Therefore, internal branding not only directly influences the extent to which employees perform their role in relation to the brand promise, but also influences the attitudes employees have towards the brand (e.g. brand commitment, brand loyalty), affecting staff performance (Punjaisri et al., 2009).

Internal branding should not be confused with what is conceptualized and operationalized as “employer branding” referring to the firm’s efforts to promote, both within and outside the firm, a clear view of what makes it different and desirable as an employer (e.g. Backhaus and Tikoo, 2004; Berthon et al., 2005; Davis, 2008; Edwards, 2010).

2.7.6. Building Powerful Brands: the practitioners’ view

Finally, it would be worth describing the **practitioner’s view** regarding the appropriate way of building and managing strong brands over time, since practitioners are the ones who face the branding challenges in reality. One of the most important contributions in the area of brand building is “Interbrand’s principles of brand strength”. Interbrand, the well-known UK-based branding consulting company, identifies each year the strongest brands in the world using the following ten criteria, which consist the main principles for generating value through brands (either corporate or product/service brands):

1. *Commitment*. The organization’s internal belief in its brand and the extent to which the brand receives support in terms of time, influence and investment.
2. *Protection*. This component examines how secure a brand is across a number of dimensions – from legal protection and proprietary ingredients to design, scale or geographic spread.
3. *Clarity*. The brand’s values, positioning and proposition must be clearly articulated and shared across the organization, along with a clear view of its target audiences, customer insights and drivers. It is vital that those within the organization know and understand all of these elements, because everything that follows hinges on them.
4. *Responsiveness*. This component looks at a brand’s ability to adapt to market changes, challenges and opportunities. The brand should have a desire and ability to constantly evolve and renew itself.

5. *Authenticity*. This component is about how soundly a brand is based on an internal capability. Authenticity asks if a brand has a defined heritage and a well-grounded value set, as well as if it can deliver against customers' expectations.
6. *Relevance*. This component estimates how well a brand fits with customer needs, desires and decision criteria across all appropriate demographics and geographies.
7. *Understanding*. Not only must customers recognize the brand, but there must also be an in-depth understanding of its distinctive qualities and characteristics, as well as those of the brand owner.
8. *Consistency*. This measures the degree to which a brand is experienced without fail across all touchpoints and formats.
9. *Presence*. This measures the degree to which a brand feels omnipresent and how positively customers and opinion formers discuss it in both traditional and social media.
10. *Differentiation*. This is the degree to which customers perceive the brand to have a positioning that is distinct from the competition.

All of the above 10 components have, according to Interbrand, an important and equal role in the brand's ability to generate value.

McKinsey & Company, the renowned global management consulting firm, acknowledging that strong brands are associated with accelerated revenue growth and improved returns to shareholders, has studied through its global institute the characteristics of strong brands (2003). McKinsey branding experts underlined the fact that brand strategy can no longer be managed solely by marketers, but the whole organization must collaborate, in both brand strategy development and in its consistent delivery across the multiple touchpoints with customers. Without this alignment at the brand planning stage, marketing efforts alone will often fail to drive the brand to where it can maximize shareholder value. Other brand

imperatives, according to McKinsey, include the creation of a value proposition that provides a point of distinctiveness in customers' minds and effectively ensuring favorable customer perceptions around delivering the brand value proposition.

Scott Bedbury, through his rich managerial experience as a former senior head of advertising for Nike and a former senior vice president of marketing at Starbucks, identifies in his book "A new brand world" (2002) the necessary elements for successful brand building and management. More specifically, he believes that an organization must clarify its core brand values and safeguard them regardless of internal or external changes, respect both the physical and emotional needs of the customers and create deep emotional relationships, be very careful when expanding the brand portfolio by assessing the impact that additional "bandwidth" will have on the brand strength, commit its top management towards creating powerful brands, align all employees to the brand values and deliver the brand promise to customers with consistency.

A general conclusion that can be drawn based on the above literature review on brand building and management, is that whether the case is a product or a service brand, whether the product or service is targeted at consumer or business markets and whether the brand refers to a product or a corporate level, the imperatives for creating powerful brands are more or less the same. Brand building is a priority for companies of all sizes, in all types of industries, and in all types of markets (Keller, 2000) and common principles seem to govern every branding effort. Although special weight should be given to different branding imperatives regarding the branding context, the main prerequisites for building and maintaining strong brands remain, as shown, the same.



2.8. BRAND ORIENTATION

As presented in the previous section, a number of important attempts to determine the most appropriate strategies firms should follow in order to develop and maintain valuable brands has been made (e.g. Doyle, 1989; Aaker, 1996; Davis and Dunn, 2002; Keller, 2008; de Chernatony et al., 2011), providing theoretical guidelines for the development and maintenance of powerful brands over time. However, all aforementioned contributions in branding from a company's perspective, although of tremendous importance and utility for the business society, are theoretical and descriptive in nature, based mostly on best-practices. As a consequence, they provide only conceptual frameworks in respect to successful brand building and management.

Responding to the call of important academics (e.g. Shocker, Srivastava and Ruekert, 1994) for the development of an integrative theory to guide brand management, based on the concession that no single or dominant theoretical framework has emerged that guides research in this area, the term Brand Orientation was coined in the early 1990s (Urde, 1994).

Since then, several definitions are proposed for the term, as shown in table 2.5. All those definitions, with few exceptions, propose in some way that Brand Orientation refers to an integrated organizational focus on developing and maintaining strong brands over time.

Table 2.5
Definitions of Brand Orientation

Author(s), date	Definition
Urde (1999)	An approach in which the processes of the organization revolve around the creation, development and protection of brand identity in an ongoing interaction with target customers with the aim of achieving lasting competitive advantages in the form of brands
Simões and Dibb (2001)	A potentially powerful resource for creating shareholder and long-term value.
Hankinson (2001)	The extent to which organizations regard themselves as brands and an indication of how much (or how little) the organization accepts the theory and practice of branding.
Bridson and Evans (2004)	The degree to which an organization values brands and its practices are oriented towards building brand capabilities.
Ewing and Napoli (2005)	The organizational wide process of generating and sustaining a shared sense of brand meaning that provides superior value to stakeholders and superior performance to the organization.
Merrillees (2005)	The extent to which the brand is recognized, understood, and acted upon throughout the organization and across the full gamut of business strategies.
Baumgarth (2010)	A specific type of marketing orientation, which is distinguished by the high relevance accorded to branding by top management. It also implies a strongly systematic approach to brand management, characterized by an offer that is relatively constant, consistent, relevant to the buyer and clearly differentiated from the competition.
Gromark and Melin (2011)	A deliberate approach to brand building, where brand equity is created through interaction between internal and external stakeholders. This approach is characterized by brands being the hub around which the organization's processes revolve, an approach in which brand management is perceived as a core competence and where brand building is intimately associated with business development and financial performance.

In sum, 18 studies were identified up to date delving into the issue of Brand Orientation. These research works are presented in detail in the following section.

2.8.1. Brand Orientation Conceptualizations and Operationalizations

Based on a field interviews, Urde (1994) first used the term Brand Orientation as a new strategic view of the role and management of a company's intangible investments and assets. In this new strategic view, the brand issues are coordinated and given higher priority and the strategic decisions regarding the brand are promoted to the company management or board level. According to Urde (1994), managements capable of exploiting the potential of brand through a Brand Orientation can gain a long-term competitive advantage, which may become a strategy for survival. Through this first research effort focused on Brand Orientation, eight branding imperatives are provided, which are characterized as necessary for the transition from product focus to Brand Orientation:

1. *Make brand issues management issues.* Managing a brand-oriented company signifies organizing and controlling the operations in such a way that an attractive added value is created and increased total brand equity is achieved.
2. *Develop a brand vision.* In the brand-oriented company, the brand vision represents the essence of the strategy. With this vision as a guiding principle, the management takes the overall control of all communication, which is then geared toward reaching the long-term goals.
3. *Make an inventory of your company's brands and patents.* These intangible assets provide protection for the company's market investments. In this way, brand and patent legal protection, when actively pursued, is a natural step toward Brand Orientation.
4. *Define your company's added value.* It is necessary to position the company and its brands by means of added value. A perceived added value can be attained through a clearly



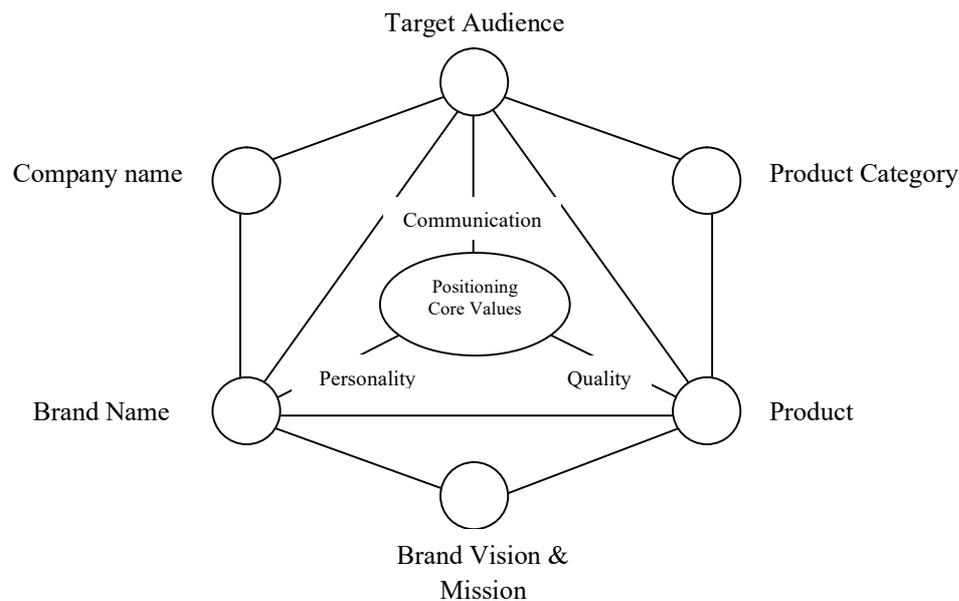
defined, differentiated and sustainable position, which is relevant and attractive to the target group and create an attractive whole for the company and its branded products.

5. *Formulate a branding strategy.* A branding strategy should be formulated based on the brand vision, in order to describe how the company's brands should be used and organized. Inefficient, ineffective and unnecessary complicated branding strategies cannot create increased brand equity.
6. *Synchronization of communication.* The image of the brand-oriented company is a reflection of all its actions. Therefore, it is vital that all its operations and all communication are synchronized in accordance with the brand vision and positioning. Unless the branding messages are in harmony, the communication can easily become a cacophony of contradicting signals, unfit to serve as a basis of a brand-oriented company.
7. *Invest in marketing activities which build and enhance the brands.* In a brand-oriented company, brands should be seen as long term investments. The strategy of building brands, as well as the marketing investments on brands should be continuous, so that the brand value is not threatened.
8. *Develop competence for successful Brand Orientation.* Brand Orientation is a choice of strategy, determining the competitive strength and the prospects of survival in the long term. Competence in the area of strategic brand management should therefore be further developed to enable successful Brand Orientation.

In a later work and based on experiences from case companies, Urde (1999) examined how an organization's approach is affected when its brands become to an ever greater degree the center around which operations and strategies revolve. Brand Orientation is thus considered as a mindset for building brands into strategic resources and the organization's

overall goals, values and positions come to be expressed through brands. Through this work, Urde (1999, p.117) provides the first definition of Brand Orientation: “*An approach in which the processes of the organization revolve around the creation, development and protection of brand identity in an ongoing interaction with target customers with the aim of achieving lasting competitive advantages in the form of brands*”. In Brand Orientation therefore, brand identity represents a strategic platform for the firm. A brand-oriented company was summarily described by Urde (1999) with the help of a number of concepts and relationships, leading to the conceptual framework presented in figure 2.23.

Figure 2.23
A Basic Model of a Brand-Oriented Company



Source: Urde, 1999

The point of departure for a brand-oriented company is the determination of the brand vision and mission, which relate to the reason for existence, core values, personality and strategy of the brand, and project the brand out into the future. Based on the mission and vision, the value and meaning of the brands are communicated through the products, product category, positioning and core values, brand name, as well as the corporate name. These

concepts are ultimately linked to one another, and constitute together the basis of the brand strategy and brand identity. The midpoint of a branded product or a branded company is occupied by the core values and positioning. It is through positioning that the company expresses and interprets the core values, which are, in principle, a synopsis of the experiences and history of the brand. All the above elements should be finally communicated effectively to the target audiences of the brand, in order to create awareness and ultimately loyal supporters of the brand. The way of communicating, the choice of media, the tone, the style, and the argument are expressions of positioning, which should be transmitted with consistency to the target audiences.

Some brand requisites are also stressed through this first work on brand orientation (Urde, 1999):

- The brand should not be an unconditional response to customer's wants and needs, as whatever position is most popular at a certain moment, does not necessarily guarantee credibility for long. In contrast, without of course ignoring the wants and needs of customers, the brand should remain consistent to its core values and identity, and become a symbol in an ongoing interaction between the company and its customers. In other words, the brand should be developed and protected as a strategic resource by acting within the degrees of freedom that the brand identity provides space for.
- Just as important as creating and developing brands is the ability to protect them – an area that is often neglected by many companies. Brand protection can be accomplished through legal means, but also continually through marketing efforts and as a part of the strategic process.
- The passion for brands is a characteristic trait of a brand-oriented approach. This passion provides life and intensity to work with brands. The creation of passion for the organization's

brands inside the company depends first of all on the attitude of top management. Senior managers should be dedicated to brands and show that the organizations' brands are the biggest asset of the company. Moreover, incoherent communication inside the organization and unclear allocation of responsibility and authority with respect to brands break down value and meaning. As the Head of Communication at Nestlé mentioned to Urde, "As a company we have two strengths: our people and our brands. And if we do not have that, we do not have anything".

- A brand should be kept continuously refreshed, as the company gets new customers all the time, by changing consumer groups, habits and trends.

Simoes and Dibb (2001), trying to contribute to the innovative concept of Brand Orientation that had appeared the previous decade, provided a new definition for Brand Orientation based on a theoretical work and a three mini-case studies. They defined the concept as "a potentially powerful resource for creating shareholder and long-term value" (p. 223), supporting the view that branding allows current business performance and long-term strategy to be viewed simultaneously. Adopting the view of Shocker et al., (1994) that managers should think carefully about brands from a strategic perspective, as well as the view of Hankinson and Hankinson (1999) that successful brands are the outcome of several years of investment and strategic planning, they define Brand Orientation as a valuable resource for organizational success. In the realm of Brand Orientation, the authors highlight the necessity a) for aligning all organization's employees to the brand values in order to make a distinctive offering in the market place, and b) for the meaning of the brand to be consistently embedded in all actions of the company, from the processing of raw materials to the final product. Communication, which results from the brand building process, must be coherently and effectively transmitted whenever there is contact with the various publics.

Hankinson (2000; 2001; 2001b; 2002) was another researcher who focused her research on Brand Orientation. Adopting an exploratory qualitative research approach, through in-depth interviews in the charity sector, Hankinson first defined Brand Orientation (2000, p.209) as the extent to which organizations regard themselves as brands. One year later and focusing again on the charity sector through literature and field-based research (Hankinson, 2001), the author extended the previous definition by arguing that Brand Orientation is *the extent to which organizations regard themselves as brands and an indication of how much (or how little) the organization accepts the theory and practice of branding* (p. 231). According to Hankinson (2001), Brand Orientation involves:

- a) an understanding of what the brand does and the values it represents,
- b) communicating the brand to both external and internal audiences,
- c) using the brand as a strategic resource, and
- d) managing the brand actively and deliberately.

The first effort to operationalize the construct of Brand Orientation was made by Hankinson (2001b). Based on the aforementioned dimensions of Brand Orientation, the researcher developed 28 scaled items to represent the domain of Brand Orientation for the charity sector. The main survey was conducted to 316 fundraising directors of charities listed in the Charity Aid Foundation's Top 500 Fundraising charities. The resultant scale included 23 items and, based on the results of an exploratory factor analysis, comprised of one dominant factor and 6 other very weak factors. The same data were also used for testing the impact of Brand Orientation on charity managerial practice (Hankinson, 2002), where it was shown that high brand-oriented fundraising managers, as BO was defined and operationalized by Hankinson, attract significantly more voluntary income than low brand-oriented fundraisers. However, the scale developed by Hankinson (2001b) cannot be considered appropriate to measure the construct as:

- Its conceptualization is based explicitly on the charity sector.
- Its operationalization is context specific, designed in such a way to be particularly relevant to the charity sector, to which it was empirically tested.
- The dimensionality of the scale, which includes one dominant factor and six other very weak ones, is questionable.
- Apart from the results of an EFA analysis, no other indication of the reliability and validity of the scale is provided.

Bridson and Evans (2004) were the next to focus their research on Brand Orientation, by providing a conceptualization and operationalization of the concept within the context of fashion retailing. They proposed that Brand Orientation can be best defined as *the degree to which an organization values brands and its practices are oriented towards building brand capabilities* (p. 404). Such capabilities include using the brand as a mark of distinction, a means of satisfying customer's functional purchase needs, a source of value adding and a symbolic reflection of consumers. Bridson and Evans (2004) were the first to make a distinction between the philosophical/attitudinal and behavioral aspect of BO (Avlonitis and Gounaris, 1999). More specifically, they argued that the philosophical foundation views BO to be embedded in the organization's thinking and reflected in organizational values and beliefs, whereas the behavioural foundation concentrates on the orientation in terms of implemented behaviours and activities. Thus, brand orientation, according to the authors, should be conceptualized as a multidimensional construct encompassing the organization's values and beliefs, as well as behaviours and practices towards brands. Four dimensions of Brand Orientation were introduced by Bridson and Evans (2004) including:

- Distinctiveness. Distinctive capabilities were based on the identification of critical values and beliefs about the roles brands play in the organization. These include brands as a sign of ownership, guarantee, shorthand device, legal protection, logo and resource.
- Functionality. Functional capabilities relate to the brand's tangible, rationally assessed performance, which satisfy consumers' basic or rational needs.
- Value adding. Value adding capabilities refer to the critical beliefs and capabilities the organization employs to add value beyond functional capabilities, through adding features and benefits (e.g. quality, experience and values) that differentiate the brand from competitors.
- Symbolic. Symbolic capabilities are often referred to in the literature as representational characteristics, including emotional benefits, self expression, self image, personality, psychic value and icon.

The scale for measuring Brand Orientation, as previously defined, was derived from comparable, according to the authors, orientation scales such as the marketing orientation scale of Narver and Slater (1990). The scale developed was tested among 336 retailers operating in Australia. The authors present only few examples of the specific items used to measure Brand Orientation and provide, through exploratory factor analysis, evidence of the reliability of the hypothesized dimensions. Moreover, the authors show, through multiple regression analyses, that high levels of BO dimensions have in a positive impact on retailers' advantage. However, neither this scale can be argued to be appropriate to measure Brand Orientation as:

- Its conceptualization is made explicitly based on the retail sector
- Its operationalization is context specific, made in such a way to be particularly relevant to the retail sector, to which it was empirically tested.

- Its operationalization was made based on existing market orientation constructs (e.g. Narver and Slater, 1990) and thus BO is not developed as distinct enough as it should be from the market orientation construct.
- Apart from the results of an EFA analysis, no other indication of the reliability and validity of the scale is provided.

Ewing and Napoli (2005) tried then to expand on the work of Hankinson presented earlier in this section, by seeking to develop a reliable and valid measure of nonprofit brand orientation (NBO). They defined BO as “*the organizational wide process of generating and sustaining a shared sense of brand meaning that provides superior value to stakeholders and superior performance to the organization*” (p.842). A philosophy like NBO, according to the authors, can assist an organization in establishing mutual brand knowledge with stakeholders and realizing the benefits that a strong brand can deliver. The authors used Keller’s (2000) brand report card (BRC) presented in the brand building section of this chapter as a point of departure for the development of the NBO scale. The reason behind their choice of basing the operationalization on the BRC was their view that Keller’s brand report card captures many of the varying perspectives on brand management and encapsulates the key dimensions of NBO. An initial item pull of 30 items was developed and was then purified through primary data from 233 managers of nonprofit organizations, leading to a purified 16-item scale. This scale was then confirmed through a second study to 170 managers of nonprofit organizations. A scale of NBO with 12 items was finally confirmed, which comprised of three latent variables. In particular, these three factors were:

- “*Interaction*”, assessing the extent to which an organization establishes a dialogue with key stakeholders and responds to changes in the environment.

- “*Orchestration*”, assessing the degree to which the brand portfolio and related marketing activities are suitably structured and effectively communicated to both internal and external stakeholders.
- “*Affect*”, assessing the degree to which an organization understands exactly what about the organization and its brands is most liked or disliked by key stakeholders and why.

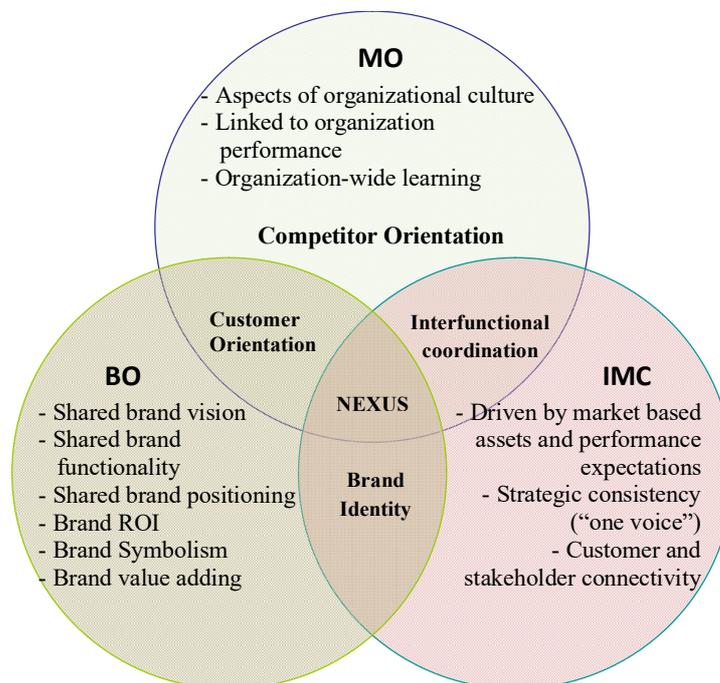
Both reliability and validity of the proposed NBO scale was established by authors, considering several aspects such as convergent, discriminant, nomological, criterion and content validity. However, important questions raise as to whether this scale can be used to effectively measure the degree of Brand Orientation in all types of organization for the following reasons:

- Its conceptualization is based explicitly on Keller’s brand report card (BRC) and it is questioned by the authors themselves, as written in the limitations of their paper, “*whether this checklist fully captures all nuances of branding*” (p. 851).
- Its operationalization is context specific, designed in such a way to be particularly relevant to the nonprofit sector, to which it was empirically tested.
- Many of the items developed to capture the NBO construct are pretty similar to those developed to measure the marketing concept (e.g. *We keep “in touch” with our stakeholders needs, We focus on creating a positive product/service experience for our stakeholders, We design our integrated marketing activities to encourage consumers directly to use our products/services, We design our integrated marketing activities to encourage our suppliers, distributors and other key stakeholders to promote our products/services to consumers*). BO is therefore not developed as distinct enough as it should be from the MO construct.

Reid et al., (2005) also investigated the concept of Brand Orientation. Through a normative paper which focuses on integrated marketing communication (IMC), they related IMC to market orientation (MO), brand orientation (BO), and external performance measures. More specifically, they clarified the links between IMC, MO and BO, and proposed a testable model linking the relationships among these concepts (figure 2.24). What is of importance from this model to the scope of this thesis is the conclusion of the authors that in organizations where brand orientation is low, implying low sharing of corporate or brand identity and vision, attempts at introducing IMC may not be as successful as when both MO and BO are adequately developed.

Figure 2.24

Intersection of Integrated Marketing Communication (IMC) and Market and Brand Orientation



Source: Reid, Luxton and Mavondo, 2005

As shown in the above figure, Reid et al. (2005) suggested, based on literature, the following elements as those comprising BO:

- *Shared brand vision*: The brand is central to corporate decision making and the corporate mission. It involves a broadened perspective on the operations of the organization, with strategic goals being directly related to the brand. The brand is considered to be integral with other resources and competencies, and there is an explicitly communicated vision with clear allocation of responsibility and authority.
- *Shared brand functionality*: The organization recognizes that the brand facilitates differentiation from competitors by communicating specific functional attributes and benefits to customers.
- *Shared brand positioning*: The brand forms a means of identification, differentiation, and a guarantee of consistency to customers. The organization recognizes that the brand is central to building customer loyalty in the marketplace, and all communication related to the brand is linked to appropriate competitive positioning and value.
- *Brand return on investment (ROI; financial performance)*: The brand and building brand equity are acknowledged as being critically important in achieving positional advantage in the market and in leveraging this into financial rewards. Brand-oriented managers see brands as underpinning the organization's strategic resource base.
- *Brand symbolism*: Managerial recognition that the brand has a strong emotional and symbolic appeal, and is an expression of customers' personality and values. The emotional aspects communicated in relation to the brand are recognized for their ability to bond a customer to a brand.
- *Brand value-adding capability*: To achieve brand objectives, organizations need to manage their internal and external activities to maximize value-adding capabilities. Brand orientation

focuses on consumers' utilitarian satisfaction, and hence a critical role in this is the communication of the beliefs and capabilities the organization employs to add value beyond the functional aspects. This can include, for example, an emphasis on service, quality, or brand personality, and it facilitates the establishment of mutual brand knowledge with customers and other key stakeholders.

Merrillees (2005), based again on a case study, defined in his turn Brand Orientation as *“the extent to which the brand is recognized, understood, and acted upon throughout the organization and across the full gamut of business strategies”* (p. 204). It is worth to note that he proposed a new framework for revolutionizing a brand, which included three stages: the determination of a new brand vision, the adoption of a brand orientation and, finally, the brand strategy implementation. These three steps offer, according to the author, a practical tool for firms to upgrade their brands.

Napoli (2006), building on her previous work with Ewing (Ewing and Napoli, 2005), examined the relationship between nonprofit brand orientation (NBO) and organizational performance through empirical research in 403 CEOs (or equivalent) of charity organizations. The NBO scale developed by Ewing and Napoli (2005) was used to test the hypothesized relationships. The findings suggest that there is a positive association between the dimensions of NBO and nonprofit organizational performance and that successful nonprofit organizations tend to be more brand-oriented than their less successful counterparts.

The research effort of Wong and Merrillees (2007b) aimed at closing the gap between marketing strategy and performance, by investigating whether brand orientation can partly close the marketing-performance gap. Based on literature and supporting the view that Brand Orientation becomes the driving force for firms that consider branding a significant issue in business decisions and directions, they operationalized the BO construct with 6 items that

measured explicitly the philosophical/attitudinal aspect of BO (e.g. Branding is essential to our strategy, Branding is essential in running this company, The brand is an important asset for us). Through empirical research in 403 Australian firms, the unidimensional construct was found to be sufficiently reliable and valid, based on exploratory and confirmatory factor analysis. However, two covariations between items had to be made to achieve an acceptable fit. This measure of BO cannot again be considered to effectively measure the construct of BO as:

- Its conceptualization is only based on a narrow review of the literature of Brand Orientation.
- The 6-item scale captures only the attitudinal aspect of BO. However, BO as presented so far seems to cover also a very broad range of organizational branding behaviors.
- Its validity can be questionable given the covariations needed to achieve a reasonable fit.

It is interesting to report, though, the findings of Wong and Merrillees (2007b) regarding the role of BO, as measured in this study, to the marketing / innovation – performance relationship. BO was found to moderate the path from marketing strategy to brand performance, suggesting that brand orientation, marketing strategy and innovation can influence brand performance and it is brand orientation that offers extra benefits in terms of partly closing the strategy – performance gap.

In a later work (Wong and Merrillees, 2008), using the same data as well as the BO scale developed earlier (Wong and Merrillees, 2007), the authors tried to investigate the nature and magnitude of potential benefits that accrue to firms that have a high level of brand orientation. A very strong positive direct relationship between brand orientation and brand performance was found, as well as an indirect one through brand distinctiveness.

Mulyanegara (2010) examined the relationship between perceived market orientation (PMO) and perceived brand orientation (PBO) from the customer perspective. In other words,

the author investigated customers' view regarding whether an organization is market and brand oriented. Therefore, the researcher adapted the MKTOR scale of Narver and Slater (1990) and part of the NBO scale of Ewing and Napoli (2005), in order to adequately capture the views of customers. Since the measure of PBO falls in the demand side of the simplified brand value creation system, it is out of the scope of this thesis.

Baumgarth (2008) first tried to test the impact of a Brand Orientation on performance in the context of museums. However, what is worth noticing is the recent research effort of Baumgarth (2010), where he tried to design and test a model for the internal anchorage of a business-to-business brand via corporate brand orientation. The author defined BO as “*a specific type of marketing orientation, which is distinguished by the high relevance accorded to branding by top management*” (p. 656), arguing that BO also implies a strongly systematic approach to brand management, characterized by an offer that is relatively constant, consistent, relevant to the buyer and clearly differentiated from the competition. Therefore, in order to conceptualize and operationalize BO, the author took as a starting point the literature of market orientation (Avlonitis and Gounaris, 1999; Homburg and Pflesser, 2000; Kohli and Jaworski, 1990; Kohli et al., 1993; Narver and Slater, 1990). The result was a BO scale conceptualized, in large, similarly to the existing market orientation model of Homburg and Pflesser (2000), by translating the marketing framework to the branding context. The operationalization of the construct incorporated the corporate culture model developed by Schein (1992), which distinguishes layers/dimensions labeled “values”, “norms” and “artefacts”, supplemented by a fourth layer defined as “behaviours”. The selection and formulation of the analytical items was based on the literature and on workshops with experts. The outcome formative scale was similar to the one of Homburg and Pflesser (2000), but focused on the corporate brand rather than on the customer needs. Once more, this scale cannot be used in an effective manner to measure BO, due to the following reasons:

- Its conceptualization was based on existing market orientation constructs and thus BO is not developed as distinct enough as it should be from the market orientation notion.
- Its operationalization is context specific, made in such a way to be particularly relevant to the business-to-business context (e.g. “*Our stands at trade fairs reflect our brand*”), to which it was empirically tested.
- Apart from the results of an EFA analysis, no other indication of the reliability and validity of the scale is provided.

It is worth reporting that the findings of Baumgarth (2010) demonstrate the positive influence of brand orientation on market and economic performance. Moreover, smaller business-to-business companies exhibit lower levels of brand orientation than larger counterparts, to their strategic disadvantage.

The first referral of Brand Orientation in the context of political marketing was recently made (O’Cass and Voola, 2010). The authors proposed that political marketing should involve the adoption of proactive and responsive political marketing orientation (PMO), as well as the adoption of political brand orientation (PBO). The interaction of PMO and PBO leads, according to the authors, to political offering advantage. Adopting the four dimensions of BO proposed by Bridson and Evans (2004), namely, distinctiveness, functionality, value adding and symbolism, in order to conceptualize PBO, they argue that political branding has the potential to differentiate one party’s offering from its rivals and yield electoral performance.

Finally, Gromark and Melin (2011) attempted to contribute to the understanding of Brand Orientation and its impact on financial performance. By synthesizing the previous definitions and using a holistic perspective, as it is stated in their paper, they define Brand Orientation as “*a deliberate approach to brand building, where brand equity is created*”

through interaction between internal and external stakeholders. This approach is characterized by brands being the hub around which the organization's processes revolve, an approach in which brand management is perceived as a core competence and where brand building is intimately associated with business development and financial performance" (p. 395). By analyzing the existing operationalizations of BO, they conceptualized BO as consisting of four elements, namely, attitude, behavior, capabilities and interaction (interplay between internal and external stakeholders). The authors resulted with a 35 item BO scale consisting of eight factors: Approach (the extent to which brand management is perceived as a core competence), Implementation (the extent to which the company has an ongoing implementation process with the aim of always fulfilling the promises that makes to the market), Goals and follow-up (the company's ability to set clear goals for brand development and to measure the degree of goal achievement), Relationships (how the brand is used to create and maintain relationships with the company's external stakeholders), Identity development and protection (whether the basic measures are taken during a brand process: registering a trademark, creating a visual identity and positioning the brand), Operational development (the company's ability to use core values as the basis for all its processes), Top management participation (the top management's participation in brand development), and Responsibility and roles (the company's ability to allocate responsibility and accountability in the area of brand management). Severe methodological problems render this scale improper for effectively measuring BO:

- The conceptualization of BO is not adequately justified.
- The resultant dimensions of BO, and therefore the domain of the construct, is wholly data driven, with no theoretical framework developed a priori.
- The necessary psychometric guidelines for the development of scale items that adequately measure their respective dimension are not followed. For example, 6 of the 35 items are

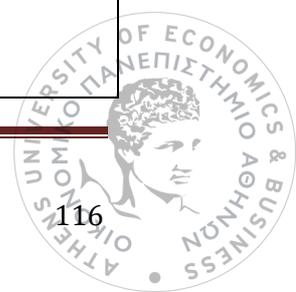
identical, apart from the last two words of each item (out of 12 words in each). This fact could raise questions regarding the reason why all these items load to the same factor.

- Except for the results of an EFA analysis, no further indication of reliability and validity of the construct is provided.

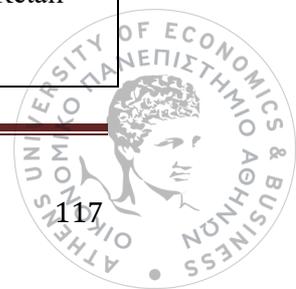
All aforementioned studies on Brand Orientation, along with their key points, are summarized and presented in chronological order in the following table (Table 2.6). For each research work, (a) author(s), (b) date of publication, (c) research scope, (d) key points, (e) research methodology, and (f) the sector of investigation (if the study was context specific) are reported.

Table 2.6
Previous work on Brand Orientation and key points

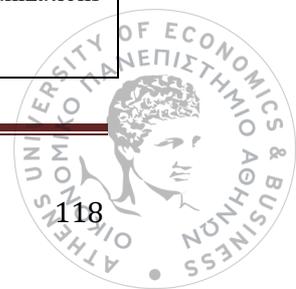
Author(s), date	Research Scope	Key points	Research Methodology	Sector <i>(if context specific)</i>
Urde, 1994	Illustrate the transition from product focus to brand orientation	<ul style="list-style-type: none"> • New strategic view of the role and management of a company's intangible investments and assets, through BO • Firms, can gain a long-term competitive advantage via BO • BO as a strategy for survival, calling managers to: <ul style="list-style-type: none"> - make brand issues management issues - develop a brand vision - make an inventory of your company's brands and patents - define your company's added value - formulate a branding strategy - synchronization of communication - invest in marketing activities which build and enhance the brands - develop competence for successful BO 	<i>In depth interviews, without specifying the number of those interviews and giving only examples of the interviewees (e.g. managers of Pharmacia Nicorette, Tetra Pack and Nestlé)</i>	
Urde, 1999	Examine the critical question of how an organization's approach is	<ul style="list-style-type: none"> • Brand Orientation as a mindset for building brands into strategic resources • The organization's overall goals, values and positions come to be 	<i>Case Studies including Nestle, DuPont, and Volvo. No</i>	



	affected when its brands become to an ever greater degree the hub around which operations and strategies evolve.	<p>expressed through brands</p> <ul style="list-style-type: none"> • Without ignoring the wants and needs of customers, the brand should: <ul style="list-style-type: none"> - remain consistent to its core values and identity - protected in the long term - create passion to all stakeholders - be kept continuously refreshed • BO is an additional degree of sophistication than market orientation • To be brand-oriented is market orientation "plus" 	further details regarding the companies studied are given	
Simoes and Dibb, 2001	Explore the issues in the branding debate and illustrate how brand management is changing in response to market and environmental changes	<ul style="list-style-type: none"> • BO as a potentially powerful resource for creating shareholder and long-term value • BO requires: <ul style="list-style-type: none"> - alignment of all organization's employees to the brand values - consistent meaning of the brand embedded in all actions of the company - coherent and effective communication transmitted whenever there is contact with the various publics • BO embraces the market orientation concept, but also considers the role of brand in achieving market leadership 	<i>Case Studies</i> 3 companies studied (LEGO, McDonald's, JCB)	
Hankinson, 2000; 2001	Examine the nature of brand orientation in the charity sector	<ul style="list-style-type: none"> • BO as the extent to which organizations regard themselves as brands • Brand Orientation involves: <ul style="list-style-type: none"> - an understanding of what the brand does and the values it represents - communicating the brand to both external and internal audiences - using the brand as a strategic resource - managing the brand actively and deliberately 	<i>In depth Interviews</i> with 15 fundraising and/or communication directors in charity organizations	Nonprofit organizations
Hankinson, 2001b; 2002	Examine and operationalize the concept of brand orientation in the charity sector	<ul style="list-style-type: none"> • High brand-oriented fundraising managers attract significantly more voluntary income than low brand-oriented fundraisers 	<i>Empirical study</i> through 316 structured questionnaires answered by fundraising directors in charities	Nonprofit organizations
Bridson and Evans, 2004	Develop a comprehensive measure of brand orientation and	<ul style="list-style-type: none"> • Distinction between the philosophical/attitudinal and behavioral aspect of BO • BO should be conceptualized as a multidimensional construct encompassing the organization's 	<i>Empirical study</i> among 336 retailers operating in	Retail



	empirically examine whether a fashion retailer's BO assists in explaining variations in its retail offer advantage over competitors	<p>values and beliefs, as well as behaviours and practices towards brands</p> <ul style="list-style-type: none"> • Four dimensions of BO: <ul style="list-style-type: none"> - Distinctiveness - Functionality - Value adding - Symbolic • BO scale derived from comparable orientation scales such as the marketing orientation scale • High levels of BO dimensions have in a positive impact on retailers' advantage 	Australia	
Ewing and Napoli, 2005	Describe the development of a reliable, valid and generalizable multidimensional scale to assess nonprofit brand orientation	<ul style="list-style-type: none"> • Keller's (2000) brand report card (BRC) as a point of departure for the development of the nonprofit BO scale (NBO) • NBO scale comprised of three latent variables: <ul style="list-style-type: none"> - "Interaction" - "Orchestration" - "Affect" 	<i>Empirical study</i> to 170 managers of nonprofit organizations	Nonprofit organizations
Reid et al., 2005	Clarify the links between Internal Marketing Communication, Market Orientation, and Brand Orientation, and propose a testable model linking the relationship among these concepts and organizational performance	<ul style="list-style-type: none"> • Organizations where BO is low, implying low sharing of corporate or brand identity and vision, attempts at introducing Integrated Marketing Communication may not be as successful as when both MO and BO are adequately developed • BO as a totally different notion than MO with distinct dimensions • BO consists of: <ul style="list-style-type: none"> - Shared brand vision - Shared brand functionality - Shared brand positioning - Brand return on investment - Brand symbolism - Brand value-adding capability 	<i>Normative</i>	
Merrilees, 2005	Highlight the importance of brand evolution as a necessary component of successful marketing strategy	<ul style="list-style-type: none"> • Framework for revolutionizing a brand, including three stages: <ul style="list-style-type: none"> - determination of a new brand vision - adoption of a brand orientation - brand strategy implementation 	<i>Case Study</i> Canadian Tire, a major mass merchandiser in Canada was the case of study	
Napoli, 2006	Examine the relationship between nonprofit brand orientation (NBO) and	<ul style="list-style-type: none"> • Positive association between the dimensions of NBO and nonprofit organizational performance • Successful nonprofit organizations tend to be more brand-oriented than their less successful counterparts 	<i>Empirical study</i> to 403 CEOs (or equivalent) of charity	Nonprofit organizations



	organizational performance		organizations	
Wong and Merrilees, 2007	Close the gap between marketing strategy and performance	<ul style="list-style-type: none"> Operationalization of BO based explicitly on its philosophical/attitudinal aspect BO was found to moderate the path from marketing strategy to brand performance, suggesting that BO, marketing strategy and innovation can influence brand performance BO offers extra benefits in terms of partly closing the strategy – performance gap 	<i>Empirical study</i> among 403 Australian firms	
Wong and Merrilees, 2008	Investigate the nature and magnitude of potential benefits that accrue to firms that have a high level of brand orientation	<ul style="list-style-type: none"> Very strong positive direct relationship between BO and brand performance Indirect relationship between BO and brand performance through brand distinctiveness 	<i>Empirical study</i> among 403 Australian firms	
Baumgarth, 2008	Test the impact of brand orientation on museum performance	<ul style="list-style-type: none"> Positive connection between brand orientation and performance 	<i>Empirical study</i> among 590 German museums	Museums
Baumgarth , 2010	Design and test a model for the internal anchorage of a business-to-business brand via corporate brand orientation	<ul style="list-style-type: none"> BO scale conceptualized and operationalized in large similarly to the existing market orientation model of Homburg and Pflesser (2000), by translating the marketing framework to the branding context Four dimensions of BO: <ul style="list-style-type: none"> – “values” – “norms” – “artefacts” – “behaviours” Positive influence of brand orientation on market and economic performance Smaller business-to-business companies exhibit lower levels of brand orientation than larger counterparts, to their strategic disadvantage 	<i>Empirical research</i> from 261 usable responses to a questionnaire distributed in the German business-to-business sector	B2B
O’Cass and Voola, 2010	Examine three important political party capabilities: proactive political market orientation, responsive political market orientation and	<ul style="list-style-type: none"> The interaction of political marketing orientation (PMO) and political brand orientation (PBO) leads to political offering advantage Political branding has the potential to differentiate one party’s offering from its rivals and yield electoral performance 	<i>Normative</i>	Politics



	political brand orientation			
Gromark and Melin, 2011	Identify the underlying dimensions of brand orientation	<ul style="list-style-type: none"> • Eight dimensions of BO: <ul style="list-style-type: none"> - Approach - Implementation - Goals and follow-up - Relationships - Identity development and protection - Operational development - Top management participation - Responsibility and roles 	<i>Empirical study</i> among 263 Swedish large companies	

2.8.2. Market Orientation and Brand Orientation

Literature so far has revealed a link between market orientation (MO) and brand orientation (BO), suggesting that brand orientation is an additional degree of sophistication than market orientation (e.g. Urde, 1999). This fact implies that MO and BO are two distinct constructs and, as such, they should be conceptualized and operationalized in a totally different manner.

More specifically, Urde (1999), using the words of Olle Tegstam, senior vice president at Nestle, was the first to report upon the differences between market orientation and brand orientation: *“Market orientation is on a more uncomplicated, short-term, and fundamental level. If an organization is only market-oriented, then it's still in the discussion about products and markets. Brand orientation is an additional degree of sophistication. It becomes a little bit more difficult because one has to both be market-oriented and brand-oriented. There have to be products that are demanded and that work together with your brand. To be brand-oriented is market orientation **“plus”**”* (p. 118).

Later on, Simões and Dibb (2001) also commented on the differences between MO and BO. Acknowledging that BO needs to be considered in relation to the concept of MO, they argued that the Brand Orientation concept goes one step further than market orientation, which is primarily concerned with the customers' satisfaction vis-à-vis the competition and thus involves an external perspective. As mentioned by the authors, *“although it embraces the market orientation concept, brand orientation also considers the role of brand in achieving market leadership”* (p. 219).

Reid et al. (2005), in their effort to show the relationship of Integrated Marketing Communication (IMC) and Market and Brand Orientation, they conceptualize BO as a totally different notion than MO with distinct dimensions (see figure 2.23).

Finally, Wong and Merrillees (2007b), as shown in the previous section, maintained interestingly that brand orientation seems to “close” the gap between market orientation and business performance, implying on one hand that BO is a distinct concept than MO and on the other that it exercises an important role in the relationship of MO with business performance.

In sum, it could be argued that Market Orientation is a central notion in the marketing discipline and might be called its foundation, as it operationalized effectively the marketing notion. However, we have nowadays entered a new era, where the adoption of market orientation alone is questioned, since it is considered a fundamental prerequisite for all firms in order to survive in the marketplace. Most successful companies strive today not only to satisfy customers’ wants and needs, but also to lend a strategic significance to brands. This thesis adopts the view of Urde (1999) who calls for the examination of a possible move from market orientation, which is considered as an unconditional response to the needs and wants of customers, to a next level (market orientation “plus” – Brand Orientation), where the company should not ignore customers’ needs but should always act within the degrees of freedom that the brand identity provides space for. In this new era of marketing, Brand Orientation seems to be the necessary approach in order for firms, of all types, to gain sustainable advantage in such a competitive and demanding marketplace as the one that characterizes the current economic environment.

2.9. LITERATURE REVIEW SUMMARY AND RESEARCH GAPS

In this chapter we have been concerned in general with the theory and applications of branding. This part of the thesis was intended to provide a creative synthesis of existing research on branding and reduce the fragmentation of the area. For the non-specialist reader, this review and in particular its first parts, aimed at providing an accessible and instructive introduction to the concepts and history of branding, its importance for companies, customers and the economy as a whole, as well as to the way of creating strong brands.

We began by exploring the meaning of brands and branding and outlining the different definitions given through the years. Despite of the way a brand is viewed (e.g. as an asset, a cluster of values, etc.), there is a general agreement nowadays that it represents a lot more than just a name or a logo. It represents functional, emotional and self-expressive benefits and ultimately makes a certain promise to customers about delivering a fulfilling experience and a level of performance. In this vein, branding refers to all internal and external decisions and activities targeted towards making sure that customers truly get what the brand promises.

The literature review continued with a description of the evolution of branding. What is worth retaining from this section is that although branding appeared with an original purpose of associating a product with its producer, we have now come to a point where branding is considered indispensable for the survival of the firm itself. Since brands are recognized today on balance sheets as assets in the same way that tangibles are assigned a value, companies have no option but to work on increasing this intangible asset.

The importance of strong brands was also presented, by roughing out their significant functions and benefits for firms, customers, as well as the economy as a whole. The main conclusion of this section is that strong brands not only matter for the aforementioned

entities, but play a vital role in terms of organizational performance, customer purchase decisions and economic stability.

A strong brand is recognized through its substantial brand equity. The prevailing perspectives of brand equity were adequately presented, in order to describe how this measure of brand value is perceived. Regardless of the perspective though, brand equity represents the value added by the brand to the product, enabling a brand to earn greater volume or margins than it could without the brand name, and providing strong, sustainable, differential advantage. But how is this substantial brand equity created?

This question was answered by portraying the brand value creation system, which begins with the company's strategic and tactical branding actions, continues with the creation of specific associations in customers' mind regarding the brand as a response to the firms branding activities and ends with specific customer actions and intangible (brand performance) as well as tangible (financial performance) results for the firm. In an effort to represent in a simple manner the brand value creation system, this thesis supports that it is comprised of two main parts with a reciprocal relationship, namely the "supply side", referring to the firm and its branding philosophy, strategy and specific marketing activities towards successful brand building and brand management over time, and the "demand side" part, pertaining to the attitude and behavior that customers form, as a result of the firm's branding efforts. The firm may refine or redirect its branding efforts, based on feedback received from customers regarding the brand.

The demand side of the brand value creation system has been extensively studied in the branding literature and a host of constructs (e.g. brand awareness, brand perceived quality, brand trust, brand commitment, brand engagement) have been developed in order to conceptualize and measure the attitudinal and behavioral reactions of customers in response to

the firm's branding efforts and describe the role brands play in customers' purchase decisions and brand choices. But what about the supply side of the brand value creation system?

Section 7 of the literature review chapter tried to answer that question. By reviewing the most important research contributions on brand building and management so far, the main guidelines of building and sustaining strong brands were outlined. The basic brand building imperatives were presented not only for consumer goods, but also for services, business-to-business offerings, as well as for brands at a corporate level. Moreover, the importance of building brands "from the inside" was outlined and the internal branding principles that aim at aligning staff's behavior with brand values were presented. Finally, the practitioner's view of how a company should work to build and maintain powerful brands over time was exhibited, as business practice is probably the best source of eliciting the appropriate way of building strong brands as well as the common mistakes that should be avoided. Two principal conclusions can be drawn from the foregoing:

1) Whether the case is a product or a service brand, whether the product or service is targeted at consumer or business markets and whether the brand refers to a product or a corporate level, the imperatives for creating powerful brands are more or less the same. Brand building is a priority for companies of all sizes, in all types of industries, and in all types of markets and common principles seem to govern every branding effort. Although special weight should be given to different branding imperatives regarding the branding context, the main prerequisites for building and maintaining strong brands remain the same.

2) All attempts to determine the most appropriate strategies firms should follow in order to properly manage brands provide theoretical guidelines for the development and maintenance of valuable brands over time. Although of tremendous importance and utility for the business society, all contributions in branding from a company's perspective, are theoretical and

descriptive in nature, based in large on best-practices. As a consequence, they provide only conceptual frameworks in respect to successful brand building and management, without supporting a common integrative theory of brand building and without introducing a construct that could operationalize the branding concept in order to empirically validate the proposed branding theory.

The aforementioned facts constitute a significant **gap** in the marketing and branding literature. It is not accidental that important academics, such as Shocker, Srivastava and Ruekert (1994) call for the development of an integrative theory to guide brand management, based on the concession that no single or dominant theoretical framework has emerged to guide research in this area. This is a call made also by Keller and Lehmann (2006), who support the view that a general branding model, such as marketing – branding activities → product – market results → financial impact, needs to be tested and calibrated, in order to move branding toward becoming a rigorous science. In a similar vein, McKinsey and Company, through its global institute (2003), maintains that companies must take a fundamentally new route to brand building in such an evolving environment, suggesting that what is required is a more integrated, multi-functional approach to brand planning that fuses superior customer insights, future economic potential, and organizational capabilities.

Probably as an answer to the above important research calls, the term “Brand Orientation” was proposed for the first time in 1994 by Urde, in order to describe such an integrated organizational focus on developing and maintaining strong brands over time. This was the first effort to integrate the organizational perspective of branding under a coherent term, paving the way for later studies to follow that could focus not only on conceptualizing Brand Orientation, but also on providing a valid measure of the notion, operationalizing in this way the branding concept.

However, as it was shown in the respective literature review section, the majority of studies on brand orientation have focused on the development of a brand orientation framework and fewer on the empirical measurement of it (e.g. Bridson and Evans, 2004; Ewing and Napoli, 2005). Most importantly, almost all studies on the subject to date, while providing useful insights for the construct, either have been based on a limited theoretical foundation, using qualitative means of survey such as case studies, or have taken a narrow industry-specific perspective (e.g. the charity sector). Only recently did Baumgarth (2010) provide a broader empirical measurement of Brand Orientation but, focusing explicitly on the business-to-business sector, he conceptualized brand orientation similarly to the existing market orientation model of Homburg and Pflesser (2000), translating the marketing framework to the branding context. Brand Orientation though, as shown in the respective literature review part, is and should be conceived as a totally distinct notion than Market Orientation.

As a consequence, significant research **gaps** in the realm of Brand Orientation emerge. In particular and as shown by the extensive literature review of all research efforts focusing on the subject up to date:

- There is a lack of a sound conceptualization of Brand Orientation, with solid roots in the extensive brand building literature and taking into account the insights of branding experts of all types of industries, that would successfully capture the totality of the branding concept.
- As a result of the absence of a sound conceptualization of Brand Orientation, no rigorous operationalization of the construct exists in order to lead to a generally accepted, reliable and valid scale that could be used in later studies to measure the wide concept of Brand Orientation.

- No integrated Brand Orientation framework has been developed and empirically tested, in order to investigate the antecedents of Brand Orientation, its consequences in terms of organizational performance and, in general, its role in the operation of an organization.



CHAPTER 3

RESEARCH GOALS

AND

PRELIMINARY FRAMEWORK

« The whole is necessarily prior in nature to the part. »

ARISTOTLE



3.1. INTRODUCTION

The present chapter presents the research goals of the thesis, as well as the preliminary research framework. The research goals will provide the general directions of the study, whereas the preliminary framework will guide all research decisions accordingly for the fulfillment of the research goals.

Towards that end, Section 2 opens the chapter by developing the goals of the thesis, based mainly on the research gaps indentified in the relevant branding literature and outlined in the previous chapter. Section 3 presents the preliminary framework of the study, based on the research goals developed, as well as on the accumulative knowledge obtained from the review of the brand building and brand management literature and, more importantly, from the insights available so far from the research explicitly focusing on Brand Orientation.

3.2. Research scope and Goals

The research goals of this thesis were developed by taking into account the research gaps identified through the literature review and presented in the last section of the previous chapter, as well as several other facts that provide specific directions for the research needed in the Brand Building and Brand Orientation area. More specifically, the research goals of this study are based on the following facts that were uncovered through the branding literature review:

- The significant importance of strong brands is nowadays acknowledged for firms, customers, and the whole marketplace, leading to an augmenting interest on branding.
- The universality of branding has been proved, as it can provide important benefits to companies of all sizes, in all types of industries, and in all types of markets.
- Brand management has to face important challenges today, a fact that increases the need for winning brand strategies.
- Both the academic society (Shocker et al., 1994; Keller and Lehmann, 2006), as well as practitioners (McKinsey, 2003) call for the development of an integrative theory to guide brand management and of a general branding model to be tested and calibrated, in order to move branding toward becoming a rigorous science. This call is rooted in the concession that no single or dominant theoretical framework has emerged to guide research in this area.
- There is an increasing interest on Brand Orientation, as an integrated organizational approach towards the development and management of strong brands over time that could possibly cover the gap of creating an integrative branding theory and empirically testing it.

- A lack of a sound conceptualization of Brand Orientation is witnessed, as well as of a rigorous operationalization of the construct that would allow the validation of a solid branding theory.

Therefore, the **purpose** of this thesis is to *further the interest that has appeared the last years around Brand Orientation, by providing a foundation for the systematic development of a theory of Brand Orientation and empirically testing that theory, conceptualizing and operationalizing in this way the branding concept.*

Specific **research goals** result from the purpose of the thesis. In particular, the present doctoral research seeks to:

5. Provide a clear definition of the term “Brand Orientation”, by delineating its domain and roughing out all factors that engender this orientation in organizations.
6. Rigorously develop a reliable and valid scale of Brand Orientation for effectively measuring its degree in an organization, based on the domain of the construct and its dimensions.
7. Determine, through empirical research, the factors that influence and affect the degree of Brand Orientation in an organization (antecedents).
8. Examine the outcomes of such an orientation (consequences) in an organization and investigate, in general, the importance of its role in achieving high levels of company performance.

In other words, this thesis is devoted to Brand Orientation, aiming at conceptualizing and operationalizing its domain, empirically testing the influence factors and outcomes of

such an orientation in organizations, and providing a coherent and empirically tested framework for successfully building and managing brands.

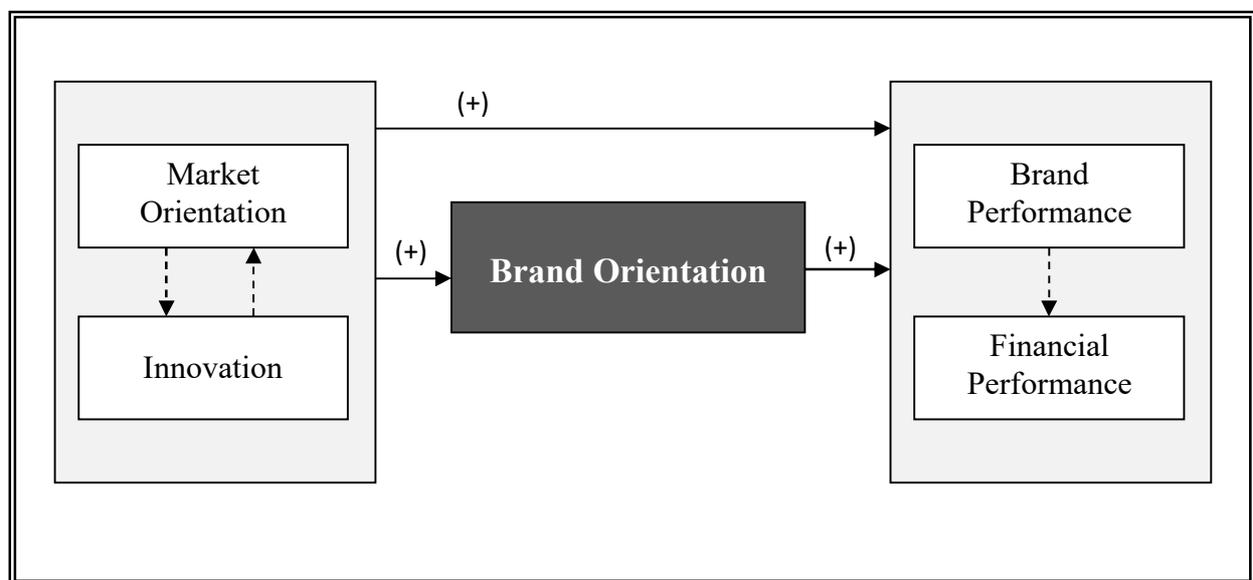
Hopefully, the outcome of this thesis is a robust conceptualization of Brand Orientation, a valid operationalization of the notion, an empirical investigation of its antecedents and consequences, and strong empirical evidence of its important role in the operation and performance of an organization.



3.3. Preliminary Research Framework

The aforementioned research goals provide the general directions for this study. However, those goals will be fulfilled through the empirical investigation of the constructs of interest and the relationships among them, as those are depicted in the research framework presented directly after:

Figure 3.1
Preliminary Research Framework



The above framework is a preliminary one as it is based on the accumulative knowledge obtained from the review of the brand building and brand management literature and, more importantly, from the insights available so far from the research explicitly focusing on Brand Orientation. In particular:

- It has been proposed that Brand Orientation goes one step further than Market Orientation (e.g. Urde, 1999; Simoes and Dibb, 2001; Wong and Merrillees, 2008), implying that MO might be a critical antecedent of BO. It has even been shown that BO can partly “close” the marketing strategy – performance gap (Wong and Merrillees, 2007). After all, the brand building literature maintains that a thorough knowledge of customer brand needs and

competitive brand offerings is necessary for the successful brand development (e.g. Aaker, 1996) and that the customer needs to be regarded as central to everything the organization does (e.g. Free, 1996). We therefore propose that MO is an antecedent of BO.

- It has also been suggested that being brand-oriented signifies, among other, continuously refresh the brand(s), in order to keep up with the changing customer habits and trends (Urde, 1999). In this vein, it has been proposed that the level of innovation influences the level of BO (e.g. Wong and Merrillees, 2007; 2008), calling in the same time to empirically investigate the role of innovation in branding. It is not accidental that top academics in the branding field stress the need for brands to be continuously given sufficient R&D support (Keller, 2000). This is the reason why innovation is included as an antecedent in the preliminary research framework.

- A high degree of Brand Orientation has been argued to lead to increased levels of brand/market performance (e.g. Reid et al., 2005; Baumgarth, 2010) and/or financial performance (e.g. Napoli, 2006; Wong and Merrillees, 2008). The marketing advantages for firms with strong brands are indicative of the effect a powerful brand has on business performance (e.g. Keller, 2008). We therefore postulate that high levels of BO have positive results for the firm, in terms of brand and financial performance.

- It has been finally proposed that marketing strategy and innovation can influence brand performance (e.g. Wong and Merrillees, 2007), explaining the direct relationship of MO and innovation with performance depicted in the preliminary framework. Besides all, the positive effect of MO on business performance has been proven several times through important research works (e.g. Narver and Slater, 1990; Avlonitis and Gounaris, 1999; Noble et al., 2002), as well as the positive effect of innovation on performance (Atuahene-Gima and Ko,

2001; Vazquez et al., 2001). However, the role of BO in those relationships has to be further investigated.

The above relationships are only a first step in an effort to sketch out an integrative brand orientation framework, which would portray how a successful branding organization works. After the qualitative work that will be undertaken for the sound theoretical clarification of Brand Orientation and the synthesis of the received view from literature with that from the qualitative study, a refinement of this preliminary framework will take place. This refinement may possibly lead to the inclusion of more relevant constructs to the BO framework, the change of existing ones and the examination of more possible relationships.

CHAPTER 4

BRAND ORIENTATION THEORY DEVELOPMENT

*« The importance of a well-defined construct cannot be overstated,
as the validity of what is being measured
will rest largely on its definition and content domain »*

Netemeyer, Bearden and Sharma, 2003 (p. 89)

4.1. INTRODUCTION

In order to rigorously develop a reliable and valid scale of Brand Orientation for effectively measuring its degree in an organization and determine its antecedents and consequences, a clear definition of the term “Brand Orientation” is needed first. As Churchill (1979, p.67) maintained, “*The first step for developing better measures involves specifying the domain of the construct. The researcher must be exacting in delineating what is included in the definition and what is excluded*”. This first step of clearly defining a construct and delineating its facets and domain is considered by several researchers as the most difficult one in the scale development process (e.g. Churchill, 1979; Nunnally and Burstein, 1994; Haynes et al., 1999).

The importance of theory in measurement was stated early enough in the classic works on measurement and validity of Cronbach and Meehl (1955) and Loevinger (1957). Measures of latent constructs⁷ should be grounded in a solid theoretical framework in order to have relevance in the social sciences. In essence, the process of scale development starts with a thorough review of the literature, through which a solid theoretical definition of the construct is given and its domain is delineated and outlined. This definition, and attendant description, should entail what is included in the domain of the construct, what is excluded, and the a priori dimensionality of the construct’s domain. Netemeyer et al. (2003) maintain that the theoretical definition, the domain of the construct and its dimensionality derived from a thorough review of the existing literature should be ideally supplemented by expert opinion. The present thesis adopts the aforementioned view and, as a result, apart from a thorough

⁷ A latent construct refers to a theoretical construct that cannot be observed directly, and therefore cannot be measured directly. The researcher must operationally define the latent variable of interest in terms of behavior believed to represent it. As such, the unobservable variable is linked to one that is observable, thereby making its measurement possible (Byrne, 2010).

literature review on branding and brand orientation in particular, a qualitative research including in – depth interviews with experts from relevant populations was conducted.

Based on the above, the present chapter will present in detail the Brand Orientation theory development process, which constitutes the first and necessary step for the fulfillment of the research goals of this thesis. More specifically, section 2 of this chapter summarizes the received view from the branding literature in terms of the organizational prerequisites needed for successful brand building and management. Section 3 describes the qualitative research conducted to supplement the insights from literature regarding Brand Orientation, whereas section 4 presents the results of this qualitative research. Section 5 synthesizes the received view from the branding literature and the insights gained from the in-depth interviews, and provides a sound and clear definition of Brand Orientation, portraying its domain and delineating its dimensions. Finally, section 6 presents the Brand Orientation framework and section 7 the final research framework of this thesis, which proposes in an integrative manner how a successful brand-oriented organization works.

4.2. RECEIVED VIEW FROM THE LITERATURE

4.2.1. IMPORTANCE OF THE LITERATURE REVIEW

Chapter 2 of the thesis presented an extensive literature review of the most important contributions on brand building and management from the supply side perspective and of all research explicitly focusing on Brand Orientation. Such a literature review serves two important purposes (Netemeyer et al., 2003). First, given that scale development and validation is a time-consuming and sometimes costly endeavor, a thorough literature review should help answer the question of whether a scale is really needed or not. If good measures of a construct already exist, the value of a new measure may be small relative to the costs involved in development. A new measure should show some theoretical or empirical advantage over existing measures, if any, of the same construct to be useful, a fact usually referred to as “incremental validity” (Sackett and Lievens, 2008). In sum, a thorough literature review can help avoid the redundancy of developing another scale to assess an already well measured construct. Our literature review, as presented in chapter 2, revealed that no rigorous operationalization of Brand Orientation exists in order to lead to a generally accepted, reliable and valid scale due to a lack of a sound conceptualization of the notion. Given this fact, there is no doubt that a new, sound measure of Brand Orientation is needed, in order to successfully capture the totality of the branding concept.

Second, a literature review should alert the researcher to previous attempts to conceptualize and operationalize the construct of interest and to theories in which the construct may prove useful as an independent or dependent variable. In this way, a more precise conceptualization of the construct becomes possible, and its boundaries and potential antecedents and consequences are uncovered. Indeed, the thorough literature review conducted earlier revealed important insights regarding the domain of Brand Orientation, indicated past attempts at measuring the construct and, most importantly, the strengths and

weaknesses of such attempts, and offered evidence of BO's nomological relationships. As a result, a preliminary Brand Orientation framework was formed (see figure 3.1), portraying some of BO's possible antecedents and consequences. Moreover, the issues that need to be carefully addressed in the development of a reliable and valid scale of BO were uncovered, based on the weaknesses of previous operationalization attempts.

4.2.2. BRAND ORIENTATION DOMAIN BASED ON LITERATURE

In order to accurately define Brand Orientation and delineate its domain, the received view from the literature regarding the dimensions of BO should be summarized. In particular, the extensive literature review in chapter 2 highlighted the most important contributions regarding the building and maintenance of strong brands from the company's perspective, as well as all contributions made in the Brand Orientation area up to date. Through this literature review, the key points of each work regarding the branding imperatives for a successful brand-oriented company were presented in detail. In this section of the thesis, all those views expressed in the branding literature so far will be summarized and grouped into specific BO dimensions in order to capture the wide domain of branding which is intended to be expressed via the BO construct.

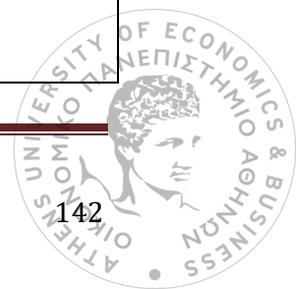
All definitions provided to date in the existing BO literature, and presented in Table 2.5, do not vary significantly from each other. By summarizing them, BO can be argued to represent *the extent to which strong brands are recognized among the most valuable assets of an organization and all parts of the company work for their development and protection.*

Given the above definition, the following table (Table 4.1) presents the dimensions of Brand Orientation, as those were also retrieved based on the existing branding literature. In particular, by summarizing all views expressed in the relevant literature, the main dimensions of Brand Orientation are identified based on a) the frequency in which they are mentioned by

researchers as prerequisites for successful brand building and management over time and b) the importance that researchers ascribe to them in the brand building and management process.

For each BO dimension, representative words of researchers are given that accurately portray the domain of the dimension, and source examples where this dimension is mentioned in some way as an organizational branding imperative are indicated. It should be noted that the name of each dimension is either based on terminology usually encountered in literature (e.g. *brand consistency*), or coined in the context of this thesis in order to effectively represent what researchers are describing (e.g. *brand protection*).

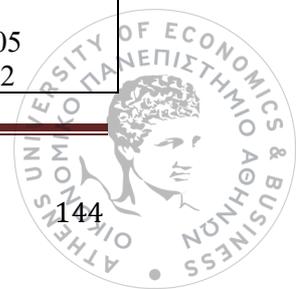
Table 4.1.	
Brand Orientation Dimensions based on Literature	
	Sources (examples)
Brand Importance	
<p>- <i>"In order to excel at building a brand you should treat brands as assets. Acceptance of the concept that brands are assets and have equity really changes not only branding and marketing but also business strategy. No longer is branding a subset of marketing to be managed as a communication problem. It becomes strategic, both reflecting and enabling the business strategy. Importantly, a brand is more than image and awareness—it also includes the size, the engagement, and the loyalty level of the customer base. That means that brand strategy needs to be developed in tandem with the business strategy, both need to be clear on the target market, the value proposition, and the investment priorities over time (Aaker, 2010)</i></p> <p>- <i>"An internal culture must first be created that makes upholding the brand and its implicit promises and representations everyone's very raison d' être" (Davis, 2005; p. 227)</i></p> <p>- <i>"...brands cease to be tactical tools that are owned by marketing departments and instead become strategic resources that permeate an entire organization" (Gromark and Melin, 2011; p. 400). "...strong brands should be associated with good profitability, brand management should be perceived as a core competence, and brand building should be an integral part of the company's business model" (p. 401).</i></p> <p>- <i>"Firms that are good at developing strong brands usually have a strong brand-building culture, including clearly defined rules, norms and organizational symbols. Brand building is accepted in these firms... and actions that put brands at risk are questioned as a matter of course" (Aaker, 1996; p. 343).</i></p> <p>- <i>"Brands become an unseparated part of a firm's value and an important strategic asset. It could even be the driver of the whole marketing planning process. Going beyond a tactical level in the marketing planning process, a brand could become a competitive advantage for firms. ...strategic decisions should be driven by the brand, which is a central focus of a firm" (Wong and Merrilees, 2008; 372).</i></p>	<p>M'Zungu, Merrilees, and Miller, 2010 Urde, 1999 Capon et al., 2001 Mosmans and van der Vorst, 1998 Aaker, 1996; 2010 Davis, 2005 de Chernatony, 2001b Davis and Dunn, 2002 Mecklenburg, G. A., 2005 Wong and Merrilees, 2008 Mosmans, 1996 Gromark and Melin, 2011 Douglas et al., 2001</p>



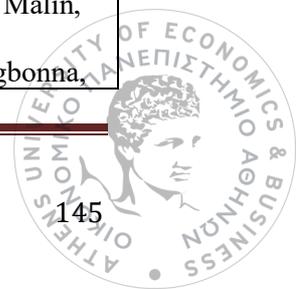
<p>- <i>“The most successful brands begin internally with a strong, accepted, and omnipresent organizational brand culture. And, at its core, that culture needs a clearly articulated and lived mission that captures the commitment of every person in the organization” (Mecklenburg, G. A., 2005; 304).</i></p>	
<p>Brand Analysis</p>	
<p>- <i>“The brand strategy needs to be viewed from three perspectives: a customer analysis, a competitor analysis, and a self-analysis. The objective of a brand strategy, after all, is to create a business that resonates with customers, that avoids competitor strengths and exploits their weaknesses, and that exploits its own strengths and neutralizes its weaknesses. To create such a business, it is necessary to understand the viewpoints represented in these three analyses” (Aaker, 1996; p.190).</i></p> <p>- <i>“To choose which favorable and unique associations to link to the brand, marketers carefully analyze the consumer and the competition to determine the best positioning for the brand” (Keller, 2008; p. 58).</i></p> <p>- <i>“To gain the best return from their brands, firms must have a well-conceived vision for their brands and not just focus in isolation on tactical issues of design and promotion. Instead, they need to audit the capabilities of their firm, evaluate the external issues influencing their brand and then develop a brand plan that specifies realistic brand objectives and the strategy to achieve them” (de Chernatony et al., 2011; p.57).</i></p>	<p>Aaker, 1991; 1996; 2004 Aaker and Joachimsthaler, 2000 Hankinson, 2001; 2001b Keller, 2008 de Chernatony et al., 2011</p>
<p>Brand Clarity</p>	
<p>- <i>“Companies sometimes try to build awareness before establishing a clear brand position. You have to know who you are before you can convince anyone of it” (Keller et al., 2002; p. 84).</i></p> <p>- <i>“Every brand has at its core a substance that gives it strength. You have to understand it before you can grow it” (Bedbury, 2002; p.28). “Cracking your brand’s genetic code is not strictly about product, about the past, or even about things – it is about tapping into an essence and an ethos that defines who you are to the folks who matter: your core customers, your potential customers, and your employees” (p. 41).</i></p> <p>- <i>“...a company must have a clear brand identity with depth and texture so that those designing and implementing the communications programs do not inadvertently send conflicting messages to customers” (Joachimsthaler and Aaker, 1997; p.5).</i></p> <p>- <i>“If you are an employee in one of the great businesses, the brand positioning words should explicitly state what your company’s ultimate purpose is and your role in bringing that purpose to life. If you are a potential or current customer, you should have a straightforward positioning statement of what you can and cannot expect to get as a result of associating with each of those brands. If you are a senior executive, it should be crystal clear what will and will not work according to the brand and its promise” (Davis and Dunn, 2002; p. 22)</i></p> <p>- <i>“A strong brand should have a rich, clear brand identity – a set of associations the brand strategist seeks to create or maintain” (Aaker and Joachimsthaler, 2000; p.40)</i></p> <p>- <i>“ Customers must recognize that you stand for something” (Howard Schultz, Starbucks)</i></p>	<p>Keller, Sternthal and Tybout, 2002 Bedbury, 2002 Davis and Dunn, 2002 Aaker, 1996 Joachimsthaler and Aaker, 1997 Park, Jaworski and MacInnis, 1986 Aaker and Joachimsthaler, 2000 de Chernatony et al., 2011 Interbrand Ewing and Napoli, 2005</p>
<p>Brand Differentiation</p>	
<p>- <i>“Brand differentiation seeks to define the value associated with a brand as fundamentally different from its rivals... with the ultimate goal of building a more attractive brand to the customer” (Anderson and Carpenter, 2005; p. 178).</i></p> <p>- <i>“The key to branding is that consumers perceive differences among brands in a</i></p>	<p>Anderson and Carpenter, 2005 Keller, 2000; 2008 McAlexander et al.,</p>



<p><i>product category. These differences can be related to attributes or benefits of the product itself, or they may be related to more intangible image considerations” (Keller, 2008; p. 10).</i></p> <p><i>– “Branding can and should call direct attention to the unique characteristics that sets a company apart from its competition” (Coolidge, 2005).</i></p> <p><i>– “Brands that are well positioned occupy particular niches in consumers’ mind. They are similar to and different from competing brands in certain reliably identifiable ways. The most successful brands in this regard keep up with competitors by creating points of parity in those areas where competitors are trying to find an advantage while at the same time creating points of difference to achieve advantages over competitors in some other areas (Keller, 2000; p. 150)</i></p> <p><i>– “Brand positioning involves establishing key brand associations in the minds of customers and other important constituents to differentiate the brand and establish competitive superiority” (Keller and Lehmann, 2006; p. 740).</i></p> <p><i>– “In building brands the principle is to invest in markets which are highly differentiated or where such differentiation can be created” (Doyle, 1989; p. 88)</i></p>	<p>2002 Doyle, 1989 Urde, 1994 Keller, Sternthal and Tybout, 2002 Aaker, 2004; 2010 Keller and Lehmann, 2006 Coolidge, 2005 Aaker and Joachimsthaler, 2000 Simoes and Dibb, 2001 Bridson and Evans, 2004 Baumgarth, 2010</p>
Top Management Brand Commitment	
<p><i>– “The process of creating a brand-based culture begins, necessarily at the top – at what is commonly known in business circles as the C-level...top executives ultimately set the tone, enforce the development of a true brand-based culture, and determine whether the necessary resources to accomplish this goal are registered as investments or expenses” (Davis, 2005; p. 231)</i></p> <p><i>– “Success in operationalizing the brand really depends on achieving success in demonstrating a clear and consistent level of commitment by top executives within the organization” (Davis and Dunn, 2002; p.4.). “The name of the game is to convert C-level executives from their stereotypical role as brand – building inhibitors and turn them into brand – building champions...They have to provide the right human and financial support and resources to back up the brand building efforts” (p.27). “CEOs of the future will naturally embrace the brand as an asset and drive it through the organization on a daily basis. ...CEOs of the future will more easily see that the brand is their responsibility; they have ultimate responsibility for their organization, and building the brand is one of their greatest tools for reaching their longer – term financial and strategic goals and objectives” (p.251).</i></p> <p><i>– “Leaders must thoroughly understand, support, and actively demonstrate commitment to the internal branding process...the leader is the one who must first deliver the brand’s promise in an honest rather than in an forced or artificial way” (Vallaster and de Chernatony, 2005; p. 190 – 191).</i></p> <p><i>– “...powerful brands are characterized by enthusiastic leaders who have a passionate belief in a few values” (de Chernatony, 2001; p. 6).</i></p> <p><i>– “For the brand to become fully operationalized, the chief executive officer must demonstrate clear and consistent commitment to the brand, and this must be embraced by the senior management team. The CEO must champion the message that the brand is the responsibility of the entire organization and senior management must support this message” (Dunn and Davis, 2003).</i></p>	<p>Vallaster and de Chernatony, 2005 Davis and Dunn, 2002 de Chernatony, 1999; 2001 Aaker, 1996 King, 1991 Joachimsthaler and Aaker, 1997 Urde, 1999 de Chernatony et al., 2003 Bedbury, 2002 Dunn and Davis, 2003 de Chernatony and Cottam, 2008 Davis, 2005 Burmam et al., 2009 Gromark and Melin, 2011</p>
Shared Brand Identity	
<p><i>– “Capturing the true business-building power of a brand by engaging employees may be the biggest missed opportunity in branding today. If employees understand and internalize the objectives established for the brand, they can become an army of brand ambassadors, as opposed to inadvertent brand saboteurs” (Buckley and Williams, 2005; p. 320)</i></p> <p><i>– “For employees to become passionate brand advocates, they must understand what</i></p>	<p>Ewing and Napoli, 2005 Reid et al., 2005 Buckley and Williams, 2005 Bedbury, 2002</p>



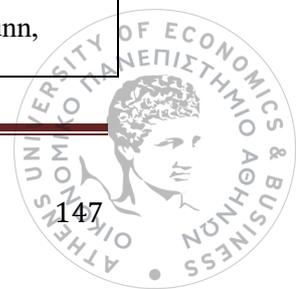
<p><i>a brand is, how it is built, and what their organization's brand stands for"</i> (Davis, 2005; p. 233).</p> <p>- <i>"Though it is important to demonstrate consistently to the outside world that you know what your brand is about, ultimately it is even more important first to demonstrate this internally and to continue to do so at every opportunity"</i> (Bedbury, 2002; p. 58)</p> <p>- <i>"A key step in implementing a brand identity is communicating it to organizational members and partners. To be effective, the communication needs to create exposure, engender understanding, and be motivating"</i> (Aaker and Joachimsthaler, 2000; p. 89).</p> <p>- <i>"To act as brand ambassadors, employees do not only need to understand the brand values and have the right skills and organizational support, but they also have to firmly believe in and internalize the brand values (Vallaster and de Chernatony, 2005; p. 183). ...participation can be facilitated through recruiting people with values similar to the brand, by training and having a fair reward system. This ensures employees have the necessary skills to implement the brand vision and are able to judge when there is a match between internal and external campaign (p. 192).</i></p> <p>- <i>"Whether you are in retail, a high touch service business, or a low-touch packaged goods or industrial component supply business, getting your employees to understand the brand promise is an essential part of building a brand-driven business that delivers sustainable, profitable growth (Davis and Dunn, 2002; p. 222)</i></p> <p>- <i>"...brand identification can increase salesperson effort behind a specific brand, and ultimately improved brand performance (Hughes and Ahearne, 2010; p. 81)</i></p>	<p>Davis, 2005 M'Zungu, Merrilees, and Miller, 2010 de Chernatony, 1999 Keller, 2008 Mahnert and Torres, 2007 Aaker and Joachimsthaler, 2000 Khan, 2009 Dunn and Davis, 2003 de Chernatony, Drury and Segal-Horn, 2004 Davis and Dunn, 2002 Aaker, 1996 Vallaster and de Chernatony, 2005 Burmam, Zeplin and Riley, 2009 Hankinson, 2001b Wong and Merrilees, 2007 King and Grace, 2008 Hughes and Ahearne, 2010</p>
<p>Shared Brand Behaviors</p>	
<p>- <i>"The brand message will lose its credibility if it is not supported by a unified employee behavior"</i> (Schiffenbauer, 2001; p. 17).</p> <p>- <i>"When employees inside a business deal with key customers, prospects, or other stakeholders, they gain the best results when they think, speak, and behave in ways that create the kind of customer experience and lasting impact that the brand aspires to deliver"</i> (Davis, 2005; p. 233).</p> <p>- <i>"...the behavior of employees is the most influential aspect of a service in determining brand preferences. Hence, employees need to understand their importance, and they accordingly must be treated with respect"</i> (Ostrom et al., 2005; p. 194)</p> <p>- <i>"In role brand-building behavior refers to employees' meeting the standards prescribed by their organizational roles as brand representatives (either written in behavioral codices, manuals, display rules, and so forth, or unwritten)... Extra-role brand-building behavior refers to employee actions that go beyond the prescribed roles for the good of the corporate brand and are discretionary"</i> (Morhart, Herzog, and Tomczak, 2009; p. 123).</p> <p>- <i>"The external brand promise must be properly aligned with the actual performance within the organization and employees are important internal promise deliverers"</i> (Devasagayam et al., 2010; p. 211).</p> <p>- <i>"Success in operationalizing the brand depends on transforming your company into a brand-driven organization and culture, which includes having all employees understand the role they need to play in bringing the brand to life within their functional area, and the critical importance of permanently changing their behaviors in accordance with what the business and brand strategies are trying to accomplish"</i></p>	<p>Ostrom, A. L., Iacobucci, D. and Morgan, F. N., 2005 Davis, 2005 de Chernatony, 1999 Thomson et al., 1999 Devasagayam et al., 2010 Keller, 2008 Schiffenbauer, 2001 Dunn and Davis, 2003 Punjaisri et al., 2009 Miles and Mangold, 2004 Davis and Dunn, 2002 Vallaster and de Chernatony, 2005 Punjaisri and Wilson, 2007 Baumgarth, 2010 Gromark and Malin, 2011 Harris and Ogbonna,</p>



(Davis and Dunn, 2002; p.4).	2006 Morhart, Herzog, and Tomczak, 2009
Brand Consistency	
<p>-“When a brand makes good use of all its resources and also takes particular care to ensure that the essence of the brand is the same in all activities, it is hard to beat” (Keller, 2000; p. 152).</p> <p>-“...the strategic positioning of many leading brands has remained remarkably consistent over time. A contributing factor to their success is that despite tactical changes, certain key elements of the marketing program are always retained and brand meaning has remained consistent over time” (Keller, 2008; p. 549).</p> <p>-“...it takes buy-in from each employee and their consistent delivery of the brand promise across every customer touchpoint⁸ to really achieve brand-driven success (Dunn and Davis, 2003; p. 35).</p> <p>-“When marketing mix elements are consistent with both communication and operating tasks and complementary to one another, synergy in the marketing mix is more likely. If the mix successfully coordinates communication, the brand’s relative advantage should be apparent to the target market (Park et al., 1986; p.138).</p> <p>-“The image of the brand-oriented company is a reflection of all its actions. Accordingly, it is vital that all its operations and all communication are synchronized in accordance with the brand vision. Uniform, harmonized and consistent communication with the target group should be strived for” (Urde, 1994; p. 31).</p> <p>-“...in order to create value, the brand must be evident at every step in the value chain, from the processing of raw materials to the final product. Communication, which follows on from the brand-building process, must be coherently and effectively transmitted whenever there is contact with the various publics” (Simoes and Dibb, 2001; p. 220).</p> <p>-“The brand experience should be consistent across the various channels and modes of communication that customers may use to interact with the brand, across the entire customer buying and ownership cycle, and across all the firm’s partners who participate in bringing the brand experience to life” (Sawhney, 2005; p. 223).</p> <p>-“Companies have to realize that brand building is a holistic effort. Every time someone internally or externally touches the brand, there is an opportunity to reinforce the brand’s promise or denigrate it. ...To succeed, companies not only need to know every way in which their brand touches their various stakeholders, but also how to manage it most effectively and consistently across brand touchpoints and across stakeholders” (Davis and Dunn, 2002; p. 24).</p> <p>-“Consistent, clear positioning – supported by periodic improvements that keep the brand contemporary without distorting its fundamental promise – is essential” (Quelch and Harding, 1999; p. 39).</p> <p>-“No matter how many employees come and go, the brand and its values should remain one of the constants in any organization” (Bedbury, 2002; p. 140).</p>	<p>Sawhney, 2005 Keller, 2000; 2008 M’Zungu, Merrilees, and Miller, 2010 Aaker, 1991; 1996 Dunn and Davis, 2003 King, 1991 Park, Jaworski and MacInnis, 1986 Bedbury, 2002 Tilley, 1999 Davis and Dunn, 2002 Simoes and Dibb, 2001 Schultz, Tannenbaum, and Lauterborn, 1993 Urde, 1994 Quelch and Harding, 1999 Napoli, 2006 Baumgarth. 2010</p>
Brand Protection	
- “Just as important as creating and developing brands is the ability to protect them – an area often neglected by many companies. Brand protection can be accomplished through legal means, but also continually through marketing efforts and as a part of the strategic process” (Urde, 1999; p. 123)	

⁸ Brand touchpoints are all of the different ways that an organization’s brand interacts with and makes an impression on customers, employees, and other stakeholders. (Dunn and Davis, 2003).

<p>- <i>“The brand portfolio strategy specifies the structure of the brand portfolio and the scope, roles, and interrelationships of the portfolio brands. The goals are to create synergy, leverage, and clarity within the portfolio and relevant, differentiated and energized brands. The portfolio brands, both owned brands and brands linked through alliances, should be considered a team of brands working together, each with assigned roles to enable and support business strategies” (Aaker, 2004; p. 14).</i></p> <p>- <i>“Managers should keep in mind that their challenge will be to leverage and protect the value of the original brand while taking advantage of new opportunities” (Aaker, 1997b; p. 139).</i></p> <p>- <i>“Managing a brand portfolio, or a group of different brands, takes the challenge to a next level. When dealing with brand portfolios, the challenge isn’t building a single brand. The challenge is building a collection of brands, each with different strengths and limitations. Decisions that are optimal for one brand might not be optimal for another” (Calkins, 2005; p.104)</i></p> <p>- <i>“...the brand success depends on achieving total alignment between the business and brand strategy” (Davis and Dunn, 2002; p. 4)</i></p> <p>- <i>“Consistent investment in brand improvements enhances a brand’s perceived superiority, provides the basis for informative and provocative advertising, increases the brand’s sustainable price premium over the competition, and raises the costs to private-label imitators who are constantly forced to play catch-up” (Quelch and Harding, 1999; p. 39).</i></p> <p>- <i>“The ultimate success of brands depends to a significant extent not only on how well they work singularly, but also on how they work in combination, such that synergistic results occur” (Keller and Lehmann, 2006; p.743).</i></p> <p>- <i>“The brand should be given proper support and that support should be sustained over the long run” (Keller, 2000; p. 154).</i></p> <p>- <i>“...the brand leadership paradigm focuses on building assets that will result in long-term profitability, which is often difficult or impossible to demonstrate. Brand building may require consistent reinforcement over years and only a small portion of the payoff may occur immediately” (Aaker and Joachimsthaler, 2000; p.14)</i></p> <p>- <i>“Effective brand management also requires taking a long-term view of marketing decisions” (Keller, 2008; p.41).</i></p> <p>- <i>“Continuous investment is needed in marketing activities which build and enhance the brands... never let the marketing budget become a residual amount allowed to fluctuate with the company’s impact. This could result in a reduction in marketing investment, thereby risking a weakening of the brand value” (Urde, 1994; p.31).</i></p> <p>- <i>“In creating bandwidth, always look around your core product category position before looking elsewhere, particularly when taking the brand into a new distribution channel. If you do it right, the new growth will strengthen, rather than dilute the brand” (Bedbury, 2002; p. 72).</i></p>	<p>Calkins, 2005 Aaker, 1990; 1991; 1996; 1997b; 2004; 2004b Bedbury, 2002 Aaker and Joachimsthaler, 2000 Aaker, 1997b de Chernatony, McDonald and Wallace, 2011 Urde, 1994; 1999 Davis and Dunn, 2002 Quelch and Harding, 1999 Keller, 2000; 2008 Ewing and Napoli, 2005 Keller and Lehmann, 2006 M’Zungu, Merrilees, and Miller, 2010</p>
<p>Brand Performance Assessment</p>	
<p>- <i>“A key issue in managing brands over time is the decision to change an identity, position, or execution. Changing any one of the three can be expensive and potentially damaging. An identity change is more fundamental, but a change in position and execution can be disruptive as well” (Aaker, 1996; p. 216). “In order to decide possible changes needed, companies should track brand equity over time, including awareness, perceived quality, brand loyalty and brand associations. ...Especially note areas where the brand identity and position are not reflected in the brand image” (p.357).</i></p> <p>- <i>“To manage brands properly, marketers should have a clear understanding of the equity in their brands – what makes them tick and what they are worth” (Keller and Lehmann, 2006; 744).</i></p>	<p>Ewing and Napoli, 2005 Keller, 2000; 2008 Aaker, 1996 Keller and Lehmann, 2006 Davis and Dunn, 2002</p>



<p>-“It is critical for firms to implement a consistent measurement and reward system that allows companies to monitor, benchmark, and upgrade their brand performance” (Davis and Dunn, 2002; p. 5). ...Bringing the brand to life within your organization has to include establishing brand metrics, both internal and external” (p.195).</p> <p>-“Strong brands generally make good and frequent use of in-depth brand audits⁹ and ongoing brand-tracking studies. ...Brand audits are particularly useful when they are scheduled on a periodic basis” (Keller, 2000; p. 154).</p>	<p>de Chernatony, Drury and Segal-Horn, 2003 Vallaster and de Chernatony, 2005 Gromark and Melin, 2011</p>
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As shown, by organizing the different views expressed in literature in specific branding imperatives that are generally considered as indispensable for the building and management of strong brands, the dimensions of Brand Orientation were revealed.

All these dimensions are exclusively based on the received view from the branding and brand orientation literature. Although they are founded on sound theoretical base, it would be best to enhance their accuracy, by taking into account the views of branding experts through a qualitative study. As Deshpande (1983) has stated, “there is much to be gained by learning from industry practice of qualitative methods” (p. 108).

The synthesis of the received view from literature presented in this section with the views expressed from experienced brand practitioners in the context of a qualitative study, will form the final Brand Orientation construct, followed by the respective theory and framework, that will be next empirically validated through multiple quantitative studies.

After all, and following the words of Deshpande (1983), “...qualitative methodologies are more suited for theory construction and generation, and quantitative methodologies for theory verification or testing. ...Once a theory has been developed, the application of quantitative methods would be more appropriate”. (Deshpande, 1983; p, 107).

⁹ A brand audit is an exercise designed to assess the health of a given brand. Typically, it consists of a detailed internal description of exactly how the brand has been marketed and a thorough external investigation, through focus groups and other consumer research, of exactly what the brand does and could mean to customers (Keller, 2000).

4.3. QUALITATIVE RESEARCH

In order to enhance the accuracy and comprehensiveness of a construct definition and domain (i.e. dimensions), review by experts and individuals from relevant populations is considered extremely helpful (Netemeyer et al., 2003). Although such reviews traditionally have been more associated with item judging, they can help delineate the facets of the construct prior to item generation. For example, Bearden et al. (2001) conducted exploratory open-ended interviews with 43 adult consumers to help delineate dimensions of consumer self-confidence. In sum, participants with expertise in the subject area can be helpful in construct definition and content domain establishment.

In this vein, a qualitative research was conducted in order to supplement the findings from the literature and verify the Brand Orientation theory developed. This qualitative study, at its first stage, consisted of 30 in-depth interviews with key-informants (usually Chief Marketing Officers and Brand Managers) from multinational subsidiaries located in Greece and large Greek domestic companies with several years of successful presence in the market through powerful brands. Given the scope of investigation, all marketing executives participating in the study had several years of branding experience working on the strategy and marketing planning of strong brands. Because the purpose of the study was theory construction (i.e. elicitation of constructs and facets), it was important to tap a wide range of experiences and perspectives in the course of the data collection. Therefore, attention was paid in order to ensure that the sample included key-informants in consumer, industrial and service industries. However, the majority of participants were members of fast-moving consumer goods companies, where a) long-lasting experience on branding exists and b) traditional brand building and brand management activities take place. Finally, 5 in-depth interviews were conducted with experienced marketing academics in the Athens University

of Economics and Business, as their input is considered extremely helpful, based on their knowledge and experience in branding theory and practice.

A standard format was followed for all interviews, based on that utilized by Kohli and Jaworski (1990) in their attempt to construct the market orientation theory. After all, the research scope of Kohli and Jaworski (1990) was similar to that of this thesis. In particular, they aimed at developing the market orientation theory and construct in order to operationalize the marketing concept, while the purpose of this study is to develop the Brand Orientation theory and construct so as to operationalize the branding concept. The main aim of the interviews was to further clarify the essence of brand orientation and investigate its building blocks. For this reason, interviewees were asked to express their opinion on:

- *what they believe Brand Orientation is,*
- *what specific activities does a brand-oriented company undertake and, in general, anything they perceive as important for a firm in order to build successful brands, and*
- *what organizational factors foster or discourage this orientation in organizations*

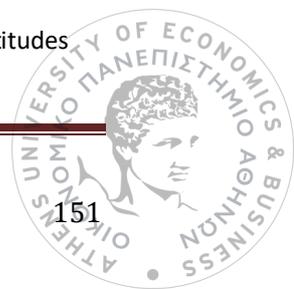
The above format provided a structure for each interview, although it was frequently necessary to explain and clarify some of the questions, as well as probe deeper with additional questions to elicit examples, illustrations and other insights. For example, in a few interviews, an additional question was added, asking respondents to argue on the differences between MO and BO. This additional question was judged as necessary, based on the flow of the interview, in order for the interviewee to realize that BO refers to a totally different notion than that of MO.

Each in-depth interview typically lasted 45 – 60 minutes, was audio – taped (apart from 7 interviews where the interviewees were opposed to the recording and therefore the PhD researcher took extensive notes during the interview), and subsequently transcribed.

Each transcript was then subjected to detailed content analysis¹⁰, in which common themes¹¹ were identified. Finally, it is worth noticing that respondents, at this first stage of qualitative study, were asked to freely express their views on Brand Orientation and the way this orientation is manifested in organizations, without being exposed to the received view from the literature. Their “spontaneous” insights were then, through analysis, incorporated into the existing knowledge on BO in order to further clarify the BO construct and its domain.

¹⁰ Content analysis is a phase of information – processing in which communications content is transformed, through objective and systematic application of categorization rules, into data that can be summarized and compared (Paisley, 1969; p. 133).

¹¹ The theme is among the most useful units of content analysis because issues, values, beliefs and attitudes are usually discussed in this form (Kassarjian, 1977; p. 12).



4.4. RECEIVED VIEW FROM THE IN-DEPTH INTERVIEWS

The view of Brand Orientation that emerged from the in-depth interviews is, in general, consistent with the received view from the literature. Importantly, the in-depth interviews provided a significantly clearer idea of the construct's domain and enabled us to offer a more precise definition. This precision facilitates theory development, construct measurement, and eventually theory testing.

The definitions given by brand experts regarding Brand Orientation do not vary significantly from the one developed through the synthesis of the definitions provided so far in the existing BO literature (*The extent to which strong brands are recognized among the most valuable assets of an organization and all parts of the company work for their development and protection*). The majority of views expressed by brand experts on what Brand Orientation is, can be effectively represented by the following words of some respondents which are indicative¹²:

- *“Being brand-oriented signifies that everything you do is always in accordance with what your brand stands for and all activities you undertake aim at supporting this identity”*
- *“Brand Orientation means aligning all company resources for the continuous enhancement of the company's brand”.*
- *“A brand-oriented company is one whose activities, behaviors and culture are oriented towards supporting its brand and its values”.*
- *“Being brand-oriented means that all company decisions and actions converge towards the successful delivery of what the brand promises to customers”.*
- *“Brand Orientation means creating a brand vision, understanding what the brand stands for and what promise it can make. After these are clarified, a brand-oriented company should*

¹² This is in accordance with Golden-Biddle's and Locke's (2007) suggestion of showing some raw data, when reporting the results of a qualitative study, so that evidence is provided regarding the way the researcher moved from data to interpretation.

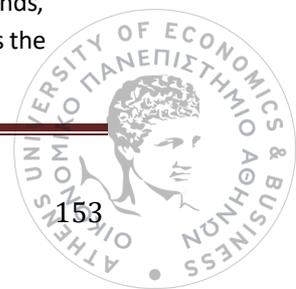
stay constant to its brand values, continuously work hard to support them and always making sure that customers get what it is promised”.

In the following discussion, we compare the experts’ views of BO with the received view from literature on the commonly accepted BO dimensions presented in a previous section. Interestingly, the majority of the experts’ propositions on the specific characteristics of a brand-oriented company and, in general, on the imperatives for building and managing strong brands over time, fell into one of the ten BO dimension suggested by the synthesis of the existing branding literature.

The only difference that was uncovered refers to the dimensions of “Shared Brand Identity” and “Shared Brand Behaviors”. More specifically, the experts’ views regarding the alignment of employees and partners with the brand and what it stands for can all be grouped under a single dimension representing an internal alignment with the brand values. If such an alignment exists, brand identity is shared among all company’s employees and staff behavior is, as a consequence, in accordance with the brand promise. Therefore, since the previous two dimensions (“Shared Brand Identity” and “Shared Brand Behaviors”) can be argued to cover similar manifestations of BO, and given the fact that parsimony¹³ is and should be a continuous concern when developing constructs, those two dimensions were merged into one. The new dimension was named after “Shared Brand Values”.

In order to provide evidence of how the insights from the in-depth interviews verified, in large, the received view from the literature regarding the domain of Brand Orientation, the BO dimensions presented earlier are now supplemented with novel insights from the qualitative study. In particular, for each BO dimension presented earlier based on the

¹³ The law of parsimony, law of economy or law of succinctness, is a principle that generally recommends, when faced with competing hypotheses that are equal in other respects, selecting the one that makes the fewest new assumptions (Epstein, 1984).



synthesis of literature (apart from “Shared Brand Identity” and “Shared Brand Behaviors” dimensions which are now indicated under the “Shared Brand Values” dimension), an example of representative phrases of brand experts is quoted that confirms the importance of each BO dimension in building and managing strong brands. Moreover, specific brand strategy cases that came up during the interview discussions are presented for each dimension in order to show in practice how each BO imperative is reflected in companies’ activities and decisions. Finally, a number follows each BO dimension, indicating the number of respondents who mentioned the specific Brand Orientation dimension in one way or another.

Brand Importance

- Number of respondents who mentioned the specific dimension in some way: 27
- Indicative words of an interviewee – brand expert: *“Our brands constitute an unseparated part of our firm’s value and we consider them an important strategic asset. They can even be argued to be the driver of the whole marketing planning process”*.
- Procter and Gamble is a typical example of a company that attaches an extremely high level of importance to its brands. It is not accidental that, in the company’s official website (www.pg.com), the word “brand” is explicitly written in its declaration of heritage (*“Since 1837, P&G has built a rich heritage of touching consumers’ lives with brands that make life a little better every day”*), in its purpose (*“We will provide branded products and services of superior quality and value that improve the lives of the world’s consumers, now and for generations to come*), and among its core strengths (*Brand Building: shapes purpose-inspired, benefit-driven brands*).

Brand Analysis

- Number of respondents who mentioned the specific dimension in some way: 26
- Indicative words of an interviewee – brand expert: *“We try to base the development and management of our brands on a thorough understanding of our firm’s customers, competitors, and the business environment as a whole”*.
- BMW provides a successful example of brand analysis. When the company wanted to enter the U.S. market in the early 1980s, careful attention was given first to competitive offerings. Through this *competitive brand analysis*, the company found out that, at that time, American luxury cars were seen by many as lacking performance, and American performance cars were seen as lacking luxury. Having analyzed the market and knowing that an augmenting segment existed that was seeking for a car that effectively combined both luxury and performance (*customer analysis*), and relying on the design of BMW cars and its German heritage (*self-analysis*), the BMW brand was positioned as being the only automobile that offered both desired characteristics.

Brand Clarity

- Number of respondents who mentioned the specific dimension in some way: 28
- Indicative words of an interviewee – brand expert: *“Some companies have spent large amount of money on ambitious marketing programs without taking the most important first step: understanding exactly what it is that they are seeking to build upon, their brand’s foundation”*.
- An example of a well defined brand is that of Starbucks. To the majority of people, Starbucks has succeeded to stand for the same things: quality, simplicity, innovation, and atmospherics. Moreover, the brand Colgate, through its carefully designed product characteristics, its well managed extensions and its consistent communication based on

dentists' opinions, clearly tries and seems to succeed in associating itself with the values of health and professional medicine care.

Brand Differentiation

- Number of respondents who mentioned the specific dimension in some way: 33
- Indicative words of an interviewee – brand expert: *“In developing our brands, we try to give them unique personalities; without being different, there no chance of success”*.
- An interesting example of a successfully differentiated brand that of Evian. Although being a commodity product, the brand has succeeded in creating competitive advantage and even charging a price premium by “investing” in a perceived substantial emotional benefit. Through several successful slogans (e.g. “Another day, another chance to feel healthy”, “Live strong”) and the visual imagery, Evian managed to associate itself with the feeling that comes from living in a healthy way.

Top Management Brand Commitment

- Number of respondents who mentioned the specific dimension in some way: 28
- Indicative words of an interviewee – brand expert: *“Company executives in our company are committed to our brands from an early stage. They continuously work throughout the organization in order to create an emotional connection to the brand and stimulate company – wide brand commitment, enthusiasm and loyalty”*.
- A representative example of strong top management brand commitment is encountered in the Virgin brand. Richard Branson, founder and chairman of the Virgin Group, is the most vocal proponent of the Virgin brand, elevating in this way the importance of the brand within his organization. Virgin stands for value for money, quality, innovation and fun, and Branson reflects all these values through his own adventures. He regularly acknowledges that the brand is the reason to believe in the future success of the company. As another example, it is

worth mentioning what the founder and CEO of Neoset usually says to its employees: “*I don’t feel that there is blood in my veins, but wood molecules*”. Such a passion for Neoset products from the top management is probably the best possible motive for employees to identify with the brand.

Shared Brand Values

- Number of respondents who mentioned the specific dimension in some way: 31
- Indicative words of an interviewee – brand expert: “*Our employees are ultimately responsible for delivering what our brand promises. So, they need a common understanding of the brand’s values, in order to be able to support the brand accordingly through their everyday behavior*”.
- An example of a company with strong internal brand cohesion is Apivita. It is impressive that every single week and in particular every Wednesday, a training meeting for employees is conducted regarding the corporate philosophy and the brand values, so that employees are continuously informed regarding the brand related issues. Another example is General Mills Inc. The company has developed the “Pillsbury Brand Manual” for its Pillsbury brand, which is given to all its employees. The manual contains all necessary information regarding the Pillsbury brand, including the brand vision, the brand essence and values, the trademark policy, the brand identity do’s and don’ts, the advertising production standards and even the logo color specifications. Finally, an example worth noticing is that of Mars inc. As part of the \$200 million global marketing push for its Pedigree dog food in 2005, Mars Inc. allocated a chunk of its budget for an internal campaign to turn its 35,000 employees into better ambassadors for the brand. The employee-led initiative aimed to make the office more “dog-friendly” and introduced new business cards, employee identification tags and office wall papers that featured employees’ dogs.

Brand Consistency

- Number of respondents who mentioned the specific dimension in some way: 34
- Indicative words of an interviewee – brand expert: *““Everything we do with our brand – every piece of paper, every ad, every press release – even the music that callers hear when placed on hold – are always connected to our brand values”.*
- Brand executives in Coca Cola used an interesting way to make their employees understand the notion of brand consistency. They prompt employees to think of the brand as a tree. By looking at any leaf of the tree, one can understand the tree to which the leaf belongs. In the same way, by getting in touch with any expression of a brand (e.g. packaging, advertising message, staff uniform) a customer should be able to understand the brand and its values, as the brand “DNA” is and should appear the same in any of its expressions. The successful chocolate brand of Kraft Foods Hellas, LACTA, is an excellent example of such a consistent brand strategy. The brand stands for love, sweetness and spontaneity. Those core values are consistently represented in all activities of the brand (e.g. red color of packaging, love scenario and music in advertisements, little LACTA chocolates in heart shape, and special LACTA events for Valentine ’s Day). Another good example of brand consistency is the Body Shop Brand. Its strong associations to human rights, animal and environmental protection are continuously apparent through its products (natural ingredients only, never tested on animals), packaging (simple, refillable, recyclable), staff (encouraged to be enthusiastic and informative concerning environmental issues), public relations programs and activities (taking visible and sometimes outspoken stands on various relevant issues), etc. Finally, it is worth stating the way Attiki Pittas management team handled a particular business situation so that the essence of its brand remained constant. More specifically, several years ago, at the time a large amount of Attiki Honey was being exported to the U.S.A., the management team found out that a little flaw in the packaging might have slightly

changed the taste of the product. Disregarding the loss, the company decided to cancel the export, so that the unique taste of Attiki Honey – which is among its core values – remained constant in customers’ mind.

Brand Protection

- Number of respondents who mentioned the specific dimension in some way: 30
- Indicative words of an interviewee – brand expert: *“Whenever we want to make a serious strategic decision about our company and products, we are always careful about assessing the impact this decision will have on our brands’ strength”.*
- A typical example of a company taking continuous care of its brand is 3M. The brand stands mainly for innovation. In order to protect this core value, the company spends approximately 6–7 percent of its sales on research and development and has consistently increased R&D spending over the last two decades. The R&D spending of 3M is, on average, twice that of a typical competitor in the sector. Moreover, the company has formed a distinct department named “Brand Identity and Design”, charged with the task of supervising at a corporate level the brand building and management efforts.

Brand Performance Assessment

- Number of respondents who mentioned the specific dimension one way or another: 25
- Indicative words of an interviewee – brand expert: *“We use market research in order to identify any gaps between our customers’ brand perceptions and those of ourselves. We choose to conduct such research once a year and not more frequently, so that customers have the time to assimilate our branding activities”.*
- The Body Shop brand offers a representative example of successful brand performance assessment. Each year the company publishes the International Values Report. This report presents in detail what the company has achieved over the last annual period regarding the

promotion of its values and assesses whether the firm's brand activities are focused in the right areas. As it is explicitly written in the report (The Body Shop International Values Report, 2009; p. 5): *“We have always listened to our stakeholders – a combination of their views, our beliefs, and an analysis of where we can make the most difference, where we want to direct all our energy. For this Report we began our consultation by focusing on the following groups: Customers, NGOs and Academia, Store staff, External expert”*.



4.5. CONSTRUCT DEFINITION AND CONTENT DOMAIN

In this section, the received view from the literature is synthesized with the perspectives on brand orientation expressed in the in-depth interviews, leading to the theoretical clarification of the construct.

From the preceding discussion, we offer the following formal definition of Brand Orientation, which summarizes in our view what the notion intends to express:

Brand Orientation reflects an integrated organizational approach towards the development, maintenance and enhancement of successful brands over time.

It appears more appropriate to view a Brand Orientation as a continuous rather than a dichotomous either-or construct. In other words, it is suggested that organizations differ in the extent to which they generate all BO facets. The brand orientation of an organization is therefore conceptualized as one of a degree, on a continuum, rather than as being either present or absent.

Regarding the content domain of Brand Orientation, taking into account the BO dimensions inferred from the literature analysis and the relevant insights from the in-depth interviews, Brand Orientation is suggested to be reflected in the dimensions / components presented in Table 4.2. For each dimension, a definition is developed, in order to effectively capture its essence and describe its meaning.

Table 4.2.		
Dimensions / Components of Brand Orientation		
Abbrev.	Dimension	Definition
BIM	Brand Importance	<i>The level of importance a company attaches to its brands.</i>
BAN	Brand Analysis	<i>The development of a thorough knowledge regarding customers' brand needs, competitive brand offerings, and internal brand capabilities, in order to provide accurate information for the successful brand development.</i>
BCL	Brand Clarity	<i>The development of a clearly defined brand identity, which explicitly outlines the brand values – namely what the brand “stands for” – and can be easily communicated to the target audiences.</i>
BDIF	Brand Differentiation	<i>The creation of key brand associations in the minds of customers and other important stakeholders that differentiate the brand in a meaningful way and establish competitive superiority.</i>
TMBC	Top Management Brand Commitment	<i>A clear and consistent commitment of the top management to the organization's brands, by supporting the development and infusion of the brands' values across the organization, in order to generate an ongoing staff commitment to the organization's brands and encourage brand supporting behaviors.</i>
SBV	Shared Brand Values	<i>An effective communication of the brands' vision and positioning to all internal stakeholders and partners, in order to create a common understanding of the brands' values across the organization and motivate towards the proper delivery of the brands' promise to customers.</i>
BCON	Brand Consistency	<i>The continuous coordination of all marketing activities in a way that guarantees the unvarying delivery of the brands' values to the multiple touch points.</i>
BPR	Brand Protection	<i>The support of the brands in the long run through continuous investments, care in long-term goals and avoidance of any decisions that may endanger the brands' image.</i>
BPA	Brand Performance Assessment	<i>A periodical monitoring of brand performance through customer and company based research, in order to identify any gaps between customer and company perceptions regarding the brand and consequently refine if necessary the branding efforts.</i>

A second view of the final nine dimensions of Brand Orientation that were revealed and formed through the literature-based and field-based analysis, led us to an interesting observation: certain BO dimensions, despite their conceptual clarity, seem to have a closer conceptual linkage with some other BO dimensions and a much more distant linkage with some others. This fact points to the possible existence of some higher order constructs.

However, in order to examine, at preliminary level, the validity of our observation, it was necessary to proceed with a second round of in-depth interviews. Due to time constraints, 22 of the initial 35 interviewees agreed to participate in this second round of the qualitative study. The respondents that agreed to participate in this second stage of the qualitative study were asked to group the final nine BO dimensions previously mentioned into a smaller number of higher order constructs, if they thought such a grouping was possible. Interestingly, there was a high degree of agreement among respondents. In particular, 20 respondents suggested 4 categories (assigning the same dimensions to each one), and only 2 interviewees suggested 3 categories (the difference in their judgment referred to the fact that the “Brand Importance” dimension did not constitute a category on its own but was grouped with “Top Management Brand Commitment” and “Shared Brand Values” dimensions in the same category). As Rust and Cooil suggest though (1994, p. 1), “Ultimately, what the researcher would like to know is whether the consensus of the judges is right”. It is therefore important, in this case, to estimate the interjudge reliability¹⁴. Probably the simplest reliability indicator is the proportion of total pairwise agreement between judges (Rust and Cooil, 1994). This index can be written as:

$$A = F_o / TOT$$

where F_o is the number of pairwise interjudge agreements and TOT is the total number of pairwise judgments. This index is easy to calculate and assumes a value between zero and one, with one being the best possible and zero being the worst. In this case, given the number of pairwise interjudge agreements (190) and the total number of pairwise judgments (231), the interjudge reliability score is .823, which is considered very satisfactory.

¹⁴ Interjudge reliability is the percentage of agreement between several judges processing the same communications material. It is the degree of consistency between coders applying the same set of categories to the same content. (Kassarjian, 1977; p. 14).

Based on these results, and in contrast with previous research efforts, we suggest that brand orientation should be viewed as consisting of four basic facets – building blocks (Table 4.3). For each higher order construct of BO, a definition is provided along with the BO dimensions in which the higher order construct is reflected.

Table 4.3.			
Building Blocks of Brand Orientation			
HOC	Abbrev.	Definition	Dimensions of HOC
Brand Orientation as Attitude	BOA	<i>The level of importance a company attaches to its brands.</i>	<ul style="list-style-type: none"> • Brand Importance¹⁵
Brand Development Orientation	BDO	<i>The extent to which an organization successfully adopts the requisite behaviors for the development of clear and differentiated brands, based on a thorough knowledge regarding customers' brand needs, competitive brand offerings, and internal brand capabilities.</i>	<ul style="list-style-type: none"> • Brand Analysis • Brand Clarity • Brand Differentiation
Internal Brand Orientation	IBO	<i>The level of common understanding of the brands' values across the organization, through top management commitment and internal processes that motivate towards brand supportive behaviors.</i>	<ul style="list-style-type: none"> • Top Management Brand Commitment • Shared brand Values
External Brand Orientation	EBO	<i>The degree to which an organization, after having successfully developed its brands, effectively and efficiently adopts the necessary behaviors for the management of this superior brand identity.</i>	<ul style="list-style-type: none"> • Brand Consistency • Brand Protection • Brand Performance Assessment

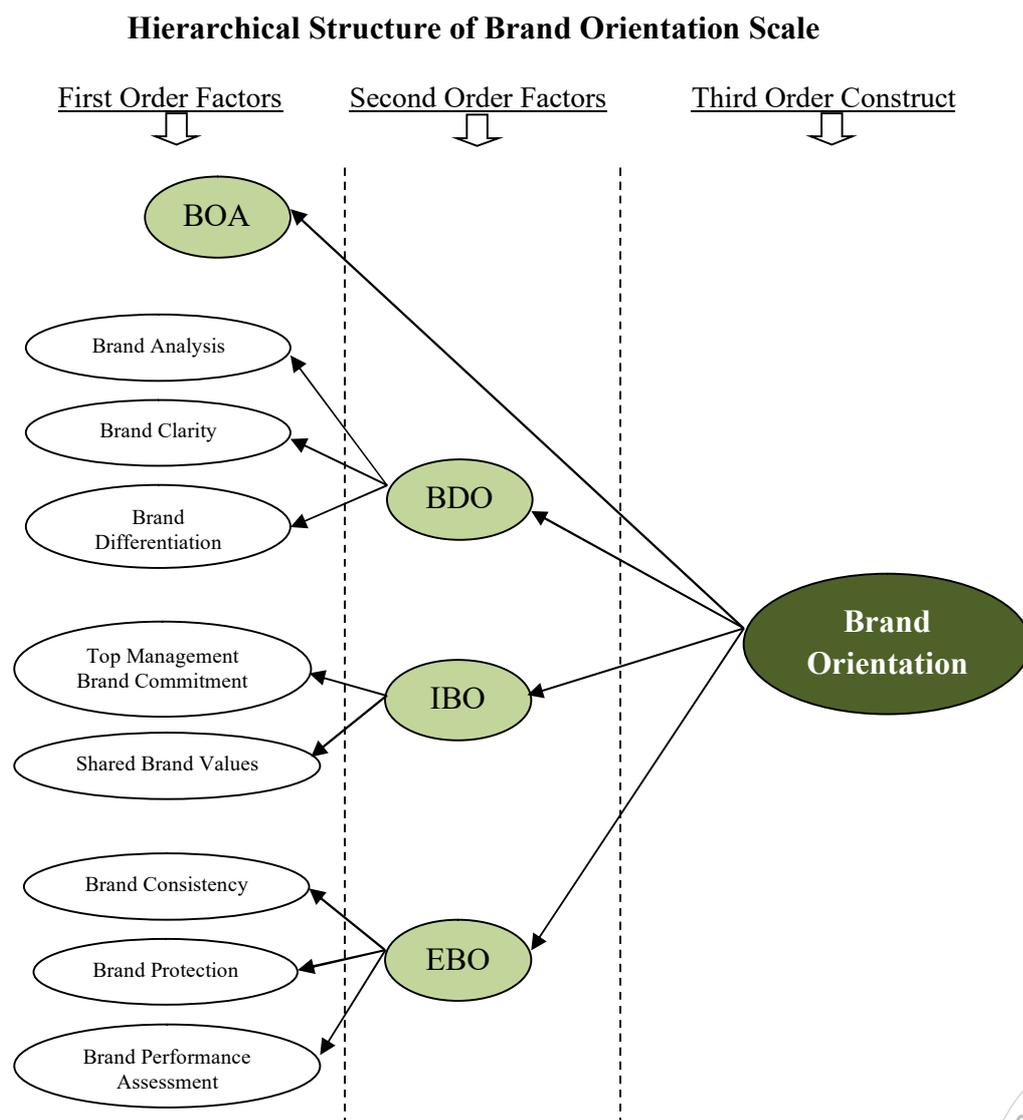
Considering the fact that each building block comprises several BO dimensions (apart from the Brand Orientation as Attitude construct which is unidimensional¹⁶), we maintain that the operationalization of brand orientation should entail the development of four distinct

¹⁵ Brand Importance dimension will be named hereafter Brand Orientation as Attitude, since it is the only dimension comprising this construct.

¹⁶ Unidimensionality can be defined as the existence of one latent trait or construct underlying a set of items/measures (Hattie, 1985). For a single unidimensional construct, each item is reflected by its latent construct. In contrast, when a construct is composed of multiple facets that relate, yet distinct, the construct can be classified as multidimensional.

scales, according to the respective building blocks, which can be used separately or together, depending on the research context. In other words, the preceding theoretical discussion, along with the views expressed by experts, suggests that Brand Orientation is a hierarchically organized construct with BDO, IBO and EBO operating as second order factors, allowed to freely intercorrelate with BOA which is modeled as a first order factor. This hierarchical structure of BO is presented in the following figure (figure 4.4). It is worth stating that this is not the first time a third order construct is conceptualized and developed. Examples of such scales exist, as the hierarchical model of experiential value scale published in the Journal of Retailing (Mathwick et al., 2001).

Figure 4.1.



After all, one of the main goals of this thesis is the development of a reliable, valid, but also easily replicated BO scale, so that it can be used in future research efforts and further validated. The wide branding concept and the respective 9 BO dimensions identified would be difficult to be operationalized under a single large BO construct and then replicated in later studies with similar results due to the length of the scale. The conceptualization of Brand Orientation as a third order construct, reflected in 4 distinct BO sub-scales, enables us to capture the wide meaning of Brand Orientation and effectively operationalize all its facets. Furthermore, researchers in this way can opt for either all or any combination of the higher order BO constructs, depending on the specific research context.

Finally, at the construct definition stage, the explicit consideration of the likely causal priority between the latent variables and their indicators¹⁷ is essential, so as to avoid obvious errors in the choice of measurement perspective (Edwards and Bagozzi, 2000). Diamantopoulos and Sigauw (2006) suggest the consultation of the comprehensive set of guidelines offered by Jarvis et al. (2003) for choosing between reflective and formative specifications. The following table (Table 4.5.) summarizes the decision rules provided by the aforementioned authors.

Table 4.5. (based on Jarvis et al., 2003)		
Decision rules for determining whether a construct is reflective or formative		
	Reflective model	Formative model
Direction of causality from construct to measure implied by the conceptual definition	-Direction of causality is from construct to items -Indicators are manifestations of the construct - Changes in the construct do cause changes in the indicators	-Direction of causality is from items to construct -Indicators are defining characteristics of the construct -Changes in the construct do not cause changes in the indicators
Interchangeability of the indicators	-Indicators should be interchangeable -Indicators should share a common theme	-Indicators should not be interchangeable -Indicators should not share a common theme

¹⁷ The term “indicators” refers either to specific items of a construct, or to factors that act as indicators to higher level latent variables.

	-Dropping an indicator should not alter the conceptual domain of the construct	-Dropping an indicator may alter the conceptual domain of the construct
Covariation among indicators	-Indicators are expected to covary with each other	-Not necessary for indicators to covary with each other
Nomological net of the construct indicators	-Nomological net for the indicators should not differ -Indicators are required to have the same antecedents and consequences	-Nomological net for the indicators may differ -Indicators are not required to have the same antecedents and consequences

Based on these guidelines, this thesis maintains that all factors depicted in figure 4.1., despite of their level (first- or second- order), are conceptualized as reflective, being theoretically driven by their respective latent construct. More specifically:

- Brand Orientation, as an integrated organizational approach towards the development, maintenance and enhancement of successful brands over time, is proposed to *give rise* to its facets. Therefore, the higher order BO constructs (BDO, IBO, EBO), as well as the BOA construct, are defined as reflecting and not forming the higher latent BO notion (Fornell and Bookstein, 1982). In other words, it is suggested that a high level of BO in a firm would be reflected in sound BOA, BDO, IBO and EBO.

- Correspondingly, it is proposed that the direction of causality is from the second order factors to their respective first order factors (dimensions), as the latter are seen as being caused by their higher order construct (Diamantopoulos and Siguaw, 2006).

- Finally, although the indicators – items of the first order factors are not presented in the BO structure figure (figure 4.4), it is hypothesized that the covariation among them is caused by, and therefore reflects, variation in the underlying latent first order factors (Jarvis et al., 2003).

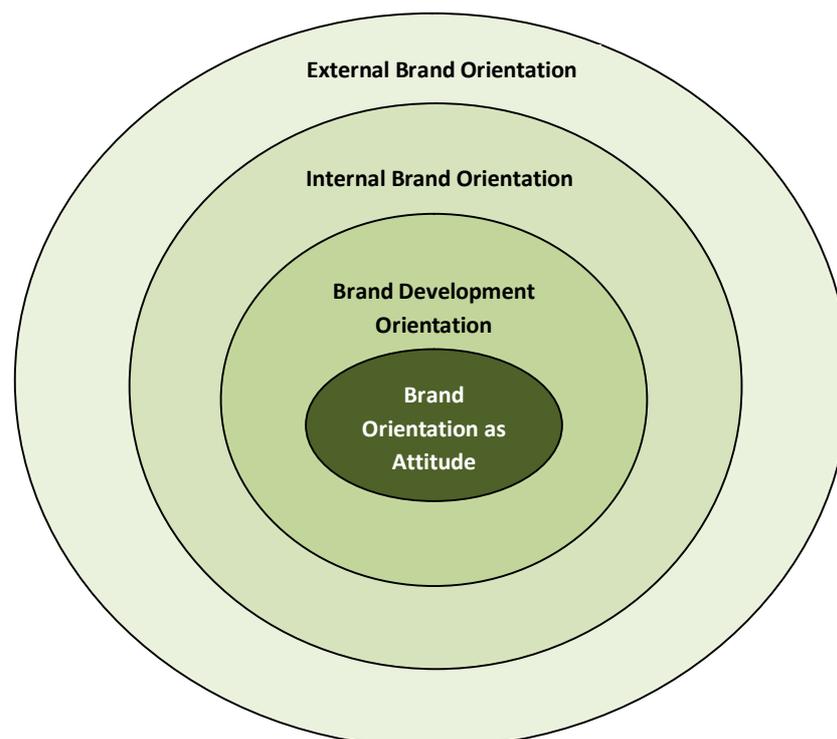
4.6. BRAND ORIENTATION FRAMEWORK

Several researchers have been recently trying to investigate the causal relationships between the dimensions of a given construct. For example, Homburg et al. (2004), in their research effort aiming at studying the role of market orientation in the implementation of a differentiation strategy, identified the causal relationships between the three MO dimensions, namely intelligence generation, intelligence dissemination and responsiveness. Correspondingly, it would be interesting to investigate the causal relationships between the building blocks of Brand Orientation. Besides, such information is indispensable for the understanding of the way a Brand Orientation is generated in organizations.

Given the content domain of each higher order construct, we propose that Brand Orientation and the relationship between its building blocks can be represented by the following figure (Figure 4.6.).

Figure 4.2.

BRAND ORIENTATION



Deshpande and Webster (1989, p. 4) defined organizational culture as “the pattern of values and beliefs that help individuals understand organizational functioning and thus provide them norms for behavior in the organization”. In this view, culture centers on embedded values and beliefs that guide behavior (Noble et al., 2002). Given that **Brand Orientation as Attitude (BOA)** reflects the level of importance attached by an organization to its brands and therefore indicates whether the organizational culture values brands as significant company assets, it is put at the center of the BO framework. In other words, it is assumed that the attitudinal aspect of Brand Orientation reflects the organizational culture regarding the attitude towards brands and, as a consequence, consists the starting point of a Brand Orientation, which guides all behaviors towards building brand capabilities.

After a Brand Orientation as Attitude is established, infusing the importance of building and sustaining strong brands throughout the organization, the successful development of valuable brands comes next, namely **Brand Development Orientation (BDO)**. Recognizing brands as valuable assets, the company develops a thorough knowledge regarding customers’ brand needs, competitive brand offerings, and internal brand capabilities. Based on this knowledge, the company creates a unique brand identity that clearly states the brand values and promise and effectively differentiates the brand from competitive ones in customers’ minds.

This clearly defined brand identity, along with the brand values and the respective brand positioning, should be next communicated internally to all employees and partners of the organization and adequately supported by top management, in order to create a common understanding of the brands’ values across the organization and motivate towards brand supportive behaviors. Therefore, **Internal Brand Orientation (IBO)** follows the branding

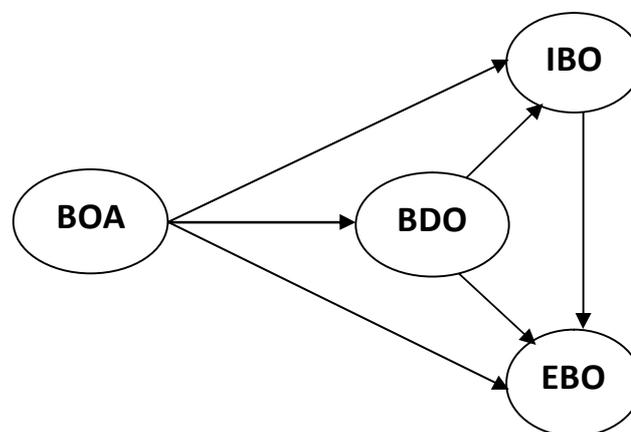
culture infusion and the development of clear and differentiated brands, and is indispensable before the brand promise is delivered (externally) to customers.

The final stage of a Brand Orientation is the effective management of the superior brand identity over time, namely the *External Brand Orientation (EBO)*. After a brand oriented culture is established (BOA), a unique brand is created (BDO) and its values are shared (IBO) among all employees – from front line employees to C-level executives – the consistent delivery of the brand promise to all external audiences is critical, along with a continuous protection of the brand equity and a periodical monitoring of the brand performance (EBO).

Based on the above, the following figure (Figure 4.7.) presents the proposed causal relationships between the 4 building blocks of Brand Orientation.

Figure 4.3.

Causal Relationships between the Building Blocks of Brand Orientation



As explained previously, culture centers on embedded values and beliefs that guide behavior (Noble et al., 2002). As a consequence, it is proposed that the attitudinal aspect of Brand Orientation (BOA) affects all other behavioral BO notions (BDO, IBO and EBO). The way a company develops its brand(s) affects in turn both the level of internal (IBO) and external brand orientation (EBO). Finally, the effective management of the superior brand

identity over time (EBO) is proposed to be affected by all other building blocks, as the company's degree of positive attitude towards brands (BOA), the degree of successful brand development (BDO) and the level of common understanding of the brands' values across the organization (IBO) are proposed to positively affect the way brands are managed externally.

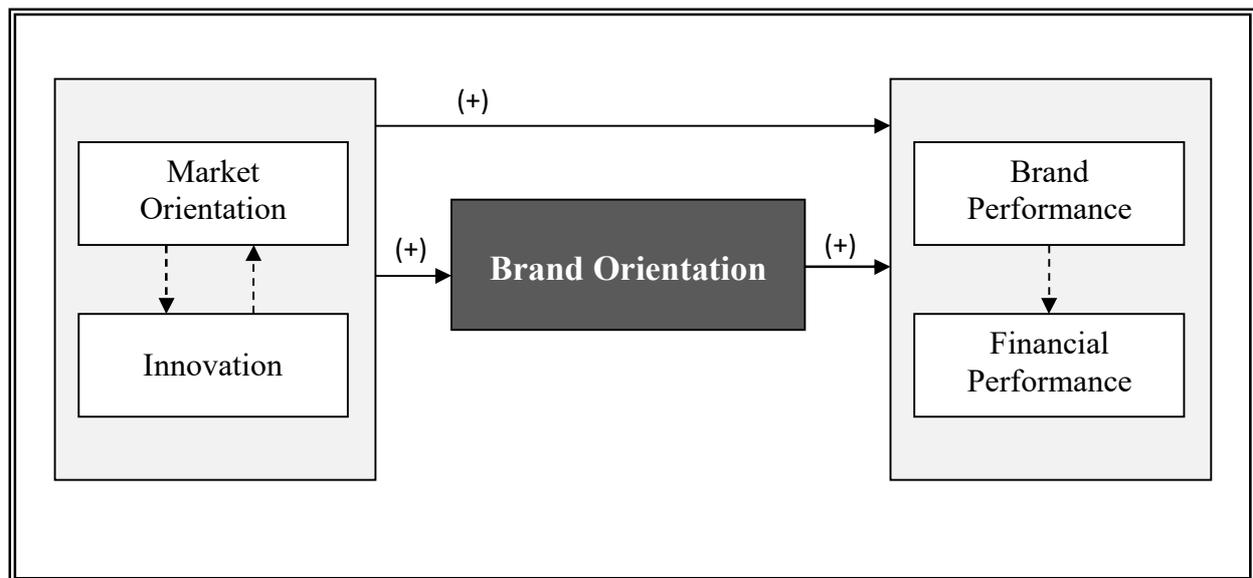


4.7. FINAL RESEARCH FRAMEWORK

In chapter 3, a preliminary research framework was presented based on the accumulative knowledge obtained from the review of the brand building and brand management literature and, more importantly, from the insights available so far from the research explicitly focusing on Brand Orientation (Figure 4.8). All constructs and respective relationships depicted in this preliminary framework were thoroughly explained and justified based on literature (see section 3.3).

Figure 4.4.
(copy of figure 3.1)

Preliminary Research Framework



However, after the qualitative work that was undertaken for the sound theoretical clarification of Brand Orientation and the synthesis of the received view from literature with that from the qualitative study, a refinement of this preliminary framework was needed. This process led to the final research framework of this thesis, which constitutes a refined version of the preliminary one, supplemented with interesting perspectives from the in-depth interviews with experts.

Indeed, the qualitative study confirmed the relationships proposed in the preliminary framework, but provided also novel insights, leading to the inclusion of more relevant constructs and the examination of more possible relationships. More specifically, experts' opinions were illuminative enough regarding both antecedents and consequences of a brand orientation.

Antecedents of Brand Orientation:

- Consistent to theory, a **market orientation** culture is perceived among experts as indispensable for an effective brand orientation adoption. As an interviewee mentioned, *“the marketing philosophy which puts the customers at the center of all organizational activities must govern the entire company prior to a brand orientation... Brand orientation surpasses I think market orientation as marketing is at the service of branding, by providing all the necessary mechanisms to help a company fulfill its brand promises”*.
- **Innovation** was also confirmed through the in-depth interviews with experts as a possible antecedent of Brand Orientation. The words of an interviewee are indicative: *“You can't be brand-oriented if you do not continuously innovate. ... I would also say that in order to build strong brands a company should be willing to take risks. Successful branding requires great ideas, and great ideas usually need risk taking in order to be realized”*. Given that risk taking dimension was mentioned in some way by several respondents in their effort to describe the factors that affect brand orientation, it was decided to replace innovation construct with the **entrepreneurial orientation** construct, the conceptualization of which includes both innovation and risk taking notions (Covin and Slevin, 1989).
- Some respondents stressed the importance of the marketing department in a brand-oriented company. Some indicative words are the following: *“A strong marketing department with*

efficient and skillful members, which is powerful among the organization and affects all strategic decisions, can reinforce the whole brand orientation and provide adequate support for all branding efforts". Given that the power of the marketing department can affect all important company decisions and strategic orientations (Kohli, 1989), the respective construct (**marketing departmental power**) was therefore added in the final research framework as an antecedent of market, entrepreneurial and brand orientation.

- A particularly salient factor proposed to affect a brand orientation is **interdepartmental conflict**, which refers to the tension among the different departments of an organization (e.g. Gaski, 1984). It is not accidental that an interviewee mentioned: *"All organizational departments should be able to cooperate in harmony and work together for the best of our brands. Unless such a harmonic collaboration is accomplished, the branding program is guaranteed to fail"*. Taking into account that interdepartmental conflict is also considered as an inhibitor of a market orientation (e.g. Jaworski and Kohli, 1993), this interdepartmental dynamic was included in the final framework.

Consequences of Brand Orientation:

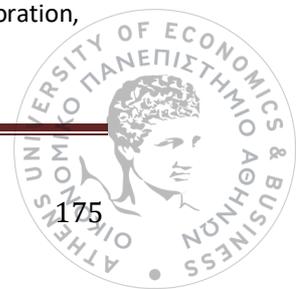
- Consistent with the theory presented in Chapter 3, in-depth interviews confirmed the proposed effect of Brand Orientation on both **brand and financial performance**. As a respondent mentioned: *"A brand-oriented company has a clear strategy for its brands, targets its customers more efficiently and has created a 'privileged space' around its brands and entry limitations for potential competitors. As a consequence, a brand orientation increases customer loyalty to the firm and its brands, increases profits, and, therefore, ensures a long-term company growth"*.

Additionally, as shown in the final research framework (Figure 4.5), three environmental characteristics are proposed to **moderate** the linkage between a brand orientation and performance. First, market turbulence, which refers to the rate of change in

the composition of customers and their preferences (Jaworski and Kohli, 1993), is considered. In more turbulent markets, organizations may have to more intensively invest in branding in order to cater to customers' changing preferences. A second environmental factor that may be argued to influence the relationship between BO and business performance is competitive intensity. As Houston (1986) observed, in the absence of competition, an organization may perform well and its strategies may reach their goals, because customers are "stuck" with the organizations' products and services. By contrast, under conditions of high competition, customers have more alternative options to satisfy their needs and wants and therefore achieving high level of performance through company activities may be harder. The third environmental factor posited to moderate the above relationship is technological turbulence, namely the rate of technological change. Advanced technology can be an alternative avenue to gain a competitive advantage. To the extent such alternative avenues exists, the importance of a brand orientation is likely to be diminished.

Finally, to account for the effects of extraneous variables, some SBU's¹⁸ characteristics such as size, type of ownership, and age are introduced in the framework as **covariates**, as they constitute secondary variables that may affect the relationship between the dependent variable (performance) and the independent variable of primary interest (Brand Orientation). These control variables are commonly recognized in the marketing and strategy literature as influencing firm performance (O'Sullivan and Abela, 2007). Besides, the resource based view posits that firms with superior resources (i.e. large firms and firms with many years of experience) will be able to conceive and implement unique strategies that rivals will find difficult to emulate (Barney, 1991; Panagopoulos and Avlonitis, 2010). Because large firms and firms with many years of experience have more such resource

¹⁸ The appropriate unit of analysis is considered to be the strategic business unit rather than the corporation, as different SBUs of a corporation are likely to be brand oriented to different degrees.

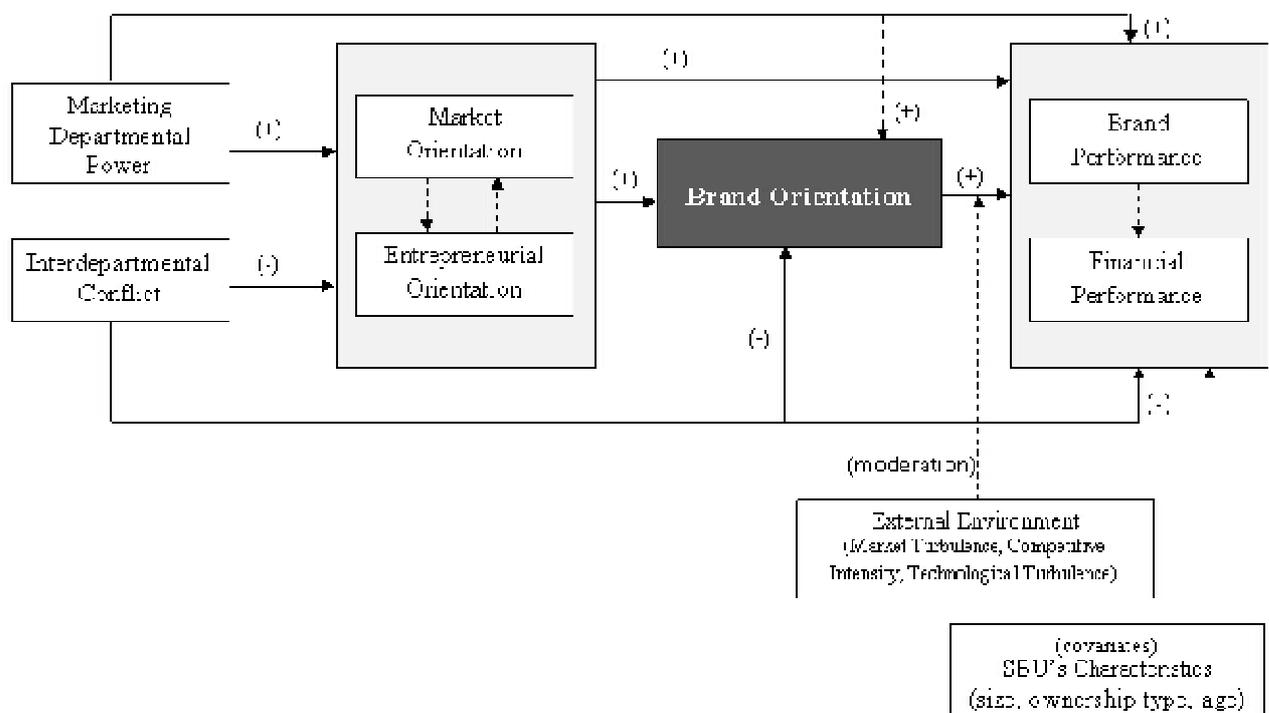


advantages than do small and “young” firms, we included firm size and age as covariates. Moreover, prior studies indicate that the performance of foreign subsidiaries is superior to that of domestic firms because of their possession of firm-specific advantages associated with multinational companies (Caves, 1982); thus we included type of ownership (i.e. domestic vs subsidiary) as a covariate of performance.

Synthesizing the received view from the literature which resulted in the preliminary framework presented earlier (Figure 4.4.) with the aforementioned views expressed by experts, the final research framework of the thesis was formed (Figure 4.5). This final framework hopefully portrays in an effective and integrative manner how a successful brand-oriented organization works.

Figure 4.5.

Final Brand Orientation Research Framework



All constructs depicted in this final research framework, along with the relationships among them, will be empirically investigated in the context of this thesis. First, the brand orientation higher (3rd) order construct is carefully developed and thoroughly tested, as shown in the following chapter. When a reliable and valid BO scale is guaranteed, the main research of the study is conducted in order to empirically test both the interrelationships among the building blocks of BO (see figure 4.3) as well as the Brand Orientation antecedents and consequences and, in general, all relationships presented in the above framework (figure 4.5).



CHAPTER 5

BRAND ORIENTATION SCALE DEVELOPMENT

« Progress in the development of marketing as a science certainly will depend on the measures marketers develop to estimate the variables of interest to them. »

Churchill, 1973; p. 73

5.1. INTRODUCTION

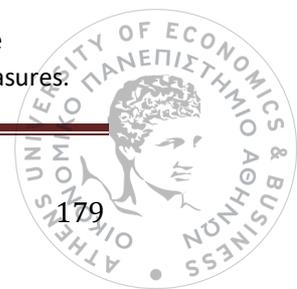
In order to develop theories in the social sciences, sound operationalizations of the constructs of interests are required. When the constructs are measured well (reliably and validly), theory testing is enhanced.

Technically, the process of measurement or operationalization involves “*rules for assigning numbers to objects to represent quantities of attributes*” (Nunnally, 1978; p. 2). This definition involves two key notions. First, it is the attributes of objects that are measured and not the objects themselves, as measurement includes evaluating numbers such that they reflect the differing degrees of the object being assessed (e.g. DeVellis, 1991, Haynes et al., 1999). Second, although there are no “universal” rules for measuring social – psychological constructs such as Brand Orientation, developing rules that are eventually accepted is important for standardization and establishing norms.

A measure is standardized when (a) rules of measurement are clear, (b) it is practical to apply, (c) it is not demanding for the administrator or respondent and (d) results do not depend on the administrator (Nunnally and Bernstein, 1994). Such a measure yields similar results across applications and therefore the measure is reliable.

Numerous articles and books advocate “how” to develop a standardized, reliable and valid scale¹⁹ (e.g. Churchill, 1979; Clark and Watson, 1995; DeVellis, 1991; Haynes et al., 1999; Nunnally and Bernstein, 1994; Spector, 1992). Procedures vary from author to author based on the goals and purposes of the measurement. Still, most writings do share a common set of guidelines for scale development. Taking into account most of the published

¹⁹ Since the construct of interest in this thesis, Brand Orientation, is defined as a reflective one, all measurement methods mentioned and followed from this chapter and so forth refer only to the scale development methodology of reflective measures and not to the index construction of formative measures.



procedures, Netemeyer et al. (2003) proposed the most appropriate steps in scale development, as those are presented in the following diagram (Figure 5.1).

Figure 5.1

Recommended Procedures and Steps in Scale Development

based on Netemeyer et al. (2003)

Step 1: Construct Definition and Content Domain

Issues to consider:

- (a) The importance of clear construct definition, content domain, and the role of theory
- (b) Construct dimensionality: unidimensional, multidimensional, or a higher-order construct?
- (c) The focus on “reflective” indicators vs. “formative” indicators

Step 2: Generating and Judging Measurement Items

Issues to consider:

- (a) Generating potential items and determining the response format (e.g. number of items as an initial pool, item wording issues)
- (b) The focus on “content” validity in relation to theoretical dimensionality
- (c) Item judging – the focus on “content” and “face” validity

Step 3: Designing and Conducting Studies to Develop and Refine the Scale

Issues to consider:

- (a) Pilot testing as an item-trimming procedure
- (b) Designing the studies to test psychometric properties
- (c) Initial item analyses via exploratory factor analysis (EFA)
- (d) Internal consistency (reliability) estimates
- (e) Retaining items for the next – final set of studies

Step 4: Finalizing the Scale

Issues to consider:

- (a) The importance of samples from relevant populations
- (b) Designing studies to test the various types of validity
- (c) Item analyses and confirmatory factor analysis (CFA)
 - Testing the theoretical factor structure and model specification
 - Evaluating CFA measurement models
- (d) Additional item analyses via internal consistency estimates

- (e) Additional estimates of validity
- (g) Establishing norms

The previous chapter explained in detail how the first step of the BO scale development process (construct definition and content domain) was covered. Acknowledging the role of theory and the necessity of a clear construct definition and content domain, chapter 4 thoroughly described the way Brand Orientation was delineated. Through the methodology followed, a clear definition of Brand Orientation was provided and the domain of the construct, along with its building blocks and respective dimensions, was portrayed. This theoretical clarification led also to the specification of Brand Orientation as a reflective higher – order construct. As a consequence, all prerequisites for proceeding to the next steps of scale development are met.

Based on the above, the present chapter will present in detail the Brand Orientation scale development process. More specifically, section 2 describes the way a large item pool was generated in order to tap the domain of each building block of Brand Orientation, as well as the way this pool of items was initially judged by experts and consequently refined, focusing on “content” and “face” validity of the potential items. Once a suitable pool of items has been generated and judged, empirical testing of the items on relevant samples is the next step, as shown in the diagram. Therefore, section 3 presents the way this initial item pool was purified through an empirical pilot study on relevant sample. Based on initial item analyses regarding desired psychometric properties and internal consistency estimates, specific items were retained for the next and final study. Section 4, describes the way the Brand Orientation scale was finalized, introducing the reader to the large quantitative study of the thesis which aimed at empirically validating the resultant BO scale, as well as testing its antecedents and consequences and, in general, all relationships depicted in the final research framework of the thesis.

5.2. Generating and judging measurement items

Once the construct has been accurately defined and delineated, the task of generating items to capture the construct's domain begins (Netemeyer et al., 2003). A large pool of potential items that could tap the domain of the construct exists. In order to arrive at a final scale measure though, a sample of items from this domain with desirable psychometric properties must be selected.

The generation of items can be based on several **sources**, such as existing scales, experts' views and even the scale developer's ideas (Haynes et al., 1999). In order to generate the initial item pool for the building blocks of Brand Orientation, all suggested sources were consulted. More specifically, the initial generation of BO items was based on:

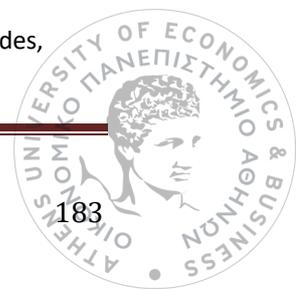
- Existing branding literature and, in particular, specific phrases of respected authors that successfully described the domain of a BO dimension.
- The expert's views expressed in the context of the qualitative research conducted, as some of their expressions could be successfully used as measurement items. Several scales developed in the marketing literature have used this approach both to help define the construct and to generate items (e.g. Lastovicka et al., 1999; Bearden et al., 2001).
- The scale developer, as this source is particularly helpful for constructs that are novel or for which limited extant literature exists. As Netemeyer et al. (2003; p. 97) maintain, *“even with other sources contributing to the initial pool of items, most scale developers will need to write several of their own items to generate an adequate initial pool”*.

Another serious consideration in the process of generating the initial BO item pool involved **item writing** and issues such as wording clarity, wording redundancy, positively and negatively worded items and choice of response formats. As far as wording clarity is

concerned, the advices of Tourangeau et al. (2000) were followed and particular attention was given to (a) detect ambiguous or unfamiliar terms, (b) avoid vague concepts and provide examples when such constructs must be used, (c) keep questions simple, specific, and concise, (d) avoid double-barreled questions, (e) decompose questions relating to more than one possibility into simpler, more focused questions, (f) avoid complicated syntax, and (g) eliminate item social desirability²⁰. Regarding wording redundancy, at this first item pool, effort was made to vary the choice of words and grammatical structure to create new items, such that the content domain of the construct is being tapped differently and useful redundancy is reflected (DeVellis, 1991). Useless redundancy by creating a new item, changing only a word that is not critical to an item's meaning and unimportant to the content of the item, was avoided. Additionally, by weighing the potential advantages and disadvantages of using negatively worded items in the item pool, it was decided to use only positively worded items. According to some researchers (e.g. Herche and Engellend, 1996), negatively worded (or reverse-coded) items either do not exhibit as high a reliability as positively worded items do or can be confusing to respondents. Regarding the response format, multichotomous Likert-type scale points were selected (Green et al., 1993). In particular, a 7-point format was selected, as such a format provides sufficient response alternatives and the respondent is offered a necessary scale midpoint or “neutral” response.

Finally, the recommendation of Netemeyer et al. (2003) regarding the generation of an initial large pool of items was taken into serious consideration. As stated by the authors, “*it is better to have a pool of items that is overinclusive of the domain of the construct than one that is underinclusive*” (p. 101).

²⁰ Refers to the fact that items may be written in such a way as to reflect more socially desirable attitudes, behaviors or perceptions (Podsakoff et al., 2003).



Using the sources presented earlier in this section and based on all aforementioned item generation guidelines, a large number of possible items was initially generated. Attention was paid so that items were appropriate, unique and able to convey to informants “different shades of meaning” (Churchill 1979). The number of items initially generated for each Brand Orientation building block and its respective dimensions is presented in the following table (Table 5.1), whereas the particular items are presented in detail in the Appendix (see Appendix 1: Initial Item Pool Generated for Each BO Building Block and its Respective Dimensions).

Table 5.1		
Number of Possible Items Initially Generated for Each BO Building Block and its Respective Dimensions		
		Number of Items
Building Blocks	Dimensions	
Brand Orientation as Attitude (BOA)		22
Brand Development Orientation (BDO)	Brand Analysis	16
	Brand Clarity	26
	Brand Differentiation	18
Internal Brand Orientation (IBO)	Top Management Brand Commitment	24
	Shared Brand Values	50
External Brand Orientation (EBO)	Brand Consistency	24
	Brand Protection	32
	Brand Performance Assessment	17
		Total: 229 items

For broad, multifaceted constructs such as Brand Orientation, a large number of items is needed to serve as an initial pool. In particular, some researchers advocate a pool of 250 items as exemplary for item generation for multifaceted constructs (e.g. Robinson et al., 1991). In accordance with this general guideline, a total of 229 possible items was initially generated in order to tap the large domain of BO, as shown in the above table. However, prior to submitting this large pool of items for judgment by experts, the number of items had to be reduced by the scale developer based on a first assessment of face and content validity.

Face validity has been referred to as the “mere appearance that a measure has validity” (Kaplan and Saccuzzo, 1997, p. 132). In other words, a high face valid instrument enhances its use in practical situations by inducing cooperation of respondents via ease of use, proper reading level and clarity. *Content validity* is established when a measure’s items are a proper sample of the theoretical domain of the construct (e.g. Messick, 1993; Nunally and Bernstein, 1994).

Based on the above, a careful observation of the initial 229 items led to the elimination of 98 ambiguous items and the retention of 131 items which demonstrated, according to the scale developer, high level of face and content validity. The number of items retained from the initial item pool for each BO building block and its respective dimensions is presented in the following table (Table 5.2), whereas the particular items retained after this first face and content validity check are presented in detail in the Appendix (see Appendix 2: Possible Items for Each BO Building Block and its Respective Dimensions after the First Face and Content Validity Check by the Scale Developer).

Number of Possible Items for Each BO Building Block and its Respective Dimensions After the First Face and Content Validity Check by the Scale Developer		
Building Blocks	Dimensions	Number of Items
Brand Orientation as Attitude (BOA)		15
Brand Development Orientation (BDO)	Brand Analysis	8
	Brand Clarity	10
	Brand Differentiation	11
Internal Brand Orientation (IBO)	Top Management Brand Commitment	13
	Shared Brand Values	34
External Brand Orientation (EBO)	Brand Consistency	13
	Brand Protection	19
	Brand Performance Assessment	8
		Total: 131 items

In a subsequent stage, after the first item screening by the scale developer is conducted, authors suggest the examination of items by expert and population judges for representativeness, specificity and clarity (e.g. Haynes et al., 1995). This process results in a further trimming of the item pool, which entails (a) the retention of the most appropriate items, (b) the refinement of some items in order to better tap the domain of the construct, (c) the addition of some new items that the scale developer had omitted but judges consider as essential, and finally (d) the deletion of some items which, based on judges views, are inappropriate for the measurement of the construct of interest. After all, one of the main goals of this process is the reduction of the number of items to a more manageable one, prior to being administered to samples from relevant populations in large empirical studies.

In this vein, we asked from 14 judges²¹ (10 expert marketing practitioners and 4 marketing academicians) to evaluate these 131 items in a 5-point evaluation scale in terms of representativeness, specificity and clarity, and raise any concerns as they completed the scale. Conceptual definitions of both Brand Orientation and its building blocks and dimensions were provided to the judges, so that items could be effectively assessed for their appropriateness. Judges were also welcome to write or verbalize any comments they thought necessary about specific items. Based on high levels of interjudge agreement (Haynes et al., 1995) and taking into account the detailed comments made by judges, several items were eliminated, others were adequately refined (changed to more appropriate ones) and some additional items were developed, following experts' suggestions. The resultant pool of items, consisting of 73 items, is presented in detail in the Appendix (see Appendix 3: Pool of Items after Judgment by Experts), where a relevant indication follows items which have been refined or added in the pool.

²¹ As a practical rule of thumb, more than five judges are preferred in such a process, as the detection of bad or marginal items will be more confident given more raters (Netemeyer et al., 2003).



The following table (Table 5.3) presents for each building block and respective dimensions the number of items eliminated, retained, refined and added in the resultant scale, based on judgment by experts.

Table 5.3						
Number of Items for Each BO Building Block and its Respective Dimensions After Judgment by Experts						
						Number of Items
Building Blocks	Dimensions	Items Eliminated	Items Retained Unchanged	Items Refined	New Items Added	
BOA		9	4	2	2	8
BDO	Brand Analysis	4	3	1	2	6
	Brand Clarity	4	5	1	1	7
	Brand Differentiation	4	5	2	1	8
IBO	Top Management Brand Commitment	6	6	1	1	8
	Shared Brand Values	20	12	2	0	14
EBO	Brand Consistency	6	6	1	2	9
	Brand Protection	12	5	2	1	8
	Brand Performance Assessment	4	4	0	1	5
						Total: 73 items

The resultant 73 items were further tested through a pilot study, presented in the following section.

5.3. Designing and conducting studies to develop and refine the scale

As some psychometricians advocate, once an item pool has been thoroughly judged, modified and trimmed by expert and population judges, pilot testing the items on a larger sample ($n = 100 - 200$) from a relevant population is in order (e.g. Clark and Watson, 1995; Haynes et al., 1999). This further testing and scale refinement constitutes the third step in the recommended scale development process presented in the introduction of this chapter.

For pilot testing, convenience samples (e.g. college students) may suffice, but it is preferable to use a sample from a relevant population of interest (Netemeyer et al., 2003). Taking this fact into account, we decided to use 134 managers attending part-time post graduate executive programs at the Athens University of Economics and Business as respondents in this stage. We included the 73 items in a questionnaire in random order within each building block and asked these managers to fill in the questionnaire. In particular, after explaining the concept of Brand Orientation, participants were asked to evaluate in a 7-point likert scale the extent to which the 73 items described behaviors in their company. Although they may have not necessarily been working in the marketing field, these managers have had several years of working experience and were in some way aware of the branding policy of their firm.

Numerous marketing and organizational behavior-based scale development articles illustrate the use of exploratory factor analysis (EFA) and item and reliability analyses for further trimming and retaining items (e.g. Bearden et al., 2001). After all, the main goals at this stage are a) to reduce the number of items so that the remaining items maximize the explained variance in the scale and the scale's reliability and b) to test the theoretical a priori factor structure of the construct. EFA using varimax rotation for each BO building block was therefore conducted in this case.

In order to assess dimensionality, the Kaiser-Guttman criterion was mainly used, which implies that components (factors) with eigenvalues greater than 1 should be considered meaningful (e.g. Floyd and Widaman, 1995; Sharma, 1996; Hair et al., 1998). However, as Netemeyer et al. (2003, p. 124) suggest, “the scale developer should use a priori theory and common sense as guides in deciding the number of factors to extract”. In any case, the number of factors extracted should account for at least 50% of the variance in the items and, for any factor to be meaningful, at least 5% of the total variance explained should be attributable to that factor (Hair et al., 1998).

Specific criteria were also used for retaining items with desired psychometric properties (e.g. Robinson et al., 1991; Clark and Watson, 1995; Obermiller and Spangenberg, 1998; Bearden et al., 2001). In particular, the following decision rules were employed for retaining items:

- Avoidance of high cross loadings,
- Factor loadings no less than .40 but no greater than .90,
- Corrected item-to-total correlations of .50 and above (or at least greater than .35), and
- Average interitem correlation greater than .30.

In addition, it should be stated that a watchful eye on parsimony guided decisions regarding the retention or deletion of items. In some cases where an item exhibited satisfactory psychometric properties but Cronbach’s α value was not significantly reduced after its deletion, the specific item was eliminated. Of course, for such a decision, it was ensured that the remaining items sufficiently captured the domain of the respective dimension.

Based on the above, exploratory factor analyses (EFA) led to the deletion of some problematic items and the configuration of the final set of items for each Brand Orientation building block and respective dimensions.

The final set of items retained for each BO building block, along with the respective psychometric properties that confirm the suitability of the specific items for the measurement of the constructs of interest, are presented directly after. The internal reliability of each dimension was also assessed by calculating the Cronbach's alpha. As shown below, for each BO building block, all Cronbach's alpha values were satisfactory, as each exceeded the accepted reliability threshold of .70 (Nunnally, 1978) and even .80 required for a new scale (Clark and Watson, 1995). In addition, based on corrected item-to-total and interitem correlations, all individual items retained within each dimension indicated satisfactory levels of internal consistency.

Brand Orientation as Attitude (BOA)

Consistent with theory, the unidimensionality of the BOA construct was revealed since only one component was extracted. In the interest of parsimony and based on the psychometric criteria presented earlier, 4 items were eliminated. The resultant scale consists of 4 items, as shown below.

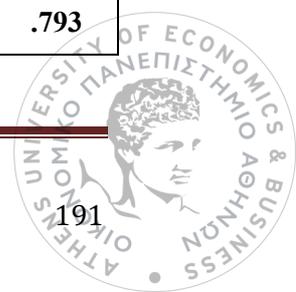
Brand Orientation as Attitude	
Items	
For us a brand is much more than just a name and a logo.	<i>One component extracted</i>
In our organization, we believe that branding is one of the most important ways to acquire and maintain a good market position.	
Branding is a top priority in our company.	
Our brands provide, in large, the reason for the existence of our company.	

Number of Items	Number of Components	Total Variance Explained cumulative %	Corrected Item – Total Correlations	Average Interitem Correlation	Cronbach's Alpha
4	1	80,595	.749 - .856	.740	.916

Brand Development Orientation (BDO)

As conceptualized, exploratory factor analysis with varimax rotation revealed a clear three-factor structure. After the deletion of 6 items that did not satisfy the necessary psychometric criteria, all items retained loaded predominantly on a single factor, suggesting that no further trimming was needed. The resultant BDO scale consists of a total of 15 items.

Brand Development Orientation			
Items	Factor Loadings		
	BAN	BDIF	BCL
Brand Analysis (BAN)			
In developing our brands, we study the customer trends (e.g. motivations, unmet needs, distinct market-customer segments).	.854	.259	.095
Before we develop strategies for our brands we identify the strengths and weaknesses of our competitors' brands.	.836	.212	.169
We take into serious account our brands' strengths and weaknesses before selecting their positioning.	.798	.323	.355
In selecting our brands' positioning, we take into account customers' perceptions of our company.	.725	.202	.246
Our company's vision defines in large our brands' positioning selection.	.669	.158	.423
Brand Differentiation (BDIF)			
Our customers are willing to pay a price premium in order to acquire our brands.	.227	.816	.130
Our customers identify our brands with distinct competitive advantages.	.212	.815	.354
Our brands have a special meaning for our customers.	.299	.779	.385
Customers can easily identify how our brands differ from competitive ones.	.192	.766	.351
Our brands' positioning differentiates them from competition, establishing competitive superiority.	.357	.729	.372
Brand Clarity (BCL)			
One can easily understand our brand positioning.	.391	.245	.818
Clear associations are formed regarding our brands, by simply mentioning their name.	.163	.432	.793



Customers have well established clear associations regarding our brands.	.314	.322	.788
Our brands' positioning can be easily communicated to the target audience.	.370	.370	.749
Our brands' values are clearly defined.	.392	.312	.494
<i>Note: Bold values indicate the factor on which each item predominantly loads.</i>			

Number of Items	Number of Components	Total Variance Explained cumulative %
15	3	78,612

Factors - Components	Number of Items	Corrected Item – Total Correlations	Average Interitem Correlation	Cronbach's Alpha
Brand Analysis	5	.702 - .867	.663	.906
Brand Differentiation	5	.745 - .856	.729	.928
Brand Clarity	5	.713 - .874	.733	.932

Internal Brand Orientation (IBO)

Consistent with theory, exploratory factor analysis with varimax rotation revealed a clear two-factor structure. After the deletion of 7 items that did not satisfy the necessary psychometric criteria, all 15 items retained loaded predominantly on a single factor, suggesting that no further trimming was needed.

Internal Brand Orientation		
Items	Factor Loadings	
	SBV	TMBC
Shared Brand Values (SBV)		
Employees' behaviors are aligned with our brands' values.	.832	.289
All employees are passionate advocates of our brands.	.822	.373
Our brands' values define in large our staff recruitment selection criteria.	.770	.201
Everyone in our company has clearly communicated authority and responsibilities regarding our brands.	.753	.396
Exemplar brand behavior is acknowledged and rewarded (e.g. salary increase, promotion).	.739	.302
All our employees feel proud of our brands.	.715	.351
All employees feel that their future in the company is utterly attached with that of our brands.	.695	.396

Entry employees are provided with the necessary information (e.g. through manuals, videos) that clearly describe our brands' values.	.676	.328
Our brands' values are absolutely clear to all employees and partners of our company.	.634	.486
Top Management Brand Commitment (TMBC)		
Our top management is actively involved in the brand building efforts.	.203	.854
Top management seems particularly interested in issues that relate with the building and maintenance of our brands.	.323	.844
Top management considers issues regarding our brands as being of high priority.	.380	.828
Our senior managers work across the organization to ensure enthusiasm in delivering the brands' values.	.456	.762
Our senior managers are the firsts to deliver the brand's promise in an honest way.	.394	.760
Our top management makes sure the necessary systems and processes are in place to support brand-driven decisions	.556	.691
<i>Note: Bold values indicate the factor on which each item predominantly loads.</i>		

Number of Items	Number of Components	Total Variance Explained cumulative %
15	2	71,912

Factors - Components	Number of Items	Corrected Item – Total Correlations	Average Interitem Correlation	Cronbach's Alpha
Shared Brand Values	9	.739 - .859	.678	.948
Top Management Brand Commitment	6	.769 - .863	.731	.941

External Brand Orientation (EBO)

Consistent with the theoretical a priori factor structure, EFA revealed a clear three-factor structure. After the deletion of 6 items that did not satisfy the necessary psychometric criteria, all items retained loaded predominantly on a single factor, suggesting that no further trimming was needed. The resultant EBO scale consists of a total of 16 items.

External Brand Orientation			
Items	Factor Loadings		
	BCON	BPR	BPA
Brand Consistency (BCON)			
All our marketing activities (e.g. distribution, promotion) are constantly coordinated so that a unified image regarding our brands is given to our customers.	.858	.190	.242
One can identify our brands' values in every marketing activity we do.	.767	.401	.208
We make sure our brands' image does not get muddled with conflicting marketing messages.	.766	.294	.139
Anything that may affect our brands' image (e.g. above and below the line activities, packaging) is aligned with their positioning.	.764	.167	.267
No matter what changes are taking place in our firm, our brands and their values remain constant.	.762	.334	.031
We seek for customers that are able to successfully support our brands' values.	.680	.361	.238
Even when we are really stressed about sales and numbers, we do not proceed to activities that may endanger our brand's image.	.611	.441	.203
Brand Protection (BPR)			
We always pay attention to how our different brands link to each other.	.378	.766	.179
Before making any change in our organizational strategy, we take into serious account the effect it may have on our brands.	.483	.702	.256
Every strategy regarding our brands' leverage (e.g. brand or line extension) is designed in a way that protects and enhances the parent brand.	.393	.683	.250
In our brands' marketing programs, special attention is given to long-term goals (e.g. image and reputation enhancement, awareness increase).	.478	.653	.240
We keep investing in our brands, even when they have a good market standing.	.473	.526	.160
Brand Performance Assessment (BPA)			
We run market studies on a frequent basis to define where we have to refine or redirect our brand building efforts.	.209	.231	.897
We use market research in order to identify any gaps between our customers' brand perceptions and those of ourselves.	.260	.275	.878
We have a continuous system in place to monitor our employees' perceptions regarding our brands.	.270	.415	.614
If only a small part of the target market embraces our brands, we seriously consider altering their image.	.108	.411	.532
<i>Note: Bold values indicate the factor on which each item predominantly loads.</i>			

Number of Items	Number of Components	Total Variance Explained cumulative %
16	3	71,420

Factors - Components	Number of Items	Corrected Item – Total Correlations	Average Interitem Correlation	Cronbach's Alpha
Brand Consistency	7	.704 - .853	.647	.926
Brand Protection	5	.685 - .835	.665	.909
Brand Performance Assessment	4	.439 - .802	.523	.820

In sum, through this pilot test in 134 managers attending part-time post graduate executive programs at the Athens University of Economics and Business, 23 items were deleted and 50 items were finally retained, as shown in the following table (Table 5.4).

It should be noted that, given the reflective nature of all scales, elimination – exclusion of one or more items does not alter the measure (Jarvis et al., 2003). Additionally, each factor includes four or more items, a fact that provides the necessary overidentification to possible one-factor CFA models (Clark and Watson, 1995).

Table 5.4			
Final Set of Items for Each BO Building Block and its Respective Dimensions After the Pilot Study			
Building Blocks	Dimensions	Items Eliminated	Final Number of Items Retained
BOA		4	4
BDO	Brand Analysis	1	5
	Brand Clarity	2	5
	Brand Differentiation	3	5
IBO	Top Management Brand Commitment	2	6
	Shared Brand Values	5	9
EBO	Brand Consistency	2	7
	Brand Protection	3	5
	Brand Performance Assessment	1	4
			Total: 50 items

Therefore, the pilot study further reduced the number of items to a more manageable one. The resultant final set of items is adequately purified and initially found to reliably measure the relevant constructs.

5.4. finalizing the scale

After a scale is adequately purified through measurement item judging and pilot testing, finalizing the scale and further establishing its psychometric properties is in order (Netemeyer et. al, 2003). Besides, the finalization of the scale through a large study in relevant population so as to assess the various types of validity and establish norms, consists the fourth and final step of the recommended scale development process presented in the beginning of this chapter.

Through the preceding procedures (steps 1 – 3 of the recommended scale development process) a Brand Orientation scale with face and content validity is hopefully guaranteed. In addition, the dimensionality of the BO building blocks is initially established and found to be consistent with the theoretical a priori factor structure. Finally, the pilot study and the relevant analyses uncovered, at an initial stage, that the resultant set of items reliably measure their intended constructs.

In sum, by specifying the domain of the construct, generating items that exhaust the domain, and subsequently purifying the resulting scale, a measure which appears to be content and face valid, as well as reliable was produced. However, in order to finalize the scale, other important types of construct validity (i.e. convergent, discriminant and nomological validity) should also be established (Churchill, 1979).

Construct validity, which lies at the very heart of the scientific process, is viewed as the extent to which an operational measure truly reflects the concept being investigated (Calder et al., 1982). Various ways of demonstrating and providing evidence of construct validity exist. Content and face validity is established through the previous steps of the scale development process. In order to finalize the scale, convergent, discriminant and nomological validity must also be assessed.

Evidence of convergent validity is offered by significant and strong correlations between different measures of the same construct. Discriminant validity requires that the measure does not correlate too highly with measures from which it is supposed to differ (Churchill and Iacobucci, 2002). Nomological validity determines the extent to which the measure fits “lawfully” into a network of relationships or a “nomological network” (Cronbach and Meehl, 1955). In other words, nomological validity involves the extent to which a measure operates within a set of theoretical constructs and their respective measures, based on formal hypotheses derived from theory (Nunnally and Bernstein, 1994).

In order to finalize the BO scale and confirm its dimensionality, reliability and validity, a large quantitative study was conducted. The design of this quantitative study is presented in detail in the next chapter (Chapter 6), including definition of population, selection of sampling frame and research unit, description of the data collection process, and presentation of the research instrument used. The results of this final large quantitative study are analyzed in Chapter 7, where Confirmatory Factor Analyses (CFA) and other structural equation modeling (SEM) techniques, such as path analysis, are used in order to a) confirm the dimensionality of each BO building block as well as of the integrated BO scale, b) provide evidence of reliability and construct validity and, finally, c) assess all relationships of the proposed nomological network depicted in the final research framework of the thesis. In sum, the following two chapters describe the way the BO scale was finalized - confirmed and the whole Brand Orientation theory was empirically validated.

CHAPTER 6

**EMPIRICAL VALIDATION
OF
BRAND ORIENTATION THEORY**

*« As theories in the social sciences develop and evolve,
so does the need to test them objectively. »*

Netemeyer, Bearden and Sharma, 2003; p. 82

6.1. INTRODUCTION

The previous chapters presented in detailed the main steps followed for the development of the Brand Orientation scale. First, the Brand Orientation construct was carefully defined, along with its content domain. A large pool of items was then developed in order to capture the essence of the construct and its dimensions. This initial pool was subsequently trimmed and adequately refined through experts' judging. A pilot study followed next, which further reduced the pool of items to a manageable one and resulted in a final set of measurement items with desired psychometric properties and in initial satisfactory estimates of scale reliability and validity. However, in order to definitely confirm the Brand Orientation scale developed, this final set of items needs to be finalized, by empirically testing its reliability and validity in a larger quantitative study.

Moreover, apart from the rigorous development of a reliable and valid Brand Orientation scale, the determination through empirical research of the antecedents and consequences of such an orientation is also part of the main research goals of the thesis. The final research framework of the thesis developed and presented in chapter 4 depicts the proposed BO nomological network and, therefore, provides guidance regarding the relationships that need to be tested in order for the whole Brand Orientation theory to be empirically validated.

Based on the above, the present chapter presents the design of the final and large quantitative study of this thesis, which was conducted in order to provide corroborative evidence of the Brand Orientation scale and theory. Section 2 defines the population of the study. Section 3 outlines the sampling frame and determines the research unit. Section 4 describes the data collection process used and the response rate achieved, whereas Section 5 presents the research instrument – questionnaire, which included the brand orientation scale

developed as well as already validated and widely accepted scales for the measurement of the relevant constructs of the framework. Finally, Section 6 reports briefly the data analyses conducted to both confirm the BO scale developed and test the proposed nomological relationships.



6.2. Research Population

One of the most important steps in the design of an empirical study is the determination of the research population. The characteristics of the population of the study should result from the research goals (Churchill and Iacobucci, 2002). The present thesis revolves around branding and Brand Orientation in particular. Therefore, the population of the study had to include large firms and firms with a structured marketing department, so that the existence of an organized branding strategy is guaranteed and certain branding skills are present. After all, it is generally suggested that the firm size (in terms of turnover and number of employees) affects the existence of an autonomous marketing department (e.g. Ashill et al., 2003).

In addition, given that the purpose of the thesis is theory construction, it was considered important that the research population included large consumer, industrial, and service firms, in order to tap a wide range of perspectives and increase the ability to generalize the results (Kohli and Jaworski, 1990). As Keller (2000) has noticed, building and properly managing brand equity has become a priority for companies in all types of industries and in all types of markets. However, based on the fact that this is the first sound effort to empirically test an integrated brand orientation theory, having a large proportion of consumer goods companies in the final sample was desirable, as such firms (and particularly fast moving consumer goods companies) have a long – lasting experience in adopting traditional branding strategies.

Moreover, both Greek and multinational companies were included in the population, so that comparative results could be drawn through analyses.

Finally, it is important to note that the following firm categories were excluded from the population:

- Banks and large financial and insurance companies, as the size of such organizations and the large number of different departments inhibit the existence of a clear and unified brand strategy, as well as the tracing of key informants.
- Purely pharmaceutical and medical companies, as the specific sector is characterized by particular conditions that affect the selling process (e.g. doctor – company relationship).
- Public firms such as the Public Organization of Electricity (ΔΕΗ), as such firms do not operate in a traditional “free market” environment and, therefore, branding is not considered a prerequisite.

In sum, the population of the study was defined by all large firms operating in Greece (Greek firms and multinational subsidiaries) with turnover above 10 millions € and employing more than 50 people, apart from the firms belonging to the categories mentioned above.

6.3. SAMPLING FRAME AND RESEARCH UNIT

Once the research population is defined, determining the sampling frame is in order. This frame should be as inclusive and representative as possible of the population of interest (Churchill and Iacobucci, 2002).

ICAP company is the Gallup's subsidiary in Greece. Its database is considered among the most valid and is therefore widely used in similar studies. Based on this fact and excluding the firm categories mentioned in the previous section, a list of 1431 firms from the ICAP's 2009 database was selected as a **sampling frame**. These firms satisfied all criteria set according to the definition of the research population in terms of size, industry and type of ownership. Table 6.1 presents those 1431 firms, in terms of whether they operate in consumer or business markets, whether they offer products or services and, in case they offer products, whether they offer fast moving consumer goods (FMCG) or durables.

Sampling Frame of the Study		
Operation	Frequency	%
B2C products FMCG	278	19,4
B2C products Non-FMCG	257	17,9
B2B products	303	21,1
B2C services	195	13,6
B2B services	161	11,2
Both B2C and B2B products	210	14,7
Both B2C and B2B services	27	1,9
Total	1431	100,0

As far as the research unit is concerned, the proposed definition of Brand Orientation suggests that its measure assesses the degree to which a company is brand oriented, that is, develops, maintains and enhances successful brands over time. Relatedly, the appropriate **unit of analysis** is considered to be the strategic business unit (SBU) rather than the corporation, as different SBUs of a corporation are likely to be brand oriented to different

degrees. In other words, different SBUs may face a diverse set of market conditions, have different internal characteristics, and pursue different branding strategies. A focus on the corporation as a whole would probably introduce measurement errors and possibly invalidate the research findings.

Regarding the selection of the respondents in the study, the **key informant** method was adopted (Kinnear and Taylor, 1996). According to this method, informants are chosen on the basis of particular qualifications such as specialized knowledge or position in an organization. Rather than reporting their own personal feelings and opinions, key informants provide information on the properties of organizations, their relationships with other organizations, etc. (Bagozzi et al., 1991). In other words, based on the key informant method, the person possessing the best knowledge in the firm regarding the notions of interest is selected in order to respond to the research instrument. It is generally considered that this method, despite its disadvantages, yields valid responses to the research instrument, given that answers are provided by the most relevant respondents (Philips, 1981). This is probably the reason why a key informant design is common in studies on marketing (e.g. Moorman and Rust, 1999). Based on the above and taking into account the research topic, marketing and brand managers were selected as key informants in this study, as they should be knowledgeable about marketing organization structure, business and branding strategy, and overall firm performance.

6.4. Data Collection Process and Response Rate

Based on the sampling frame presented in the previous section, a stratified sample of 500 firms was selected for data collection. Strata were derived, in large, on the basis of SIC code (Standard Industrial Classification Code). However, as mentioned earlier, given the fact that this is the first sound effort to empirically test an integrated brand orientation theory, having a large proportion of consumer goods companies in the final sample was desirable, as such firms (and particularly fast moving consumer goods companies) have a long – lasting experience in adopting traditional branding strategies. Therefore, attention was paid in order for this list of 500 firms to include a large proportion of fast moving consumer goods companies as well as a balanced proportion of Greek and multinational companies so as to derive comparative results.

The marketing managers' names and contact details were confirmed through a telephone contact with the SBU of interest. A formal letter through traditional mail was then sent personally to the marketing manager of each SBU, providing a brief introduction and a general explanation of the study's intent. More specifically, the following elements were outlined in the letter:

- The importance of such a study on brand orientation for the business world.
- The main research goals of the study.
- The necessity of participation in order for valid results to be drawn, based on the fact that the recipient of the letter is the most appropriate person to answer to the research instrument.
- A reassurance regarding the preservation of anonymity of respondents.
- The commitment of the research team to send a report of the results to all participants as soon as the study is completed, as an incentive to participate.

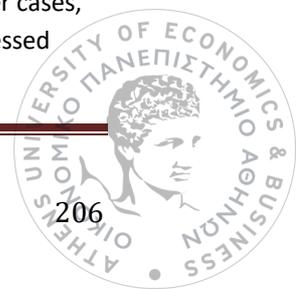
- The intention of the research team to call the respondent in the following days in order to discuss the possibility of participation in the study.

Each of the aforementioned formal letters had the personal signature of both the supervisor of the thesis Professor George J. Avlonitis and the PhD candidate. Its main goal was to act as a pre-notification of the formal contact for the participation in the study. After all, such pre-notification has been proven to increase the response rate (Fox et al., 1988). The general form of the letter is presented in the Appendix (Appendix 4).

A week after the initial mailing, a call was made in order to discuss with the marketing manager whether he/she was in favor of participating in the study. In case the marketing manager was either absolutely negative towards the possibility of its participation or did not respond to our calls despite our multiple efforts, no further attempt was made. In the cases where the marketing manager accepted to participate in the study, the questionnaire was subsequently sent via e-mail, unless the respondent requested differently²². In many cases the marketing manager had a positive attitude towards the study, but he/she asked the researcher to refer to the brand manager in order to get the desired data. In those cases, a contact was immediately made with the respective brand manager, on behalf of the marketing manager, and the questionnaire was again sent via e-mail. After all, as explained earlier, brand managers were also considered as key informants in this study based on their responsibilities. The mail that accompanied the questionnaire is presented in the Appendix (Appendix 5).

It should be stated that the questionnaire of the study, in its electronic form, had all the necessary formats in order for the respondents to be able to easily fulfill it. In particular,

²² In only two cases did the manager request sending the questionnaire via traditional mail. In all other cases, not only did the managers have no objection regarding the web-based survey method, but they expressed their strong preference towards it, as such a method facilitated their participation.



drop-down lists that permit only one choice for the response, check boxes and few text boxes were used, in order to provide the necessary ease in the completion of the questionnaire.

As stated by Dillman (2007), web-based surveys are among the most significant advances in survey technology in the twentieth century. A Web-based survey is the collection of data through a self-administered electronic set of questions via the Web. Through web-based surveys, paper and postage costs are almost completely eliminated, the time required for implementation is significantly reduced, reminders and follow-up on non-respondents are relatively easy, the researcher cannot affect the responses as there is no direct contact during the completion of the questionnaire, and, usually, data from such surveys can be easily imported into data analysis programs. On the other hand, the limitations of the web-based method revolve around the fact that not everyone is connected and, even if connected, not all potential respondents are equally computer literate, screen configurations may appear significantly different from one respondent to another, depending on settings of individual computers, and sampling of e-mail addresses is sometimes difficult. However, all those limitations were adequately managed in our study, since marketing and brand managers' connectivity is nowadays widespread and their technology skills are very much improved. Moreover, the initial phone contact made the tracing of all e-mail addresses easy.

The data collection process commenced on October 9, 2009 and was completed on March 8, 2010. From the 500 contacts initially made, 76 marketing managers refused to participate in the study and no questionnaire was sent to them. As a consequence, 424 questionnaires were sent, following managers' agreement to participate. Of those, 133 respondents returned completed questionnaires within the first ten days after the research instrument was e-mailed to them and, therefore, no reminder was used in these cases. 95 respondents had to be reminded once with a follow-up e-mail in order to fill in the

questionnaire and return it to us. 37 completed questionnaires were, finally, returned with the aid of a second follow-up effort via e-mail. 159 managers, despite their initial agreement to participate and the two reminders that followed the first contact, never completed the questionnaire.

Both the first and second follow-up mail sent to respondents are presented in the Appendix (Appendix 6 and 7). As far as those reminders are concerned, attention was paid in the following elements:

- The time between the notice and the reminder was short (usually 8 – 10 working days), following Dillman's (2007) suggestion.
- The length of the reminder messages was short.
- The questionnaire was again attached in every follow-up effort, in order for the respondent to have easy access to it.

In sum, after 5 months of continuous data collection efforts, 265 completed questionnaires were eventually returned. However, 23 had to be subsequently excluded from the analysis as they did not provide complete data for all variables, reducing thus the number of usable responses to 242. This number constitutes a 48,4% response rate, which is considered very satisfactory (e.g. Baim, 1991).

The way this response rate was formed is described in detail in the following table (Table 6.2).

Table 6.2.	
Data Collection Process and Response Rate	
Total number of managers contacted	500
Number of managers who rejected to participate	76
Number of managers who did not participate eventually despite their initial agreement and follow-up efforts	159
Completed questionnaires returned without any reminder	133
Completed questionnaires returned after one follow-up effort	95
Completed questionnaires returned after two follow-up efforts	37
Total completed questionnaires returned	265
Number of questionnaires excluded	23
Total number of usable questionnaires	242
Response Rate	48,4%

A mail sincerely thanking each respondent for participating in the study was sent to him/her, directly after he/she returned the questionnaire completed to us. The exact mail is presented in the Appendix (Appendix 8). It should also be mentioned that an excel file was kept throughout the data collection process, where the following elements were explicitly monitored for each SBU and respondent: date of the first formal traditional mail sent, date of the first phone contact, comments referring to the first reaction regarding the participation, date that the questionnaire was sent, date of the first follow-up effort (if made), date of the second follow-up effort (if made), date that the questionnaire was received, and date that the formal “thank you” mail was sent.

In sum, a multiple contact strategy was used for facilitating the data collection process. Regular mails (personalized formal letters) and telephone contacts were combined with personalized e – mails and electronic fulfillment of the research instrument in order to achieve the highest possible response rate. Given the length of the questionnaire (12 pages) and the confidential nature of the information requested in some questions (e.g. performance measures), the response rate can be characterized as more than satisfactory (48,4%) and the

time required for achieving this rate correspondingly very short (5 months). It is not accidental that Dillman (2007) call researchers to take advantage of this new technological era and use such multiple, and ideally personalized, contact strategies in order to increase the effectiveness of the data collection process.



6.5. RESEARCH INSTRUMENT

The research instrument, which is presented in detail in Appendix 9, was carefully developed to assess all constructs depicted in the final research framework (Figure 4.9). We assessed the constructs of interest with a combination of proven, already validated and new scales. A cover letter introduced the reader to the purpose of the study, reassuring the respondent once more about the confidentiality of his/her answers, stating that there are no right or wrong answers and, therefore, calling him/her to carefully fill in the questionnaire and provide answers as honestly as possible. The questionnaire comprised of six parts. More specifically:

First Part: Market Orientation

The two most prominent conceptualizations of market orientation are those given by Kohli and Jaworski (1990) and Narver and Slater (1990). While Kohli and Jaworski (1990) consider market orientation as the implementation of the marketing concept, Narver and Slater (1990) consider it as an organizational culture. In particular, Kohli and Jaworski (1990) define Market Orientation as the organization-wide generation of market intelligence pertaining to current and future needs of customers, dissemination of intelligence horizontally and vertically within the organization, and organization-wide action and responsiveness to market intelligence. On the other hand, Narver and Slater (1990) view Market Orientation as an organizational culture consisting of three behavioral components, namely customer orientation, competitor orientation and interfunctional coordination. Both Kohli and Jaworski and Narver and Slater operationalized the Market Orientation constructs, based on their conceptualizations, with the MARKOR – 20 items (Kohli et al., 1993) and MKTOR – 15 items (Narver and Slater, 1990) scale respectively. Taking into account that a) these two scales are the most widely used in later studies to measure market orientation and b) a

discussion exists regarding which one of the two performs better in terms of measurement fit (e.g Farrell and Oczkowski, 1997), it was decided to include both scales in the questionnaire. Although the comparison of the two dominant measures of market orientation is not directly associated with the research goals of this study, analyses of all relationships depicted in the final research framework will be facilitated by using the MO scale that seems to perform better.

Second Part: Brand Orientation

In the context of this thesis, Brand Orientation is defined as reflecting *an integrated organizational approach towards the development, maintenance and enhancement of successful brands over time*. Based on this construct definition, four building blocks of Brand Orientation were identified, namely Brand Orientation as Attitude, Brand Development Orientation, Internal Brand Orientation and External Brand Orientation. After a thorough purification process, the final items measuring each building block were presented in the previous chapter. This final set of items (50 items) is included in the questionnaire in order to assess the degree of Brand Orientation.

Given that respondents would not necessarily be familiar with the terms “brand values” and “brand positioning”, a note was placed before the relevant scales in the questionnaire, explaining in detail the meaning of each of the above terms.

Third Part: Firm Characteristics

In this part of the questionnaire some additional firm characteristics were assessed, namely Entrepreneurial Orientation, Marketing Departmental Power and Interdepartmental Conflict, following the research framework of the thesis.

Entrepreneurial orientation reflects a firm's propensity to engage in "*the pursuit of new market opportunities and the renewal of existing areas of operation*" (Hult and Ketchen, 2001, p. 901). It promotes values such as being highly proactive toward market opportunities, tolerant of risk, and receptive to innovations (Lumpkin and Dess, 1996; Matsuno et al., 2002). Accordingly, the ability to initiate change, take risks, and innovate distinguishes entrepreneurial firms (Naman and Slevin, 1993). As Miller (1983, p. 771) notes, an entrepreneurial firm is one that "*engages in product market innovations, undertakes somewhat risky ventures, and is the first to come up with 'proactive' innovations*". Among the published scales purporting to measure a firm's degree of entrepreneurial orientation, three are the most widely used (Ginsberg, 1985; Morris & Paul, 1987; Covin & Slevin, 1989). The nine-item scale developed by Covin and Slevin (1989) was selected to measure EO in this study, as this scale appears to more fully reflect the entrepreneurial orientation construct.

In order to assess the relevant power of the Marketing department in each firm, the five-item scale initially developed by Perrow (1970) and later refined by Kohli (1989b) was employed. The specific **departmental power** scale, adapted to the marketing department, measures the degree to which the marketing department has a significant impact on the overall business strategy.

Interdepartmental conflict was measured with a seven-item scale developed by Jaworski and Kohli (1993). The seven conflict items pertain to the extent to which the goals of the different departments are incompatible and tension prevails in interdepartmental interactions.

Fourth Part: External Environment

All three market forces depicted in the final research framework, namely market turbulence, competitive intensity and technological turbulence were measured by three scales consisting of five, six, and four items respectively, based on Jaworski and Kohli's (1993) work.

Fifth Part: Performance

Given the research topic, two types of indicators were included: firm (i.e., SBU) performance and brand performance. Taking into account the fact that such questions are rather "sensitive", they were placed at the end of the questionnaire (Kinnear and Taylor, 1996).

We measured **firm (SBU) performance** by asking respondents to assess over a three year period their firm's sales volume, return on investment, profit level and market share both relative to that of their major competitors (1 = "much worse," 7 = "much better") and relative to the targets set (1 = "very disappointed," 7 = "very satisfied").

In order to measure **brand performance**, respondents were asked to assess over a three year period, on average, their brands' *perceived quality*, *image*, *awareness*, *reputation*, *trust*, *loyalty* and *market share*. The specific indicators were chosen based on the brand equity literature. More specifically, brand equity is defined as the value of a brand and, more specifically, as the set of associations and behaviors on the part of a brand's customers, channel members and parent corporation that enables a brand to earn greater volume or greater margins than it could without the brand name and, in addition, provides a strong, sustainable and differential advantage (Srivastava and Shocker, 1991). Taking into account the most important efforts to operationalize brand equity (e.g. Keller, 1993; Aaker, 1996b;

Erdem and Swait, 1998; Volckner and Sattler, 2006; Pappu et al., 2005), the aforementioned seven indicators (brand perceived quality, brand image, brand awareness, brand reputation, brand trust, brand loyalty and brand market share) were proposed in the majority of studies as the dominant facets of brand equity. Therefore, respondents were asked to assess their brand's performance in terms of these seven indicators both relative to competition (1 = "much worse," 7 = "much better") and relative to the targets set (1 = "very disappointed," 7 = "very satisfied").

Seventh Part: Demographics

The following demographic characteristics were asked by respondents regarding their firm:

- Industry (B2B or B2C)
- Sector
- Number of Employees
- Sales Volume
- Type of Ownership (Multinational or Greek)
- Age

Although most of the above information was provided by the ICAP database which was used as a sampling frame, it was considered useful to confirm the data through respondents' answers.

Finally, respondents were asked to indicate their job title, as well as their age, so as to obtain some additional interesting demographics.

In sum, the total length of the questionnaire was 12 pages, excluding the cover letter. All constructs were measured on seven-point Likert scales, as such a format provides sufficient response alternatives and the respondent is offered a necessary scale midpoint or "neutral" response (Netemeyer et al., 2003). Moreover, measurement items of

multidimensional scales were placed in random order – items of the same dimension were not grouped together – so as to reduce possible item priming effects (Podsakoff et al., 2003). The items of different constructs were not intermixed, as such intermixing is suggested to produce artifactual covariation among the constructs (Podsakoff et al., 2003). In addition, although negatively worded items were not used in the new BO scale developed, as justified in the previous scale development chapter, one reverse-coded item was used in the questionnaire in order to assess whether respondents were carefully answering all questions. More specifically, the reverse-coded item was placed in the technological turbulence scale in the fourth part of the questionnaire so as to additionally test for the alertness of respondents throughout the whole research instrument. Finally, to ensure translation equivalence, the questionnaire was initially designed in English, later translated into Greek and then back-translated into English by two bilingual persons. The original and back-translated versions were compared for conceptual equivalence, and the translation was refined when necessary. The resulting Greek version which is presented in the Appendix (Appendix 9) was subsequently pretested with three marketing academics and five practitioners who are involved with branding strategy development and implementation for their firms. The feedback obtained indicated that no further refinement was needed.

6.6. Data analyses

6.6.1. POTENTIAL SOURCES OF MEASUREMENT ERROR

Before conducting any empirical analysis for examining the specific research goals of the study, the data set has to be tested for potential sources of biases and in particular non-response bias and common method variance. These tests are necessary in order to trace any possible source of measurement error which may threaten the validity of the research conclusions (e.g. Bagozzi and Yi, 1991).

Possible **non-response bias** was investigated by the method recommended by Armstrong and Overton (1977). The data set was divided into two halves, based on the median return date, and the answers of early and late respondents were compared. The rationale for this procedure is that late respondents may be more similar to non-respondents than are early respondents. However, based on t-tests analyses, no significant differences were found between early and late respondents on key measures of the study. Moreover, we assessed potential non-response bias by comparing the responding and non-responding SBUs in terms of sales volume and the number of employees, finding no significant difference. Overall, non-response bias does not seem to be a concern.

One of the most widely used techniques that has been used by researchers to address the issue of **common method variance** is what has come to be called Harman's one-factor test (Podsakoff et al., 2003). Traditionally, researchers using this technique load all variables of the study into an exploratory factor analysis to determine whether the majority of the variance can be accounted for by one general factor (e.g. Aulakh and Gencturk, 2000; Panagopoulos and Avlonitis, 2010). The basic assumption of this technique is that if a substantial amount of common method variance is present, either a single factor will emerge from the factor analysis or one general factor will account for the majority of the covariance

among the measures. By applying the Harman's one-factor test in our study, common method variance does not appear to be a problem, since the first factor did not account for the majority of the variance (only 31,8%).

Finally, as explained in the previous section, one reverse-coded item was placed in the technological turbulence scale in the fourth part of the questionnaire. As shown in the following table (Table 6.3), the significant and highly negative correlation between the three positively and the one negatively worded item of the technological turbulence scale provides evidence that no source of common method bias was caused by item characteristics effects (i.e. mostly positively worded items).

Correlations between positively and negatively worded items in technological turbulence scale		
Positively worded items		Reverse-coded item
		Technological developments in our industry are rather minor.
The technology in our industry is changing rapidly.	Pearson Correlation	- ,784**
	Sig. (2-tailed)	,000
	N	242
Technological changes provide big opportunities in our industry.	Pearson Correlation	- ,704**
	Sig. (2-tailed)	,000
	N	242
A large number of new product ideas have been made possible through technological breakthroughs in our industry.	Pearson Correlation	- ,732**
	Sig. (2-tailed)	,000
	N	242

**** Correlation is significant at the 0.01 level (2-tailed).**

6.6.2. SAMPLE PROFILE AND RESPONDENTS' CHARACTERISTICS

The sample profile is presented in the following table (Table 6.4). As shown, a large proportion of consumer goods companies (and particularly fast moving consumer goods companies) in the sample was achieved. As explained in the research population definition, such a proportion was desirable given the research topic, since such firms have a long – lasting experience in adopting traditional branding strategies. Moreover, the sample is almost equally shared between Greek and multinational companies, allowing comparative results to

be drawn. Finally, half of the firms in the sample operate for more than 40 years and, therefore, have well established knowledge and experience on branding issues.

Table 6.4.		
Sample Profile		
	Frequency	Valid Percent
Sales Volume (in millions €)		
10 – 30	56	23,1%
31 – 50	37	15,3%
51 – 100	44	18,2%
101 – 300	60	24,8%
More than 300	45	18,6%
Total	242	100,0%
Number of Employees		
50 – 99	51	21,1%
100 – 199	52	21,5%
200 – 399	61	25,2%
More than 400	78	32,2%
Total	242	100,0%
Market		
B2C	194	80,1%
B2B	28	11,6%
Both	20	8,3%
Total	242	100,0%
Sector		
Food and Drink	91	37,6%
Telecommunications	17	7%
Informatics	11	4,6%
Commerce	10	4,1%
Personal Care and Home Care	35	14,5%
Tourism	5	2%
Manufacturing - Energy	13	5,4%
Automobile	7	2,9%
Apparel	14	5,8%
Durables	33	13,6%
Other services	6	2,5%
Total	242	100,0%
Products	193	79,8%
Services	49	20,2%
Total	242	100,0%
FMCG	126	52,1%
Non FMCG	116	47,9%
Total	242	100,0%

Type of Ownership		
Greek	124	51,2%
Multinational	118	48,8%
Total	242	100,0%
Age (in years)		
5 – 10	15	6,2%
11 – 20	39	16,1%
21 – 40	65	26,9%
More than 40	123	50,8%
Total	242	100,0%

Regarding the characteristics of respondents (job title and age), the following table (Table 6.5) is illuminating:

Table 6.5.		
Respondents' Characteristics		
	Frequency	Valid Percent
Job Title		
Marketing Manager	145	59,9%
Group Brand Manager	35	14,5%
Brand / Product Manager	62	25,6%
Total	242	100,0%
Age (in years)		
21 – 30	50	20,7%
31 – 40	129	53,3%
41 – 50	54	22,3%
51 – 60	9	3,7%
Total	242	100,0%

6.6.3. FURTHER DATA ANALYSES

The majority of analyses employed aimed at assessing the measurement models and the structural model of the thesis. A *measurement model* defines relations between the observed and unobserved variables (Byrne, 2010). In other words, it provides the link between scores on a measuring instrument (i.e. the observed indicator variables) and the underline constructs they are designed to measure (i.e. the unobserved latent variables), specifying the pattern by which each measure loads on a particular factor. In contrast, the *structural model* defines relations among the unobserved variables, specifying the manner by which particular latent variables directly or indirectly influence (i.e. “cause”) changes in the values of certain other latent variables in the model.

The advances of separating the measurement model from the structural model for analysis over simultaneous assessment of the two models have been well articulated by Anderson and Gerbing (1988) and Hunter and Gerbing (1982). These include the ability to pinpoint model misspecification and the opportunity to minimize the potential of interpretational confounding²³ (Anderson and Gerbing, 1988, p. 418). The practice is also well accepted in the marketing literature (e.g. Li and Cantalone, 1998).

6.6.3.1. Measurement Model Analysis

Because (a) the research framework involves relations among only latent variables, and (b) the primary concern in working with a full research model is to assess the extent to which these relations are valid, it is critical that the measurement of each latent variable is psychometrically sound (Byrne, 2010). Thus, an important preliminary step in the analysis of

²³ Interpretational confounding refers to the assignment of other than the a priori assigned empirical meaning of an unobserved variable (Burt, 1976).

full latent variable models is to test first for the validity of the measurement model before making any attempt to evaluate the structural model.

Besides, one of the main goals of this large study was to finalize the Brand Orientation scale developed. Therefore, assessing the BO measurement model is indispensable in order to confirm its dimensionality, reliability and validity.

In order to evaluate all scales used in the study, structural equation modeling statistical methodology was used. In particular, a confirmatory factor analysis (CFA) was first conducted for each scale in order to assess its unidimensionality and convergent validity (e.g. Anderson and Gerbing, 1988; Bagozzi et al., 1991; Hair et al., 1998). In a subsequent step, the Cronbach's α , as well as the average variance extracted (AVE), was calculated for each construct, so as to evaluate its reliability and internal consistency. Finally, the average variance extracted (AVE) was also used to assess discriminant validity.

Unidimensionality and convergent validity are assessed based on the “goodness of fit” of the CFA to the data. More specifically all items must load significantly on their hypothesized latent construct, with factor loadings close to or greater than .70, and the measurement model must “fit” the data satisfactory (Hoyle, 1995). The most common fit index is the “chi-square” (χ^2) index, which should not be statistically significant. However, as Kenny (2011) states in his website, for models with more than 200 cases, as the present one, the chi square is almost always statistically significant. As Byrne (2010; p.150) notes, “Given the known sensitivity of this statistic to sample size, use of χ^2 index provides little guidance in determining the extent to which the model does or does not fits the data”. Moreover, because some researchers (e.g. Bagozzi and Heatherton, 1994) question the usefulness of the chi-square statistics in such models, it is considered more beneficial to rely on a number of other indices of fit (Hair et al., 1998; Byrne, 2010). For example, one of the most important fit

statistics that needs to be reported is the χ^2 /degrees of freedom ratio, as it addresses most of the problems associated with the χ^2 mentioned before. Ratios in the range of 2 to 5 are considered indicative of reasonable fit (Marsh and Hocevar, 1985). According to Netemeyer et al. (2003), the fit indices most frequently reported in literature and receiving a wide level of acceptance in recent years are a) goodness-of-fit index (**GFI**) that theoretically range from 0 – 1, but values closer to 1 (>.90) are indicative of better fit, b) the root-mean-square-of-approximation (**RMSEA**), where values of .08 and less have been advocated as indicative of acceptable fit, c) the comparative fit index (**CFI**) with acceptable levels of fit close to 1, notably .90 and above, and d) the Tucker Lewis index (**TLI**) with values close to .95 being indicative of good fit. Regarding convergent validity, the statistical significance of an item's loading and its magnitude have been referred to as the convergent validity of the item to the construct (Fornell and Larcker, 1981; Anderson and Gerbing, 1988).

Reliability and internal consistency of items in a scale are assessed based on Cronbach's α , which must exceeded the accepted threshold of .70 (Nunnally, 1978), and the average variance extracted (AVE). AVE is another internal consistency-based diagnostic that assesses the amount of variance captured by a set of items in a scale relative to measurement error. A rigorous level of .50 or above has been advocated for AVE (Fornell and Larcker, 1981).

Finally, discriminant validity is established for two factors if the average variance extracted (AVE) for those factors is greater than the square of the correlation between them (Fornell and Larcker, 1981).

6.6.3.2. Structural Model Analysis

Once it is known that the measurement model is operating adequately, one can then have more confidence in findings related to the assessment of the hypothesized structural model (Anderson and Gerbing, 1988). In other words, once the reliability and validity of all scales in the study is guaranteed, examining the causal relationships between the constructs of interest is in order. In this way, the *nomological validity* of the constructs is assessed, by testing the validity of all relationships depicted in the full latent variable model of the thesis. The validity of the Brand Orientation theory proposed is, therefore, evaluated.

In order to assess the hypothesized relationships, structural equation modeling (SEM) statistical methodology and, in particular, structural path analysis was employed. In this way, the direction, significance and magnitude of the hypothesized causal relationships is tested, and the validity of the nomological network is assessed. The fit indices described in the previous section are again used to evaluate whether the proposed structural model “fits” the data well.

However, apart from structural equation modeling which was conducted using AMOS 18 statistical software, several other multivariate analyses were employed in order to test additional effects (e.g. moderation effect). Those analyses were mainly conducted using SPSS 18 statistical software.

All empirical analyses conducted are presented in detail in the following chapter.

CHAPTER 7

EMPIRICAL ANALYSIS

« A good decision is based on knowledge and not on numbers. »

Plato

7.1. INTRODUCTION

The previous chapter presented in detail the design of the final and large quantitative study of the thesis, which was conducted in order to provide corroborative evidence of the Brand Orientation scale and theory. The present chapter describes the empirical analyses conducted on the data acquired and presents the respective results, satisfying the research goals of the study.

More specifically, Section 2 evaluates the measurement model of the Brand Orientation scale developed, as well as of all other established scales used in the research instrument. As explained before, ensuring that the measurement of each construct is psychometrically sound is necessary before evaluating the structural path model and assessing all causal relationships between the constructs in the research framework. After making sure that the measurement model is operating adequately, one can then more confidently proceed to the evaluation of the hypothesized structural model (Anderson and Gerbing, 1988). Therefore, Section 3 assesses the structural path model, testing the validity of the proposed antecedents and consequences of Brand Orientation and, in sum, the validity of the proposed Brand Orientation theory. Finally, Section 4 presents the dominant profile of companies which exhibit a high degree of Brand Orientation, in terms of size, age, type of ownership and sector.

7.2. Measurement Model Assessment

The present section presents the results of the confirmatory factor analyses (CFA) conducted in order to assess – confirm the reliability and validity of all measurement scales used in the study. First, the newly developed scales measuring the four building blocks of Brand Orientation, namely BOA, BDO, IBO and EBO, are evaluated and finalized. After all, the finalization of the BO scale through a large study in relevant population in order to assess the various types of validity and establish norms, consists the fourth and final step of the recommended scale development process presented in the fifth chapter. Next, the partial BO aggregation model containing all four facets of brand orientation is tested, so as to assess the 3rd order hierarchical structure of the entire Brand Orientation Scale (Bagozzi and Edwards, 1998). Finally, all other measurement scales used in the questionnaire are evaluated, in order for the full measurement model of the thesis to be tested. As a result, the necessary confidence for the assessment, in a subsequent step, of the structural model is provided.

7.2.1. BRAND ORIENTATION BUILDING BLOCKS

7.2.1.1. Brand Orientation as Attitude – BOA

The results of the first-order CFA conducted indicate that the observed data fit the hypothesized BOA measurement model well.

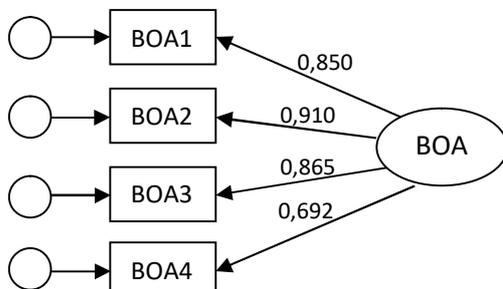
In particular, as shown in the following diagrams and tables, the unidimensionality, reliability and validity of the new “Brand Orientation as Attitude” construct is confirmed.

Fit Indices for BOA measurement model	
χ^2 (p-value)	5,193 (0,075)
degrees of freedom (df)	2
χ^2/df	2,6
CFI	0,995
TLI	0,985
GFI	0,989
RMSEA	0,081

Brand Orientation as Attitude			
Items		Regression Weights	Critical Ratio (CR)
BOA1	For us a brand is much more than just a name and a logo.	1,000***	—
BOA2	In our organization, we believe that branding is one of the most important ways to acquire and maintain a good market position.	1,111***	18,092
BOA3	Branding is a top priority in our company.	0,956***	16,907
BOA4	Our brands provide, in large, the reason for the existence of our company.	1,139***	12,092

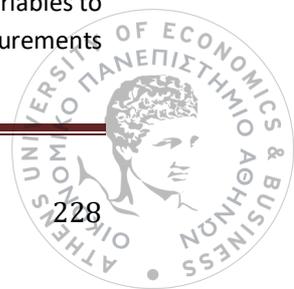
***Significant at the 0,001 level (two-tailed).

BOA Measurement Model with Standardized Regression Weights²⁴



AVE	0,694
Cronbach's a	0,894

²⁴ Following the convention established in the literature for confirmatory factor analysis (CFA) models, latent variables are drawn as ellipses, measurements are depicted as boxes, the arrows connecting latent variables to measurements stand for factor loadings, and arrows without origin and terminating at the measurements reflect disturbances.



Based on the model fit statistics presented above, no respecification of the BOA measurement model is needed, as all fit indices are good. The hypothesized unidimensionality of the construct is completely supported. Moreover, the loadings of items on the BOA factor are all positive, high in magnitude and statistically significant. These findings indicate that the measurement model has strong convergent validity (Anderson, 1987; Anderson and Gerbing, 1988). As far as internal consistency and reliability of the model is concerned, both average variance extracted (AVE) and Cronbach's α values exceed the thresholds of 0,5 (Hair et al., 1998) and 0,7 (Nunnally, 1978) respectively. Discriminant validity of the BOA construct will be examined at the end of this section (see table 7.2.), as the correlations of BOA with all other constructs are needed for its assessment.

7.2.1.2. Brand Development Orientation – BDO

The results of the second-order CFA conducted indicate that the observed data fit the hypothesized BDO measurement model well.

In particular, as shown in the following diagrams and tables, the dimensionality, reliability and validity of the new “Brand Development Orientation” construct is confirmed.

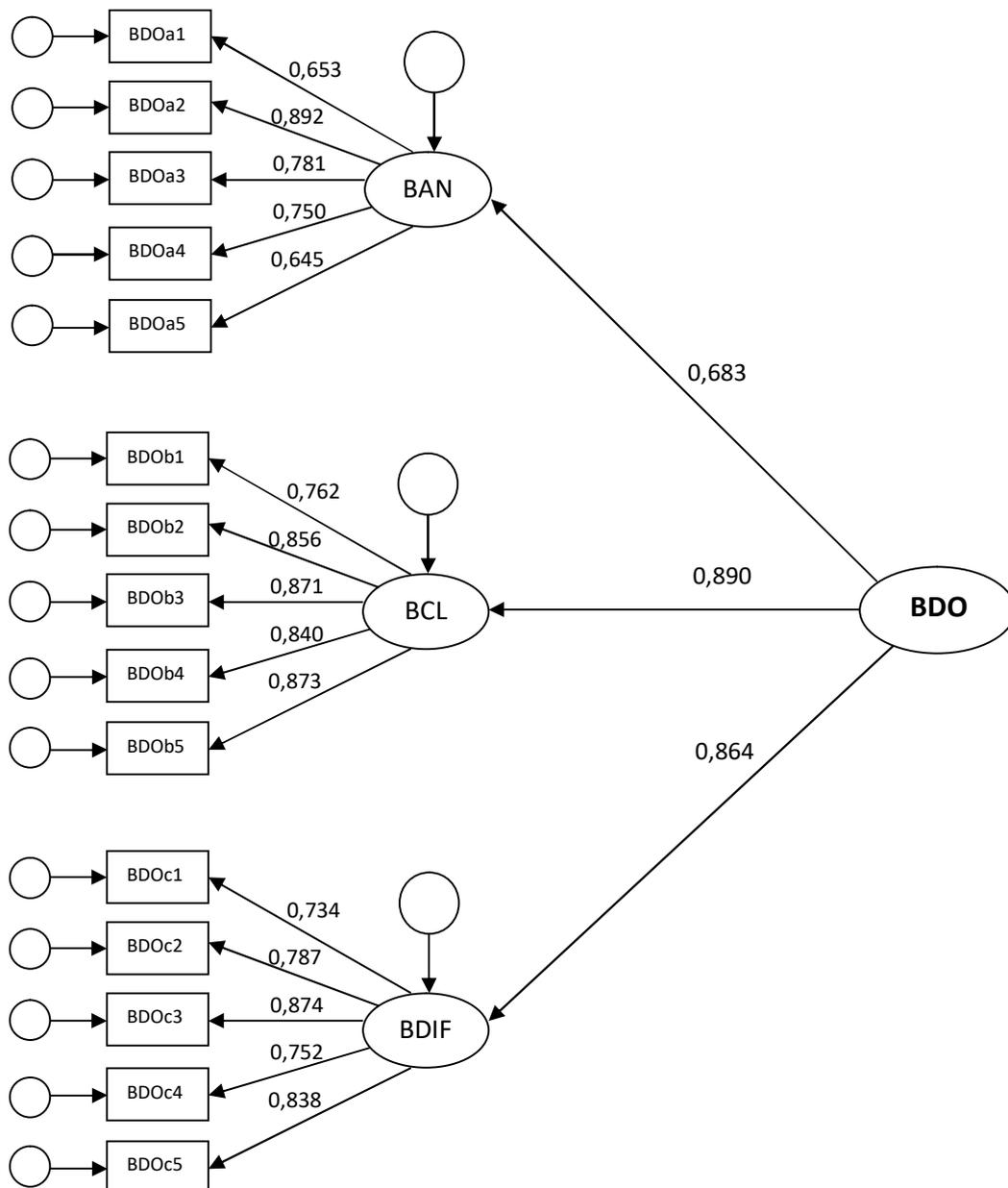
Fit Indices for BDO measurement model	
χ^2 (p-value)	180,2 (0,000)
degrees of freedom (df)	87
χ^2/df	2,071
CFI	0,962
TLI	0,954
GFI	0,907
RMSEA	0,067

Brand Development Orientation				
			Regression Weights	Critical Ratio (CR)
	Factors	Construct		
BAN	Brand Analysis	BDO	0,534***	8,118
BCL	Brand Clarity		0,699***	11,260
BDIF	Brand Differentiation		0,888***	10,573
	Items	Factor		
BDOa1	Our company’s vision defines in large our brands’ positioning selection.	Brand Analysis	1,000***	—
BDOa2	We take into serious account our brands’ strengths and weaknesses before selecting their positioning.		1,238***	11,225
BDOa3	Before we develop strategies for our brands we identify the strengths and weaknesses of our competitors’ brands.		1,272***	10,276
BDOa4	In developing our brands, we study the customer trends (e.g. motivations, unmet needs, distinct market-customer segments).		1,102***	9,947
BDOa5	In selecting our brands’ positioning, we take into account customers’ perceptions of our company.		1,071***	8,781
BDOb1	Our brands’ values are clearly defined.	Brand Clarity	1,000***	—
BDOb2	Customers have well established clear associations regarding our brands.		1,270***	14,210
BDOb3	One can easily understand our brand positioning.		1,264***	14,511
BDOb4	Clear associations are formed regarding our brands, by simply mentioning their name.		1,332***	13,902
BDOb5	Our brands’ positioning can be easily communicated to the target audience.		1,358***	14,549

BDOc1	Our customers are willing to pay a price premium in order to acquire our brands.	Brand Differentiation	1,000***	—
BDOc2	Our brands' positioning differentiates them from competition, establishing competitive superiority.		1,015***	12,109
BDOc3	Our brands have a special meaning for our customers.		0,971***	13,493
BDOc4	Customers can easily identify how our brands differ from competitive ones.		0,905***	11,542
BDOc5	Our customers identify our brands with distinct competitive advantages.		0,924***	12,933

***Significant at the 0,001 level (two-tailed).

BDO Measurement Model with Standardized Regression Weights



AVE	
Brand Analysis	0,562
Brand Clarity	0,707
Brand Differentiation	0,638
Cronbach's a	
Brand Analysis	0,858
Brand Clarity	0,922
Brand Differentiation	0,893

Factor Correlations²⁵			
BAN	↔	BCL	0,608
BCL	↔	DIF	0,769
BDIF	↔	BAN	0,590

Fornell and Larcker test for discriminant validity		Squared Correlations	
<i>Factor</i>	AVE	1	2
1. BAN	0,562		
2. BCL	0,707	0,369	
3. BDIF	0,638	0,348	0,591

Based on the model fit statistics presented above, no respecification of the BDO measurement model is needed, as all fit indices are good. The hypothesized factor structure of the construct is completely supported. Moreover, the loadings of items on each factor are all positive, high in magnitude and statistically significant. These findings indicate that the measurement model has strong convergent validity (Anderson, 1987; Anderson and Gerbing, 1988). As far as internal consistency and reliability of the model is concerned, both average variance extracted (AVE) and Cronbach's a values for all factors exceed the thresholds of 0,5 (Hair et al., 1998) and 0,7 (Nunnally, 1978) respectively. Based on Fornell and Larcker's (1981) suggestion, we found that the average variance extracted by the measure of each factor is larger than the squared correlation of that factor's measure with all measures of other factors in the model. Thus, the factors exhibit discriminant validity (Fornell and Larcker, 1981).

²⁵ All factor correlations in this section are calculated by modelling the constructs as first-order models and allowing factors (unobserved variables) to freely intercorrelate.

7.2.1.3. Internal Brand Orientation – IBO

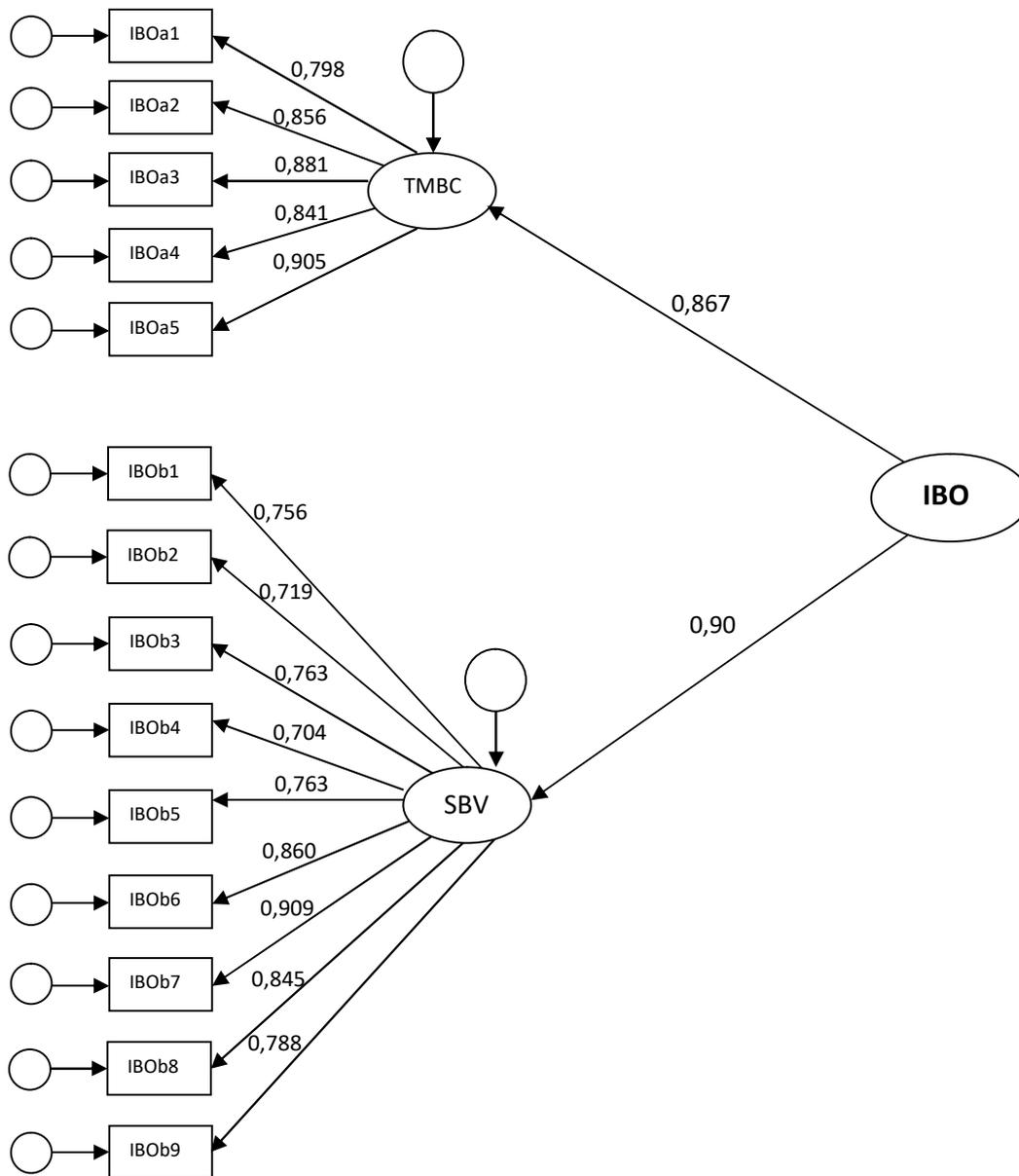
The fit indices' results of the second-order CFA conducted indicated a marginally acceptable fit of the observed data to the hypothesized IBO measurement model. In particular, the values of some fit indices were good (χ^2/df , CFI, TLI), whereas the values of GFI and RMSEA were marginal. Examining the modification indices in the output, it was evident that the item *“Our top management makes sure the necessary systems and processes are in place to support brand-driven decisions”* caused this marginal misfit, as modifications related to this item (i.e. error covariances) could lead to significant reduction in the χ^2 value. In order to avoid setting error covariances that do not constitute an acceptable practice (Joreskog, 1993), it was decided to drop the specific item, causing a significant reduction in χ^2 and improvement of fit. After all, the respective dimension of Top Management Brand Commitment could be effectively captured by the remaining five items. Besides, given the reflective nature of the scale, exclusion of an item does not alter the measure (Jarvis et al., 2003). After the deletion of the aforementioned item, a new second-order CFA was conducted and the observed data fitted the slightly modified IBO measurement model well. In particular, as shown in the following diagrams and tables, the dimensionality, reliability and validity of the new *“Internal brand Orientation”* construct is confirmed.

Fit Indices for IBO measurement model	
χ^2 (p-value)	249,2 (0,000)
degrees of freedom (df)	89
χ^2/df	2,8
CFI	0,949
TLI	0,94
GFI	0,847
RMSEA	0,86

Fit Indices for IBO measurement model	
χ^2 (p-value)	189,4 (0,000)
degrees of freedom (df)	76
χ^2/df	2,49
CFI	0,959
TLI	0,951
GFI	0,907
RMSEA	0,079

Internal Brand Orientation				
			Regression Weights	Critical Ratio (CR)
	Factors	Construct		
TMBC	Top Management Brand Commitment	IBO	0,728***	11,919
SBV	Shared Brand Values		0,910***	11,671
	Items	Factor		
IBOa1	Our top management is actively involved in the brand building efforts.	Top Management Brand Commitment	1,000***	—
IBOa2	Our senior managers work across the organization to ensure enthusiasm in delivering the brands' values.		1,362***	15,412
IBOa3	Top management seems particularly interested in issues that relate with the building and maintenance of our brands.		1,264***	16,067
IBOa4	Our senior managers are the firsts to deliver the brand's promise in an honest way.		1,126***	15,030
IBOa5	Top management considers issues regarding our brands as being of high priority.		1,248***	16,692
IBOb1	Our brands' values are absolutely clear to all employees and partners of our company.	Shared Brand Values	1,000***	—
IBOb2	Our brands' values define in large our staff recruitment selection criteria.		1,113***	11,632
IBOb3	All our employees feel proud of our brands.		1,067***	12,444
IBOb4	Entry employees are provided with the necessary information (e.g. through manuals, videos) that clearly describe our brands' values.		1,276***	11,362
IBOb5	Exemplar brand behavior is acknowledged and rewarded (e.g. salary increase, promotion).		1,186***	12,460
IBOb6	Employees' behaviors are aligned with our brands' values.		1,237***	14,344
IBOb7	All employees are passionate advocates of our brands.		1,290***	15,337
IBOb8	Everyone in our company has clearly communicated authority and responsibilities regarding our brands.		0,264***	14,051
IBOb9	All employees feel that their future in the company is utterly attached with that of our brands.		0,189***	12,924
***Significant at the 0,001 level (two-tailed).				

IBO Measurement Model with Standardized Regression Weights



AVE	
Top Management Brand Commitment	0,734
Shared Brand Values	0,628
Cronbach's a	
Top Management Brand Commitment	0,931
Shared Brand Values	0,935

Factor Correlations			
TMBC	↔	SBV	0,788

Fornell and Larcker test for discriminant validity		Squared Correlations
Factor	AVE	1
1. TMBC	0,734	
2. SBV	0,628	0,621

Based on the model fit statistics presented above, no further respecification of the IBO measurement model is needed, as all fit indices are good. The hypothesized factor structure of the construct is supported. Moreover, the loadings of items on each factor are all positive, high in magnitude and statistically significant. These findings indicate that the measurement model has strong convergent validity (Anderson, 1987; Anderson and Gerbing, 1988). As far as internal consistency and reliability of the model is concerned, both average variance extracted (AVE) and Cronbach's a values for all factors exceed the thresholds of 0,5 (Hair et al., 1998) and 0,7 (Nunnally, 1978) respectively. Based on Fornell and Larcker's (1981) suggestion, we found that the average variance extracted by the measure of each factor is larger than the squared correlation of that factor's measure with the other factor in the model. Thus, the factors exhibit discriminant validity (Fornell and Larcker, 1981).

7.2.1.4. External Brand Orientation – EBO

The results of the second-order CFA conducted indicate that the hypothesized EBO measurement model demonstrates a reasonable fit to the data. The only marginal value is that of the GFI fit index. However, in reviewing the modification indices table, there are no significant and meaningful MIs suggested. Therefore, on the basis of the AMOS MIs, there was no rationale for any further model fitting. After all, as MacCallum et al. (1992; p. 501) cautioned, “when an initial model fits well, it is probably unwise to modify it to achieve even better fit because modifications may simply be fitting small idiosyncratic characteristics of the sample”. As presented below, the dimensionality, reliability and validity of the new “External Brand Orientation” construct is confirmed.

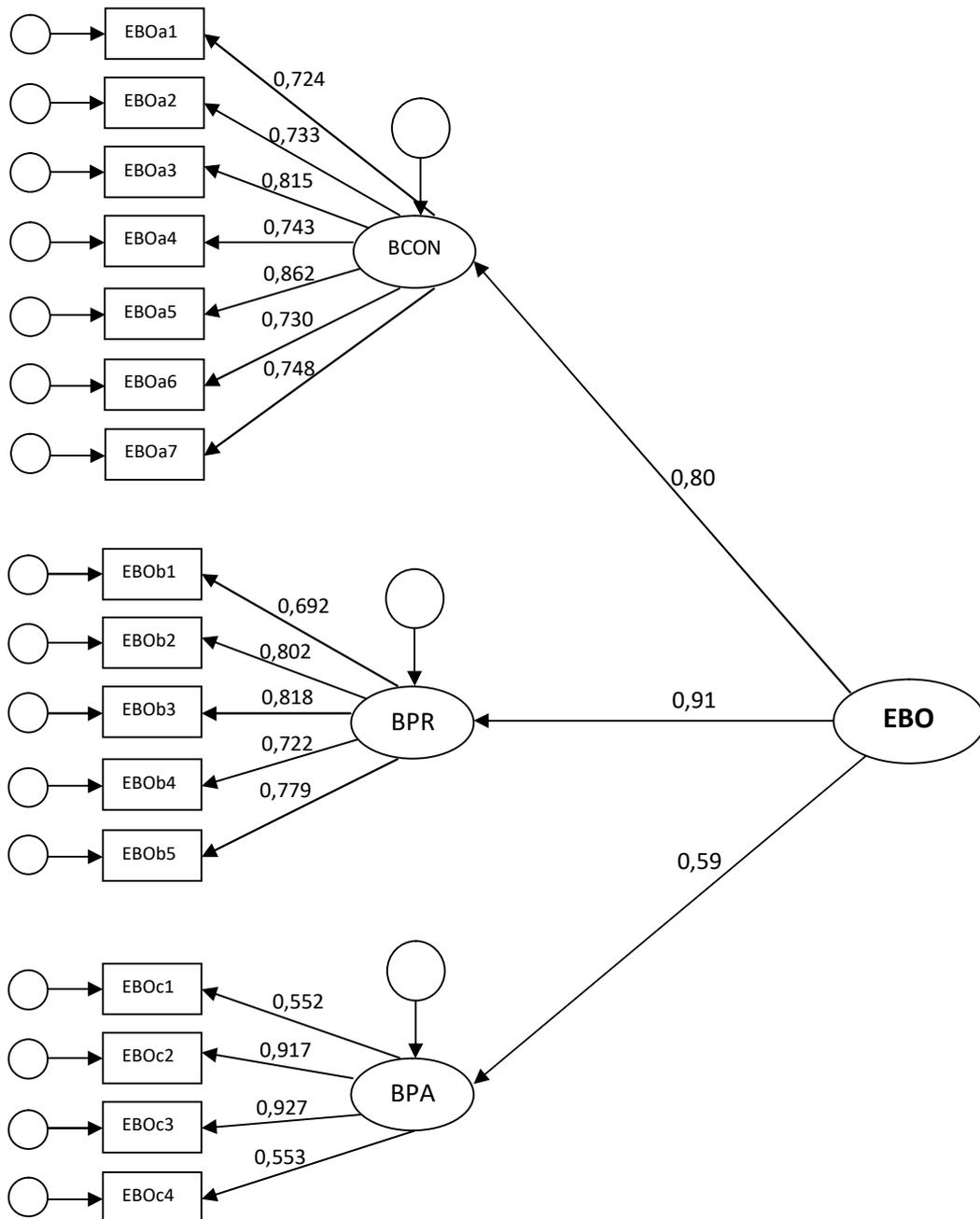
Fit Indices for EBO measurement model	
χ^2 (p-value)	253,3 (0,000)
degrees of freedom (df)	101
χ^2/df	2,508
CFI	0,937
TLI	0,925
GFI	0,885
RMSEA	0,079

External Brand Orientation				
			Regression Weights	Critical Ratio (CR)
	Factors	Construct		
BCON	Brand Consistency	EBO	0,621***	9,896
BPR	Brand Protection		0,773***	10,999
BPA	Brand Performance Assessment		0,562***	4,826
	Items	Factor		
EBOa1	We make sure our brands’ image does not get muddled with conflicting marketing messages.	Brand Consistency	1,000***	—
EBOa2	Anything that may affect our brands’ image (e.g. above and below the line activities, packaging) is aligned with their positioning.		1,126***	11,145
EBOa3	All our marketing activities (e.g. distribution, promotion) are constantly coordinated so that a unified image regarding our brands is given to our customers.		1,125***	12,430
EBOa4	We seek for customers that are able to successfully support our brands’ values.		1,158***	11,308
EBOa5	One can identify our brands’ values in every marketing activity we do.		1,165***	13,156
EBOa6	No matter what changes are taking place in our firm, our brands and their values remain		0,985***	11,101



	constant.			
EBOa7	Even when we are really stressed about sales and numbers, we do not proceed to activities that may endanger our brand's image.		1,339***	11,383
EBOb1	We keep investing in our brands, even when they have a good market standing.	Brand Protection	1,000***	—
EBOb2	In our brands' marketing programs, special attention is given to long-term goals (e.g. image and reputation enhancement, awareness increase).		1,322***	11,375
EBOb3	Before making any change in our organizational strategy, we take into serious account the effect it may have on our brands.		1,325***	11,577
EBOb4	We always pay attention to how our different brands link to each other.		1,132***	10,329
EBOb5	Every strategy regarding our brands' leverage (e.g. brand or line extension) is designed in a way that protects and enhances the parent brand.		1,232***	11,079
EBOc1	If only a small part of the target market embraces our brands, we seriously consider altering their image.	Brand Performance Assessment	1,000***	—
BDOc2	We run market studies on a frequent basis to define where we have to refine or redirect our brand building efforts.		3,489***	5,615
BDOc3	We use market research in order to identify any gaps between our customers' brand perceptions and those of ourselves.		3,615***	5,618
BDOc4	We have a continuous system in place to monitor our employees' perceptions regarding our brands.		2,053***	4,944
***Significant at the 0,001 level (two-tailed).				

EBO Measurement Model with Standardized Regression Weights



AVE	
Brand Consistency	0,586
Brand Protection	0,584
Brand Performance Assessment	0,577
Cronbach's a	
Brand Consistency	0,904
Brand Protection	0,874
Brand Performance Assessment	0,80

Factor Correlations			
BCON	↔	BPR	0,737
BPR	↔	BPA	0,617
BPA	↔	BCON	0,476

Fornell and Larcker test for discriminant validity		Squared Correlations	
Factor	AVE	1	2
1. BCON	0,586		
2. BPR	0,584	0,543	
3. BPA	0,577	0,226	0,38

Based on the model fit statistics presented above, no respecification of the EBO measurement model is needed, as all fit indices are good. The hypothesized factor structure of the construct is completely supported. Moreover, the loadings of items on each factor are all positive, high in magnitude and statistically significant. These findings indicate that the measurement model has strong convergent validity (Anderson, 1987; Anderson and Gerbing, 1988). As far as internal consistency and reliability of the model is concerned, both average variance extracted (AVE) and Cronbach's a values for all factors exceed the thresholds of 0,5 (Hair et al., 1998) and 0,7 (Nunnally, 1978) respectively. Based on Fornell and Larcker's (1981) suggestion, we found that the average variance extracted by the measure of each factor is larger than the squared correlation of that factor's measure with all measures of other factors in the model. Thus, the factors exhibit discriminant validity (Fornell and Larcker, 1981).

7.2.1.5. Discriminant validity among all BO dimensions

Discriminant validity should be also established between all dimensions of Brand Orientation, regardless of the BO building block they belong to. For this purpose, factor correlations between all dimensions were estimated²⁶ (Table 7.1) and, in a subsequent step

²⁶ Factor correlations were estimated by modelling BO building blocks in pairs as first order factors, where all factors in the model were allowed to freely intercorrelate. Fit indices of all models were good, allowing us to report the factor correlations calculated.

(Table 7.2), the square of these correlations was used to assess discriminant validity based on Fornell and Larcker's test (1981).

	BOA	BAN	BCL	BDIF	TMBC	SBV	BCON	BPR	BPA
BOA	1								
BAN	0,524	1							
BCL	0,587	0,608	1						
BDIF	0,576	0,590	0,769	1					
TMBC	0,717	0,592	0,632	0,649	1				
SBV	0,568	0,554	0,659	0,698	0,788	1			
BCON	0,643	0,654	0,669	0,665	0,696	0,722	1		
BPR	0,695	0,670	0,632	0,651	0,757	0,738	0,737	1	
BPA	0,401	0,531	0,387	0,405	0,406	0,472	0,476	0,617	1

Note: All correlations are significant at the 0,001 level

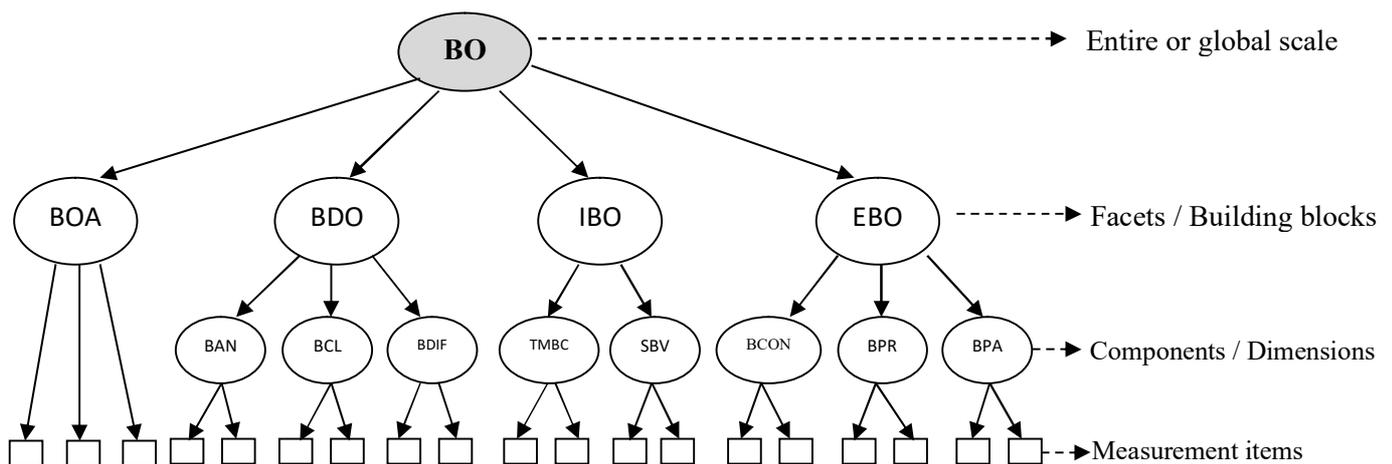
Fornell and Larcker test for discriminant validity		Squared Correlations								
Factor	AVE	BOA	BAN	BCL	BDIF	TMBC	SBV	BCON	BPR	BPA
BOA	0,694	1								
BAN	0,562	0,275	1							
BCL	0,707	0,344	0,369	1						
BDIF	0,638	0,332	0,348	0,591	1					
TMBC	0,734	0,514	0,35	0,399	0,421	1				
SBV	0,628	0,323	0,554	0,434	0,487	0,621	1			
BCON	0,586	0,413	0,307	0,447	0,442	0,484	0,521	1		
BPR	0,584	0,483	0,448	0,399	0,423	0,573	0,544	0,543	1	
BPA	0,577	0,16	0,282	0,149	0,164	0,165	0,223	0,226	0,38	1

As shown in the table above, all BO factors exhibit discriminant validity. In particular, the average variance extracted (AVE) by the measure of each factor is larger than the squared correlation of that factor with all factors of BO (Fornell and Larcker, 1981).

7.2.2. BRAND ORIENTATION ENTIRE SCALE

As presented in the preceding chapters, Brand Orientation is conceptualized and, as a consequence, operationalized as a hierarchically arranged construct, with BOA, BDO, IBO and EBO operating as its facets – building blocks. Each of the BO facets, except for the BOA which is unidimensional, comprises of two or more components, which constitute the dimensions of Brand Orientation. In other words, for such complex and hierarchical constructs as the BO, it is useful to think of items creating components, components forming facets, and facets composing the entire or global scale (Figure 7.1.).

Figure 7.1.
The Entire BO Scale



Each facet / building block of Brand Orientation was extensively evaluated in the previous section. More specifically, each BO facet was examined in terms of dimensionality, reliability and validity under a **total disaggregation model** (Bagozzi and Edwards, 1998). In a total disaggregation model, each component is shown as a first-order factor with the respective measurement items directly connected to it. Such a model provides the most detailed level of analysis, allows the evaluation of the statistical properties for each individual item, and tests the distinctiveness of multiple components. In other words, the total

disaggregation model was necessary for the evaluation of the psychometric properties of the newly developed scales of the four BO facets (BOA, BDO, IBO, EBO).

In this section, the entire BO scale is evaluated. In order to examine its hierarchical (3rd order) structure, it is meaningful to examine the scale at a different degree of construct depth²⁷ (e.g. Gati, 1991; Bagozzi and Edwards, 1998). In particular, the **partial aggregation model** of the entire BO scale will be evaluated through a confirmatory second-order factor analysis. *“When all items of a component are aggregated (i.e. summed or averaged) and the aggregations serve as indicators of a factor, itself defined as a facet accounting for two or more components, we term this the partial aggregation model”* (Bagozzi and Edwards, 1998; p. 49). In the case of the entire BO scale, as shown in the following partial aggregation model, Brand Orientation represents a second-order factor, comprising of four first-order factors which constitute its facets / building blocks. In the cases where the building blocks have themselves more than one components (i.e. BDO, IBO, EBO), each indicator is an aggregation (i.e. the average) of the items measuring the respective component. In this way, by loading components together on a single factor, and introducing higher order facets, it is possible to investigate constructs at an entire / global level (Bagozzi and Edwards, 1998) and test their hypothesized hierarchical structure.

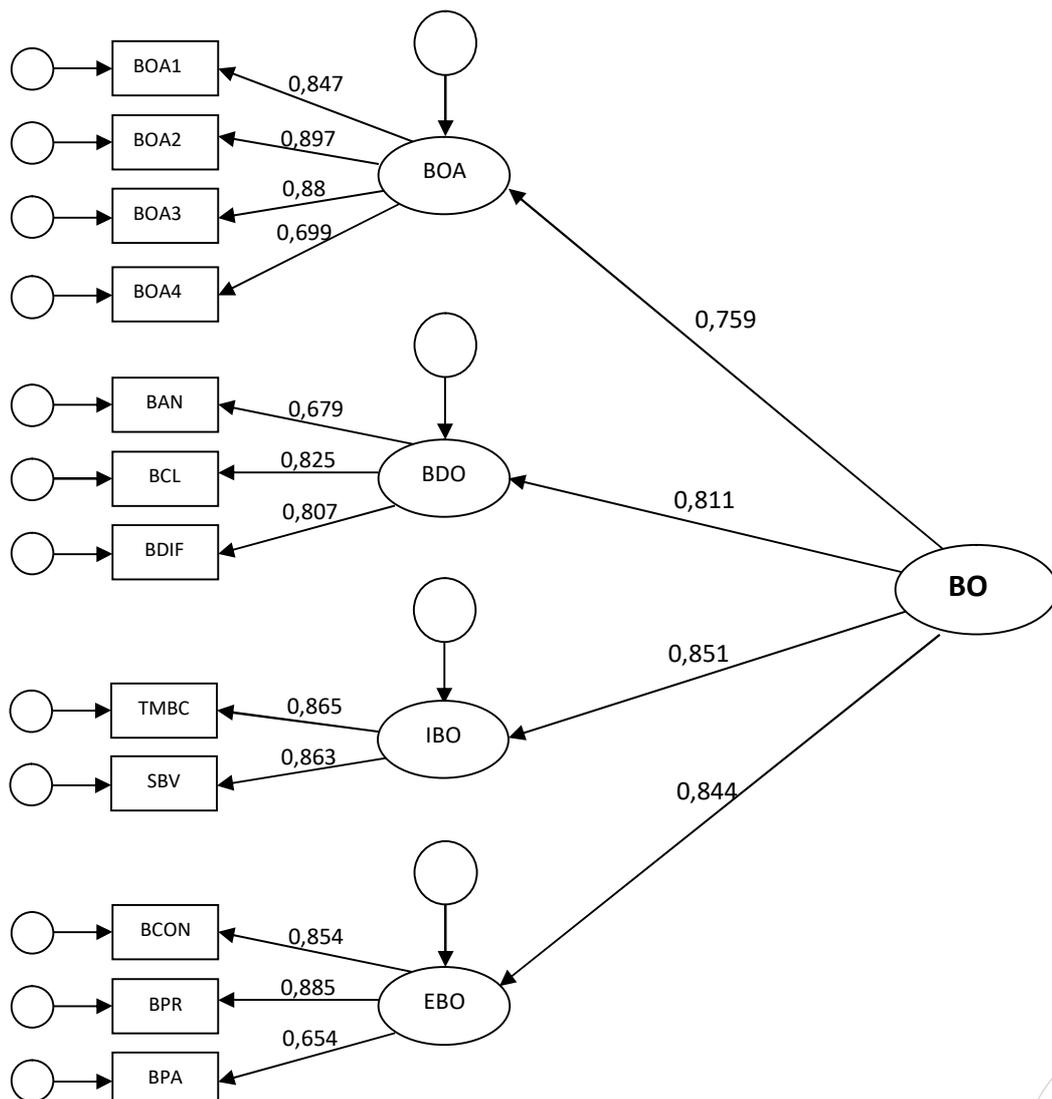
Of central interest in the assessment of such a model are the model fit indices, since they provide evidence of whether the hypothesized hierarchical structure of the entire BO scale fits the data well and can, therefore, be confirmed. The results of the second-order CFA conducted indicate that the hypothesized higher order partial aggregation model exhibits a reasonable fit to the data.

²⁷ By construct depth, we refer to the specificity versus generality of a construct and its associated operationalizations. Specific operationalizations are often individual items phrased in narrow terms, whereas general operationalizations might represent items worded in broad terms or aggregates of more specific items (Bagozzi and Edwards, 1998).

The only marginal value is that of the RMSEA index. However, based on the fact that a) all other fit indices that have good values, b) MacCallum et al. (1996) suggested that RMSEA values ranging from .08 - .10 indicate an acceptable fit and c) in reviewing the modification indices table, there are no significant and meaningful MIs suggested, the model is considered to exhibit an adequate fit to the data. Therefore, the hierarchical structure of the entire BO scale is confirmed. The following diagram presents the partial aggregation model with standardized factor loadings.

Fit Indices for BO partial aggregation model	
χ^2 (p-value)	146,4 (0,000)
degrees of freedom (df)	50
χ^2/df	2,93
CFI	0,953
TLI	0,938
GFI	0,911
RMSEA	0,089

BO Partial Aggregation Model with Standardized Regression Weights



The hypothesized hierarchical structure of the integrated BO construct is completely supported. Moreover, the loadings of indicators (i.e. the average of the items measuring the respective components) on each factor / facet are all positive, high in magnitude and statistically significant. These findings indicate that the measurement model has strong convergent validity (Anderson, 1987; Anderson and Gerbing, 1988). When working with multidimensional, hierarchically organized constructs, as in the case here, it is difficult to establish discriminant validity with the traditional Fornell and Larcker's test (Mathwick et al., 2001). However, discriminant validity can be demonstrated by examining whether the estimated values for factor correlations are significantly different than 1,00 and by calculating confidence intervals (plus or minus two standard deviations) around the factor correlations. In our study, none of the confidence intervals surrounding the factor correlations contain the value of "1,00", therefore discriminant validity is suggested (Anderson and Gerbing, 1988; Bagozzi and Heatherton, 1994).

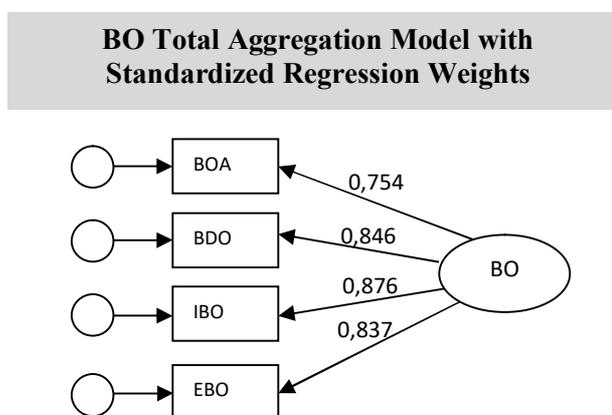
Factor Correlations				
	BOA	BDO	IBO	EBO
BOA	1			
BDO	0,685	1		
IBO	0,720	0,769	1	
EBO	0,721	0,758	0,796	1

It is worth noticing that the main disadvantage regarding the partial aggregation model is the fact that it obscures any distinctiveness among components within a facet. However, this disadvantage was addressed in this study by evaluating first the total disaggregation models for each facet / building block, as shown in the previous section.

Finally, it would be useful at this point to evaluate the **total aggregation model** of the entire BO scale, as this model will be used in the assessment of the BO structural model. More specifically, on occasion, one might desire abridge or condensed representations of a construct (Bagozzi and Edwards, 1998). This is usually the case when researchers want to test for the antecedents and/or consequences of multifaceted, hierarchical constructs. In such

structural model assessments, the complex construct must be represented as a total aggregation model, which is characterized by its simplicity and ability to capture the essence of the underlying meaning of a scale. In the total aggregation model of BO, each indicator is an aggregation (i.e. the average) of the components measuring the respective facets. In other words, each aggregated facet is an indicator of a single BO factor. Results indicated that the fit of the model was very good and, as a consequence, the total aggregation model can be used with confidence in the upcoming structural path analyses.

Fit Indices for BO total aggregation model	
χ^2 (p-value)	6,9 (0,141)
degrees of freedom (df)	4
χ^2/df	1,73
CFI	0,995
TLI	0,992
GFI	0,985
RMSEA	0,055



It is worth noticing that in all BO measurement models assessed, no error covariances are set, since it is considered a non-acceptable practice for achieving better fit. After all, the development of a reliable and valid BO scale constitutes the primary focus of this thesis and, therefore, the resultant BO measurement model should be plain of ambiguous practices. As Byrne (2010; p. 110) states, “Unquestionably, the specification of correlated error terms for purposes of achieving a better fitting model is not an acceptable practice”. As with other parameters, such specification must be supported by a strong substantive and/or empirical rational (Joreskog, 1993). However, such measurement error covariances usually represent systematic, rather than random, measurement error in item responses, as they may derive from characteristics specific to the items or to the respondents (Aish and Joreskog, 1990).

Finally it should be stated that the general strategic framework followed for testing the BO measurement models was a *strictly confirmatory* (SC) one. According to this framework, which is not commonly found in literature as it demands a purely theoretically driven and not a data-driven approach, the researcher postulates a single model based on theory, collects the appropriate data, and then tests the fit of the hypothesized model to the sample data (Joreskog, 1993). Based on the results of the test, the researcher either accepts or rejects the model, without making any modifications to it. The only exception in this study refers to the Internal Brand Orientation measurement model assessment, where an item of the scale had to be deleted in order to achieve a good fit (without error covariances). In this single case, which is called by Joreskog (1993) as *model generating* (MG), having postulated and rejected a theoretically derived model on the basis of its marginal fit to the sample data, we proceeded in an exploratory (rather than confirmatory) fashion to modify and reestimate the model. The primary focus, in that instance, was to locate the source of misfit in the model and to determine a new one that better describes the data and also maintains its theoretical meaningfulness. Although the model generating situation is the most common in model testing, it can receive serious criticism as it can be characterized as “data-driven”. However, in cases where no serious model modification takes place and the resultant model does not violate theory, it can be considered as an acceptable practice.

7.2.3. ESTABLISHED CONSTRUCTS OF THE STUDY

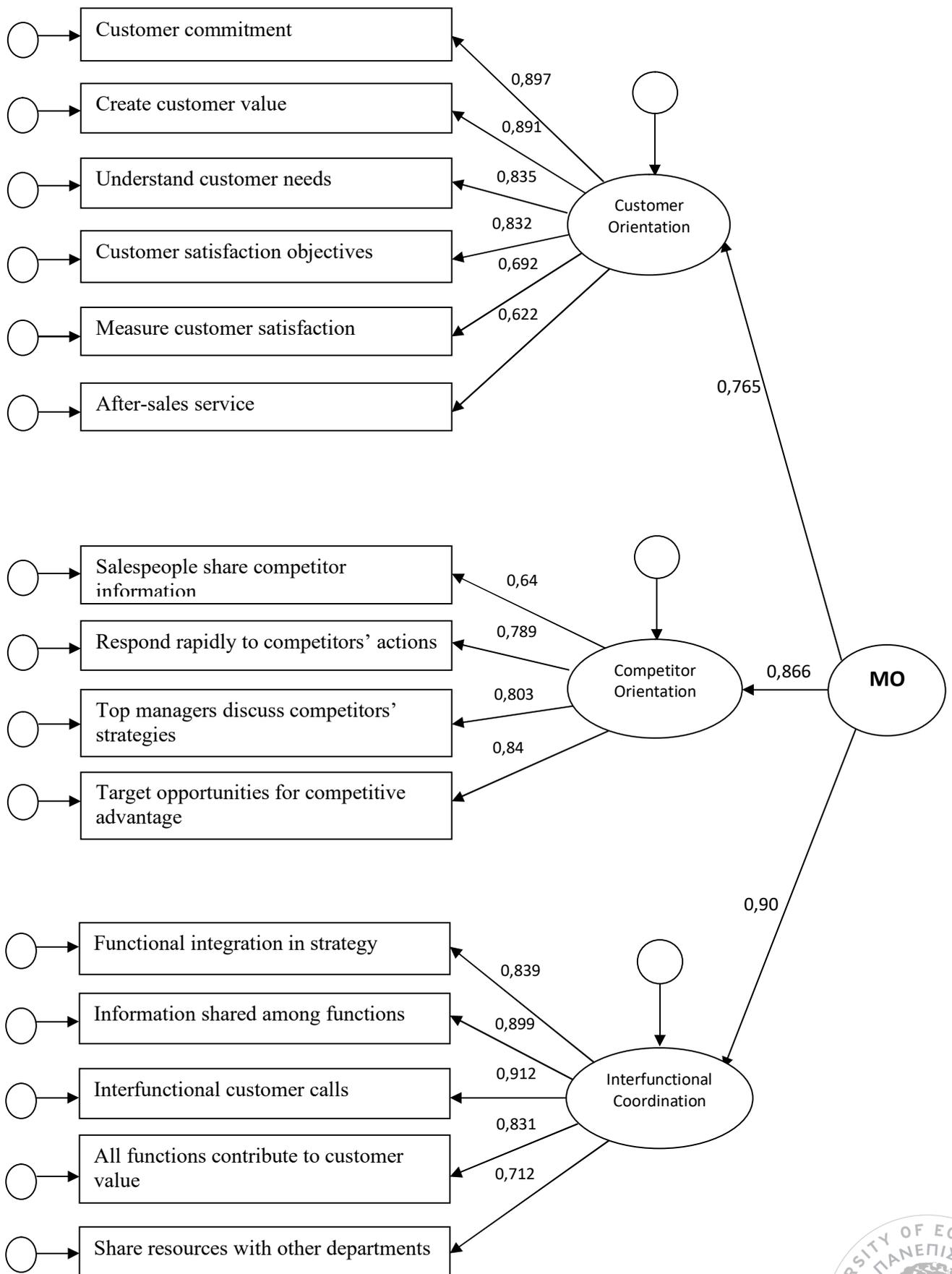
The two previous sections evaluated in detail the newly developed Brand Orientation scale. The results of the confirmatory factor analyses conducted were overall very satisfactory and the BO scale developed, along with the scales measuring its building blocks, exhibit high levels of reliability and validity. However, before proceeding to the structural model assessment in order to test the causal relationships of BO with its proposed antecedents and consequences, it is necessary to evaluate the measurement models of all other established scales depicted in the final BO research framework and used in the questionnaire of the study. Therefore, this section briefly presents the relevant CFA results.

7.2.3.1. Market Orientation based on Narver and Slater (1990)

The results of the second-order CFA conducted indicate that the MO measurement model (Narver and Slater, 1990) fits the observed data well. In particular, as shown in the following diagrams and tables, the dimensionality, reliability and validity of the Market Orientation construct is confirmed once more in the context of this study.

Fit Indices for MO (Narver and Slater, 1990) measurement model	
χ^2 (p-value)	218,06 (0,000)
degrees of freedom (df)	85
χ^2/df	2,56
CFI	0,952
TLI	0,94
GFI	0,90
RMSEA	0,081

MO (Narver and Slater, 1990) Measurement Model with Standardized Regression Weights



AVE	
Customer Orientation	0,642
Competitor Orientation	0,596
Interfunctional Coordination	0,708
Cronbach's a	
Customer Orientation	0,90
Competitor Orientation	0,846
Interfunctional Coordination	0,921

Factor Correlations			
CustOr	↔	CompOr	0,663
CompOr	↔	IntCoor	0,762
IntCoor	↔	CustOr	0,691

Fornell and Larcker test for discriminant validity		Squared Correlations	
Factor	AVE	1	2
1. CustOr	0,642		
2. CompOr	0,596	0,439	
3. IntCoor	0,708	0,477	0,58

Based on the model fit statistics presented above, no respecification of the MO measurement model is needed, as all fit indices are satisfactory. The hypothesized factor structure of the construct is supported. Moreover, the loadings of items on each factor are all positive, high in magnitude and statistically significant. These findings indicate that the measurement model has strong convergent validity (Anderson, 1987; Anderson and Gerbing, 1988). As far as internal consistency and reliability of the model is concerned, both average variance extracted (AVE) and Cronbach's a values for all factors exceed the thresholds of 0,5 (Hair et al., 1998) and 0,7 (Nunnally, 1978) respectively. Based on Fornell and Larcker's (1981) suggestion, we found that the average variance extracted by the measure of each factor is larger than the squared correlation of that factor's measure with the other factors in the model. Thus, the factors exhibit discriminant validity (Fornell and Larcker, 1981).

Moreover, given the fact that Brand Orientation, as explained in the preceding chapters, is conceptualized and operationalized as a totally distinct notion than Market Orientation, it would be useful to demonstrate whether BO exhibits the hypothesized discriminant validity from MO. For this purpose, factor correlations between all dimensions of BO with those of MO were estimated (Table 7.3) and, in a subsequent step (Table 7.4), the square of these correlations was used to assess discriminant validity based on Fornell and Larcker's test (1981).

Table 7.3.				
Factor correlations between BO and MO first order components				
		MO (Narver and Slater, 1990)		
		Customer Orientation	Competitor Orientation	Interfunctional Orientation
BO	BOA	0,550	0,571	0,539
	BAN	0,469	0,675	0,561
	BCL	0,534	0,525	0,586
	BDIF	0,528	0,518	0,601
	TMBC	0,622	0,657	0,706
	SBV	0,681	0,619	0,744
	BCON	0,709	0,662	0,651
	BPR	0,686	0,762	0,757
	BPA	0,351	0,527	0,471

Note: All correlations are significant at the 0,001 level

Table 7.4.					
Discriminant validity tests between all BO and MO first order components					
Fornell and Larcker test for discriminant validity					
<i>Factor</i>			Customer Orientation	Competitor Orientation	Interfunctional Orientation
	AVE		0,642	0,596	0,708
			Squared Correlations		
BOA	0,694	>	0,303	0,326	0,291
BAN	0,562	>	0,220	0,456	0,315
BCL	0,707	>	0,285	0,276	0,343
BDIF	0,638	>	0,279	0,268	0,361
TMBC	0,734	>	0,387	0,432	0,498
SBV	0,628	>	0,464	0,383	0,554
BCON	0,586	>	0,503	0,438	0,424
BPR	0,584	>	0,471	0,581	0,573
BPA	0,577	>	0,123	0,278	0,222

As shown in the table above, Brand Orientation constitutes a totally distinct notion than Market Orientation. In particular, the average variance extracted (AVE) by the measure of each BO factor is larger than the squared correlation of that factor with all factors of MO and vice versa (Fornell and Larcker, 1981).

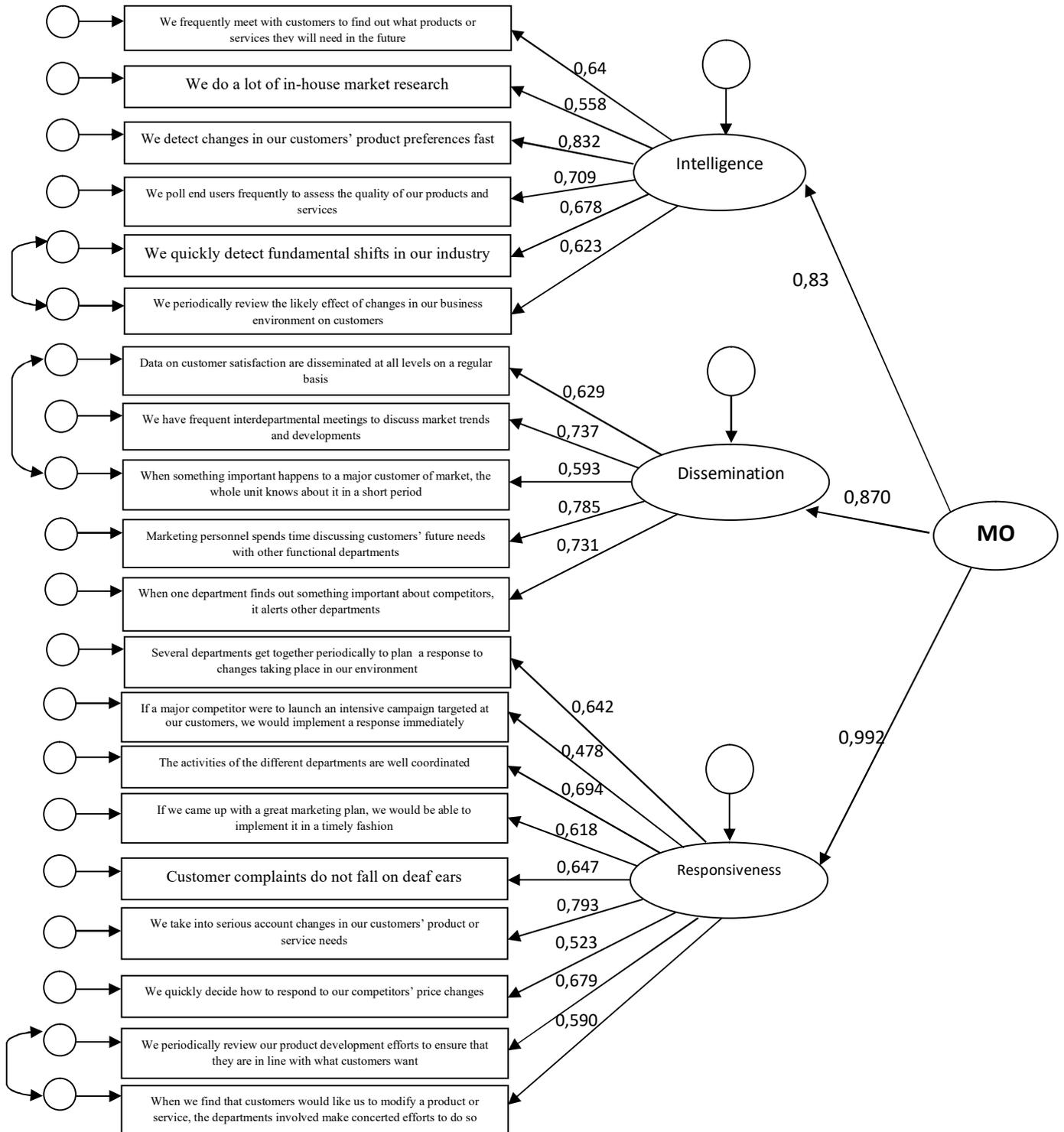
7.2.3.2. Market Orientation based on Kohli et al. (1993)

The results of the second-order CFA conducted indicate that the fit of the MO measurement model (Kohli et al., 1993) to the data is poor.

Fit Indices for MO (Kohli et al., 1993) measurement model	
χ^2 (p-value)	394,90 (0,000)
degrees of freedom (df)	167
χ^2/df	2,36
CFI	0,894
TLI	0,879
GFI	0,861
RMSEA	0,075

In order to achieve a better fit, the model had to be respecified. Based on modification indices, three error covariances had to be placed, as shown in the following diagram.

MO (Kohli et al., 1993) Measurement Model with Standardized Regression Weights



After the modifications made, the model fit was much better (χ^2 (p-value) = 311,17 (0,000), $df = 164$, $\chi^2/df = 1,9$, GFI = 0,886, CFI = 0,932, TLI = 0,921, RMSEA = 0,061). However, the average variance extracted (AVE) for all factors did not exceed the threshold of 0,5 suggested by Hair et al. (1998), affecting negatively the internal consistency, reliability and validity of the model. Therefore, as a) this thesis adopts the view that setting error covariance for achieving a better fit does not constitute an acceptable practice (Joreskog, 1993) and b) the MO measurement model (Kohli et al, 1993) exhibits problematic psychometric properties (e.g. AVE), it was decided to reject the specific model and use in all upcoming structural path analyses the Market Orientation measurement model of Narver and Slater (1990) presented earlier.

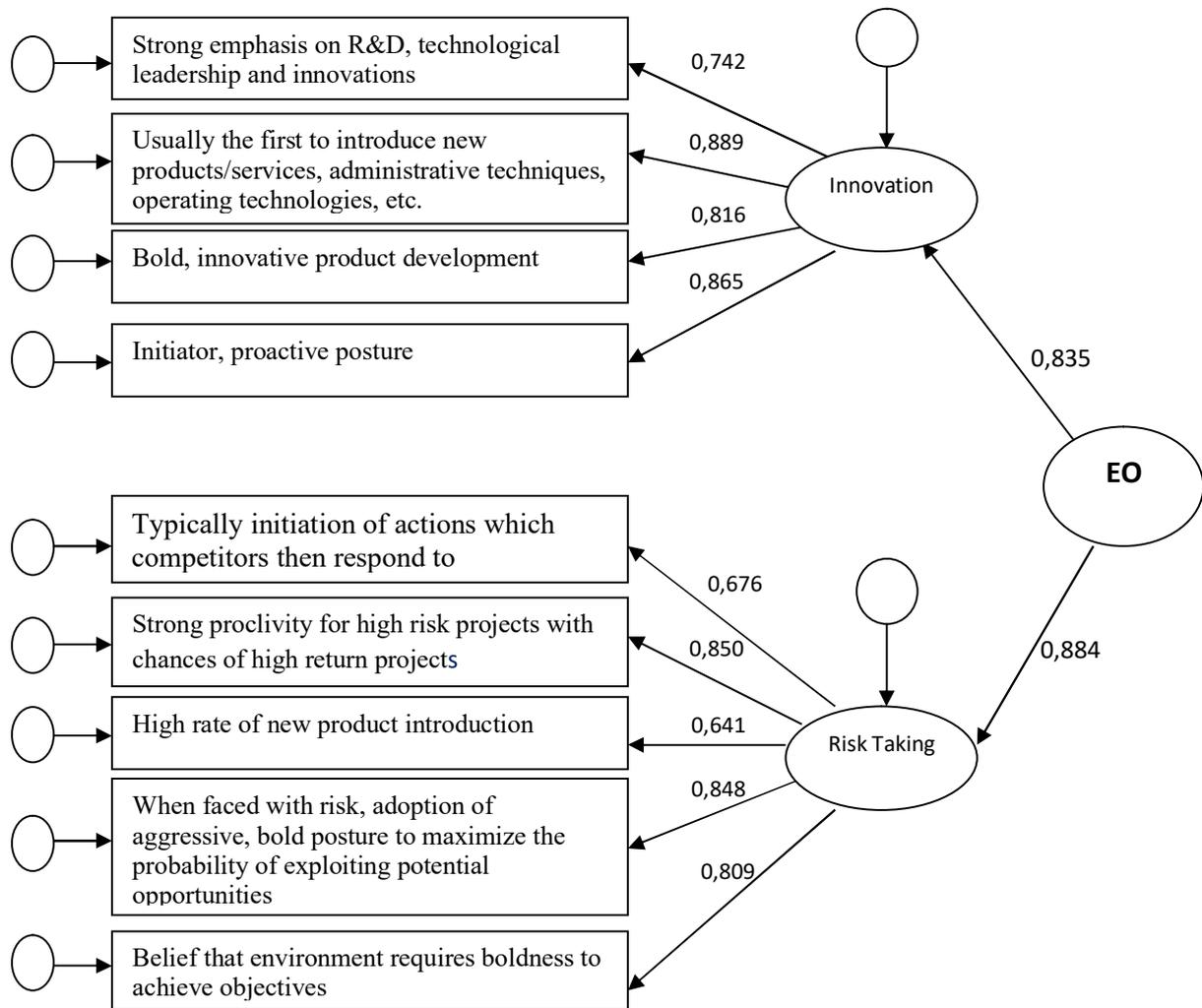
AVE	
Intelligence	0,46
Dissemination	0,497
Responsiveness	0,40
Cronbach's a	
Intelligence	0,829
Dissemination	0,831
Responsiveness	0,849

7.2.3.3. Entrepreneurial Orientation based on Covin and Slevin (1989)

The entrepreneurial orientation construct (EO) was usually treated in literature as having a single factor structure. However, by carefully examining the content of the nine items comprising the EO scale, it was considered substantially and theoretically justified to view the nine items as measuring two distinct factors underlying EO, namely innovation and risk taking. Indeed, the single factor model exhibited poor fit to the data (χ^2 (p-value) = 268,08 (0,000), $df = 27$, $\chi^2/df = 9,9$, GFI = 0,76, CFI = 0,827, TLI = 0,77, RMSEA = 0,192). On the other hand, the two factor solution suggested demonstrated a much better fit to the data, as shown in the relevant tables and diagrams.

Fit Indices for EO two-factor measurement model	
χ^2 (p-value)	100,24 (0,000)
degrees of freedom (df)	26
χ^2/df	3,85
CFI	0,947
TLI	0,926
GFI	0,92
RMSEA	0,091

EO Measurement Model with Standardized Regression Weights



AVE	
Innovation	0,689
Risk	0,593
Cronbach's a	
Innovation	0,896
Risk	0,87

Factor Correlations			
Innovation	↔	Risk	0,739

Fornell and Larcker test for discriminant validity		Squared Correlations
Factor	AVE	1
1. CustOr	0,689	
2. CompOr	0,593	0,546

Based on the model fit statistics of the two-factor model, the EO measurement model is satisfactory. The hypothesized factor structure of the construct is supported. Moreover, the loadings of items on each factor are all positive, high in magnitude and statistically

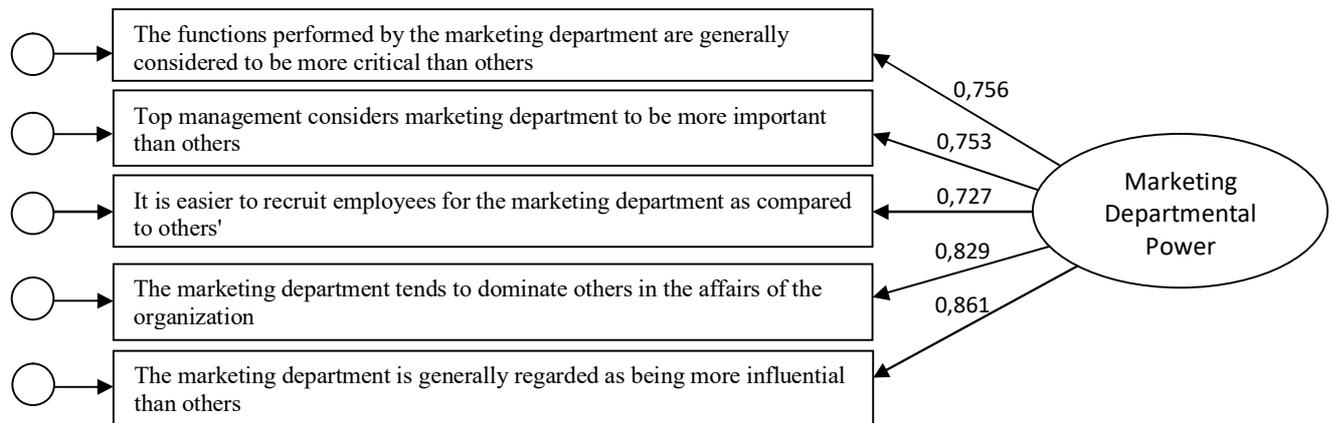


significant. These findings indicate that the measurement model has strong convergent validity (Anderson, 1987; Anderson and Gerbing, 1988). As far as internal consistency and reliability of the model is concerned, both average variance extracted (AVE) and Cronbach's α values for all factors exceed the thresholds of 0,5 (Hair et al., 1998) and 0,7 (Nunnally, 1978) respectively. Based on Fornell and Larcker's (1981) suggestion, we found that the average variance extracted by the measure of each factor is larger than the squared correlation of that factor's measure with the other factor in the model. Thus, the factors exhibit discriminant validity (Fornell and Larcker, 1981).

7.2.3.4. Marketing Departmental Power based on Kohli (1989b)

Based on the results of the first-order CFA, the five-item scale of Marketing departmental power based on Kohli (1989b) fits the data well. Fit indices are good (χ^2 (p-value) = 15,033 (0,005), $df = 5$, $\chi^2/df = 3$, GFI = 0,978, CFI = 0,989, TLI = 0,972, RMSEA = 0,087). The hypothesized one-factor structure of the construct is supported. Moreover, the loadings of items are all positive, high in magnitude and statistically significant. These findings indicate that the measurement model has strong convergent validity (Anderson, 1987; Anderson and Gerbing, 1988). As far as internal consistency and reliability of the model is concerned, both average variance extracted (AVE = 0,619) and Cronbach's α value (= 0,921) exceed the thresholds of 0,5 (Hair et al., 1998) and 0,7 (Nunnally, 1978) respectively.

Marketing Departmental Power Measurement Model with Standardized Regression Weights



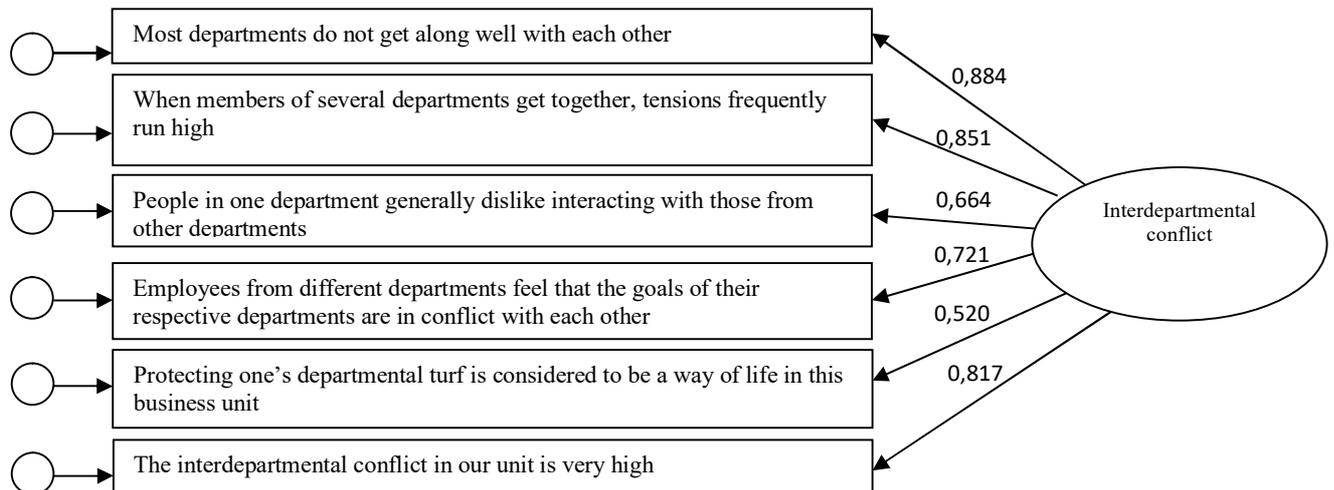
7.2.3.5. Interdepartmental Conflict based on Jaworski and Kohli (1993)

The seven items developed by Jaworski and Kohli (1993) and used in order to measure a single factor of interdepartmental conflict exhibit a poor fit to the data (χ^2 (p-value) = 86,9 (0,000), $df = 14$, $\chi^2/df = 6,2$, $GFI = 0,908$, $CFI = 0,923$, $TLI = 0,884$, $RMSEA = 0,147$). However, following suggestions based on modification indices, by dropping one of the items (i.e. *The objectives pursued by each department are incompatible with those of the other departments*), the χ^2 is significantly reduced. Given the reflective nature of the scale and the fact that exclusion of an item does not alter the measure (Jarvis et al., 2003), it was decided to remove the specific item. The respecified six-item scale of interdepartmental conflict fits the data well. Fit indices are reasonable (χ^2 (p-value) = 29,8 (0,000), $df = 9$, $\chi^2/df = 3,3$, $GFI = 0,959$, $CFI = 0,973$, $TLI = 0,955$, $RMSEA = 0,078$). The hypothesized one-factor structure of the construct is supported. Moreover, the loadings of items are all positive, high in magnitude and statistically significant. These findings indicate that the measurement model has strong convergent validity (Anderson, 1987; Anderson and Gerbing, 1988). As far as internal consistency and reliability of the model is concerned, both average variance



extracted ($AVE = 0,586$) and Cronbach's α value ($= 0,88$) exceed the thresholds of 0,5 (Hair et al., 1998) and 0,7 (Nunnally, 1978) respectively.

Interdepartmental Conflict Measurement Model with Standardized Regression Weights

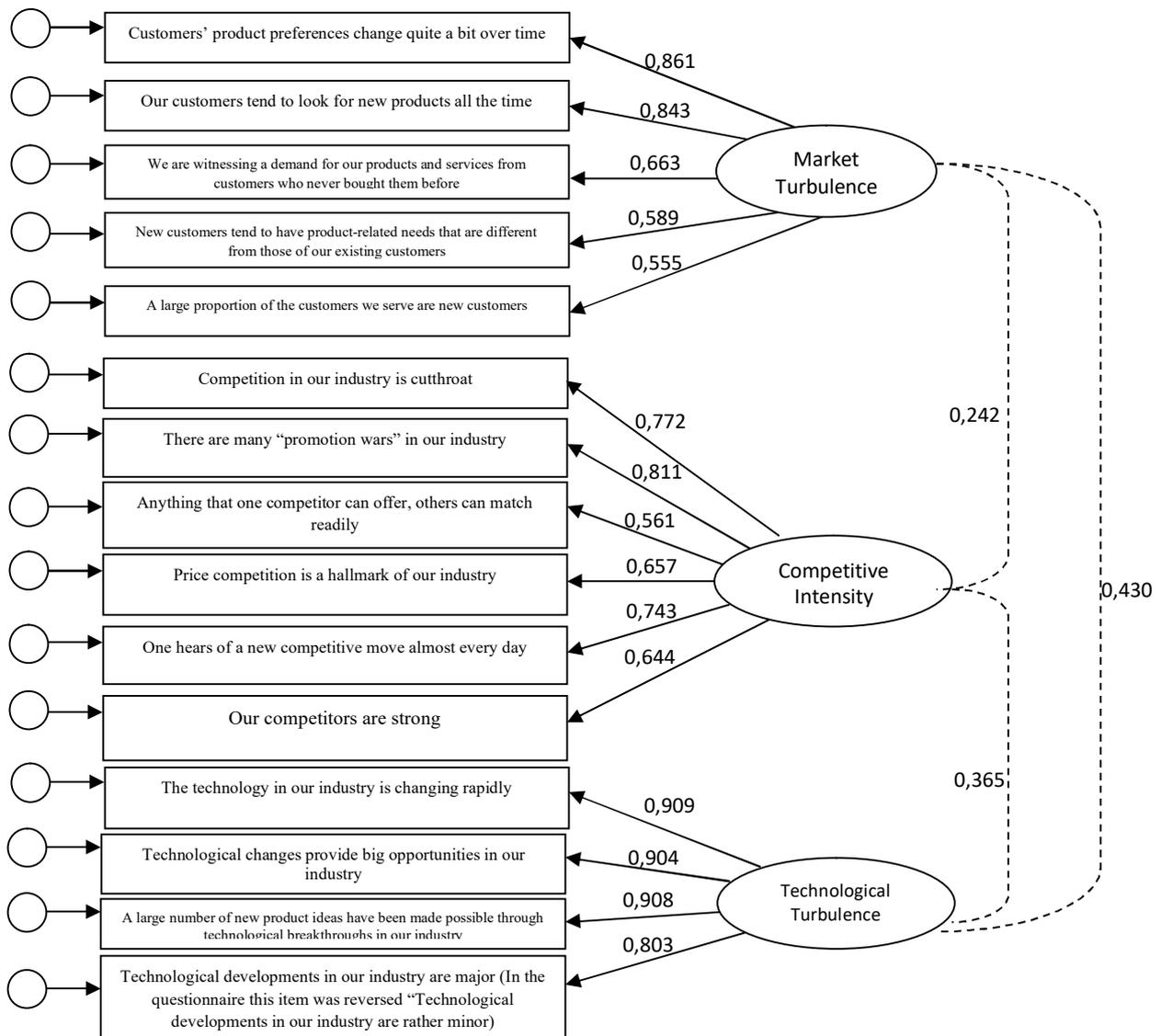


7.2.3.6. External Environment based on Jaworski and Kohli (1993)

External environment is reflected in three market forces, namely market turbulence, competitive intensity and technological turbulence. Those three forces were measured by three scales consisting of five, six, and four items respectively, adapted from Jaworski and Kohli's (1993) work. The results of the first-order CFA conducted indicate that the external environment measurement model fits the observed data well.

Fit Indices for market forces measurement model	
χ^2 (p-value)	214,1 (0,000)
degrees of freedom (df)	87
χ^2/df	2,46
CFI	0,935
TLI	0,921
GFI	0,89
RMSEA	0,078

Market forces Measurement Model with Standardized Regression Weights



**DOTTED LINES REPRESENT CORRELATIONS AMONG FACTORS*

AVE	
Market Turbulence	0,509
Competitive Intensity	0,494
Technological Turbulence	0,778
Cronbach's a	
Market Turbulence	0,773
Competitive Intensity	0,846
Technological Turbulence	0,938

Factor	AVE	Squared Correlations	
		1	2
1. Market Turbulence	0,509		
2. Competitive Intensity	0,515	0,059	
3. Technological Turbulence	0,778	0,185	0,133



The loadings of items on each factor are all positive, high in magnitude and statistically significant. These findings indicate that the measurement model has strong convergent validity (Anderson, 1987; Anderson and Gerbing, 1988). As far as internal consistency and reliability of the model is concerned, both average variance extracted (AVE) and Cronbach's α values for all factors exceed (or are very close to) the thresholds of 0,5 (Hair et al., 1998) and 0,7 (Nunnally, 1978) respectively. Based on Fornell and Larcker's (1981) suggestion, we found that the average variance extracted by the measure of each factor is larger than the squared correlation of that factor's measure with the other factors in the model. Thus, the factors exhibit discriminant validity (Fornell and Larcker, 1981).

7.2.4. BRAND PERFORMANCE SCALE

Brand performance was measured by respondents' assessments on seven items (perceived quality, image, awareness, reputation, trust, loyalty and market share) both relative to competition and relative to the targets. In both cases, as shown in the following tables, the brand performance measurement model fits the data adequately and the scale appears to be reliable and valid based on standardized regression weights, average variance extracted and Cronbach's α values.

Fit Indices for Brand Performance measurement model		
	Relative to competition	Relative to target
χ^2 (p-value)	73,3 (0,000)	70,3 (0,000)
degrees of freedom (df)	14	14
χ^2/df	5,2	3,6
CFI	0,953	0,97
TLI	0,929	0,936
GFI	0,920	0,944
RMSEA	0,103	0,101

Brand Performance		
Items	Standardized Regression Weights	
	Relative to competition	Relative to target
Brand Perceived Quality	0,797	0,790
Brand Image	0,871	0,915
Brand Awareness	0,796	0,801
Brand Reputation	0,876	0,852
Brand Trust	0,846	0,730
Brand Loyalty	0,741	0,729
Brand Market Share	0,749	0,743
	AVE and Cronbach's a	
AVE	0,658	0,635
Cronbach's a	0,928	0,928
<i>All loadings are significant at the 0,001 level (two-tailed).</i>		

7.2.4. TOTAL AGGREGATION MODELS

Finally, a first-order confirmatory factor analysis was conducted in order to assess the measurement model of all total aggregation models. Such an assessment is necessary as, in the upcoming structural path analyses, abridge representations of all second-order constructs are used in order to keep a reasonable ratio of the number of observations per parameter estimated (e.g. Floyd and Widaman, 1995). Therefore, for all total aggregation models, each indicator is an aggregation (i.e. the average) of the items measuring each of the construct's dimensions/components. For example, the total aggregation model of Market Orientation is a first order measurement model comprising three indicators, each of which is the average of the items measuring the dimensions of customer orientation, competitor orientation and interfunctional coordination respectively.

The results of this measurement analysis are summarized in the following tables, including standardized parameter estimates and fit indices. Overall, we found all reflective total aggregation measurement models to be reliable and valid within the setting of this study.

Table 7.5.	
Summary Statistics of the Total Aggregation Measurement Analyses	
	Factor loadings*
Brand Orientation ²⁸	0,75 – 0,878
Market Orientation (Narver and Slater, 1990)	0,768 – 0,86
Entrepreneurial Orientation	0,745 – 0,905
Brand Performance ²⁹	0,897 – 0,915
Financial Performance ³⁰	0,808 – 0,852
Fit Statistics:	
$\chi^2 = 119,12$, $df = 55$, $\chi^2/df = 2,16$	
GFI = 0,93, CFI = 0,971, TLI = 0,958, RMSEA = 0,070	
*All factor loadings are significant at the $p < .001$ level	

Results indicated that the fit of the model was very good and, as a consequence, all total aggregation models can be used with confidence in the upcoming structural path analyses.

²⁸ The Brand Orientation total aggregation model is already assessed on its own, but was considered useful to reassess it with all other total aggregation models that will be used together in the structural path analyses.

²⁹ Brand performance, although not a second-order factor, was assessed as consisting of two indicators, each of which representing an aggregation (i.e. average) of the items measuring brand performance relative to competition and relative to target respectively.

³⁰ Financial performance was assessed as consisting of two indicators, each of which representing an aggregation (i.e. average) of the items measuring financial performance relative to competition and relative to target respectively.

7.3: Structural Model Assessment

In this section, all causal relationships proposed in the previous chapters of theory development are evaluated. In particular, the interrelationships among the building blocks of Brand Orientation are investigated, as well as all relationships depicted in the final research framework of the thesis regarding the antecedents and consequences of such an orientation.

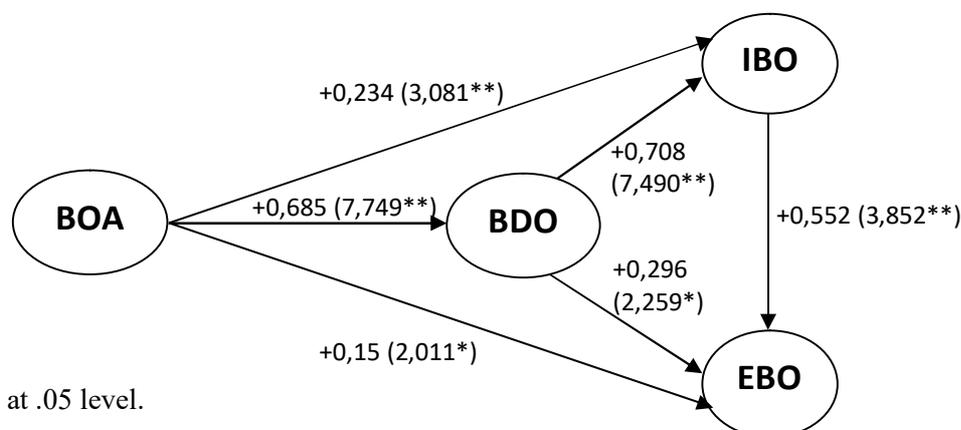
7.3.1. CAUSAL RELATIONSHIPS BETWEEN THE BUILDING BLOCKS OF BRAND ORIENTATION

As explained in detail in chapter 4, several researchers have been recently trying to investigate the causal relationships between the dimensions of a given construct (e.g. Homburg et al., 2004). In this vein, the causal relationships between the building blocks – facets of Brand Orientation are tested. After all, such information is indispensable for the deep understanding of the way a Brand Orientation is generated in organizations.

Figure 7.2 presents the major standardized parameters estimates and fit statistics of the respective structural model³¹.

Figure 7.2.

Fitted Structural Model of the BO Facets' Interrelationships



*Significant at .05 level.

**Significant at .01 level.

Model statistics: χ^2 (p-value) = 146,29 (0,000), df = 48, χ^2/df = 3,05, GFI = 0,911, CFI = 0,952, TLI = 0,934, RMSEA = 0,082

average) of the items measuring each of their first-order components.

All parameter estimates are statistically significant and substantially meaningful. It should be also stated that the standardized residuals are small and all parameter estimates are in the expected direction. The good fit indices and the theoretically consistent parameter estimates suggest that the structural path model fits the data well and no respecification of the hypothesized model (figure 4.3) is needed. Thus, we conclude that the path coefficients adequately represent the relationships between the BO facets.

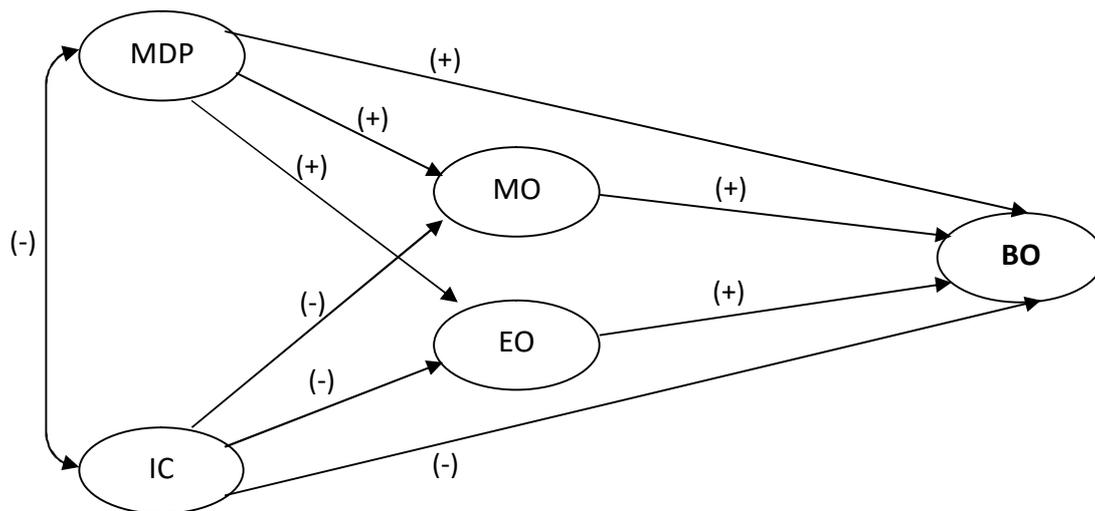
In particular and as hypothesized, it is proven that the attitudinal aspect of Brand Orientation (BOA) affects positively all other behavioral BO facets (although it should be stated that the effect of BOA on EBO is significant but rather small – 0,15). The way a company develops its brands (BDO) affects in turn positively both the level of internal (IBO) and external brand orientation (EBO). Finally, the effective management of the superior brand identity over time (EBO) is proved to be affected by all other building blocks, as the company's degree of positive attitude towards brands (BOA), the degree of successful brand development (BDO) and the level of common understanding of the brands' values across the organization (IBO) positively affect the way brands are managed externally.

Square multiple correlations (SMC) were also requested by the statistical software program (AMOS 18). The SMC value represents the proportion of variance that is explained by the predictors of the variable in question (Byrne, 2010). Based on the results, 47% of the variance associated with Brand Development Orientation (BDO) is accounted for by its single predictor, namely Brand Orientation as Attitude. Accordingly, we determine that 78,4% of the variance associated with Internal Brand Orientation (IBO) is accounted for by its two predictors: BOA and BDO, whereas 83,6% of the variance associated with External Brand Orientation (EBO) is accounted for by its three predictors: BOA, BDO and IBO.

7.3.2. Antecedents of Brand Orientation

Based on the final BO research framework of the thesis (figure 4.5), the following structural model (Model 1) regarding the antecedents of BO was evaluated through path analysis³².

Model 1

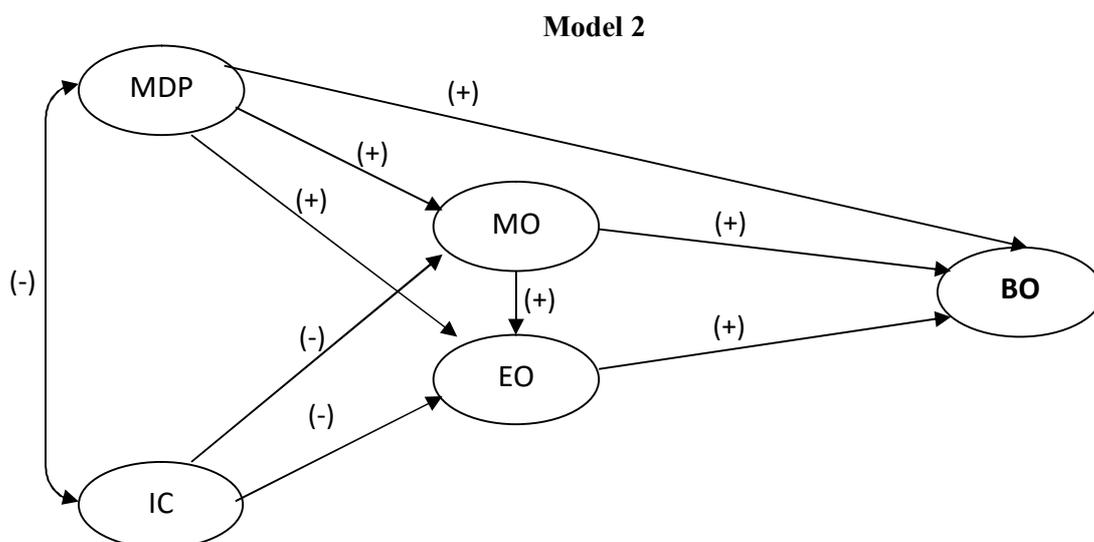


Based on fit statistic results, the above model fits the data well (χ^2 (p-value) = 364,94 (0,000), $df = 161$, $\chi^2/df = 2,3$, $GFI = 0,874$, $CFI = 0,941$, $TLI = 0,93$, $RMSEA = 0,073$). However, the value of GFI is marginal (0,874). Reviewing the modification indices, we saw that the largest MI (13,644) was associated with a path from MO to EO ($EO \leftarrow MO$). Indeed, MO can be considered as a predictor of EO, as a high focus on customer needs and the market as a whole positively affects the level of firm's innovativeness and entrepreneurship (e.g. Atuahene-Gima 1996; Atuahene-Gima and Ko, 2001; Vazquez et al., 2001). As Vazquez et al. posit (2001, p. 74), “*market-oriented firms are not only more willing to adopt*

³² Abbreviations for all constructs depicted in the model are used for facilitating the graphical representation: Marketing Departmental Power (MDP), Interdepartmental Conflict (IC), Market Orientation (MO), Entrepreneurial Orientation (EO), and Brand Orientation (BO). Moreover, the latent variables MDP and IC are measured as total disaggregation models, MO and EO are measured by indicators which are an aggregation (i.e. average) of the items measuring each of their first-order components, whereas BO is measured – represented as a total aggregation model (see section 7.2.2.).

innovations but also to develop and commercialize them. Market orientation through intelligence generation is a source of ideas for new products and services; this fact together with the focus on providing superior value to the customers by means of fulfilling their needs and the evolution of their preferences should positively affect the degree of innovation and entrepreneurship in companies”. Therefore, given that such a causal relationship is substantively meaningful, apart from recommended based on data, the respective path ($EO \leftarrow MO$) was included in the model (Model 2).

Additionally, a serious concern in such structural models is the extent to which all initially hypothesized paths are relevant to the model (Byrne, 2010). One way of determining possible irrelevancy is to examine the statistical significance of all structural parameter estimates. In doing so, it was shown that the parameter representing the path from Interdepartmental Conflict to Brand Orientation ($BO \leftarrow IC$) was non-significant ($p = .726$). However, although the direct effect of IC on BO appears non-significant, an indirect effect remains through MO. As a consequence, the respective path was removed, and the new model (model 2) was re-estimated.

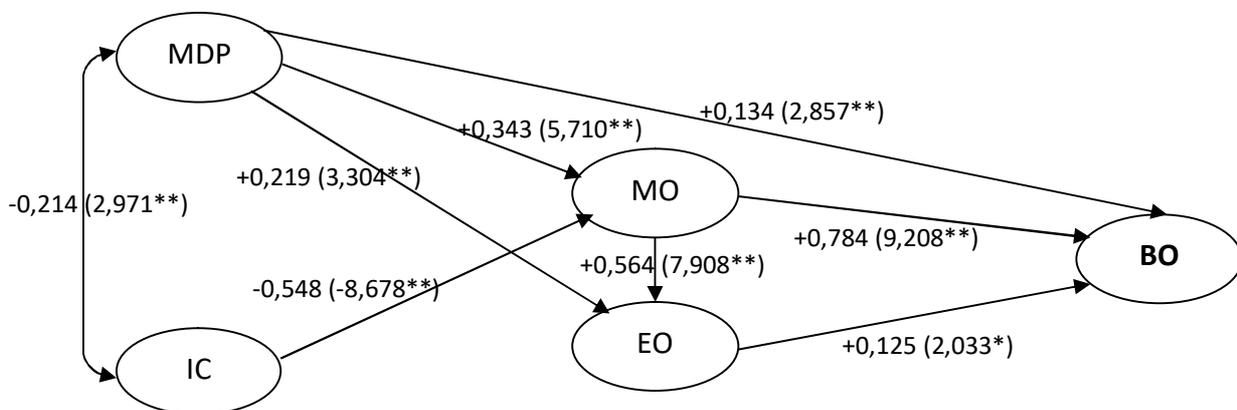


Estimation of Model 2 yielded an overall better fit (χ^2 (p-value) = 324,54 (0,000), df = 161, χ^2 /df = 2,02, GFI = 0,897, CFI = 0,953, TLI = 0,94, RMSEA = 0,066). Reviewing the modification indices, no remarkable MI was indicated. Examining the statistical significance of all structural parameter estimates, though, it was shown that the path from Interdepartmental Conflict to Entrepreneurial Orientation (EO←IC) had yielded non-significant (p= .379). However, although the direct effect of IC on EO appears non-significant, an indirect effect remains through MO. As a consequence, the respective path was removed, and the model (Figure 7.3) was re-estimated.

The new model presented a good fit to the data and no further respecification was indicated. The following figure (Figure 7.3) presents the final model depicting the antecedents of BO, along with the standardized parameter estimates of all causal relationships.

Figure 7.3.

Fitted Structural Model Representing the Antecedents of BO



*Significant at .05 level.

**Significant at .01 level.

Model statistics: χ^2 (p-value) = 325,3 (0,000), df = 162, χ^2 /df = 2,01, GFI = 0,894, CFI = 0,953, TLI = 0,944, RMSEA = 0,065

It should be stated that the slight erosion in model fit from $\chi^2 = 324,54$ to $\chi^2 = 325,3$ is explained by the fact that, with deletion of any parameters from a model, such a change is to be expected (Byrne, 2010).

As presented in the above figure, all parameter estimates are statistically significant and substantially meaningful. It should be also stated that the standardized residuals are small and all parameter estimates are in the expected direction. The good fit indices and the theoretically consistent parameter estimates suggest that the structural path model fits the data well and no further respecification of the hypothesized model (figure 4.5) is needed. Thus, we conclude that the model adequately depicts the antecedents of BO.

In particular, it is proven that Marketing Departmental Power positively affects all three organizational orientations, namely Market Orientation, Entrepreneurial Orientation and Brand Orientation, whereas Interdepartmental Conflict has a direct negative effect on Market Orientation and an indirect negative effect on Brand Orientation³³ and Entrepreneurial Orientation³⁴. Moreover, MDP is negatively correlated with IC. In addition, Market Orientation appears to positively affect the degree of Entrepreneurial Orientation. Most importantly, and as expected, Brand Orientation is directly and positively affected by both Market Orientation and Entrepreneurial Orientation which are revealed as significant predictors of BO. It should be stated, though, that the positive effect of MO on BO is much stronger (.784) than that of EO on BO (.125).

To shed more light on how the antecedents of Brand Orientation affect the distinct facets – building blocks of BO, additional structural path analyses were conducted were the

³³ The indirect negative effect of Interdepartmental Conflict on Brand Orientation can be computed as the product of $IC \rightarrow MO$ ($= -.548$) * $MO \rightarrow BO$ ($= .784$) = $-.429$.

³⁴ The indirect negative effect of Interdepartmental Conflict on Entrepreneurial Orientation can be computed as the product of $IC \rightarrow MO$ ($= -.548$) * $MO \rightarrow EO$ ($= .564$) = $-.309$.

effect (direct or indirect) of each antecedent (MDP, IC, MO, EO) on the four building blocks of Brand Orientation was evaluated. The results of the respective analyses are summarized in the below table (7.6).

	Marketing Departmental Power	Interdepartmental Conflict	Market Orientation	Entrepreneurial Orientation
Brand Orientation as Attitude (BOA)	0,203	- 0,374	0,706	0,266
Brand Development Orientation (BDO)	0,298	- 0,452	0,777	0,317
Internal Brand Orientation (IBO)	0,293	- 0,586	0,831	0,39
External Brand Orientation (EBO)	0,335	- 0,530	0,856	0,304
<i>Overall model fit</i>	$\chi^2 = 280, df=115$ $\chi^2/df = 2,43$ $GFI = 0,88$ $CFI = 0,946$ $TLI = 0,942$ $RMSEA = 0,081$	$\chi^2 = 260, df=131$ $\chi^2/df = 1,98$ $GFI = 0,896$ $CFI = 0,954$ $TLI = 0,943$ $RMSEA = 0,067$	$\chi^2 = 207,8, df=86$ $\chi^2/df = 2,42$ $GFI = 0,892$ $CFI = 0,954$ $TLI = 0,943$ $RMSEA = 0,078$	$\chi^2 = 423, df=185$ $\chi^2/df = 2,3$ $GFI = 0,868$ $CFI = 0,932$ $TLI = 0,919$ $RMSEA = 0,077$
<u>Note:</u> All coefficients are standardized estimates and significant at the .001 level.				

As shown by the results, *Marketing Departmental Power* mostly affects the degree of External Brand Orientation. This is probably due to the fact that a strong marketing department, if working properly, can ensure that a consistent brand message is delivered in all customer touchpoints, the brand is adequately protected by business activities and its performance is periodically assessed. *Interdepartmental Conflict* is shown to mainly affect, in a negative way, the degree of Internal Brand Orientation. This is not surprising, as a high degree of Interdepartmental Conflict is expected to negatively influence the commitment of the top management to the branding efforts and, most importantly, the sharing of the brand values among all employees and partners. *Market Orientation* strongly affects all BO building blocks, but mostly Internal and External Brand Orientation. In other words, a high degree of interfunctional orientation, customer and competitor orientation, can effectively

support the common understanding of the brands' values across the organization and, eventually, the way the brand identity is managed externally. Finally, *Entrepreneurial Orientation* mainly affects the degree of Brand Development Orientation and Internal Brand Orientation. After all, the firm's level of entrepreneurship, which is reflected in the level of innovation, risk taking and proactiveness, is expected to influence the degree to which a brand is clearly differentiated from competition.

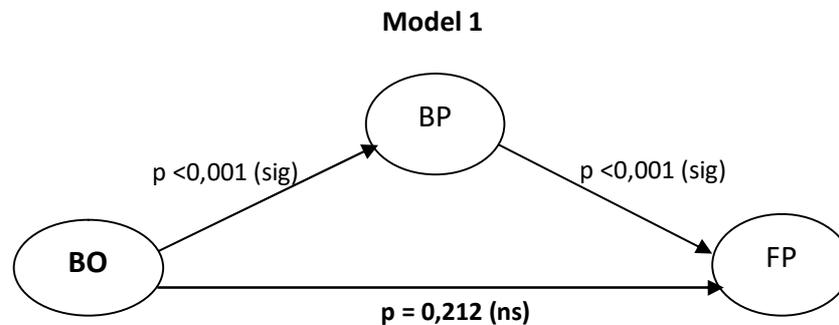
It would be also interesting to delve deeply into the effects of the Market Orientation dimensions on Brand Orientation. After all, Market Orientation is proved to be the main antecedent of Brand Orientation, exerting the strongest effect on it. For this purpose, a multiple regression analysis was conducted and the results are presented below.

Regression Analysis	Effect of Market Orientation Dimensions on Brand Orientation		
	Std Beta	t	Sig.
<u>Predictors</u>			
Interfunctional Coordination	0,415	6,945	0,000
Customer Orientation	0,249	4,653	0,000
Competitor Orientation	0,238	4,111	0,000
	Adjusted R ² = 0,631 / Durbin-Watson = 1,91 F = 138,582 / b ₀ = 1,741 <u>Outcome variable: BO</u>		

Interestingly, the MO dimension referring to Interfunctional Coordination presents the strongest effect on Brand Orientation, followed by Customer Orientation and Competitor Orientation. This fact confirms the necessity of getting the entire organization to embrace the branding efforts and work collaboratively towards the fulfillment of the branding goals, in order for the brand promise to be delivered effectively.

7.3.3. Consequences of Brand Orientation

Based on the final BO research framework of the thesis (figure 4.5), the following structural model (model 1) regarding the consequences of BO was evaluated through path analysis³⁵.

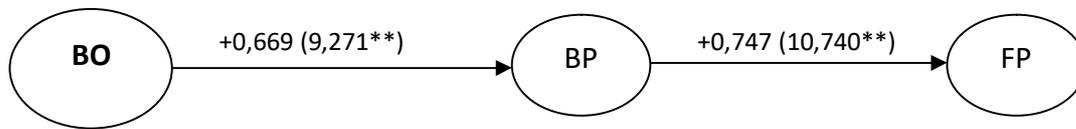


The fit of the above model to the data was good (χ^2 (p-value) = 42,9 (0,000), df = 17, $\chi^2/df = 2,53$ GFI = 0,955, CFI = 0,98, TLI = 0,967, RMSEA = 0,080). However, examining the statistical significance of the structural parameter estimates, as also shown in the above figure, results indicated that the path from Brand Orientation to Financial Performance (FP←BO) is non-significant (p= .212). As a consequence, the respective path was removed, and the new model was re-estimated.

The new model presented a good fit to the data and no further respecification was indicated. The following figure (Figure 7.4) presents the final model depicting the consequences of BO, along with the standardized parameter estimates of all causal relationships.

³⁵ Abbreviations for all constructs depicted in the model are used for facilitating the graphical representation: Brand Orientation (BO), Brand Performance (BP), and Financial Performance (FP). Moreover, the latent variable BO is measured – represented as a total aggregation model, whereas BP and FP are assessed as consisting of two indicators, each of which representing an aggregation (i.e. average) of the items measuring performance relative to competition and relative to target respectively.

Figure 7.4.
Fitted Structural Model Representing the Consequences of BO



**Significant at .01 level.

Model statistics: χ^2 (p-value) = 44,37 (0,000), df = 18, χ^2/df = 2,47, GFI = 0,954, CFI = 0,979, TLI = 0,968, RMSEA = 0,078.

The slight erosion in model fit from $\chi^2 = 42,9$ to $\chi^2 = 44,37$ is expected with deletion of any parameters from a model (Byrne, 2010).

Given the very good fit statistics of the above model (figure 7.4.) and the theoretically consistent parameter estimates, it can be argued that the path coefficients adequately represent the consequences of Brand Orientation. As shown, Brand Orientation (BO) has a direct positive effect on Brand Performance (BP) and an indirect effect, through BP, on Financial Performance (FP). Brand Performance directly and positively affects Financial Performance.

However, the resultant structure and in particular the non-significance of the path $FP \leftarrow BO$ in the model, implies the existence of a mediating effect of BP in the relationship of BO with FP. In fact, Brand Performance appears to completely mediate the effect of Brand Orientation on Financial Performance. In order to confirm this implied mediation and test for the significance of the indirect effect, the four steps of Baron and Kenny (1986) and Judd and Kenny (1981) for establishing mediation were followed:

Step 1: This step establishes whether there is an effect that may be mediated, by showing that the initial variable (BO) is correlated with the outcome (FP). A typical regression analysis conducted showed that a positive effect of BO on FP exists.

Regression Analysis				
Effect of Brand Orientation (BO) on Financial Performance (FP)				
Predictor	Std Beta	t	Std error	Sig.
BO	0,461	8,005	0,075	0,000
Adjusted R ² = 0,210 / Durbin-Watson = 2,052 F = 64,87 / b ₀ = 1,623, std error = 0,425 Outcome variable: FP				

It is worth stating, though, that recent writings on mediation (e.g. Hayes, 2009; MacKinnon et al., 2000; MacKinnon et al., 2002; Shrout & Bolger, 2002; Zhao et al., 2010; Rucker et al., 2011) provide new evidence and arguments against the need for this first step in testing mediation. The main point in all those works is that overemphasizing the X→Y relationship before or after controlling for a mediator can lead to misleading, or even false, conclusions in theory testing. However, given the popularity of the Baron and Kenny mediation analysis in the social sciences, it was decided to report the BO→FP effect.

Step 2: This step essentially involves treating the mediator as if it were an outcome variable and showing that the initial variable (BO) is correlated with the mediator (BP). As shown in figure 7.4, such an effect of BO on BP exists.

Step 3: This step involves showing that the mediator (BP) affects the outcome variable (FP). As shown in figure 7.4, such an effect of BP on FP exists.

Step 4: This step involves assessing whether the mediation observed is partial or complete. Results indicated that BO effect on FP, when controlling for BP, yields non-significant. This fact establishes complete mediation.

However, the significance of the indirect effect of BO on FP has to be estimated. Although the indirect effect can be easily computed as the product of BO→BP (=0.669) * BP→FP (=0.747) in figure 7.4. (= 0,5), its significance should be also assessed. An increasingly popular method of testing indirect effects and their significance is bootstrapping

(e.g. Shrout & Bolger, 2002; Preacher and Hayes, 2004; Haynes, 2009), which can be conducted using AMOS software. As stated by Hayes (2009, p. 412), “*research shows that bootstrapping is one of the most valid and powerful methods for testing intervening variable effects (MacKinnon et al., 2004; Williams & MacKinnon, 2008) and it should be the method of choice*”³⁶.

The results of this analysis are presented below:

BO Effects on Performance						
	Direct		Indirect		Total	
	Std estimate	sig. (two-tailed)	Std estimate	sig. (two-tailed)	Std estimate	sig. (two-tailed)
Brand Performance (BP)	0,669	0,001	-	-	0,669	0,001
Financial Performance (FP)	0,103	0,212	0,5	0,001	0,5	0,001

As shown earlier by the results, the direct effect of BO on FP, when controlling for BP, is non-significant (p-value = 0,212). Moreover, the percentile-based bootstrap confidence interval for this direct effect between the lower (-0.09) and upper bound (0.2) contains the value of zero with 95% of confidence. What is also of main interest is the standardized estimate of the indirect effect (0,5), which is significant at the 0,001 level. As Rucker et al. (2011, p. 361) maintains, “*After finding a significant indirect effect, if there is no longer a significant direct effect of X (BO) on Y (FP), researchers typically report that the mediator perfectly, completely, or fully mediates the X→Y effect. In contrast, if there remains a significant direct X→Y effect after controlling for the mediator (BP), researchers typically*

³⁶ Another inferential technique is the product of coefficients approach, most well known as the Sobel test (Sobel, 1982, 1986). Although the Sobel test enjoys some use, it has a major flaw. It requires the assumption that the sampling distribution of the indirect effect is normal. But the sampling distribution of the indirect effect tends to be asymmetric, with nonzero skewness and kurtosis (Bollen & Stine, 1990; Stone & Sobel, 1990). As stated by Hayes (2009), we should not be using tests that assume normality of the sampling distribution when competing tests are available that do not make this assumption and that are known to be more powerful than the Sobel test (e.g. bootstrapping).

report that the mediator only partially mediates the $X \rightarrow Y$ effect". Based on the above, complete mediation is supported.

However, adopting Rucker's et al. (2011) thoughts, the reality is that to claim full mediation, one would have to have confidently measured – without error – all possible mediators. Few, if any, variables are measured without error in social sciences (Hoyle & Kenny, 1999). The impossibility of perfect measurement suggests that one cannot ever claim to have established complete mediation. However, by focusing on effect sizes, researchers could talk about the magnitude of an effect, and might conclude that they have likely documented the primary mediator of interest in a given $X \rightarrow Y$ relationship and that the likelihood of any additional large mediators is remote.

To shed additional light on how individual facets – building blocks of Brand Orientation are related to Brand and Financial Performance, the methodology used by Zou and Cavusgil (2002) in the estimation of the effect of global marketing strategy facets on firm performance was followed. In particular, we used the standardized loadings of the four facets (BOA, BDO, IBO, EBO) on BO in the brand orientation total aggregation model, presented in section 7.2.2. of this chapter, in conjunction with the direct and indirect path coefficients from BO to brand (.669) and financial performance (.5) respectively. The results are summarized in the following table (Table 7.7).

BO Facets – Building Blocks	Brand Performance	Financial Performance
BOA: Brand Orientation as Attitude	0,504	0,377
BDO: Brand Development Orientation	0,566	0,423
IBO: Internal Brand Orientation	0,586	0,438
EBO: External Brand Orientation	0,560	0,418

In the order of the effect size, both brand and financial performance are significantly influenced by Internal Brand Orientation (IBO), followed by Brand Development Orientation (BDO), External Brand Orientation (EBO) and Brand Orientation as Attitude (BOA).

Additionally, as shown in the final research framework of the thesis (figure 4.5), three environmental characteristics are proposed to **moderate** the linkage between a brand orientation and performance, namely market turbulence, competitive intensity and technological turbulence. Following Judd and Kenny (2010) suggestion, we first mean-centered the relevant variables (independent and moderators) before creating the interaction terms of interest. In a subsequent step, hierarchical regression analyses using SPSS 18 were conducted for testing possible moderating effects of the environmental forces in the relationship of Brand Orientation with both Brand and Financial Performance. The results of this analysis are summarized in the following table (Table 7.8.).

Table 7.8.		
Testing Moderating Effects of Environmental Forces on the Brand Orientation –Performance Relationships³⁷		
	Brand Performance	Financial Performance
BO <i>c</i> ³⁸	0,604 (11,741*)	0,461 (8,055*)
BO <i>c</i> *Market Turbulence <i>c</i>	ns	ns
BO <i>c</i> *Competitive Intensity <i>c</i>	ns	ns
BO <i>c</i> *Technological Turbulence <i>c</i>	ns	ns
<i>Overall model</i>		
<i>F-value</i>	137,841*	64,876*
<i>R² (adj.)</i>	0,362	0,210
^a All coefficients are standardized beta coefficients		
* <i>p</i> < .001		

³⁷ It should be stated that other moderation analyses conducted in order to test possible moderating effects of the environmental forces (e.g. on BP→FP relationship) yielded similar results (all moderating effects were non significant).

³⁸ The letter “*c*” stands for “centered variable”.

As shown, the linkage between a brand orientation and performance does not appear to be moderated by the three environmental characteristics proposed. In other words, the strength of the positive effect of Brand Orientation on Business Performance is not affected by any of the main environmental forces, namely market turbulence, competitive intensity and technological turbulence. Brand Orientation's positive effect on Performance is strong, regardless of the rate of change in the composition of customers and their preferences, the level of competition and the rate of technological change. This fact may be argued to confirm once more the importance of a Brand Orientation for an organization.

Finally, some SBU's characteristics (i.e. unit size, type of ownership, and unit age) were introduced in the final research framework as **covariates**, as they constitute secondary variables that may affect the relationship between the dependent variable (performance) and the independent variable of primary interest (Brand Orientation). The results of the respective regression analyses are presented below (Table 7.9).

Table 7.9.		
Testing Covariation Effects of Control Variables on the Brand Orientation –Performance Relationships		
	Brand Performance	Financial Performance
BO	0,604 (11,741*)	0,461 (8,054*)
Type of Ownership ³⁹	ns	ns
Age ⁴⁰	0,111 (2,151**)	ns
Size ⁴¹	ns	ns
<i>Overall model</i>		
<i>F-value</i>	71,107*	63,847*
<i>R² (adj.)</i>	0,37	0,208
^a All coefficients are standardized beta coefficients * p < .01, ** p < .05		

³⁹ Type of ownership is a dummy variable where “domestic company” gets a value of 0 and “multinational subsidiary” gets a value of 1.

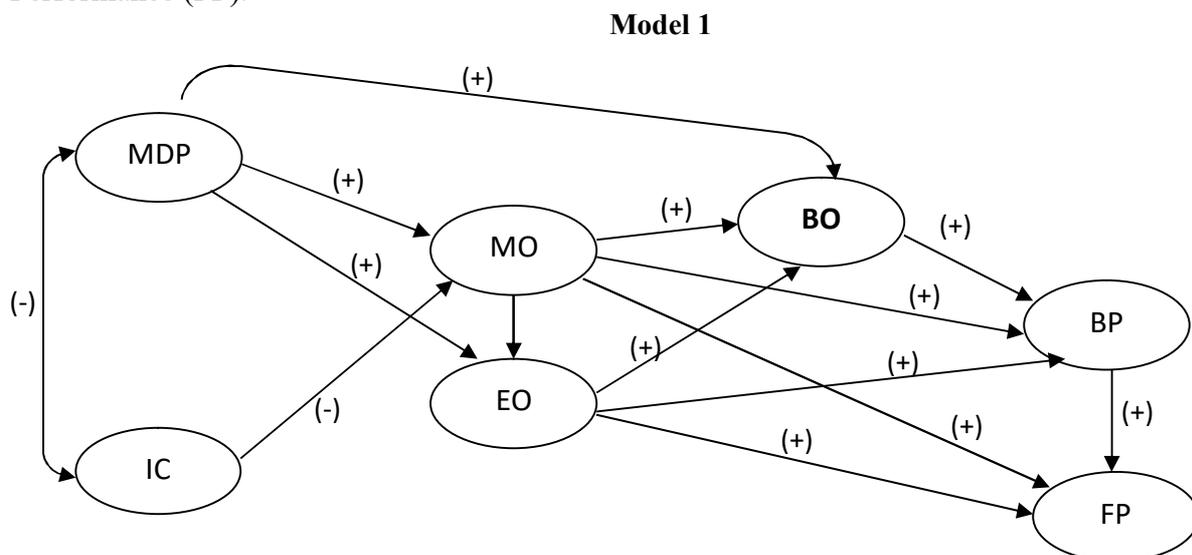
⁴⁰ Age is a dummy variable where “presence in the market for less than 40 years” gets a value of 0 and “presence in the market for more than 40 years” gets a value of 1.

⁴¹ Size is a dummy variable where “turnover more than 10 but less than or equal 50 millions €” gets a value of 0 and “turnover of more than 50 millions €” gets a value of 1.

As shown, the business unit's age covariates with brand performance, implying that business units with more than 40 years of presence in the market exhibit higher levels of brand performance. Such a finding indicates that the achievement of high Brand Performance (i.e. awareness, loyalty, trust, etc.) apart from winning strategies such as those engendered by a Brand Orientation, necessitates time. After all, branding constitutes a long-term strategy and its results should be, therefore, expected in the long run. However, no other covariation is confirmed. Moreover, it is worth noticing that none of the control variables covariate with financial performance. Given that brand performance is proved to fully mediate the BO→FP relationship, it can be argued that once a firm has achieved a high brand performance, then financial performance is high, regardless of the firm's size, age and type of ownership.

7.3.4. Overall Brand Orientation Research Framework: antecedents and consequences

In this section, the whole BO research framework of the thesis (figure 4.5) is assessed, in order for the Brand Orientation theory developed to be evaluated in an integrative manner. For this purpose, the following integrated structural model (model 1) was evaluated through path analysis. As evident in the following path diagram, all significant relationships revealed and confirmed in the two previous sections regarding the antecedents and consequences of Brand Orientation (BO) are included in the integrated BO model. Consistent with the proposed research framework of the thesis, though, four more paths are added in the model; two paths representing the hypothesized positive effects of Market Orientation (MO) on Brand (BP) and Financial Performance (FP) respectively, and two paths representing the positive effects of Entrepreneurial Orientation (EO) on Brand (BP) and Financial Performance (FP).



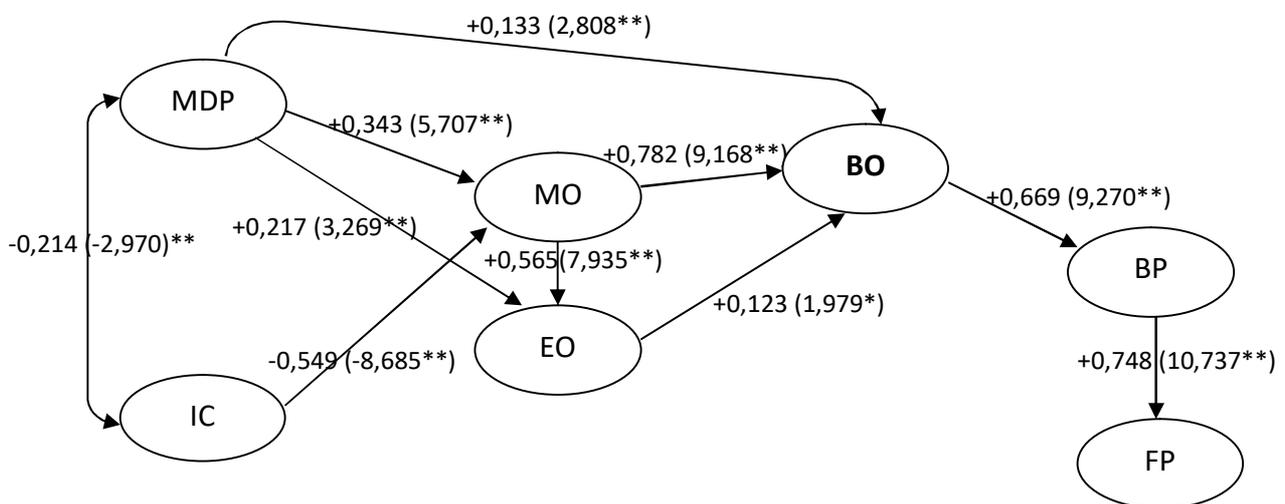
Based on the fit statistic, the above model fits the data adequately (χ^2 (p-value) = 459 (0,000), $df = 238$, $\chi^2/df = 1,93$, $GFI = 0,889$, $CFI = 0,948$, $TLI = 0,939$, $RMSEA = 0,063$) and no remarkable MI was indicated. As stated earlier in this chapter, though, a serious concern in such structural models is the extent to which all initially hypothesized paths are relevant to the model, based on their statistical significance (Byrne, 2010). In reviewing the respective

statistical significances, it was shown that four parameter estimates were not significant. In particular, the newly introduced structural paths exhibited non-significant parameter estimates: $BP \leftarrow MO$ ($p = .164$), $FP \leftarrow MO$ ($p = .118$), $BP \leftarrow EO$ ($p = .368$) and $FP \leftarrow EO$ ($p = .331$). These findings may be attributed to the fact that, as implied by the results, the effects of MO and EO on Performance are mediated by Brand Orientation. This implied mediation will be examined in detail in the following sections. As far as the evaluation of the whole BO research framework of the thesis is concerned, the four aforementioned non-significant paths were removed and the model was re-estimated.

The new model presented a good fit to the data and no further respecification was indicated. The following figure (Figure 7.5) presents the final model depicting the integrated nomological network of the Brand Orientation theory developed and confirmed by the data.

Figure 7.5.

Fitted Structural Model Representing the Integrated Nomological Network of BO



*Significant at .05 level.

**Significant at .01 level.

Model statistics: χ^2 (p-value) = 464,9 (0,000), $df = 242$, $\chi^2/df = 1,921$, $GFI = 0,886$, $CFI = 0,947$, $TLI = 0,939$, $RMSEA = 0,062$

The slight erosion in model fit from $\chi^2 = 459$ to $\chi^2 = 464,9$ is expected with deletion of any parameters from a model (Byrne, 2010).

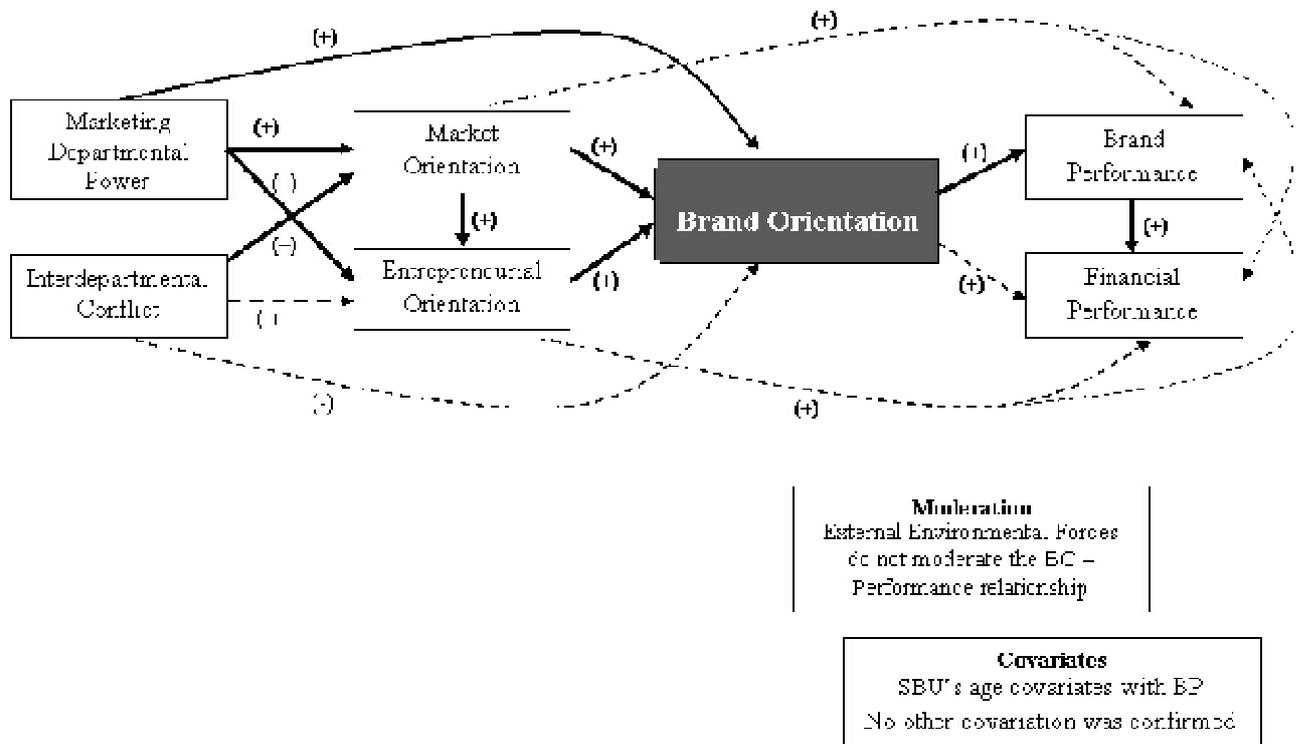
As shown in the above figure, Marketing Departmental Power (MDP) positively influences Market Orientation (MO), Entrepreneurial Orientation (EO) and Brand Orientation (BO), whereas Interdepartmental Conflict (IC) has a direct negative effect on Market Orientation (MO) and an indirect negative effect on Brand Orientation and Entrepreneurial Orientation. Moreover, MDP is negatively correlated with IC. Most importantly, Brand Orientation (BO) is positively and significantly influenced by Market Orientation (MO) and, in a lower degree, by Entrepreneurial Orientation (EO). In turn, Brand Orientation has a direct positive effect on Brand Performance (BP) and an indirect one, through Brand Performance, on Financial Performance (FP).

The following figure (Figure 7.6) replicates the final research framework of the thesis presented in Chapter 4 (figure 4.5) and presents, based on all structural analyses conducted, the hypothesized causal relationships confirmed with bold lines and the relationships that were not confirmed with dotted lines⁴².

⁴² It should be stated that all correlations between the main constructs of the thesis are presented in the Appendix (see Appendix 12: Construct Intercorrelations Summary Statistics)

Figure 7.6.

Final Brand Orientation Research Framework – Confirmed Causal Relationships



In large, the hypothesized Brand Orientation nomological network was confirmed, as the causal relationships of primary interest were confirmed. More specifically, the hypothesized antecedents of Brand Orientation as well as its consequences were supported by the results.

On the other hand, the direct positive effect of both Market Orientation and Entrepreneurial Orientation on Business Performance was not confirmed. Instead, results indicate that both aforementioned strategic orientations (MO and EO) have only an indirect effect on Business Performance through Brand Orientation. This fact, if confirmed, is of enormous importance. First it provides a different explanation to the well established Market

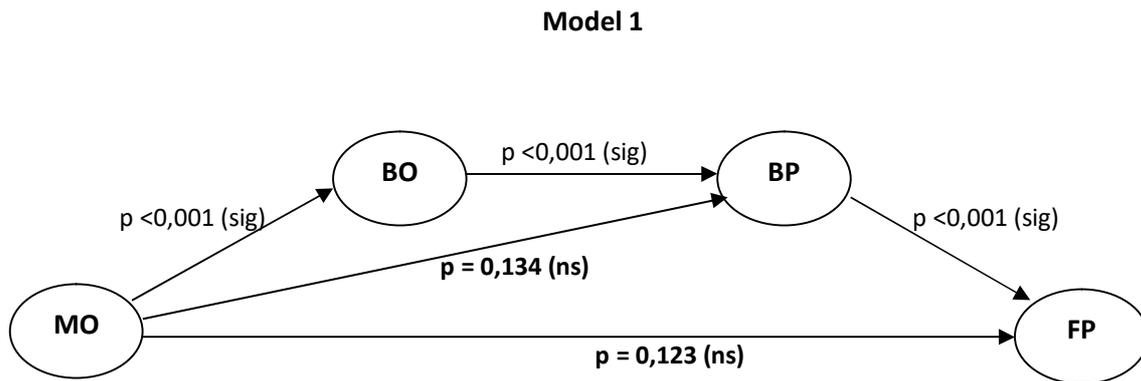
Orientation – Performance relationship in literature, by possibly introducing the primary mediator in this relationship. Second, Brand Orientation rises as one of the most crucial strategic orientations in organizations.

The following two sections are dedicated in the further investigation of the above finding, in order to confirm the implied mediating role of Brand Orientation and test for the significance of the indirect effects revealed.



7.3.5. Market Orientation, Brand Orientation and Business Performance

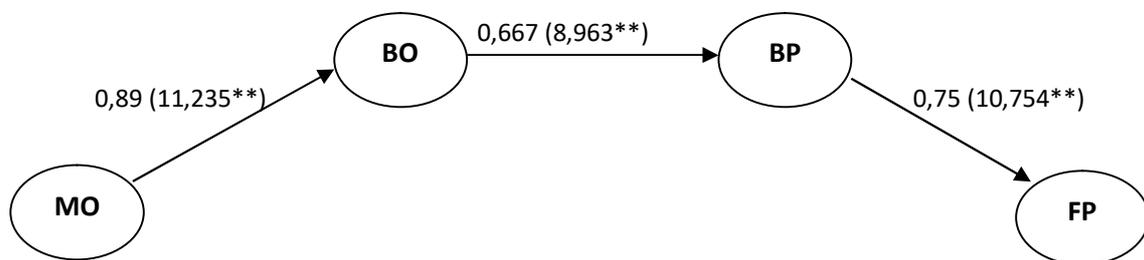
In order to further investigate the possible mediating role of Brand Orientation in the Market Orientation – Performance relationship, the constructs of interest were included in a structural path analysis, along with their hypothesized causal relationships, and the model (model 1) was evaluated.



The model fitted the data well (χ^2 (p-value) = 76,85 (0,000), $df = 39$, $\chi^2/df = 1,97$, GFI = 0,945, CFI = 0,98, TLI = 0,971, RMSEA = 0,063). However, consistent with the results in the previous section, the parameter estimates representing the path from Market Orientation to Brand Performance ($BP \leftarrow MO$, $p = 0,134$), as well as the path from Market Orientation to Financial Performance ($FP \leftarrow MO$, $p = 0,123$) are non-significant. Moreover, by conducting bootstrapping analysis, it was shown that for those direct effects, the percentile-based bootstrap confidence interval between the lower and the upper bound contains the value of zero with 95% of confidence ($-0,486 < BP \leftarrow MO < 0,155$, $-0,066 < FP \leftarrow MO < 0,278$). These findings imply that the effect of Market Orientation on Performance is completely mediated by Brand Orientation. More specifically, the effect of Market Orientation on Financial Performance is fully mediated by Brand Orientation and Brand Performance. This structure constitutes a more complex mediation model, where the same rules as with simple mediation apply though (Brown, 1997; Hayes, 2009).

The non-significant paths were removed and the model was re-estimated. The new model presented a good fit to the data and no further respecification was indicated. The following figure (Figure 7.4) presents the final model depicting the mediated relationship of MO with Performance, along with the standardized parameter estimates of all causal relationships.

Figure 7.7.
Fitted Structural Model Representing the Mediated Relationship of MO with FP



**Significant at .01 level.

Model statistics: χ^2 (p-value) = 81,47 (0,000), df = 41, χ^2/df = 1,99, GFI = 0,941, CFI = 0,978, TLI = 0,971, RMSEA = 0,064.

The slight erosion in model fit from $\chi^2 = 76,85$ to $\chi^2 = 81,47$ is expected with deletion of any parameters from a model (Byrne, 2010).

Given the very good fit statistics of the above model (figure 7.7.) and the theoretically consistent parameter estimates, it can be argued that the path coefficients adequately represent the mediated relationship of Market Orientation with Financial Performance. As shown, Market Orientation has a direct positive effect on Brand Orientation and an indirect effect, through Brand Orientation, on Brand Performance. Moreover, Market Orientation has an indirect effect, through Brand Orientation and Brand Performance, on Financial Performance. As already shown in a previous section, Brand Orientation directly and

positively affects Brand Performance and indirectly Financial Performance. Finally, Brand Performance directly and positively affects Financial Performance.

However, the resultant mediation structure needs to be further investigated. In order to confirm this implied complete mediation and test for the significance of the indirect effects, the four steps of Baron and Kenny (1986) and Judd and Kenny (1981) for establishing mediation were followed:

Step 1: This step establishes whether there is an effect that may be mediated, by showing that the initial variable (MO) is correlated with the outcome(s) (BP and FP). Two typical regression analysis conducted showed that a positive effect of MO on both BP and FP exists.

Regression Analysis	Effect of Market Orientation (BO) on Financial Performance (FP)			
Predictor	Std Beta	t	Std error	Sig.
MO	0,492	8,752	0,057	0,000
	Adjusted R ² = 0,239 / Durbin-Watson = 1,8 F = 76,604 / b ₀ = 2,742, std error = 0,317 <u>Outcome variable: BP</u>			

Regression Analysis	Effect of Market Orientation (BO) on Financial Performance (FP)			
Predictor	Std Beta	t	Std error	Sig.
MO	0,398	6,718	0,071	0,000
	Adjusted R ² = 0,155 / Durbin-Watson = 1,936 F = 45,128 / b ₀ = 2,413, std error = 0,392 <u>Outcome variable: FP</u>			

As stated earlier, although recent writings on mediation (e.g. Hayes, 2009; MacKinnon et al., 2000; MacKinnon et al., 2002; Shrout & Bolger, 2002; Zhao et al., 2010; Rucker et al., 2011) provide new evidence and arguments against the need for this first step in testing mediation, it was decided to report the BO→FP effect, given the popularity of the Baron and Kenny mediation analysis in the social sciences.

Step 2: This step essentially involves treating the mediator as if it were an outcome variable and showing that the initial variable (MO) is correlated with the direct mediator (BO). As shown in figure 7.7, such an effect of MO on BO exists.

Step 3: This step involves showing that the mediator (BO) affects the outcome variables (BP and FP). As already shown, such effects exist.

Step 4: This step involves assessing whether the mediation observed is partial or complete. Results indicated that MO effect on BP, when controlling for BO is non-significant. The same stands for the relationship of EO with FP, as, when controlling for BO and BP, the direct effect yields non-significant. These facts establish complete mediation.

However, the significance of the indirect effects has to be also estimated. The indirect effect of MO on BP can be easily computed as the product of $MO \rightarrow BO (=0.89) * BO \rightarrow BP (=0.667)$ in figure 7.7. ($=0.595$), and the total indirect effect of MO on FP as the product of $MO \rightarrow BO (=0.89) * BO \rightarrow BP (=0.667) * BP \rightarrow FP (=0.75)$ in figure 7.7. ($=0.445$). However their magnitude should be confirmed and their significance should be also assessed. Again bootstrapping, the increasingly popular method for testing indirect effects and their significance, was used (e.g. Shrout & Bolger, 2002; Preacher and Hayes, 2004; Hayes, 2009). The results are summarized below:

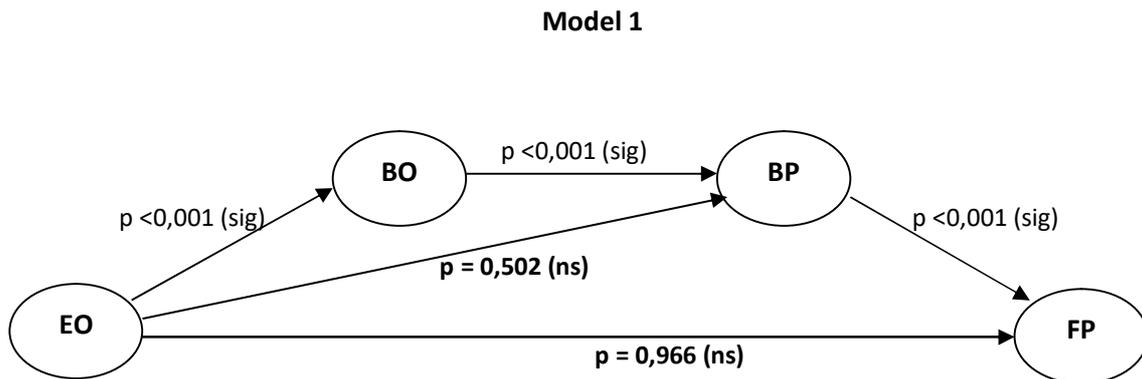
MO Effects on Performance						
	Direct		Indirect		Total	
	Std estimate	sig. (two-tailed)	Std estimate	sig. (two-tailed)	Std estimate	sig. (two-tailed)
Brand Orientation (BO)	0,89	0,001	-	-	0,89	0,001
Brand Performance (BP)	-0,333	0,134	0,595	0,000	0,595	0,000
Financial Performance (FP)	0,112	0,123	0,445	0,000	0,445	0,000

As shown earlier, the direct effect of MO on BP, when controlling for BO, is non-significant (p-value = 0,134), as well as the direct effect of MO on FP, when controlling for BO and BP (p-value = 0,123). Moreover, the percentile-based bootstrap confidence intervals for both these direct effects were shown to contain the value of zero with 95% of confidence. Of main interest are also the standardized estimates of the two indirect effects, which are significant at the 0,001 level. Based on the above, complete mediation is supported.

Again, adopting Rucker's et al. (2011) thoughts, it is not claimed that a complete mediation is established, due to the impossibility of perfect measurement in social sciences (Hoyle & Kenny, 1999). Rather, we posit that we have likely documented the primary mediator of interest in the relationship between Market Orientation and Business Performance and that the likelihood of any additional large mediators is remote. After all, practically, partial versus full mediation might be viewed as an indication of the importance of an intermediate variable in explaining the total effect (Preacher & Kelley, forthcoming).

7.3.6. Entrepreneurial Orientation, Brand Orientation and Business Performance

In order to further investigate the possible mediating role of Brand Orientation in the Entrepreneurial Orientation – Performance relationship, the constructs of interest were included in a structural path analysis, along with their hypothesized causal relationships, and the model (model 1) was evaluated.

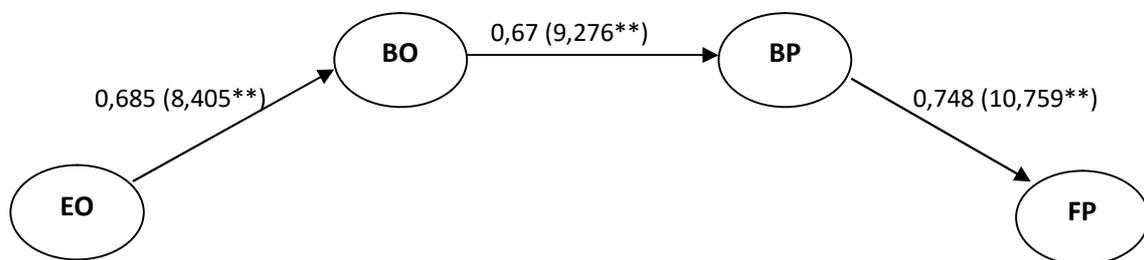


The model fitted the data well (χ^2 (p-value) = 59,9 (0,000), $df = 30$, $\chi^2/df = 2$, GFI = 0,952, CFI = 0,981, TLI = 0,971, RMSEA = 0,064). However, consistent with previous results, the parameter estimates representing the path from Entrepreneurial Orientation to Brand Performance (BP←EO, p=0,502), as well as the path from Entrepreneurial Orientation to Financial Performance (FP←EO, p=0,966) are non-significant. Moreover, by conducting bootstrapping analysis, it was shown that for those direct effects, the percentile-based bootstrap confidence interval between the lower and the upper bound contains the value of zero with 95% of confidence (-.168 < BP←EO < .243, -.149 < FP←EO < .157). These findings imply that the effect of Entrepreneurial Orientation on Performance is completely mediated by Brand Orientation. More specifically, the effect of Entrepreneurial Orientation on Financial Performance is fully mediated by Brand Orientation and Brand Performance. This structure constitutes a more complex mediation model, where the same rules as with simple mediation apply though (Brown, 1997; Hayes, 2009).

The non-significant paths were removed and the model was re-estimated. The new model presented a good fit to the data and no further respecification was indicated. The following figure (Figure 7.8) presents the final model depicting the mediated relationship of EO with Performance, along with the standardized parameter estimates of all causal relationships.

Figure 7.8.

Fitted Structural Model Representing the Mediated Relationship of EO with FP



**Significant at .01 level.

Model statistics: χ^2 (p-value) = 60,34 (0,000), df = 32, χ^2/df = 1,88, GFI = 0,941, CFI = 0,978, TLI = 0,971, RMSEA = 0,064.

The slight erosion in model fit from $\chi^2 = 59,9$ to $\chi^2 = 60,34$ is expected with deletion of any parameters from a model (Byrne, 2010).

Given the very good fit statistics of the above model (figure 7.8.) and the theoretically consistent parameter estimates, it can be argued that the path coefficients adequately represent the mediated relationship of Entrepreneurial Orientation with Financial Performance. As shown, Entrepreneurial Orientation has a direct positive effect on Brand Orientation and an indirect effect, through Brand Orientation, on Brand Performance. Moreover, Entrepreneurial Orientation has an indirect effect, through Brand Orientation and Brand Performance, on Financial Performance. As already shown in a previous section,

Brand Orientation directly and positively affects Brand Performance and indirectly Financial Performance. Finally, Brand Performance directly and positively affects Financial Performance.

However, the resultant mediation structure needs to be further investigated. In order to confirm this implied complete mediation and test for the significance of the indirect effects, the four steps of Baron and Kenny (1986) and Judd and Kenny (1981) for establishing mediation were followed:

Step 1: This step establishes whether there is an effect that may be mediated, by showing that the initial variable (EO) is correlated with the outcome(s) (BP and FP). Two typical regression analysis conducted showed that a positive effect of EO on both BP and FP exists.

Regression Analysis				
Effect of Entrepreneurial Orientation (EO) on Financial Performance (FP)				
Predictor	Std Beta	t	Std error	Sig.
EO	0,402	6,796	0,045	0,000
Adjusted R ² = 0,158 / Durbin-Watson = 1,78 F = 46,186 / b ₀ = 3,995, std error = 0,225 <u>Outcome variable: BP</u>				

Regression Analysis				
Effect of Entrepreneurial Orientation (EO) on Financial Performance (FP)				
Predictor	Std Beta	t	Std error	Sig.
EO	0,287	4,640	0,056	0,000
Adjusted R ² = 0,078 / Durbin-Watson = 1,86 F = 21,530 / b ₀ = 3,768, std error = 0,276 <u>Outcome variable: FP</u>				

As stated earlier, although recent writings on mediation (e.g. Hayes, 2009; MacKinnon et al., 2000; MacKinnon et al., 2002; Shrout & Bolger, 2002; Zhao et al., 2010; Rucker et al., 2011) provide new evidence and arguments against the need for this first step in testing mediation, it was decided to report the EO→FP effect, given the popularity of the Baron and Kenny mediation analysis in the social sciences.

Step 2: This step essentially involves treating the mediator as if it were an outcome variable and showing that the initial variable (EO) is correlated with the direct mediator (BO). As shown in figure 7.8, such an effect of MO on BO exists.

Step 3: This step involves showing that the mediator (BO) affects the outcome variables (BP and FP). As already shown, such effects exist.

Step 4: This step involves assessing whether the mediation observed is partial or complete. Results indicated that EO effect on BP, when controlling for BO is non-significant. The same stands for the relationship of EO with FP, as, when controlling for BO and BP, the direct effect yields non-significant. These facts establish complete mediation.

However, the significance of the indirect effects has to be also estimated. The indirect effect of EO on BP can be easily computed as the product of $EO \rightarrow BO (=0.685) * BO \rightarrow BP (=0.67)$ in figure 7.8. ($=0.459$), and the total indirect effect of EO on FP as the product of $EO \rightarrow BO (=0.685) * BO \rightarrow BP (=0.67) * BP \rightarrow FP (=0.748)$ in figure 7.8. ($=0.343$). However their magnitude should be confirmed and their significance should be also assessed. Again bootstrapping, the increasingly popular method for testing indirect effects and their significance, was used (e.g. Shrout & Bolger, 2002; Preacher and Hayes, 2004; Hayes, 2009). The results are summarized below:

EO Effects on Performance						
	Direct		Indirect		Total	
	Std estimate	sig. (two-tailed)	Std estimate	sig. (two-tailed)	Std estimate	sig. (two-tailed)
Brand Orientation (BO)	0,685	0,001	-	-	0,685	0,001
Brand Performance (BP)	0,55	0,502	0,459	0,000	0,459	0,000
Financial Performance (FP)	0,003	0,966	0,343	0,000	0,343	0,000

As shown earlier, the direct effect of EO on BP, when controlling for BO, is non-significant (p-value = 0,502), as well as the direct effect of EO on FP, when controlling for BO and BP (p-value = 0,966). Moreover, the percentile-based bootstrap confidence intervals for both these direct effects were shown to contain the value of zero with 95% of confidence. Of main interest are also the standardized estimates of the two indirect effects, which are both significant at the 0,001 level. Based on the above, complete mediation is supported.

Once more, adopting Rucker's et al. (2011) view, it is not claimed that a complete mediation is established, due to the impossibility of perfect measurement in social sciences (Hoyle & Kenny, 1999). Rather, we posit that we have likely documented the primary mediator of interest in the relationship between Entrepreneurial Orientation and Business Performance and that the likelihood of any additional large mediators is remote. After all, practically, partial versus full mediation might be viewed as an indication of the importance of an intermediate variable in explaining the total effect (Preacher & Kelley, forthcoming).

7.4. Brand Oriented Companies' Profile

Finally, in this section, the profile of companies that exhibit higher levels of Brand Orientation is outlined. For this purpose, a k-means cluster analysis was conducted. Clusters were formed based on the values on each of the nine dimensions of Brand Orientation. Results indicated two clear clusters, representing business units exhibiting lower and higher level of Brand Orientation respectively. In particular, as shown in the following tables, Cluster 1 contains 81 business units which perform lower in terms of Brand Orientation, whereas Cluster 2 is formed by 161 units that perform much higher.

Final Cluster Centers			
	Cluster 1	Cluster 2	sig.
Brand Orientation as Attitude (BOA)	5,48	6,59	p<0,001
Brand Analysis (BAN)	4,84	5,97	p<0,001
Brand Clarity (BCL)	4,69	6,10	p<0,001
Brand Differentiation (BDIF)	4,41	5,84	p<0,001
Top Management Brand Commitment (TMBC)	4,95	6,38	p<0,001
Shared brand Values (SBV)	3,59	5,47	p<0,001
Brand Consistency (BCON)	4,96	6,21	p<0,001
Brand Protection (BPR)	4,92	6,24	p<0,001
Brand Performance Assessment (BPA)	3,80	5,29	p<0,001
N (Number of cases in each cluster)			
	81	161	
(%)	(33,5%)	(66,5%)	

Crosstabs' statistics were then used to test the profile of business units belonging to each cluster. Results are summarized in the following table⁴³ (Table 7.10).

⁴³ The table reports only results that were significant. Crosstabs' statistics between the two clusters and the companies' number of employees as well as the companies' sector were not significant and, therefore, are not reported.

Table 7.10.			
Companies' Profile Exhibiting Lower and Higher Levels of Brand Orientation			
	<u>Cluster 1</u> Lower level of BO	<u>Cluster 2</u> Higher level of BO	Pearson Chi-Square level of significance
Very large companies (more than 50 millions € of annual turnover)	55,7%	65,2%	0,1
Medium and large companies (more than 10 but less than 50 millions € of annual turnover)	44,3%	34,8%	
	100%	100%	
B2C	69,1%	85,7%	0,05
B2B	22,2%	6,2%	
Both	8,6%	8,1%	
	100%	100%	
Multinational companies	30,9%	57,8%	0,001
Domestic Greek companies	69,1%	42,2%	
	100%	100%	
Companies with less than 40 years of presence	54,3%	46,6%	0,1
Companies with more than 40 years of presence	45,7%	53,4%	
	100%	100%	
Product companies	74,1%	82,6%	0,1
Service companies	25,9%	17,4%	
	100%	100%	
FMCG companies	45,7%	55,3%	0,1
Non FMCG companies	54,3%	44,7%	
	100%	100%	

Summarizing the results presented in the above table, companies belonging to the second cluster, namely the more Brand Orientated companies, are in a greater percentage very large companies and companies with more than 40 years of presence in the market, multinational companies, operating in business to consumer markets, offering products and, in particular, fast moving consumer goods. What is worth stating, though, is that 69,1% of companies belonging to Cluster 1 and exhibiting lower levels of BO are Greek companies.

Based on this fact, differences between Greek and Multinational companies regarding the

level of Brand Orientation, as well as all other basic constructs of the study (including performance), were further investigated through t-test analyses. Besides, the sample is almost equally divided into Greek (51,2%) and multinational companies (48,8%), a fact that facilitates and enhances comparative analyses. Results are summarized in the following table (Table 7.11).

<u>Brand Orientation</u>	Greek companies N = 124	Multinational Companies N = 118	<i>Independent Samples t-test</i>
Brand Orientation as Attitude (BOA)	6,01	6,44	p < 0,01
Brand Development Orientation	5,38	5,68	p < 0,01
Brand Analysis (BAN)	5,49	5,69	p < 0,1
Brand Clarity (BCL)	5,44	5,82	p < 0,01
Brand Differentiation (BDIF)	5,2	5,52	p < 0,05
Internal Brand Orientation	5,2	5,53	p < 0,05
Top Management Brand Commitment (TMBC)	5,79	6	p < 0,1
Shared brand Values (SBV)	4,62	5,06	p < 0,01
External Brand Orientation	5,3	5,62	p < 0,01
Brand Consistency (BCON)	5,67	5,92	p < 0,05
Brand Protection (BPR)	5,63	5,96	p < 0,01
Brand Performance Assessment (BPA)	4,59	5	p < 0,05
Brand Orientation	5,47	5,82	p < 0,01
Market Orientation	5,38	5,58	p < 0,1
Customer Orientation	5,68	5,81	ns
Competitor Orientation	5,45	5,69	p < 0,05
Interfunctional Coordination	5,02	5,21	ns
Entrepreneurial Orientation	4,5	5,11	p < 0,01
Innovation	4,76	5,54	p < 0,01
Risk Taking	4,23	4,68	p < 0,01
Marketing Departmental Power	4,44	5,04	p < 0,01
Interdepartmental Conflict	2,89	2,79	ns
Brand Performance	5,34	5,61	p < 0,05
Financial Performance	4,89	5,31	p < 0,1

With the exception of two MO dimensions and Interdepartmental Conflict, where differences between Greek and Multinational companies are not significant, Greek companies in all constructs of interest score significantly lower than Multinational companies. Most importantly, Greek companies exhibit lower levels regarding all Brand Orientation dimensions and, eventually, lower levels of brand and financial performance. Such findings are of enormous importance to Greek companies and the Greek economy as a whole as they reveal significant possibilities for performance improvement based on a more consistent adoption of Brand Orientation strategy.



CHAPTER 8

CONCLUSION

“Brands are the basis for sustainable advantage for most organizations.

However, strong brands do not just happen.

*Rather, they result from the creation of winning brand strategies and brilliant executions
from committed, disciplined organizations.”*

David A. Aaker, 1996 (p. 358)

8.1. INTRODUCTION

In the preceding chapters we have been concerned with the development of the Brand Orientation theory and its empirical validation. The empirical application offered considerable evidence in support of the theory developed. This chapter seeks to draw the major conclusions from the work undertaken in the context of this thesis. More specifically, Section 2 discusses the results of the study and explains the way all research goals were met. Section 3 casts the implications of the thesis to the business world, as well as its contribution to the marketing discipline. Finally, Section 4 addresses the research limitations, suggesting possible extensions for future research.

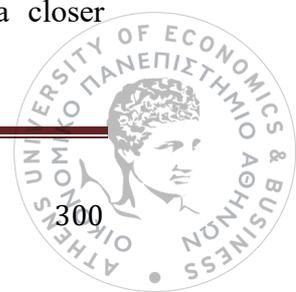


8.2. DISCUSSION

As presented in the preceding chapters, the outcome of the thesis is a robust conceptualization of Brand Orientation, a valid operationalization of the notion, an empirical investigation of its antecedents and consequences, and strong empirical evidence of its important role in the operation and performance of an organization. Based on the above, the purpose of the thesis is hopefully accomplished, by *furthering the interest that has appeared the last years around Brand Orientation, providing a foundation for the systematic development of a theory of Brand Orientation and empirically testing that theory, operationalizing in this way the branding concept.*

8.2.1. THE BRAND ORIENTATION CONSTRUCT

The **first research goal** of the thesis related to the development of a clear definition of the term “Brand Orientation”, by delineating its domain and roughing out all factors that engender this orientation in organizations. Besides, in order to rigorously develop a reliable and valid scale of a construct, a clear definition of the term under investigation is needed first. Synthesizing the received view from the relevant literature with the perspectives on Brand Orientation expressed by experts in the context of a qualitative study, the theoretical clarification of the construct became possible. Brand Orientation is defined as *reflecting an integrated organizational approach towards the development, maintenance and enhancement of successful brands over time.* Taking into account the BO dimensions inferred from the literature analysis and the relevant insights from the in-depth interviews, Brand Orientation is suggested to comprise 9 dimensions/components (Brand Importance, Brand Analysis, Brand Clarity, Brand Differentiation, Top Management Brand Commitment, Shared brand Values, Brand Consistency, Brand Protection and Brand Performance Assessment). Based on the fact that certain BO dimensions, despite their conceptual clarity, seemed to have a closer



conceptual linkage with some other BO dimensions and a much more distant linkage with some others, the possible existence of some higher order constructs was investigated and eventually confirmed. As a result, and in contrast with previous research efforts, it is suggested that Brand Orientation should be viewed as consisting of four facets – building blocks (Brand Orientation as Attitude, Brand Development Orientation, Internal Brand Orientation, External Brand Orientation), each of which comprises one or more BO dimensions.

Therefore, the operationalization of Brand Orientation entailed the development of four distinct scales, according to the respective BO building blocks, which can be used separately or together, depending on the research context. In other words, Brand Orientation is suggested to represent a hierarchically organized reflective construct, with its building blocks operating as higher order factors. After all, the concept of branding, which is intended to be expressed via the BO construct, is large enough to be effectively represented by a simple scale.

In order to operationalize the higher order BO scale, all recommended scale development steps were carefully followed. Based on the construct definition and content domain, a large pool of items was initially generated and later reduced to a more manageable one, based on expert judging and a pilot study on relevant population. The resultant BO scale was finalized through a large quantitative study in 242 large organizations. Our empirical findings satisfied the **second research goal** of the thesis related to the development of a sound BO scale, as they lent support to the broad BO conceptualization and confirmed that the BO scale developed reliably and validly measures the intended notion. More specifically, all scales measuring the four building blocks of BO appear to be reliable and exhibit high levels of construct validity. The BO entire scale was also proved to be reliable and valid,

confirming the proposed hierarchical structure of the construct. Additionally, all individual BO dimensions were shown to be distinctive, yet related, brand-oriented aspects of a firm. As also expected, all Brand Orientation dimensions are distinct from Market Orientation dimensions, confirming that the underlying constructs represent two totally different notions. Finally, the internal causal structure between the building blocks is confirmed by the findings, since it is proven that the attitudinal aspect of Brand Orientation positively affects all other behavioral BO facets. The way a company develops its brands affects in turn positively both the level of internal and external brand orientation. Finally, the effective management of the superior brand identity over time is shown to be affected by all other building blocks, as the company's degree of positive attitude towards brands, the degree of successful brand development and the level of common understanding of the brands' values across the organization positively affect the way brands are managed externally. In other words, a strong branding culture is the starting point of a Brand Orientation, guiding all behavioral branding aspects in an organization. Based on a thorough brand analysis, the development of clear and differentiated brands is in order, so as to create brands with distinct competitive advantages. In a subsequent step, the brand values have to be honestly supported by the top management and effectively shared by all employees and partners of the firm, in order for brand supportive behaviors to be generated. Finally, based on a positive attitude towards brands, the development of clearly differentiated brands and internal brand assimilation, the brand promise can be effectively delivered externally through consistency, long-term protection and periodical assessment.

In sum, the Brand Orientation construct developed, as it is conceptualized and operationalized, hopefully summarizes the branding concept from the supply – side perspective, by reflecting the adequate branding philosophy, firm strategy and activities towards successful brand building and management over time. In other words, Brand



Orientation captures the way an organization can build, maintain and enhance strong brands over time, operationalizing in this way the broad branding concept reliably and validly.

8.2.2. DRIVERS OF BRAND ORIENTATION

The determination of the factors that influence and affect the degree of a Brand Orientation in an organization was the object of the **third research goal** of the thesis. The findings regarding the antecedents of BO are consistent with the research framework of the thesis, as well as the relevant literature.

In particular, it was found that Brand Orientation is directly, positively and strongly affected by Market Orientation, which is revealed as a significant predictor of BO. A Market Orientation, which puts the customer at the center of all organizational activities, monitors competitive moves and ensures interfunctional coordination, provides the necessary mechanisms in order to help a company fulfill its brand promises. When firms have carefully detected customer needs and outlined the competition, they should next be in a better position to develop and implement a brand orientation that satisfies the customer needs and desires with strong brands, which ideally reflect special functional, emotional and /or self-expressive benefits. Interestingly, the MO dimension referring to Interfunctional Coordination presents the strongest effect on Brand Orientation, confirming the necessity of getting the entire organization to embrace the branding efforts and work collaboratively towards the fulfillment of the branding goals.

Brand Orientation was also found to be driven, to a weaker extend, by the degree of Entrepreneurial Orientation. Continuous innovation, risk taking and proactiveness, which are all expressed through the EO construct, are proven to significantly influence the degree of a Brand Orientation, and mostly the degree to which a brand is clearly differentiated from competition (Brand Development Orientation). Therefore, Brand Orientation, and specifically

the development of brands with distinct competitive advantages, appears to require a certain level of entrepreneurship.

A Brand Orientation appeared also to be facilitated by the degree of the Marketing Departmental Power. A strong marketing department mostly affects the degree of External Brand Orientation, as it can ensure that a consistent brand message is delivered in all customer touchpoints, the brand is adequately protected by business activities and its performance is periodically assessed. Brand Orientation was finally found to be indirectly, negatively affected by the level of Interdepartmental Conflict. A high tension among the different departments of an organization can significantly impede the firm's branding efforts, and most importantly the commitment of the top management to the brand and the sharing of the brand values among all employees and partners. In other words, a firm with a strong marketing department and low levels of interdepartmental conflict is in a better position to adopt a Brand Orientation. Such a firm is more likely to value brands as significant company assets, continuously safeguard the branding efforts, and develop the necessary cohesion among employees and partners for the successful delivery of the brand promise.

8.2.3. THE EFFECT OF BRAND ORIENTATION ON PERFORMANCE

The findings of the study suggest that the Brand Orientation of an organization is an important determinant of its performance. Specifically, Brand Orientation was found to have a direct positive effect on Brand Performance and an indirect effect, through BP, on Financial Performance. Given that the effect of BO on performance is rather strong, it can be argued that such an orientation is revealed as a prerequisite for firms nowadays in their effort to achieve high levels of performance and stand out in today's complex world of hyper-competition.

Moreover, it can be concluded that Brand Performance is most probably the primary mediator of interest in the BO → FP relationship and that the likelihood of any additional large mediators is remote. In other words, it is proven that for a firm to achieve the desired financial performance, it is necessary first to create, through Brand Orientation, the necessary awareness, reputation, loyalty, etc. for its brands.

Most importantly, it was shown that Brand Orientation has a strong positive effect on business performance (brand and financial), regardless of the market turbulence, competitive intensity, or the technological turbulence of the environment in which a firm operates. As such, firms should strive to improve the level of their Brand Orientation in order to attain higher business performance, despite of external environmental forces.

Another important finding regarding the consequences of Brand Orientation referred to the fact that the firm's age covariates with brand performance, implying that the achievement of a high brand performance, apart from winning brand strategies such as those engendered by a Brand Orientation, requires time. This finding provides additional evidence to the fact that branding constitutes a long-term strategy and its results should be, therefore, expected in the long run. No other covariation with business performance was confirmed and, most importantly, none of the control variables appeared to covariate with financial performance. Given that brand performance is proved to fully mediate the BO→FP relationship, it can be argued that once a firm has achieved a high brand performance, then financial performance is high, regardless of the firm's size, age and type of ownership.

8.2.4. IMPORTANCE OF BRAND ORIENTATION

In sum, the proposed nomological network of the Brand Orientation theory was confirmed by the findings. In particular, Marketing Departmental Power positively influences

Market Orientation, Entrepreneurial Orientation and Brand Orientation, whereas Interdepartmental Conflict has a direct negative effect on Market Orientation and an indirect negative effect on Brand Orientation and Entrepreneurial Orientation. Most importantly, Brand Orientation is positively and significantly influenced by Market Orientation and, in a lower degree, by Entrepreneurial Orientation. In turn, Brand Orientation has a strong positive effect on business performance by directly affecting Brand Performance and indirectly, through Brand Performance, Financial Performance. Based on the above, Brand Orientation rises as an important strategic orientation with a significant effect on business success.

However, additional evidence supported the important role of a Brand Orientation in an organization. More specifically, Brand Orientation is revealed as the primary mediator of interest in the relationship between Market Orientation and Business Performance, implying that the likelihood of any additional large mediators is remote. The same was shown for the relationship between Entrepreneurial Orientation and Business Performance. The full mediation uncovered can be viewed as an additional indication of the important role of Brand Orientation as an intermediate variable in explaining the total effect of Market and Entrepreneurial Orientation on performance. Such a finding is of enormous importance, as it provides strong empirical evidence of the indispensability for firms to adopt and successfully implement a Brand Orientation. In other words, findings suggest that a Market Orientation is a necessary but no longer a sufficient strategy in order to achieve high levels of business performance. Brand Orientation is revealed as the primary mediator of the Market Orientation → Performance relationship, changing in this way the prevailing, so far, view in the literature regarding this relationship.

The previous two sections of this chapter discussed the empirical findings regarding the consequences of a Brand Orientation in an organization and, in general, its overall importance for a firm. In this way, the **fourth and final research goal of the thesis** was

satisfied, by examining the outcomes of such an orientation in an organization and the importance of its role in achieving high levels of company performance. The following section elaborates on the implications of the findings for the business world and on the contribution of the present thesis to the marketing research.



8.3. RESEARCH CONTRIBUTION

Brand Orientation refers to an integrated organizational approach towards the development, maintenance and enhancement of successful brands over time that, through this thesis, is proved to be of enormous importance for the achievement of high levels of company performance. Since this thesis constitutes the first effort to a) provide a sound conceptualization and a robust operationalization of the wide meaning of Brand Orientation, and b) construct a comprehensive and empirically tested framework of this notion, its contribution is hopefully significant for both business firms and the marketing discipline.

8.3.1. IMPLICATIONS FOR MANAGERS

Managers can draw significant insights from this thesis. The broad view of branding, represented by the BO construct, suggests that a firm competing in today's fierce environment can respond to the demanding external and internal challenges by adopting and implementing all aspects of Brand Orientation.

In particular, given the important role of such an orientation in achieving high levels of business performance and gaining long-lasting competitive advantage, it appears not only advisable, but also indispensable for managers to understand the opportunities that rise from the adoption of brand-oriented attitudes and behaviors. In this vein:

- Managers should support the creation of a branding culture in the firm, which values brands as significant company assets and, consequently, attaches great importance to the branding efforts. This signifies that the brand should be considered as something much more than just a name and a logo, providing in large the reason for the existence of the company, and that branding should be viewed as one of the most important ways to acquire and maintain a good market position.

- Before creating a brand and selecting its positioning, a thorough knowledge regarding customers' brand needs, competitive brand offerings, and internal brand capabilities should be developed, so as to provide accurate information for the successful brand development. For this purpose, managers should take into account the company's vision, customer trends, the strengths and weaknesses of their company's brand(s) and those of the competitors' brands, as well as customers' perceptions of the company.

- For each brand, a clearly defined brand identity should be developed, which explicitly outlines the brand values – namely what the brand “stands for” – and can be easily communicated to the target audiences. In this way, customers will be able to easily understand the brand positioning and form clear associations regarding the company's brand(s).

- Key brand associations should be created in the minds of customers and other important stakeholders that differentiate the brand in a meaningful way and establish competitive superiority. After all, brand differentiation is a sine qua non in order for a brand to stand out in such a “cluttered” environment. Only a successfully differentiated brand can have a special meaning for customers and justify a price premium.

- All managers, but especially C – level executives, should be consistently committed to the organization's brands, by supporting the development and infusion of the brands' values across the organization, in order to generate an ongoing staff commitment to the organization's brands and encourage brand supporting behaviors. In other words, senior managers should be actively involved in the brand building efforts, consider issues regarding the company's brand(s) as being of high priority and, above all, be the firsts to deliver the brand promise in an honest way.

- Managers should also continuously work for the effective communication of the brands' vision and positioning to all internal stakeholders and partners, in order to create a common understanding of the brands' values across the organization and motivate towards the proper delivery of the brands' promise to customers. Such a stance entails, among others, making sure that the brand values are absolutely clear to all employees and partners, basing the recruitment selection criteria on the brand values, rewarding exemplar brand behavior, and ensuring that everyone in the company has clearly communicated authorities and responsibilities regarding the company's brand(s).
- A continuous coordination of all marketing activities is necessary, so as to guarantee the unvarying delivery of the brands' values to the multiple touch points. More specifically, the brand image should not get muddled with conflicting marketing messages, all company activities that may affect the brand image must be aligned with the brand positioning, the brand values should remain constant no matter what changes are taking place in the firm and, most importantly, the stress about sales and numbers should not lead to activities that may negatively affect the brand image.
- The brand(s) should be supported in the long run through continuous investments, care in long-term goals and avoidance of any decisions that may endanger the brands' image. This implies that the company's brand(s) should be protected in the long-run with careful brand leverage, marketing and R&D investments, even when the brand(s) have a good market standing, and mindful changes in organizational strategy that are in accordance with the brand strategy.
- A periodical monitoring of brand performance through customer and company based research is also necessary, in order to identify any gaps between customer and company perceptions regarding the brand and consequently refine if necessary the branding efforts. For

this purpose, market studies on a frequent basis are required so as to assess brand performance and re-design, if needed, the branding strategy.

The aforementioned guidelines stem from a theoretically grounded and empirically validated theory and summarize *the way a company can build, maintain and enhance one or more strong brands over time*. In this vein, Brand Orientation can be used by managers as a guidance in their effort to create powerful brands and, as a consequence, significant brand equity for their company. After all, strategic orientations, such as Brand Orientation, are the guiding principles that influence a firm's marketing and strategy-making activities. They represent the elements of the organization's culture that guide interactions with the marketplace, both with customers and competitors (Noble et al., 2002).

The Brand Orientation scale can be also used as an audit by senior managers in order to assess the degree to which their company is brand-oriented, trace aspects in which their company scores high, but also aspects where their company falls short and needs to concentrate its efforts for achieving brand excellence.

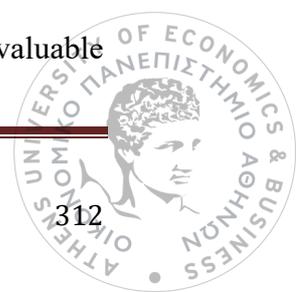
However, as shown by the results, a Brand Orientation is significantly facilitated by a strong marketing department, a high level of entrepreneurial orientation and, most importantly, by a high degree of market orientation. In other words, managers should make sure that all facilitators of Brand Orientation are in place in order for their firm to effectively adopt the desired branding behaviors. A strong marketing department with significant influence in the organizational strategy can help the entire organization embrace the brand values and successfully safeguard the branding efforts. In turn, a high level of entrepreneurial orientation can provide special benefits to the brand, reinforcing the desirable and necessary differentiation. On the other hand, a high degree of market orientation will provide managers the requisite knowledge regarding customer needs and competitive activities, in order to

adequately guide their branding efforts. Placing the customer at the center of the organizational strategy and ensuring an interfunctional integration, namely being market-oriented, is a prerequisite for being brand-oriented.

Interdepartmental conflict was proved to foster a Brand Orientation. As such, it appears useful to promote interdepartmental connectedness and reduce conflict through physical proximity of departments, interdepartmental training programs, cross-functional activities, and alignment of departmental performance objectives.

Findings also suggested that Brand Orientation completely mediates the relationship between market orientation and performance. This fact should alert managers that, nowadays, we have entered a new business era where being market oriented is a necessary but not a sufficient strategy for success. In other words, the adoption of a market orientation alone is questioned and the present thesis provides evidence in this direction. This is in accordance with Urde's (1999) call for examining a possible move from market orientation, which is considered as an unconditional response to the needs and wants of customers, to a next level (market orientation "plus" – brand orientation), where the company should not ignore customers' needs but should always act within the degrees of freedom that the brand identity provides space for. Findings are clear regarding the fact that the achievement of high business performance goes through Brand Orientation. As a consequence, today's firms have no option but to accept that being brand-oriented is no more a matter of choice, but a matter of necessity.

Finally, there are significant learning opportunities to be gained by Greek companies. As shown, Greek companies fall short in all Brand Orientation dimensions in regard to their multinational subsidiaries competitors. As such, Greek companies also exhibit significant lower levels of brand and financial performance. Therefore, the present thesis offers valuable



insights for Greek companies in order to understand the benefits attached to a Brand Orientation, as well as the enormous possibilities offered for performance improvement based on a more consistent adoption of a Brand Orientation strategy.

At this point it should be stated that the Greek economy is mainly based on its agricultural products and tourism services. One can, therefore, imagine the extent to which the whole Greek economy would be benefited by following a brand-oriented strategy for its agricultural goods and tourism destinations.

In sum, building and managing strong brands requires from organizations a certain approach and brand competence. In this vein, the anticipated contribution of this thesis to business society is to “show” firms a way to strengthen their market position, by rallying the entire organization, its commitment, efforts and resources toward the development of strong brands. Overall, the present thesis provides managers with a comprehensive view of what a brand orientation is and how it can be attained. When brands are brought into focus, a route is opened towards intangibly based competition. Taking into account that a brand orientation may not be easily engendered, it could be considered an additional and distinct form of sustainable competitive advantage.

8.3.2. IMPLICATIONS FOR MARKETING RESEARCH

Both the academic society (Shocker et al., 1994; Keller and Lehmann, 2006), as well as practitioners (McKinsey, 2003) have been stressing for long the need for the development of an integrative theory to guide brand management. In addition, they have been calling for the creation of a general branding model to be tested and calibrated, in order to move branding toward becoming a rigorous science. This call was rooted in the concession that no single or dominant theoretical framework had emerged to guide research in this area.

The present thesis hopefully addresses the aforementioned research calls, by creating an integrative branding theory and empirically testing it. Based on an increasing interest that has appeared the last years around Brand Orientation, the thesis offers a sound conceptualization of Brand Orientation, as well as a rigorous operationalization of the notion, allowing for the validation of a solid branding theory. Up to date, almost all studies on the subject, while providing useful insights for the construct, either have been based on a limited theoretical foundation, using qualitative means of survey such as case studies, or have taken a narrow industry-specific perspective (e.g. the charity sector). In addition, almost all important attempts to determine the most appropriate strategies firms should follow in order to develop and maintain valuable brands, although of tremendous importance and utility for the business society, are theoretical and descriptive in nature, based mainly on best-practices, and provide only conceptual frameworks in respect to successful brand building and management.

With this thesis, marketing scholars have at their disposal a carefully developed theory of Brand Orientation, which summarizes the broad concept of branding from the supply-side perspective. They now also possess a reliable and valid scale of Brand Orientation, which allows for the sound measurement of the level of such an orientation in organizations. The conceptualization and operationalization of Brand Orientation as a hierarchically organized construct, allow marketing researchers to opt for either all or any combination of the higher order constructs forming Brand Orientation, depending on the research context. In this way, Brand Orientation and its building blocks can be further assessed along with other important marketing organizational constructs in later studies.

The positive effect of market orientation on business performance has been proven several times through important research works (e.g. Narver and Slater, 1990; Avlonitis and Gounaris, 1999; Noble et al., 2002). However, the majority of those research efforts reports



on the existence of a direct relationship between MO and performance. This thesis comes to “question” this prevailing view, by providing strong evidence that the relationship of market orientation on performance is completely mediated by Brand Orientation or, at least, that BO constitutes a primary mediator in this relationship. This finding does not oppose to previous knowledge, but further explains the way organizations should work in today’s challenging environment in order to succeed. In other words, the prevailing marketing theory should be probably re-considered, by supplementing the marketing knowledge so far with a novel integrative concept that seems to exert a very significant influence on company results.

Finally, although not of primary interest to the thesis, some other marketing research contributions can be also considered. First, a brand performance scale was developed and assessed regarding its reliability and validity with very satisfactory results. Given that this scale was based on a thorough review of the existing brand equity literature, it can be argued to successfully capture the dominant aspects of brand performance. As a consequence, the scale can be reliably used in later studies as a solid measure to monitor the performance of brands. Second, both market orientation scales of Kohli et al. (1993) and Narver and Slater (1990) were used in the research instrument of the main study of the thesis, so as to retain in analyses the MO scale that performs better. Results indicated that the MKTOR scale of Narver and Slater (1990) exhibits better performance in terms of measurement fit, at least in the specific research context. On the other hand, the MARKOR scale of Kohli et al. (1993) presented particular validity weaknesses. Such a finding might be useful to marketing scholars focusing their research in similar research settings.

8.4. RESEARCH LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

As is always the case with research, this study has several limitations that should be expanded upon in future research efforts. The current section recognizes the limitations of the thesis, which serve as the base for suggestions regarding possible extensions of the present work.

From a methodological standpoint, because only BUs operating in Greece were surveyed, the findings may have limited generalizability in other countries. Given that countries may differ in terms of cultural, social, political and economic aspects, it would be useful to investigate how the proposed framework operates in different environments. Additionally, the findings of this study are based on cross-sectional data, but mainly on firms operating in consumer markets. Future studies should focus on specific sectors or industries (e.g. B2B, services), in order to draw comparative results and better understand how Brand Orientation operates in different settings. Moreover, having collected data from only large companies with at least 10 millions € and 50 employees, the ability to generalize the reported results to smaller companies is restricted. As a result, future studies should potentially focus on firms of different size, such as SMEs, so as to investigate Brand Orientation theory in such contexts.

In addition, a single key informant format design was employed in the study. Although proactive measures were taken to alleviate common method bias and, as a result, no evidence of such bias was found, use of multiple raters in future studies may enhance the reliability of the findings.

Given that no longitudinal design was followed in this study, it would be also useful to assess the validity of the BO construct and nomological network over extended periods of time. More specifically, the data of the present study were collected right before the

economic crisis outburst. It would be, therefore, interesting to investigate the BO theory in times of serious economic recession. Although brand-oriented firms possessing powerful brands are expected to be less vulnerable to fiscal difficulties, it would be important to test if and how brand-oriented activities are refined to adjust to a radically changing economic environment and a diminishing customer purchasing power.

Moreover, subjective measures were used for both brand and financial performance. In later studies, it would be useful not only to use secondary data for financial performance (e.g. balance sheets) but also to assess brand performance from the customer's perspective. In other words, brand performance was measured in the present study by asking key-informants to assess the level of perceived quality, image, awareness, reputation, etc for their company's brands. Although the measure proved to be reliable and valid, it would be much more interesting to assess the level of brand performance for each firm and its brands by collecting relevant primary data from customers.

One of the major outcomes of the thesis refers to the development of a sound BO scale with very satisfactory results in terms of reliability and validity. Although two studies (pilot and main study) provided evidence of the measurement's applicability, multiple tests and applications are required to more confidently infer the construct's validity. Some of these tests may even lead to a refinement of the construct itself. Additionally, although several antecedents and consequences of Brand Orientation were examined in the context of this thesis, the proposed nomological BO framework is by no means exhaustive. Building on the present research framework, further research should explore the relevance of other external and internal factors to a firm's brand-oriented strategy.

Future studies could also focus on one or more of the distinct building blocks of Brand Orientation and investigate in more depth the role of each particular BO facet in the organization's strategy and results.

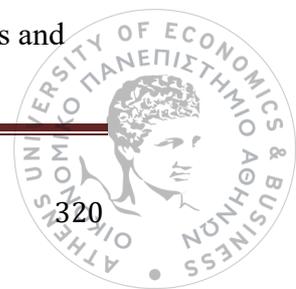
Finally, based on this thesis, the Brand Orientation construct reflects an integrated organizational approach towards the development, maintenance and enhancement of successful brands over time. Although the present study delved into commercial brands, research on Brand Orientation should not be limited to similar settings. The universality of branding, presented in the introductory chapter of the thesis, implies that not only companies and products can be brand-oriented, but also public figures, destinations and even single persons. Given this fact, Brand Orientation theory can be extended and adequately adapted to form winning brand strategies for various entities, such as political parties, destinations or even entire nations.

In sum, further research work in the above directions should considerably increase the knowledge on Brand Orientation and its fundamental tenets. In any case, the current thesis and its novel research findings hopefully open a new exciting root for researchers to undertake pioneering work in order to further validate and build on the proposed Brand Orientation theory, confirming in this way the tremendous importance of branding for achieving excellence. Given the challenges and opportunities affecting contemporary brand management, the future for research in this area is promising. Hopefully this thesis serves as a point of departure, rather than a destination, and a catalyst for future important contributions in the demanding branding area.

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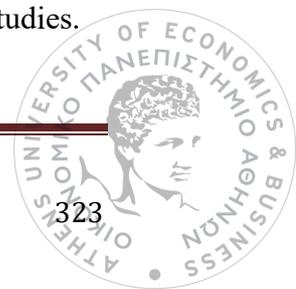


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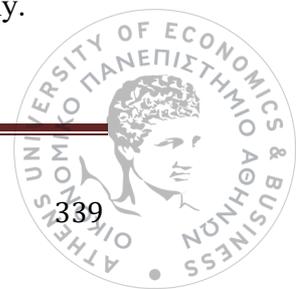
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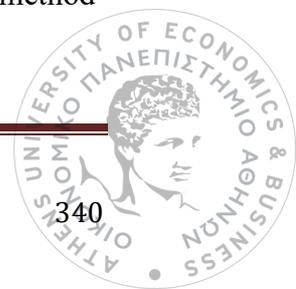
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APPENDIX



APPENDIX 1

Initial Item Pool Generated for Each BO Building Block and its Respective Dimensions

Brand Orientation as Attitude (BOA)

1. The development of our business strategy is significantly affected by our brands' identity.
2. In our organization, protecting our brands' image is as much important as protecting the company image.
3. If we were to change our business strategy, we would take into serious consideration any possible effects on our brands.
4. Branding is essential to our strategy.
5. Brands are the central focus of our organization.
6. Branding is essential in running this company.
7. Branding is a top priority in our company.
8. Everyone in our firm understands that branding our products/services is a top priority for our business.
9. We ensure that the brand is recognized, featured and favored in our marketing strategy.
10. We aim at the total alignment between business and brand strategy.
11. Our brands are among the most valuable assets for us.
12. Our brands' identity represents a strategic platform for our firm.
13. Our brands provide the reason for the existence of our company.
14. We consider branding as a very significant issue in business decisions and directions.
15. Having a brand supporting culture, based on relevant, shared values is critical for us.
16. For us, branding is the only way to acquire and maintain a good market position.
17. In our organization, the strategic decisions concerning our brands are promoted to the company management or board level.
18. Our brand identity represents a strategic platform for our firm.
19. The development of our brand strategy is concurrent with the development of our business strategy.
20. We believe a strong brand helps develop strong and long-lasting relationships with customers
21. Those who have the primary responsibility for the development and the nurturing of our brands within our organization enjoy a high prestige.
22. Our brands have a central role to corporate decision making.

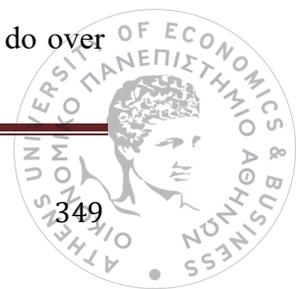
Brand Development Orientation (BDO)

Brand Analysis

1. In developing our brands, we conduct market research in order to understand customer trends (e.g. motivations, unmet needs, distinct market-customer segments).
2. In developing our brands, we examine current and potential competitors in terms of brand image/identity, strengths, vulnerabilities and positioning.
3. Before selecting the positioning of our brands, we study customers' perceptions for competitive brands.
4. We use customer surveys and communication audits in order to identify the brand image of the competitors' brands.
5. We study the past advertising and promotional history of the brand.
6. We study our-selves in order to uncover the brand's heritage and current image.
7. Before we develop strategies for our brands we identify the strengths and weaknesses of our competitors' brands.
8. In developing our brands, we make sure that we have the resources, the capability, and the will to deliver them.
9. In developing and nurturing our brands we take into serious consideration the origins and history of our brands.
10. We study our-selves in order to uncover the strengths, limitations, strategies, and values of our organization in relation to the brand.
11. In developing our brands we try to identify what is their association with our company as a whole.
12. In developing our brands we try to identify what is the visual imagery they evoke.
13. In selecting our brands' positioning, we take into account customers' perceptions of our company.
14. In developing our brands we try to identify the benefits (both product and service related) that our customers expect from them.
15. We constantly monitor competing brands to identify any changes in their image or/and positioning.
16. The development of our brand identity and our brand values is based on a thorough understanding of our firm's customers, competitors, and business environment.

Brand Clarity

1. Our brand identity clearly determines what our brand stands for.
2. We have cracked our brand's genetic code and understood its core values.
3. We understand the importance of clarifying our core brand identity.
4. Customers have well established, clear associations regarding our brands.
5. The associations we want to create in the minds of customers concerning our brand(s) are clearly defined
6. Our organization's brand identity represents what the organization can and will do over time regarding the brand.



7. Clear associations are formed regarding our brands, by simply mentioning their name.
8. We have well defined the knowledge structures we want to create in the minds of customers concerning our brand.
9. We have a clear and effective brand identity.
10. In our organization, it is clear what the brand stands for.
11. We have a clear brand identity with depth and texture so that those designing and implementing the communications programs do not inadvertently send conflicting or confusing messages to customers.
12. In developing our brands we try to tailor on them the values of our customers.
13. Our brand values are successfully reflected in their positioning.
14. Our brand identity captures all associations we want to establish in the relationship between the brand and the customer.
15. The brand identity is clearly defined in the “identity statement”.
16. We all have a clear understanding of which are the few core brand values that should be timeless and which less central values should adapt to changing situations.
17. We have a clear brand vision which gives a well-defined sense of direction for the brand.
18. We understand exactly what it is that we are seeking to build upon – our brand’s foundation.
19. We pay a lot of attention to the brand identity elements, such as the brand name, logo or symbol.
20. We have clearly defined our brands’ vision.
21. Our brand vision clearly defines the core values our brand stands for.
22. Our brand vision clearly defines the purpose of our brand.
23. Our brand vision clearly defines the desired future that the brand wishes to bring about.
24. Our organization’s brand positioning clearly determines how the brand should be perceived by its target audience.
25. Our brands’ positioning can be easily communicated to the target audience.
26. Our goal is to develop brands that have a unique personality.

Brand Differentiation

1. Through our brand positioning we aim at establishing key brand associations in the minds of customers and other important constituents.
2. Our customers are willing to pay a price premium in order to acquire our brands.
3. Our brand position demonstrates a point of superiority that resonates with customers and represents something different from what competitors provide.
4. Through our brand positioning we aim at differentiating the brand and establishing competitive superiority.
5. Our brands create special functional, emotional, and/or self-expressive benefits for our customers.
6. The positioning we select for our brands supports their competitive advantages.
7. We make sure that our brands' strategy differentiates the brands from competition.
8. We try to leverage brand secondary associations, which link the brand to people, places, or things with their own associations, in order to finally create an attractive whole.
9. We try to be similar to and different from competing brands in certain reliably identifiable ways.
10. We keep up with competitors by creating points of parity in those areas where competitors are trying to find an advantage, while at the same time creating points of difference (of advantage or superiority) to achieve advantages over competitors in some other areas.
11. We make sure our brand positioning is a combination of coherent and unique brand identity elements.
12. Our brands' positioning is the main way for differentiating them from competition.
13. We develop brands with unique personalities.
14. Our customers can easily identify the differences between our brands and those of competitors.
15. In our brand communication efforts we emphasize the competitive value of our brands.
16. Our customers identify our brands with distinct competitive advantages.
17. Our brands' position sets the direction of marketing activities and programs.
18. In developing our brands we try to identify how they differ from competing ones.

Internal Brand Orientation (IBO)

Top Management Brand Commitment

1. Our top management takes active role in brand management.
2. Our top management is closely involved with brand building efforts.
3. Our senior executives ensure that employees are motivated and supported in order to accomplish their brand roles.
4. Executive brand councils are formed in order to guide and direct the brand and manage brand impact.
5. Our senior managers are the firsts to deliver the brand's promise in an honest way.
6. Our top management shares with employees the research and strategy behind the brand.
7. Our top management encourages the development of a true brand-based culture.
8. Top management seems particularly interested in issues that relate with the building and maintenance of our brands.
9. Our top management ensures that brand-building receives adequate human and financial attention at all levels and across all functions.
10. Top management strongly believes that the development of strong brands yields positive results for the company.
11. In our organization, there is an internal brand support at all levels and across all functions.
12. Top-level executives have the ability and credibility to direct employees to bring the company's brand promise to life.
13. Our CEO ultimately sets the tone, enforces the development of a true brand-based culture, and determines whether the necessary resources to accomplish this goal are register as investments or expenses.
14. Our top management makes sure the necessary systems and processes are in place to support brand-driven decisions.
15. Our CEO empowers other top-level executives as change agents, to ensure that brand-building receives adequate human and financial attention.
16. Top-level executives allow and reinforce marketing to play a leadership role in the organization.
17. Our senior managers work across the organization to ensure enthusiasm in delivering brand values.
18. Employees trust the company leadership's ability to do the right thing relative to the values of the brand.
19. The brand manager's status is high in the organization with long-time horizon.
20. Our senior executives demonstrate strong commitment and support to our brands.
21. Our top management champions the message that the brand is the responsibility of the entire organization.
22. Our CEO has a clear appreciation of the standing of our brands.
23. Our top management acknowledges that brands need leadership from within and at every level.
24. Our top management has the vision and the power to encourage the development of strong brands.

Shared Brand Values

1. All employees within the organization understand what the brands represent to customers.
2. All levels of the company grasp the core truth of the brands.
3. Our employees fully understand the brand's vision.
4. Our employees are totally committed to delivering the brand promise.
5. All our employees believe in our brands' values.
6. Our employees have a common understanding of our brands, regardless of geographical and cultural distance.
7. All people in the firm are impassioned with the brand vision.
8. All employees are aware of the brand identity.
9. Our brands' values are absolutely clear to all employees and partners of our company.
10. All employees fully understand how key values and differentiated elements of the brand are articulated.
11. Our employees understand how they fit into the overall plan to deliver the brand vision and promise to customers.
12. We try to anchor brand values in the minds and hearts of employees.
13. All our employees feel proud of our brands.
14. Our brands' identity is effectively communicated to organizational members and partners.
15. The development and nurturing of brands is a responsibility of everyone in the company and not of just one person (e.g. brand manager).
16. Employees in our company can easily identify the brand vision.
17. Our employees fully understand how their roles would help bring the brands to life.
18. Employees across all organizational levels and functions fully understand what their role is in delivering on the brand promise.
19. Our employees clearly understand how they fit into the overall plan to deliver the brand vision and promise to customers.
20. All employees strongly believe that the company is capable of delivering on its promises to customer and feel committed to it.
21. All employees are inspired and motivated to care about the brand vision.
22. All employees within the organization adjust their actions according to what the brands most fundamentally is to represent to consumers.
23. Employee's behaviors are aligned with our brands' values.
24. We constantly demonstrate inside the organization what our brand is about, and we continue to do so at every opportunity.
25. Our employees adhere to brand-related guidelines before taking any action.
26. Our employees have the tools and processes to facilitate day-to-day brand decision making.
27. We constantly work on making each employee feel he/she has a stake in the brand vision.
28. Everyone in the company has clearly communicated authority and responsibilities regarding our brands.

29. Job descriptions incorporate the brand identity traits into the list of expected employee behaviors.
30. We try recruiting people with values similar to our brands.
31. Our brand values are the basis for employee selection.
32. All new employees are grounded through training in the brand identity, values and positioning.
33. Entry employees are provided with the necessary information (e.g. through manuals, videos) that clearly describe our brands' values.
34. Our employees are provided with appropriate training in order that both customer-facing and back-office staff successfully delivers the brand promise.
35. Regardless of business level, the training of all our employees aims, among other, at developing a good understanding of our brands' values.
36. In our organization, employees who strongly support the brands are identified and rewarded.
37. Our employees understand the brand's rational and emotional components.
38. All people in this firm are impassioned with the brand and see it as a mission and a vision and as an expression of their own identity.
39. Employees understand the impact of the brand and its positioning on their individual activities.
40. Everyone in our firm is meant to prioritize branding and endeavor to maintain the brand value provided to the customers.
41. All employees are familiar with the brand identity concept.
42. Exemplar brand behaviour is acknowledged and rewarded (e.g. salary increase, promotion).
43. Our employees have a good understanding of how their efforts affect the fulfillment of branding goals.
44. The HR director is a key member of the brand's team, since they devise policy on brand building issues such as recruitment, induction, training and rewarding.
45. HR and marketing work together to develop basic screening procedures that ensure new hires fit with and support the company's brand culture.
46. There is an internal initiative to ensure that employees who interacted with customers clearly understand the brand.
47. Desired brand-consistent behaviors are rewarded.
48. Our organization structure sufficiently empowers and supports brand related decisions.
49. All employees feel that their future in the company is utterly attached with that of our brands.
50. In our organization, an employee or a team of employees have the responsibility of championing and protecting the brands both inside and outside the organization.

External Brand Orientation (EBO)

Brand Consistency

1. No matter what changes are taking place in our firm, our brands and their values remain constant.
2. No matter how many employees come and go, the brand and its values remain constant.
3. We always make sure that the essence of the brand remains the same in all marketing activities.
4. We always ensure that all our marketing activities are consistent to our brand values.
5. Our brand identity is our guidance as to which programs and communications will support and reinforce the brand.
6. We make sure our brand's image does not get muddled with conflicting marketing messages.
7. We develop marketing programs that send consistent messages about our brands to our customers.
8. Each employee of ours consistently delivers the brand promise across every customer touch point to really achieve brand-driven success.
9. Employees focus in ensuring a consistent and continuous brand identity over time.
10. We make sure that our brands are properly coordinated across markets/segments in order to retain their image.
11. All our marketing activities, regardless of their target, are in total accordance with the desired brand image.
12. We undertake a commitment to constantly improving and safeguarding the integrity and associative value of everything that surrounds the brand in all phases of development.
13. The communication program is synergetic and consistent with brand strategy.
14. One can identify our brands' values in every marketing activity we do.
15. We ensure that the meaning of the brand is consistently represented in all marketing communication activities.
16. We always strive for uniform, harmonized and consistent communication with our brand's target group.
17. Our brand behaves consistently with its stated values.
18. We understand the importance of the synchronization of the communication of the brand.
19. Whoever gets in touch with our customers (e.g. front-line employees, salesmen, partners) are constantly communicating the brand positioning.
20. We are consistent across all customer contact points.
21. Even when we are really stressed about sales and numbers, we do not proceed to activities that may endanger our brand's image.
22. We make sure there is a consistent delivery of our brand promise and positioning across our multiple touch points.
23. We make sure that all our efforts to gain visibility are tied to our core identity.
24. In developing our brands we make sure that their communication is consistent with their image.

Brand Protection

1. Every strategy regarding our brands' leverage (e.g. brand or line extension) is designed in a way that protects and enhances the parent brand.
2. We always pay attention to customers' perceptions of fit (in terms of attributes and image) between a new extension and the parent brand.
3. Whenever we attempt to broaden our brands, we try to avoid overlapping between our brands.
4. Whenever we attempt to broaden our brand, we are diligent about assessing the impact that traditional "bandwidth" will have on our brand strength.
5. We always pay attention to how our different brands link to each other.
6. Our brands cover specific segments without overlapping each other.
7. As time goes by, we understand the need to refresh our brand without altering our brand genetic code.
8. Whenever we attempt to broaden our brand, we take into consideration that every brand has its limitations.
9. Without losing sight of our core brand strengths, we try to change some minor aspects of the brand in order to fit different times and markets.
10. Any proposed brand extension has to 'make sense'.
11. In every brand extension strategy, we evaluate the true costs, in terms of both immediate economic considerations and long-term impact on brand equity.
12. The organization fully leverages brand's strength through the introduction of endorsed brands and sub brands.
13. We constantly listen and observe the world around us and adapt our brand accordingly.
14. We have a clear understanding of the core brand values that should be timeless and of those less central that should adapt to changing situations.
15. Our brand strategy is not an unconditional response to what at any moment is demanded by customers.
16. Customers' wants are not ignored, but we never allow them to unilaterally steer the development of the brand.
17. The organization focuses more on long – term measures (e.g. brand equity) rather than short – term ones (e.g. sales, profits).
18. The goal of our organization is to build brand equities rather than simply manage brand images.
19. In developing our brands we aim at creating brand images that will last forever.
20. Our organization focuses on building assets that will result in long – term profitability.
21. We use our brands in order to achieve long term profits rather than short term growth.
22. Our brand is given sufficient R&D and marketing support.
23. We never stop investing in R&D and marketing activities, in order to enhance our brands.
24. We don't have a 'stop and go policy' in our strategy of building brands.
25. Without losing sight of our core brand strengths, we try to stay in the leading edge in the product arena and tweak some intangibles to fit the times.
26. We undertake growth initiatives along strategically defined brand values.

27. We avoid cutting back marketing support for the brands in reaction to a slump in sales.
28. The amount of money we have been investing on the development and nurturing of our brands has been constantly increasing during the past few years.
29. We never reduce spending on brands that have a good market standing in order to fund other business activities.
30. We always take a long-term view of brand decisions.
31. We deploy long term marketing plans for our brands.
32. In developing our brands we aim at creating brand images that will last forever.

Brand Performance Assessment

1. We run market studies on a frequent basis to define where we have to refine or redirect our brand building efforts.
2. Management determines whether the brand plan has produced the expected results.
3. We have a continuous system in place to monitor our employees' perceptions regarding our brands.
4. The organization has indicators to tap all dimensions of brand equity.
5. We periodically employ tracking studies to measure consumer knowledge structures over time.
6. We develop detailed knowledge of what our customers like/dislike about our brands.
7. We develop a good understanding of the images/associations that our customers make with our brands.
8. We have created detailed, research driven portraits of our brand's target customers.
9. The results of all assessment studies are assembled in a brand equity report, which is distributed to managers on a monthly, quarterly or annual basis and describes not only what is happening within a brand but also why.
10. We track our progress as to what impact certain market interventions have on our brand equity.
11. We try to measure where the brand has been, where the brand is now and whether marketing programs are having their intended effects.
12. We periodically monitor customers' perceptions regarding competitive brands.
13. We are aware of all the core associations people make with our brand, whether intentionally created by our company or not, dictating appropriate and inappropriate future directions for the brand.
14. We always monitor our sources of brand equity, in order to tap customers' perceptions and beliefs.
15. We monitor consumers' perceptions of our brands via marketing research studies, on a frequent basis.
16. We use market research in order to identify any gaps between our customers' brand perceptions and those of ourselves.
17. We systematically monitor our employees' perceptions regarding our brands.

APPENDIX 2

Possible Items for Each BO Building Block and its Respective Dimensions after the First Face and Content Validity Check by the Scale Developer

Brand Orientation as Attitude (BOA)

1. The development of our business strategy is significantly affected by our brands' identity.
2. In our organization, protecting our brands' image is as much important as protecting the company image.
3. If we were to change our business strategy, we would take into serious consideration any possible effects on our brands.
4. Branding is essential to our strategy.
5. Branding is a top priority in our company.
6. Everyone in our firm understands that branding our products/services is a top priority for our business.
7. We aim at the total alignment between business and brand strategy.
8. Our brands are among the most valuable assets for us.
9. Our brands' identity represents a strategic platform for our firm.
10. Our brands provide the reason for the existence of our company.
11. For us, branding is the only way to acquire and maintain a good market position.
12. In our organization, the strategic decisions concerning our brands are promoted to the company management or board level.
13. We believe a strong brand helps develop strong and long-lasting relationships with customers
14. Those who have the primary responsibility for the development and the nurturing of our brands within our organization enjoy a high prestige.
15. Our brands have a central role to corporate decision making.

Brand Development Orientation (BDO)

Brand Analysis

1. In developing our brands, we conduct market research in order to understand customer trends (e.g. motivations, unmet needs, distinct market-customer segments).
2. In developing our brands, we examine current and potential competitors in terms of brand image/identity, strengths, vulnerabilities and positioning.
3. Before selecting the positioning of our brands, we study customers' perceptions for competitive brands.
4. We use customer surveys and communication audits in order to identify the brand image of the competitors' brands.
5. Before we develop strategies for our brands we identify the strengths and weaknesses of our competitors' brands.
6. In developing our brands, we make sure that we have the resources, the capability, and the will to deliver them.
7. In selecting our brands' positioning, we take into account customers' perceptions of our company.
8. The development of our brand identity and our brand values is based on a thorough understanding of our firm's customers, competitors, and business environment..

Brand Clarity

1. Our brand identity clearly determines what our brand stands for.
2. Customers have well established, clear associations regarding our brands.
3. The associations we want to create in the minds of customers concerning our brand(s) are clearly defined
4. Clear associations are formed regarding our brands, by simply mentioning their name.
5. In developing our brands we try to tailor on them the values of our customers.
6. Our brand values are successfully reflected in their positioning.
7. We pay a lot of attention to the brand identity elements, such as the brand name, logo or symbol.
8. We have clearly defined our brands' vision.
9. Our brands' positioning can be easily communicated to the target audience.
10. Our goal is to develop brands that have a unique personality.

Brand Differentiation

1. Through our brand positioning we aim at establishing key brand associations in the minds of customers and other important constituents.
2. Our customers are willing to pay a price premium in order to acquire our brands.
3. Through our brand positioning we aim at differentiating the brand and establishing competitive superiority.
4. Our brands create special functional, emotional, and/or self-expressive benefits for our customers.
5. The positioning we select for our brands supports their competitive advantages.
6. We make sure that our brands' strategy differentiates the brands from competition.
7. Our brands' positioning is the main way for differentiating them from competition.
8. We develop brands with unique personalities.
9. Our customers identify our brands with distinct competitive advantages.
10. Our brands' position sets the direction of marketing activities and programs.
11. In developing our brands we try to identify how they differ from competing ones.

Internal Brand Orientation (IBO)

Top Management Brand Commitment

1. Our top management takes active role in brand management.
2. Our top management is closely involved with brand building efforts.
3. Our senior executives ensure that employees are motivated and supported in order to accomplish their brand roles.
4. Our senior managers are the firsts to deliver the brand's promise in an honest way.
5. Our top management encourages the development of a true brand-based culture.
6. Top management seems particularly interested in issues that relate with the building and maintenance of our brands.
7. Our top management ensures that brand-building receives adequate human and financial attention at all levels and across all functions.
8. Top management strongly believes that the development of strong brands yields positive results for the company.
9. Our top management makes sure the necessary systems and processes are in place to support brand-driven decisions.
10. Our senior managers work across the organization to ensure enthusiasm in delivering brand values.
11. Our senior executives demonstrate strong commitment and support to our brands.
12. Our top management champions the message that the brand is the responsibility of the entire organization.
13. Our top management has the vision and the power to encourage the development of strong brands.

Shared Brand Values

1. All employees within the organization understand what the brands represent to customers.
2. All levels of the company grasp the core truth of the brands.
3. Our employees fully understand the brand's vision.
4. Our employees are totally committed to delivering the brand promise.
5. All our employees believe in our brands' values.
6. Our employees have a common understanding of our brands, regardless of geographical and cultural distance.
7. All people in the firm are impassioned with the brand vision.
8. All employees are aware of the brand identity.
9. Our brands' values are absolutely clear to all employees and partners of our company.
10. We try to anchor brand values in the minds and hearts of employees.
11. All our employees feel proud of our brands.
12. Our brands' identity is effectively communicated to organizational members and partners.

13. The development and nurturing of brands is a responsibility of everyone in the company and not of just one person (e.g. brand manager).
14. Employees in our company can easily identify the brand vision.
15. Our employees fully understand how their roles would help bring the brands to life.
16. Employees across all organizational levels and functions fully understand what their role is in delivering on the brand promise.
17. Our employees clearly understand how they fit into the overall plan to deliver the brand vision and promise to customers.
18. All employees within the organization adjust their actions according to what the brands most fundamentally is to represent to consumers.
19. Employee's behaviors are aligned with our brands' values.
20. Our employees adhere to brand-related guidelines before taking any action.
21. Our employees have the tools and processes to facilitate day-to-day brand decision making.
22. Everyone in the company has clearly communicated authority and responsibilities regarding our brands.
23. Job descriptions incorporate the brand identity traits into the list of expected employee behaviors.
24. We try recruiting people with values similar to our brands.
25. Our brand values are the basis for employee selection.
26. All new employees are grounded through training in the brand identity, values and positioning.
27. Entry employees are provided with the necessary information (e.g. through manuals, videos) that clearly describe our brands' values.
28. Our employees are provided with appropriate training in order that both customer-facing and back-office staff successfully delivers the brand promise.
29. Regardless of business level, the training of all our employees aims, among other, at developing a good understanding of our brands' values.
30. In our organization, employees who strongly support the brands are identified and rewarded.
31. Exemplar brand behaviour is acknowledged and rewarded (e.g. salary increase, promotion).
32. Desired brand-consistent behaviors are rewarded.
33. All employees feel that their future in the company is utterly attached with that of our brands.
34. In our organization, an employee or a team of employees have the responsibility of championing and protecting the brands both inside and outside the organization.

External Brand Orientation (EBO)

Brand Consistency

1. No matter what changes are taking place in our firm, our brands and their values remain constant.
2. We always make sure that the essence of the brand remains the same in all marketing activities.
3. We always ensure that all our marketing activities are consistent to our brand values.
4. We make sure our brand's image does not get muddled with conflicting marketing messages.
5. We develop marketing programs that send consistent messages about our brands to our customers.
6. All our marketing activities, regardless of their target, are in total accordance with the desired brand image.
7. One can identify our brands' values in every marketing activity we do.
8. We ensure that the meaning of the brand is consistently represented in all marketing communication activities.
9. Whoever gets in touch with our customers (e.g. front-line employees, salesmen, partners) are constantly communicating the brand positioning.
10. We are consistent across all customer contact points.
11. Even when we are really stressed about sales and numbers, we do not proceed to activities that may endanger our brand's image.
12. We make sure there is a consistent delivery of our brand promise and positioning across our multiple touch points.
13. In developing our brands we make sure that their communication is consistent with their image.

Brand Protection

1. Every strategy regarding our brands' leverage (e.g. brand or line extension) is designed in a way that protects and enhances the parent brand.
2. We always pay attention to customers' perceptions of fit (in terms of attributes and image) between a new extension and the parent brand.
3. Whenever we attempt to broaden our brands, we try to avoid overlapping between our brands.
4. We always pay attention to how our different brands link to each other.
5. Our brands cover specific segments without overlapping each other.
6. As time goes by, we understand the need to refresh our brand without altering our brand genetic code.
7. Without losing sight of our core brand strengths, we try to change some minor aspects of the brand in order to fit different times and markets.

8. We have a clear understanding of the core brand values that should be timeless and of those less central that should adapt to changing situations.
9. Our brand strategy is not an unconditional response to what at any moment is demanded by customers.
10. Customers' wants are not ignored, but we never allow them to unilaterally steer the development of the brand.
11. The organization focuses more on long – term measures (e.g. brand equity) rather than short – term ones (e.g. sales, profits).
12. We use our brands in order to achieve long term profits rather than short term growth
13. We never stop investing in R&D and marketing activities, in order to enhance our brands.
14. We avoid cutting back marketing support for the brands in reaction to a slump in sales.
15. The amount of money we have been investing on the development and nurturing of our brands has been constantly increasing during the past few years
16. We never reduce spending on brands that have a good market standing in order to fund other business activities.
17. We always take a long-term view of brand decisions.
18. We deploy long term marketing plans for our brands.
19. In developing our brands we aim at creating brand images that will last forever.

Brand Performance Assessment

1. We run market studies on a frequent basis to define where we have to refine or redirect our brand building efforts.
2. We have a continuous system in place to monitor our employees' perceptions regarding our brands.
3. We develop detailed knowledge of what our customers s like/dislike about our brands.
4. We develop a good understanding of the images/associations that our customers make with our brands.
5. We periodically monitor customers' perceptions regarding competitive brands.
6. We monitor consumers' perceptions of our brands via marketing research studies, on a frequent basis.
7. We use market research in order to identify any gaps between our customers' brand perceptions and those of ourselves.
8. We systematically monitor our employees' perceptions regarding our brands.

APPENDIX 3

Pool of Items after Judgment by Experts

Brand Orientation as Attitude (BOA)

1. If we were to change our business strategy, we would take into serious consideration any possible effects on our brands.
2. Branding is a top priority in our company.
3. Our brands are among the most valuable assets for us.
4. Our brands provide, in large, the reason for the existence of our company. (refined)
5. In our organization, we believe that branding is one of the most important ways to acquire and maintain a good market position. (refined)
6. We believe a strong brand helps develop strong and long-lasting relationships with customers.
7. For us a brand is much more than just a name and a logo. (new)
8. We believe our brands provide us the best way to differentiate from competition. (new)

Brand Development Orientation (BDO)

Brand Analysis

1. In developing our brands, we study the customer trends (e.g. motivations, unmet needs, distinct market-customer segments). (refined)
2. Before selecting the positioning of our brands, we study customers' perceptions for competitive brands.
3. Before we develop strategies for our brands we identify the strengths and weaknesses of our competitors' brands.
4. In selecting our brands' positioning, we take into account customers' perceptions of our company.
5. We take into serious account our brands' strengths and weaknesses before selecting their positioning. (new)
6. Our company's vision defines, in large, our brands' positioning selection. (new)

Brand Clarity

1. Our brand's values are clearly defined. (refined)
2. Customers have well established, clear associations regarding our brands.
3. Clear associations are formed regarding our brands, by simply mentioning their name.
4. Our brand values are successfully reflected in their positioning.
5. We have clearly defined our brands' vision.
6. Our brands' positioning can be easily communicated to the target audience.
7. One can easily understand our brands' positioning. (new)

Brand Differentiation

1. Our customers are willing to pay a price premium in order to acquire our brands.
2. Our brands' positioning differentiates them from competition, establishing competitive superiority. (refined)
3. Our brands create special functional, emotional, and/or self-expressive benefits for our customers.
4. Our brands' positioning is the main way for differentiating them from competition.
5. We develop brands with unique personalities.
6. Our customers identify our brands with distinct competitive advantages.
7. Customers can easily identify how our brands differ from competitive ones. (refined)
8. Our brands have a special meaning for our customers. (new)

Internal Brand Orientation (IBO)

Top Management Brand Commitment

1. Our top management is actively involved in the brand building efforts (refined)
2. Our senior managers are the firsts to deliver the brand's promise in an honest way.
3. Our top management encourages the development of a true brand-based culture.
4. Top management seems particularly interested in issues that relate with the building and maintenance of our brands.
5. Top management strongly believes that the development of strong brands yields positive results for the company.
6. Our top management makes sure the necessary systems and processes are in place to support brand-driven decisions.
7. Our senior managers work across the organization to ensure enthusiasm in delivering brand values.
8. Top management considers issues regarding our brands as being of high priority. (new)

Shared Brand Values

1. All our employees believe in our brands' values.
2. All employees are passionate advocates of our brands. (refined)
3. Our brands' values are absolutely clear to all employees and partners of our company.
4. All our employees feel proud of our brands.
5. Our employees fully understand how their roles would help bring the brands to life.
6. All employees within the organization adjust their actions according to what the brands most fundamentally is to represent to consumers.
7. Employee's behaviors are aligned with our brands' values.
8. Everyone in the company has clearly communicated authority and responsibilities regarding our brands.
9. Our brands' values define in large our staff recruitment selection criteria. (refined)
10. Entry employees are provided with the necessary information (e.g. through manuals, videos) that clearly describe our brands' values.
11. Regardless of business level, the training of all our employees aims, among other, at developing a good understanding of our brands' values.
12. In our organization, employees who strongly support the brands are identified and rewarded.
13. Exemplar brand behaviour is acknowledged and rewarded (e.g. salary increase, promotion).
14. All employees feel that their future in the company is utterly attached with that of our brands.

External Brand Orientation (EBO)

Brand Consistency

1. No matter what changes are taking place in our firm, our brands and their values remain constant.
2. All our marketing activities (e.g. distribution, promotion) are constantly coordinated so that a unified image regarding our brands is given to our customers. (refined)
3. We make sure our brand's image does not get muddled with conflicting marketing messages.
4. All our marketing activities, regardless of their target, are in total accordance with the desired brand image.
5. One can identify our brands' values in every marketing activity we do.
6. Whoever gets in touch with our customers (e.g. front-line employees, salesmen, partners) are constantly communicating the brand positioning.
7. Even when we are really stressed about sales and numbers, we do not proceed to activities that may endanger our brand's image.
8. Anything that may affect our brands' image (e.g. above and below the line activities, packaging) is aligned with their positioning. (new)
9. We seek for customers that are able to successfully support our brands' values. (new)

Brand Protection

1. Every strategy regarding our brands' leverage (e.g. brand or line extension) is designed in a way that protects and enhances the parent brand.
2. We always pay attention to customers' perceptions of fit (in terms of attributes and image) between a new extension and the parent brand.
3. We always pay attention to how our different brands link to each other.
4. Without losing sight of our core brand strengths, we try to change some minor aspects of the brand in order to fit different times and markets.
5. We never stop investing in R&D and marketing activities, in order to enhance our brands.
6. We keep investing in our brands, even when they have a good market standing (refined)
7. In our brands' marketing programs, special attention is given to long-term goals (e.g. image and reputation enhancement, awareness increase). (refined)
8. Before making any change in our organizational strategy, we take into serious account the effect it may have on our brands. (new)

Brand Performance Assessment

1. We run market studies on a frequent basis to define where we have to refine or redirect our brand building efforts.

2. We have a continuous system in place to monitor our employees' perceptions regarding our brands.
3. We periodically monitor customers' perceptions regarding competitive brands.
4. We use market research in order to identify any gaps between our customers' brand perceptions and those of ourselves.
5. If only a small part of the target market embraces our brands, we seriously consider altering their image. (new)



APPENDIX 4

First Contact – Formal letter to Respondents

ΕΛΛΗΝΙΚΗ



ΔΗΜΟΚΡΑΤΙΑ

ΟΙΚΟΝΟΜΙΚΟ ΠΑΝΕΠΙΣΤΗΜΙΟ ΑΘΗΝΩΝ

Πατησίων 76, 104 34 Αθήνα - τηλ. 82 03 631, fax 82 03 607

Τμήμα Μάρκετινγκ και Επικοινωνίας

SBU S.A.

κ.

Διευθυντή Μάρκετινγκ

Αθήνα, __/__/2009

Αξιότιμε κ. ,

Η περίοδος που διανύουμε είναι ίσως από τις δυσκολότερες και πιο απαιτητικές για τις επιχειρήσεις, δεδομένου ότι πρέπει να ανταποκριθούν σε προκλήσεις που αφορούν τόσο την οικονομική συγκυρία, όσο και τις συνεχώς μεταβαλλόμενες απαιτήσεις των πελατών.

Ίσως βρισκόμαστε σε μια ιστορική καμπή, όπου η επιβίωση και επίτευξη υψηλής απόδοσης για τις επιχειρήσεις εξαρτάται πια και από την έμφαση που δίνει η κάθε εταιρία στη δημιουργία και στήριξη ισχυρών επωνυμιών (brands).

- **Ποιοί είναι όμως οι παράγοντες που οδηγούν στη δημιουργία ισχυρών brands;**
- **Πώς πρέπει να λειτουργεί μια επιχείρηση για να το επιτύχει;**
- **Σε ποιές ακριβώς ενέργειες πρέπει να εστιάζει για να αναπτύσσει και να στηρίζει ισχυρά brands;**
- **Τί προσφέρει μια επιτυχημένη επώνυμη πολιτική σε όρους απόδοσης;**

Σε μία προσπάθεια να εξεταστούν σε βάθος τα παραπάνω στρατηγικά θέματα και να αποκτήσουν οι επιχειρήσεις έναν οδηγό για την αποτελεσματική ανάπτυξη ισχυρών επωνυμιών (brands), το Τμήμα Μάρκετινγκ και Επικοινωνίας του Οικονομικού Πανεπιστημίου Αθηνών διεξάγει σχετική μελέτη.

Η έρευνα γίνεται σε διδακτορικό επίπεδο. Η συλλογή των στοιχείων θα γίνει με τη βοήθεια δομημένου ερωτηματολογίου, η συμπλήρωση του οποίου απαιτεί περίπου 25 λεπτά.

Η θέση που κατέχετε, σας καθιστά το πιο κατάλληλο άτομο να δώσει αξιόπιστες απαντήσεις στα θέματα που ερευνούμε. Για τον σκοπό αυτό, τις επόμενες ημέρες θα επικοινωνήσουμε μαζί σας τηλεφωνικά για να συζητήσουμε τη δυνατότητα συμμετοχής σας στην έρευνα.

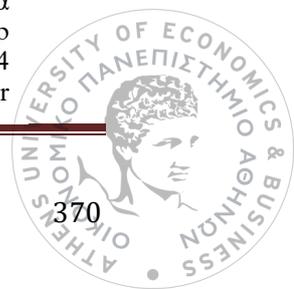
Παράλληλα, θα θέλαμε να σας διαβεβαιώσουμε ότι οι απαντήσεις σας θεωρούνται απολύτως εμπιστευτικές. Τα αποτελέσματα που θα ανακοινωθούν θα είναι συνολικά και σε καμία περίπτωση δεν πρόκειται να χρησιμοποιηθούν μεμονωμένα ή επώνυμα στοιχεία. Επιπλέον, αντίγραφο των αποτελεσμάτων θα σας αποσταλεί μετά την ολοκλήρωση της έρευνας.

Πιστεύουμε ότι, θα βρείτε το θέμα της μελέτης μας ενδιαφέρον και θα συμβάλετε με τις γνώσεις και την εμπειρία σας στην εξαγωγή χρήσιμων συμπερασμάτων σε ένα τόσο σημαντικό θέμα για τον επιχειρηματικό κόσμο.

Με εκτίμηση,

Γεώργιος Ι. Αυλωνίτης
Καθηγητής Μάρκετινγκ
Πρόεδρος Ελληνικής Ακαδημίας Μάρκετινγκ
Πρόεδρος Ευρωπαϊκής Ακαδημίας Μάρκετινγκ

Λαμπρινή Πήχα
Υποψήφια Διδάκτορ
Τηλέφωνο.: 6944 144 024
e-mail: Lamprinihiha@aueb.gr



APPENDIX 5

Accompanying mail when sending the questionnaire

Αξιότιμε/-η Κύριε/Κυρία _____,

Σε συνέχεια της επιστολής που λάβετε αλλά και μετά την τηλεφωνική μας επικοινωνία, σας επισυνάπτω το ερωτηματολόγιο της μελέτης που πραγματοποιούμε με τον Καθηγητή Μάρκετινγκ Κο Αυλωνίτη στα πλαίσια και της διδακτορικής μου διατριβής στο Τμήμα Μάρκετινγκ και Επικοινωνίας του Οικονομικού Πανεπιστημίου Αθηνών.

Η συγκεκριμένη μελέτη, βάση της οποίας είναι και το επισυναπτόμενο ερωτηματολόγιο, έχει ως βασικό στόχο να αναπτύξει επιστημονικά και να τεκμηριώσει εμπειρικά για πρώτη φορά διεθνώς τον ενδεδειγμένο τρόπο δημιουργίας και στήριξης ισχυρών επωνυμιών (brands). Μετά από 2,5 περίπου χρόνια συστηματικής ερευνητικής προσπάθειας με τον Κο Αυλωνίτη όπως σας είπα και τηλεφωνικά, αναπτύξαμε τη θεωρία του Προσανατολισμού των Εταιριών στην Επωνυμία (Brand Orientation) και βρισκόμαστε τώρα στη διαδικασία του ελέγχου αξιοπιστίας της.

Για το λόγο αυτό χρειαζόμαστε τη βοήθειά σας και τη συμμετοχή σας στη μελέτη μας. Το συγκεκριμένο ερωτηματολόγιο θα συμπληρώσουν συνολικά 200 έμπειρα στελέχη μάρκετινγκ επιχειρήσεων που δραστηριοποιούνται στην Ελλάδα και τα αποτελέσματα θα μας βοηθήσουν να τεκμηριώσουμε εμπειρικά τη θεωρία που αναπτύξαμε.

Περισσότερες λεπτομέρειες και διευκρινήσεις σχετικά με τη μελέτη παρέχονται αναλυτικά στην πρώτη σελίδα (cover letter) του ερωτηματολογίου. Για οποιαδήποτε όμως διευκρίνιση χρειαστείτε είμαι στη διάθεσή σας στην παρούσα ηλεκτρονική διεύθυνση (LampriniPiha@aueb.gr) και στο 6944144024.

Το ερωτηματολόγιο είναι σε μορφή που μπορεί είτε να συμπληρωθεί ηλεκτρονικά αν σας εξυπηρετεί (έχει τις κατάλληλες φόρμες), είτε να εκτυπωθεί και αφού συμπληρωθεί να συνεννοηθούμε για την παραλαβή του.

Παράλληλα, θα ήθελα να σας διαβεβαιώσω και πάλι ότι βάσει της ερευνητικής δεοντολογίας που διέπει το Οικονομικό Πανεπιστήμιο Αθηνών, και σύμφωνα με τις αρχές της ESOMAR (Ευρωπαϊκή Ένωση Ερευνών Αγοράς) καθώς και της Αρχής Προστασίας Προσωπικών Δεδομένων, οι απαντήσεις σας θεωρούνται απολύτως εμπιστευτικές.

Είναι αυτονόητο πως έκθεση με τα αποτελέσματα της μελέτης, όταν αυτή ολοκληρωθεί, θα σας αποσταλεί με την ευχή να φανεί χρήσιμη κατά τη λήψη αποφάσεων σε θέματα επώνυμης πολιτικής.

Τόσο ο Κύριος Αυλωνίτης, όσο και εγώ προσωπικά, σας ευχαριστούμε μέσα από την καρδιά μας για την όλη προθυμία και βοήθεια.

Ένα μεγάλο ευχαριστώ και πάλι.

Με ιδιαίτερη εκτίμηση,

Λαμπρινή Πήχα
Υποψήφια Διδάκτωρ Οικονομικού Πανεπιστημίου Αθηνών
Τμήμα Μάρκετινγκ και Επικοινωνίας

APPENDIX 6

First Follow-up Mail

Αξιότιμε/-η Κύριε/Κυρία _____,

Σας στέλνω το παρόν mail με σκοπό να κάνω μια υπενθύμιση σχετικά με το ερωτηματολόγιο της μελέτης που πραγματοποιούμε με τον Καθηγητή Κο Αυλωνίτη στο Οικονομικό Πανεπιστήμιο Αθηνών και που σας έστειλα στις 26/1/2010.

Δεδομένου ότι προσπαθούμε να ολοκληρώσουμε τη συλλογή των στοιχείων το συντομότερο δυνατό, θα ήθελα θερμά να σας παρακαλέσω αν μπορούσατε να το συμπληρώσετε, ώστε το αργότερο στα τέλη της ερχόμενης εβδομάδας να καταφέρουμε να κλείσουμε τη διαδικασία της συλλογής. Γνωρίζω φυσικά πόσο φορτωμένο είναι το πρόγραμμά σας, αλλά μόνο με τη βοήθειά σας μπορεί να τεκμηριωθεί εμπειρικά η όποια ερευνητική προσπάθεια.

Σας επισυνάπτω εκ νέου το ερωτηματολόγιο, ώστε να έχετε άμεση πρόσβαση σε αυτό. Αν χρειάζεστε οποιαδήποτε διευκρίνηση, παρακαλώ ενημερώστε με είτε στην παρούσα ηλεκτρονική διεύθυνση (LamriniPiha@aueb.gr) είτε στο 6944144024.

Με την ευκαιρία θέλω και πάλι να σας ευχαριστήσω για τη σημαντική συμβολή σας στην προσπάθειά μας. Η συλλογή στοιχείων είναι από τις δυσκολότερες διαδικασίες σε μια έρευνα και η βοήθειά σας είναι ανεκτίμητη.

Θα είμαστε σε επικοινωνία και στη συνέχεια για την αποστολή των αποτελεσμάτων της μελέτης, όταν αυτή ολοκληρωθεί, με την ευχή να σας φανούν χρήσιμα κατά τη λήψη αποφάσεων σε θέματα επώνυμης πολιτικής.

Ευχαριστώ και πάλι μέσα από την καρδιά μου!

Με ιδιαίτερη εκτίμηση,

Λαμπρινή Πήχα
Υποψήφια Διδάκτωρ Οικονομικού Πανεπιστημίου Αθηνών
Τμήμα Μάρκετινγκ και Επικοινωνίας

APPENDIX 7

Second Follow-up Mail

Αξιότιμε/-η Κύριε/Κυρία _____,

Σας στέλνω το παρόν mail με σκοπό να σας ενημερώσω ότι την ερχόμενη Δευτέρα 8/3/2010 ολοκληρώνεται με επιτυχία η συλλογή των στοιχείων για τη μελέτη που πραγματοποιούμε με τον Καθηγητή Κο Αυλωνίτη στο Οικονομικό Πανεπιστήμιο Αθηνών.

Αν επιθυμείτε να συμβάλετε στην ερευνητική αυτή προσπάθεια και να λάβετε τα αποτελέσματα της συγκεκριμένης μελέτης που αφορά σε ένα τόσο συμαντικό θέμα για τον επιχειρηματικό κόσμο, μπορείτε να μου αποστείλετε συμπληρωμένο το ερωτηματολόγιο της έρευνας μέχρι τη Δευτέρα 8 Μαρτίου. Οποιοδήποτε ερωτηματολόγιο λάβουμε μετά τη συγκεκριμένη ημερομηνία, δε θα μπορέσουμε να το χρησιμοποιήσουμε, καθώς θα έχει ξεκινήσει η ανάλυση των στοιχείων.

Για την περίπτωση που επιθυμείτε να συμμετέχετε, σας επισυνάπτω εκ νέου το ερωτηματολόγιο, ώστε να έχετε άμεση πρόσβαση σε αυτό. Αν χρειάζεστε οποιαδήποτε διευκρίνηση, παρακαλώ ενημερώστε με είτε στην παρούσα ηλεκτρονική διεύθυνση (LamriniPiha@aueb.gr) είτε στο 6944144024.

Σας ευχαριστούμε και πάλι για την πολύτιμη βοήθειά σας.

Με ιδιαίτερη εκτίμηση,

Λαμπρινή Πήχα
Υποψήφια Διδάκτωρ Οικονομικού Πανεπιστημίου Αθηνών
Τμήμα Μάρκετινγκ και Επικοινωνίας

APPENDIX 8

Formal Mail of “Thank You”

Αξιότιμε/-η Κύριε/Κυρία _____,

Έλαβα το ερωτηματολόγιο της διατριβής μου το οποίο συμπληρώσατε. Θέλω πραγματικά να σας ευχαριστήσω για τη συμβολή σας στην προσπάθειά μου. Η συλλογή των στοιχείων είναι από τις πιο δύσκολες διαδικασίες σε μία έρευνα και η βοήθειά σας είναι ανεκτίμητη. Μακάρι τα αποτελέσματα της μελέτης, τα οποία φυσικά και θα λάβετε όταν αυτή ολοκληρωθεί, να σας φανούν χρήσιμα κατά τη λήψη αποφάσεων σε θέματα επώνυμης πολιτικής.

Ένα μεγάλο ευχαριστώ και πάλι μέσα από την καρδιά μου!

Με ιδιαίτερη εκτίμηση,

Λαμπρινή Πήχα
Υποψήφια Διδάκτωρ Οικονομικού Πανεπιστημίου Αθηνών
Τμήμα Μάρκετινγκ και Επικοινωνίας



APPENDIX 9

Research Instrument

ΟΙΚΟΝΟΜΙΚΟ ΠΑΝΕΠΙΣΤΗΜΙΟ ΑΘΗΝΩΝ

ΕΛΛΗΝΙΚΗ



ΔΗΜΟΚΡΑΤΙΑ

Τμήμα Μάρκετινγκ και Επικοινωνίας

Πρόγραμμα Διδακτορικών Σπουδών

Εργαστήριο Μάρκετινγκ, Λευκάδος 33 και Ευελπίδων 47Α, 11362 Κυψέλη, Τηλ. 210 8203631, Fax. 210 8203607

Αξιότιμη Κυρία / Αξιότιμε Κύριε,

Η περίοδος που διανύουμε είναι ίσως από τις δυσκολότερες και πιο απαιτητικές για τις επιχειρήσεις, δεδομένου ότι πρέπει να ανταποκριθούν σε προκλήσεις που αφορούν τόσο την οικονομική συγκυρία, όσο και τις συνεχώς μεταβαλλόμενες απαιτήσεις των πελατών.

Ίσως βρισκόμαστε σε μια ιστορική καμπή, όπου η εστίαση των επιχειρήσεων στην αγορά και τον πελάτη δεν είναι από μόνη της αρκετή. Η επιβίωση και επίτευξη υψηλής απόδοσης για τις επιχειρήσεις εξαρτάται πια και από την έμφαση που δίνει η κάθε επιχείρηση στη δημιουργία και στήριξη ισχυρών επωνυμιών (brands). **Ποιοί είναι όμως οι παράγοντες που οδηγούν στη δημιουργία ισχυρών brands; Πώς πρέπει να λειτουργεί μια επιχείρηση για να το επιτύχει; Σε ποιές ακριβώς ενέργειες πρέπει να εστιάζει για να αναπτύσσει και να στηρίζει ισχυρά brands; Οι επιχειρήσεις που εστιάζουν στην ανάπτυξη και στήριξη δυνατών brands επιτυγχάνουν τελικά μεγαλύτερη απόδοση από άλλες επιχειρήσεις που δεν ακολουθούν ανάλογη πολιτική;**

Σε μία προσπάθεια να απαντηθούν τα παραπάνω στρατηγικά ερωτήματα και να αποκτήσουν οι επιχειρήσεις έναν οδηγό για την αποτελεσματική ανάπτυξη ισχυρών επωνυμιών (brands), το Εργαστήριο Μάρκετινγκ (A.La.R.M.: Athens Laboratory of Research in Marketing) του Οικονομικού Πανεπιστημίου Αθηνών διεξάγει σχετική μελέτη. Αξίζει να σημειωθεί ότι **μια τέτοια προσπάθεια εμπειρικής τεκμηρίωσης του ενδεδειγμένου τρόπου δημιουργίας και στήριξης ισχυρών επωνυμιών γίνεται για πρώτη φορά παγκοσμίως στον ακαδημαϊκό χώρο του μάρκετινγκ.**

Η μελέτη αυτή αποτελεί τη **βάση της διδακτορικής διατριβής** της υπογράφουσας και πραγματοποιείται με το παρόν δομημένο ερωτηματολόγιο, η συμπλήρωση του οποίου δεν απαιτεί περισσότερο από 30 λεπτά.

Παράλληλα, θα θέλαμε να σας διαβεβαιώσουμε ότι βάσει της ερευνητικής δεοντολογίας που διέπει το Εργαστήριο Μάρκετινγκ του Οικονομικού Πανεπιστημίου Αθηνών, και σύμφωνα με τις αρχές της ESOMAR (Ευρωπαϊκή Ένωση Ερευνών Αγοράς) καθώς και της Αρχής Προστασίας Προσωπικών Δεδομένων, οι απαντήσεις σας θεωρούνται **απολύτως εμπιστευτικές**. Σας διαβεβαιώνουμε επίσης πως τα αποτελέσματα που θα προκύψουν και θα ανακοινωθούν θα είναι συνολικά και σε καμία περίπτωση δεν πρόκειται να χρησιμοποιηθούν μεμονωμένα ή με επώνυμα στοιχεία. Επιπλέον, έκθεση με τα αποτελέσματα της έρευνας θα αποσταλεί στους συμμετέχοντες μετά την ολοκλήρωσή της.

Δεδομένου ότι δεν υπάρχουν «σωστές» και «λάθος» απαντήσεις, **εξαιρετικής σημασίας είναι η προσεκτική συμπλήρωση και οι όσο το δυνατόν ακριβείς και ειλικρινείς απαντήσεις σας στις ερωτήσεις του ερωτηματολογίου, αφού αυτό θα καθορίσει τόσο την ακρίβεια των αποτελεσμάτων, όσο και τη συνολική επιτυχία της μελέτης.**

Ευχόμαστε να βρείτε το θέμα της μελέτης μας χρήσιμο και ενδιαφέρον. Είμαστε βέβαιοι ότι θα συμβάλετε με τις γνώσεις και την εμπειρία σας στην εξαγωγή χρήσιμων συμπερασμάτων σε ένα τόσο σημαντικό θέμα για τον επιχειρηματικό κόσμο.

Με εκτίμηση,

Για το Οικονομικό Πανεπιστήμιο Αθηνών

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Ερωτηματολόγιο:

«Προσανατολισμός των Εταιριών στην Επωνυμία: παράγοντες που τον επηρεάζουν και συνέπειες αυτού»

ΠΡΩΤΟ ΜΕΡΟΣ: Εστίαση στην Αγορά και το Μάρκετινγκ**1.1 Προσανατολισμός της επιχείρησης στην αγορά και το μάρκετινγκ**

Παρακαλώ, σκεπτόμενοι την επιχειρηματική σας μονάδα, κυκλώστε τον βαθμό συμφωνίας ή διαφωνίας σας με κάθε πρόταση. (1: Διαφωνώ απόλυτα, 7: Συμφωνώ απόλυτα)

Σημείωση: Στις παρακάτω προτάσεις αναφέρεται ο όρος «προϊόντα». Αυτό όμως δεν είναι δεσμευτικό, καθώς ο όρος χρησιμοποιείται αντιπροσωπευτικά τόσο για προϊόντα όσο και για υπηρεσίες.

Προτάσεις	1: Διαφωνώ απόλυτα 7: Συμφωνώ απόλυτα						
	1	2	3	4	5	6	7
Επικοινωνούμε συχνά με τους πελάτες μας για να διερευνήσουμε τα προϊόντα που θα χρειαστούν στο μέλλον.	1	2	3	4	5	6	7
Πραγματοποιούμε συχνά συναντήσεις μεταξύ των τμημάτων για να συζητήσουμε τις τάσεις και εξελίξεις της αγοράς.	1	2	3	4	5	6	7
Στην επιχείρησή μας υπάρχουν στελέχη που έχουν την ευθύνη της συνεχούς συλλογής και ανάλυσης στοιχείων από την αγορά.	1	2	3	4	5	6	7
Όταν κάποιο από τα μέρη της επιχείρησής μας μαθαίνει σημαντικές πληροφορίες για τους ανταγωνιστές, ενημερώνει άμεσα τα άλλα μέρη.	1	2	3	4	5	6	7
Θα απαντούσαμε άμεσα σε μια διαρκή και επαναλαμβανόμενη (εντατική) καμπάνια που θα «έτρεχε» κάποιος κύριος ανταγωνιστής μας.	1	2	3	4	5	6	7
Εντοπίζουμε έγκαιρα τις αλλαγές στις προτιμήσεις των πελατών μας.	1	2	3	4	5	6	7
Ζητάμε την άποψη των πελατών μας συχνά προκειμένου να αξιολογήσουμε την ποιότητα των προϊόντων μας.	1	2	3	4	5	6	7
Όταν οι πελάτες επιθυμούν την τροποποίηση ενός προϊόντος μας, τα εμπλεκόμενα μέρη αναλαμβάνουν συντονισμένες προσπάθειες για να το επιτύχουν.	1	2	3	4	5	6	7
Δεν δυσκολευόμαστε να αποφασίσουμε με ποιές ενέργειες θα απαντήσουμε σε αλλαγές τιμών των ανταγωνιστών.	1	2	3	4	5	6	7
Εντοπίζουμε έγκαιρα σημαντικές αλλαγές στον κλάδο μας (π.χ. εξελίξεις ανταγωνισμού, τεχνολογίας, θεσμικού πλαισίου).	1	2	3	4	5	6	7
Τα παράπονα των πελατών λαμβάνονται υπόψη από την επιχείρησή μας.	1	2	3	4	5	6	7
Παρακολουθούμε περιοδικά την επίδραση που μπορεί να έχουν διάφορες αλλαγές στον κλάδο μας (τεχνολογία, νομοθεσία, κ.λπ.) στους πελάτες μας.	1	2	3	4	5	6	7
Στοιχεία σχετικά με θέματα που αφορούν την ικανοποίηση των πελατών μας γίνονται γνωστά σε όλα τα επίπεδα (ιεραρχίας) της επιχείρησης σε τακτική βάση.	1	2	3	4	5	6	7
Στην επιχείρησή μας, οι άνθρωποι που ασχολούνται με το μάρκετινγκ αφιερώνουν χρόνο για συζήτηση με άλλα μέρη σχετικά με τις μελλοντικές ανάγκες των πελατών.	1	2	3	4	5	6	7
Δεν αγνοούμε τις αλλαγές στις ανάγκες των πελατών μας.	1	2	3	4	5	6	7
Ένα σημαντικό γεγονός που έχει να κάνει με κάποιο πελάτη μας ή την αγορά γνωστοποιείται άμεσα στο σύνολο της επιχείρησης.	1	2	3	4	5	6	7
Αν σχεδιάζαμε ένα εξαιρετικό πρόγραμμα μάρκετινγκ, θα μπορούσαμε πιθανότατα να το υλοποιήσουμε χωρίς χρονική καθυστέρηση.	1	2	3	4	5	6	7
Αρκετά μέρη κάνουν περιοδικές συναντήσεις με σκοπό να σχεδιάσουν τον τρόπο ανταπόκρισης στις αλλαγές του περιβάλλοντος της επιχείρησής μας.	1	2	3	4	5	6	7
Οι δραστηριότητες των διαφορετικών τμημάτων της επιχείρησης είναι καλά συντονισμένες.	1	2	3	4	5	6	7
Αξιολογούμε περιοδικά τα συστήματα ανάπτυξης νέων προϊόντων στην εταιρία μας για να εξασφαλίσουμε ότι βρίσκονται σε αρμονία με τις επιθυμίες των πελατών μας.	1	2	3	4	5	6	7

1.2 Προσανατολισμός της επιχείρησης στην αγορά και το μάρκετινγκ

Παρακαλώ, σκεπτόμενοι την επιχειρηματική σας μονάδα, κυκλώστε τον βαθμό συμφωνίας ή διαφωνίας σας με κάθε πρόταση.

(1: Διαφωνώ απόλυτα, 7: Συμφωνώ απόλυτα)

Προτάσεις	1: Διαφωνώ απόλυτα 7: Συμφωνώ απόλυτα						
	1	2	3	4	5	6	7
Είμαστε αφοσιωμένοι στους πελάτες μας.	1	2	3	4	5	6	7
Οι πωλητές μας ανταλλάσσουν τις πληροφορίες που έχουν για τον ανταγωνισμό.	1	2	3	4	5	6	7
Τα τμήματα ανταλλάσσουν μεταξύ τους τις πληροφορίες που έχουν.	1	2	3	4	5	6	7
Αντιδρούμε ταχύτατα σε ενέργειες του ανταγωνισμού.	1	2	3	4	5	6	7
Προσδίδουμε αξία στους πελάτες μας.	1	2	3	4	5	6	7
Κατανοούμε τις ανάγκες των πελατών μας.	1	2	3	4	5	6	7
Όλα τα τμήματα συνεργάζονται για να προσδώσουν αξία στους πελάτες μας.	1	2	3	4	5	6	7
Θέτουμε ως πρωταρχικό στόχο την ικανοποίηση των πελατών μας.	1	2	3	4	5	6	7
Βασίζουμε τη στρατηγική μας στη στενή συνεργασία μεταξύ των τμημάτων, επιδιώκοντας συνέργειες.	1	2	3	4	5	6	7
Μελετάμε τον βαθμό ικανοποίησης των πελατών μας.	1	2	3	4	5	6	7
Εκμεταλλευόμαστε ευκαιρίες που οδηγούν στην απόκτηση ανταγωνιστικού πλεονεκτήματος.	1	2	3	4	5	6	7
Τα ανώτατα στελέχη συζητούν σχετικά με τις στρατηγικές που ακολουθεί ο ανταγωνισμός.	1	2	3	4	5	6	7
Παρέχουμε εξυπηρέτηση στους πελάτες μετά την πώληση (after-sales service).	1	2	3	4	5	6	7
Κατά την εφαρμογή διαφόρων λειτουργιών της επιχείρησης, γίνεται διαμερισμός πληροφοριών.	1	2	3	4	5	6	7
Οι επιχειρησιακοί πόροι μοιράζονται αρμονικά μεταξύ των τμημάτων.	1	2	3	4	5	6	7

ΔΕΥΤΕΡΟ ΜΕΡΟΣ: Εστίαση στη Δημιουργία και Στήριξη Ισχυρών Επωνυμιών (Brands)

Γενική σημείωση: Σε όλες τις ερωτήσεις της συγκεκριμένης ενότητας αναφερόμαστε στα brands / τις μάρκες ως «επωνυμίες». Χρησιμοποιούμε πάντα τον όρο στον πληθυντικό («επωνυμίες» και όχι «επωνυμία») αλλά αυτό δε θα πρέπει να είναι δεσμευτικό για τις απαντήσεις σας. Παρακαλώ απαντήστε είτε για ΤΙΣ επωνυμίες της επιχειρηματικής σας μονάδας (αν έχει πολλά brands), είτε για τη ΜΙΑ επωνυμία της επιχειρηματικής σας μονάδας (αν έχει μόνο ένα brand ή αν η εταιρική επωνυμία ταυτίζεται με την εμπορική).

2.1 Προσανατολισμός στην Επωνυμία ως Φιλοσοφία

Παρακαλώ δηλώστε το βαθμό συμφωνίας ή διαφωνίας σας με κάθε μια από τις παρακάτω προτάσεις αναφορικά με την επιχειρηματική σας μονάδα. (1: Διαφωνώ απόλυτα, 7: Συμφωνώ απόλυτα)

Προτάσεις	1: Διαφωνώ απόλυτα 7: Συμφωνώ απόλυτα						
	1	2	3	4	5	6	7
Για μας, μια επωνυμία είναι κάτι πολύ παραπάνω από απλά ένα όνομα ή ένα λογότυπο.							
Νιώθουμε ότι οι επωνυμίες μας αποτελούν έναν από τους βασικότερους λόγους ύπαρξης της επιχείρησής μας.							
Στην επιχείρησή μας πιστεύουμε ότι η ανάπτυξη επιτυχημένων επωνυμιών είναι από τους σημαντικότερους τρόπους για να αποκτήσουμε και να διατηρήσουμε καλή θέση στη αγορά.							
Η ανάπτυξη και στήριξη των επωνυμιών μας είναι βασική προτεραιότητα στην επιχείρησή μας.							

2.2 Προσανατολισμός στην Ανάπτυξη Επωνυμιών

Παρακαλώ δηλώστε το βαθμό συμφωνίας ή διαφωνίας σας με κάθε μια από τις παρακάτω προτάσεις αναφορικά με την επιχειρηματική σας μονάδα. (1: Διαφωνώ απόλυτα, 7: Συμφωνώ απόλυτα)

Σημείωση 1: Με τον όρο «**αξίες επωνυμιών**» εννοούμε ό,τι έχει επιλέξει η κάθε επωνυμία να πρεσβεύει (π.χ. Disney → χαρά, ευτυχία, Microsoft → δημιουργικότητα, προηγμένη τεχνολογία, Financial Times → εγκυρότητα, ακρίβεια, 3M → καινοτομία, κ.λπ.)

Σημείωση 2: Με τον όρο «**positioning**» εννοούμε την εικόνα και τους συνειρμούς που θέλουμε να δημιουργούνται στο μυαλό των πελατών για τις επωνυμίες μας.

Προτάσεις	1: Διαφωνώ απόλυτα 7: Συμφωνώ απόλυτα						
	1	2	3	4	5	6	7
Το positioning που επιλέγουμε για τις επωνυμίες μας αποτελεί το κύριο μέσο διαφοροποίησής τους από τον ανταγωνισμό.	1	2	3	4	5	6	7
Το όραμα της επιχειρήσής μας επηρεάζει σε μεγάλο βαθμό την επιλογή του positioning των επωνυμιών μας.	1	2	3	4	5	6	7
Το positioning των επωνυμιών μας μπορεί εύκολα να επικοινωνηθεί στους πελάτες.	1	2	3	4	5	6	7
Οι συνειρμοί που κάνουν οι πελάτες σχετικά με τις επωνυμίες μας είναι ξεκάθαροι.	1	2	3	4	5	6	7
Λαμβάνουμε σοβαρά υπόψη τα δυνατά και αδύνατα σημεία των επωνυμιών μας πριν επιλέξουμε το positioning τους.	1	2	3	4	5	6	7
Πριν αναπτύξουμε το positioning των επωνυμιών μας, μελετάμε τα δυνατά και αδύνατα σημεία των ανταγωνιστικών επωνυμιών.	1	2	3	4	5	6	7
Οι επωνυμίες μας έχουν ξεχωριστό νόημα για τους πελάτες μας.	1	2	3	4	5	6	7
Για να επιλέξουμε το positioning των επωνυμιών μας μελετάμε τις τάσεις της αγοράς.	1	2	3	4	5	6	7
Οι πελάτες μας ταυτίζουν τις επωνυμίες μας με ξεχωριστά συγκριτικά πλεονεκτήματα.	1	2	3	4	5	6	7
Κατά την επιλογή positioning για τις επωνυμίες μας λαμβάνουμε υπόψη την εικόνα που έχουν οι πελάτες για την επιχείρησή μας.	1	2	3	4	5	6	7
Έχουμε προσδιορίσει σαφώς τις βασικές αξίες των επωνυμιών μας.	1	2	3	4	5	6	7
Το positioning των επωνυμιών μας είναι εύκολα κατανοητό.	1	2	3	4	5	6	7
Με την απλή αναφορά του ονόματος των επωνυμιών μας, είναι ξεκάθαρο το τί αυτές συμβολίζουν.	1	2	3	4	5	6	7
Οι πελάτες μας είναι διατεθειμένοι να πληρώσουν παραπάνω (σε σχέση με τον ανταγωνισμό) για να αποκτήσουν τις επωνυμίες μας.	1	2	3	4	5	6	7
Οι επωνυμίες μας διαφοροποιούνται από τις ανταγωνιστικές επωνυμίες με τρόπο εύκολα αναγνωρίσιμο από τους πελάτες μας.	1	2	3	4	5	6	7

2.3 Εσωτερικός Προσανατολισμός στην Επωνυμία

Παρακαλώ δηλώστε το βαθμό συμφωνίας ή διαφωνίας σας με κάθε μια από τις παρακάτω προτάσεις αναφορικά με την επιχειρηματική σας μονάδα. (1: Διαφωνώ απόλυτα, 7: Συμφωνώ απόλυτα)

Σημείωση: Με τον όρο «ανώτατη διοίκηση» εννοούμε το Γεν. Διευθυντή, τους Διευθυντές των τμημάτων, κλπ.

Προτάσεις	1: Διαφωνώ απόλυτα 7: Συμφωνώ απόλυτα						
	1	2	3	4	5	6	7
Η ανώτατη διοίκηση συμμετέχει ενεργά στην προσπάθεια δημιουργίας και στήριξης των επωνυμιών μας.							
Οι αξίες των επωνυμιών μας καθορίζουν και τη συμπεριφορά των εργαζομένων στην καθημερινή τους εργασία.							
Όσοι εργαζόμενοι δίνουν τον καλύτερό τους εαυτό για να στηρίξουν τις επωνυμίες μας αναγνωρίζονται και ανταμείβονται για τις προσπάθειές τους (π.χ. αύξηση μισθού, προαγωγή).							
Η ανώτατη διοίκηση μεταδίδει στους εργαζομένους τον ενθουσιασμό για τις επωνυμίες μας.							
Όλοι οι εργαζόμενοι είναι υπερήφανοι για τις επωνυμίες μας.							
Η ανώτατη διοίκηση δείχνει ιδιαίτερο ενδιαφέρον σε θέματα που αφορούν στην ανάπτυξη και στήριξη των επωνυμιών μας.							
Στους νεοπροσλαμβανόμενους εργαζομένους της επιχείρησής μας παρέχεται πληροφόρηση / γίνονται παρουσιάσεις (εγχειρίδια, βίντεο) όπου παρουσιάζονται ξεκάθαρα οι αξίες των επωνυμιών μας.							
Οι εργαζόμενοι αισθάνονται ότι το μέλλον τους στην επιχείρηση είναι συνδεδεμένο με αυτό των επωνυμιών μας.							
Πρώτη από όλους, η ανώτατη διοίκηση δείχνει έμπρακτα την πίστη της στις επωνυμίες μας (κατανοεί τις αξίες τους, πιστεύει σε αυτές, κλπ.).							
Όλοι οι εργαζόμενοι είναι συστρατευμένοι για τη στήριξη των επωνυμιών μας.							
Η ανώτατη διοίκηση θεωρεί τα ζητήματα που αφορούν στις επωνυμίες μας ως υψηλής προτεραιότητας.							
Οι αξίες που αντιπροσωπεύουν οι επωνυμίες μας είναι απολύτως σαφείς σε όλους τους εργαζομένους και συνεργάτες της εταιρίας μας.							
Οι αξίες των επωνυμιών μας καθορίζουν σε μεγάλο βαθμό τα κριτήρια με τα οποία επιλέγουμε τους εργαζομένους μας.							
Σε όλους τους εργαζομένους επικοινωνείται επακριβώς ο ρόλος τους στην προσπάθεια επίτευξης των στόχων που έχουν τεθεί για τις επωνυμίες μας.							

2.4 Εξωτερικός Προσανατολισμός στην Επωνυμία

Παρακαλώ δηλώστε το βαθμό συμφωνίας ή διαφωνίας σας με κάθε μια από τις παρακάτω προτάσεις αναφορικά με την επιχειρηματική σας μονάδα. (1: Διαφωνώ απόλυτα, 7: Συμφωνώ απόλυτα)

Προτάσεις	1: Διαφωνώ απόλυτα 7: Συμφωνώ απόλυτα						
	1	2	3	4	5	6	7
Πριν κάνουμε κάποια αλλαγή σε επίπεδο επιχειρησιακής στρατηγικής λαμβάνουμε σοβαρά υπόψη μας τις επιπτώσεις που αυτή μπορεί να έχει στις επωνυμίες μας.	1	2	3	4	5	6	7
Οι ενέργειες επικοινωνίας για τις επωνυμίες μας δε στέλνουν αντικρουόμενα μηνύματα.	1	2	3	4	5	6	7
Κάθε στρατηγική που αφορά στις επεκτάσεις των επωνυμιών μας (brand ή line extension) είναι έτσι σχεδιασμένη που να προστατεύει και να ενισχύει την αρχική επωνυμία (parent brand).	1	2	3	4	5	6	7
Κάθε τί που μπορεί να επηρεάζει την εικόνα των επωνυμιών μας (π.χ. ενέργειες above και below the line, μουσική αναμονής στο τηλεφωνικό κέντρο εξυπηρέτησης, συσκευασία, ενδυμασία εργαζομένων, επιστολόχαρτα, κ.λπ.) είναι σε αρμονία με το positioning που έχουμε επιλέξει για αυτές.	1	2	3	4	5	6	7
Παρακολουθούμε συστηματικά τις αντιλήψεις που έχουν οι εργαζόμενοι για τις επωνυμίες μας.	1	2	3	4	5	6	7
Όλες οι ενέργειες μάρκετινγκ (επικοινωνία, διανομή, προώθηση, κλπ.) είναι διαρκώς συντονισμένες ώστε να παρέχεται ομοιόμορφη εικόνα στους πελάτες για κάθε επωνυμία μας.	1	2	3	4	5	6	7
Διενεργούμε έρευνες μάρκετινγκ για να εντοπίσουμε τυχόν αποκλίσεις μεταξύ των δικών μας αντιλήψεων και αυτών των πελατών σχετικά με τις επωνυμίες μας.	1	2	3	4	5	6	7
Επιδιώκουμε οι πελάτες στους οποίους στοχεύουμε και που χρησιμοποιούν τις επωνυμίες μας να μπορούν να υποστηρίξουν τις αξίες των επωνυμιών μας.	1	2	3	4	5	6	7
Διενεργούμε έρευνες μάρκετινγκ σε συχνή βάση για να προσδιορίσουμε πού πρέπει να βελτιώσουμε ή να τροποποιήσουμε τις προσπάθειες στήριξης των επωνυμιών μας.	1	2	3	4	5	6	7
Σε κάθε ενέργεια μάρκετινγκ που κάνουμε, μπορεί κανείς να αναγνωρίσει τις αξίες των επωνυμιών μας.	1	2	3	4	5	6	7
Ανεξαρτήτως αλλαγών που μπορεί να συμβαίνουν στην εταιρία μας (π.χ. αποχώρηση στελεχών), οι βασικές αξίες των επωνυμιών μας παραμένουν σταθερές.	1	2	3	4	5	6	7
Ακόμα και όταν κυριευόμαστε από άγχος για τις πωλήσεις και τα νούμερα, δεν προχωρούμε σε ενέργειες που μπορεί να βλάψουν την εικόνα που έχουμε χτίσει για τις επωνυμίες μας.	1	2	3	4	5	6	7
Όταν μια επωνυμία πάει καλά στην αγορά, συνεχίζουμε να επενδύουμε τους απαιτούμενους πόρους σε αυτή.	1	2	3	4	5	6	7
Στα προγράμματα μάρκετινγκ των επωνυμιών μας δίνεται ιδιαίτερη βαρύτητα σε μακροπρόθεσμους στόχους (π.χ. ενίσχυση εικόνας και φήμης, αύξηση αναγνωρισιμότητας).	1	2	3	4	5	6	7
Δίνουμε πάντα προσοχή στο πώς οι διάφορες επωνυμίες μας συνδέονται μεταξύ τους.	1	2	3	4	5	6	7
Στην περίπτωση που οι επωνυμίες μας και όσα τις χαρακτηρίζουν (αξίες, positioning, κ.λπ.) βρίσκουν ανταπόκριση μόνο σε ένα μικρό κομμάτι της αγοράς – στόχου, εξετάζουμε σοβαρά το ενδεχόμενο να αλλάξουμε την εικόνα τους.	1	2	3	4	5	6	7

ΤΡΙΤΟ ΜΕΡΟΣ: Χαρακτηριστικά Επιχείρησης

3.2 Προσανατολισμός στην Επιχειρηματικότητα

Παρακαλώ, σκεπτόμενοι την επιχειρηματική σας μονάδα, δηλώστε το βαθμό συμφωνίας ή διαφωνίας σας με κάθε μια από τις παρακάτω προτάσεις. (1: Διαφωνώ απόλυτα, 7: Συμφωνώ απόλυτα)

Προτάσεις	1: Διαφωνώ απόλυτα 7: Συμφωνώ απόλυτα						
	1	2	3	4	5	6	7
Στην επιχείρησή μας δίνουμε ιδιαίτερη έμφαση στην καινοτομία καθώς και στην Έρευνα και Ανάπτυξη.	1	2	3	4	5	6	7
Διατηρούμε επιθετική στάση απέναντι στον ανταγωνισμό (π.χ. προβλέπουμε τις κινήσεις τους για να τις κάνουμε πρώτοι, τους προλαβαίνουμε σε διάφορες ενέργειες κ.λπ.)	1	2	3	4	5	6	7
Είμαστε συνήθως πρωτοπόροι στην υιοθέτηση καινοτομιών.	1	2	3	4	5	6	7
Έχουμε την τάση να προχωράμε σε ενέργειες που ενέχουν υψηλό ρίσκο, αναμένοντας υψηλές αποδόσεις.	1	2	3	4	5	6	7
Εισάγουμε με μεγάλη συχνότητα νέα προϊόντα στην αγορά.	1	2	3	4	5	6	7
Όταν έχουμε να αντιμετωπίσουμε μια κατάσταση υψηλού ρίσκου, υιοθετούμε επιθετική στάση.	1	2	3	4	5	6	7
Τα προϊόντα μας είναι καινοτομικά, «μπροστά από την εποχή τους».	1	2	3	4	5	6	7
Είμαστε συνήθως οι πρώτοι που υιοθετούμε νέες τεχνολογίες.	1	2	3	4	5	6	7
Πιστεύουμε πως απαιτείται ριψοκίνδυνη στάση για την επίτευξη των στόχων μας.	1	2	3	4	5	6	7

4.1 Ισχύς του τμήματος Μάρκετινγκ

Παρακαλώ, σκεπτόμενοι την επιχειρηματική σας μονάδα, δηλώστε το βαθμό συμφωνίας ή διαφωνίας σας με κάθε μια από τις παρακάτω προτάσεις. (1: Διαφωνώ απόλυτα, 7: Συμφωνώ απόλυτα)

Προτάσεις	1: Διαφωνώ απόλυτα 7: Συμφωνώ απόλυτα						
	1	2	3	4	5	6	7
Οι λειτουργίες που εκτελούνται από το τμήμα Μάρκετινγκ θεωρούνται πιο κρίσιμες σε σχέση με άλλες λειτουργίες της επιχείρησής μας.	1	2	3	4	5	6	7
Η ανώτατη διοίκηση θεωρεί ότι το τμήμα Μάρκετινγκ είναι ένα από τα πιο σημαντικά τμήματα της επιχείρησής μας.	1	2	3	4	5	6	7
Σε σύγκριση με άλλα τμήματα της επιχείρησής μας, το τμήμα Μάρκετινγκ μπορεί να προσλάβει τα στελέχη που χρειάζεται πιο γρήγορα.	1	2	3	4	5	6	7
Οι απόψεις και ενέργειες του τμήματος Μάρκετινγκ υπερισχύουν συνήθως των υπολοίπων τμημάτων, σε θέματα που αφορούν στο σύνολο της επιχείρησής μας.	1	2	3	4	5	6	7
Σε γενικές γραμμές, το τμήμα Μάρκετινγκ φαίνεται να ασκεί μεγαλύτερη επιρροή στον τρόπο λειτουργίας της επιχείρησής μας, σε σχέση με άλλα τμήματα.	1	2	3	4	5	6	7

4.2 Συγκρούσεις μεταξύ των τμημάτων

Παρακαλώ, σκεπτόμενοι την επιχειρηματική σας μονάδα, δηλώστε το βαθμό συμφωνίας ή διαφωνίας σας με κάθε μια από τις παρακάτω προτάσεις. (1: Διαφωνώ απόλυτα, 7: Συμφωνώ απόλυτα)

Προτάσεις	1: Διαφωνώ απόλυτα 7: Συμφωνώ απόλυτα						
	1	2	3	4	5	6	7
Τα περισσότερα τμήματα της επιχείρησής μας δεν «τα πάνε καλά» μεταξύ τους.	1	2	3	4	5	6	7
Όταν στελέχη από διάφορα τμήματα της επιχείρησης βρίσκονται μαζί, υπάρχουν συνήθως εντάσεις.	1	2	3	4	5	6	7
Τα άτομα ενός τμήματος αποφεύγουν γενικά να συναναστρέφονται με άτομα άλλων τμημάτων.	1	2	3	4	5	6	7
Ο κάθε εργαζόμενος της επιχείρησης αισθάνεται ότι οι στόχοι του τμήματός του διαφέρουν κατά πολύ από τους στόχους που έχουν οι συνάδελφοί του σε άλλα τμήματα.	1	2	3	4	5	6	7
Το να προστατεύει ένας εργαζόμενος τα συμφέροντα του τμήματός του είναι κοινή πρακτική στην επιχείρησή μας.	1	2	3	4	5	6	7
Οι στόχοι κάθε τμήματος θεωρούνται ασύμβατοι με τους στόχους των άλλων τμημάτων.	1	2	3	4	5	6	7
Παρατηρούνται αρκετές διαμάχες μεταξύ των τμημάτων της επιχείρησης.	1	2	3	4	5	6	7

ΤΕΤΑΡΤΟ ΜΕΡΟΣ: Εξωτερικό Περιβάλλον

5.1 Περιβάλλον επιχείρησης

Ακολουθούν κάποιες προτάσεις που αφορούν στο περιβάλλον της επιχείρησης. Παρακαλώ, σκεπτόμενοι την επιχειρηματική σας μονάδα, κυκλώστε το βαθμό διαφωνίας ή συμφωνίας σας με κάθε μία από τις παρακάτω προτάσεις. (1: Διαφωνώ απόλυτα, 7: Συμφωνώ απόλυτα)

Προτάσεις	1: Διαφωνώ απόλυτα 7: Συμφωνώ απόλυτα						
Σταθερότητα / Μεταβλητότητα	1: Διαφωνώ απόλυτα 7: Συμφωνώ απόλυτα						
Στον κλάδο που δραστηριοποιείται η επιχείρησή μας, οι προτιμήσεις των πελατών αλλάζουν αρκετά με την πάροδο του χρόνου.	1	2	3	4	5	6	7
Οι πελάτες της επιχείρησής μας αναζητούν συνεχώς νέα προϊόντα.	1	2	3	4	5	6	7
Παρατηρούμε πως υπάρχει ζήτηση για προϊόντα μας από πελάτες που δεν τα έχουν αγοράσει ποτέ στο παρελθόν.	1	2	3	4	5	6	7
Σε σχέση με τους υπάρχοντες πελάτες μας, οι νέοι πελάτες τείνουν να έχουν διαφορετικές απαιτήσεις σχετικά με τα προϊόντα μας.	1	2	3	4	5	6	7
Πολλοί από τους πελάτες που εξυπηρετούμε είναι νέοι πελάτες.	1	2	3	4	5	6	7
Ανταγωνισμός	1: Διαφωνώ απόλυτα 7: Συμφωνώ απόλυτα						
Ο ανταγωνισμός στον κλάδο μας είναι πολύ σκληρός.	1	2	3	4	5	6	7
Στον κλάδο μας παρατηρούνται συχνά «πόλεμοι» προωθητικών ενεργειών.	1	2	3	4	5	6	7
Ο,τιδήποτε προσφέρει μια επιχείρηση του κλάδου μας μπορεί να αντιγραφεί άμεσα από τον ανταγωνισμό.	1	2	3	4	5	6	7
Κύριο χαρακτηριστικό του κλάδου μας είναι ο ανταγωνισμός τιμών.	1	2	3	4	5	6	7
Σχεδόν κάθε μέρα μαθαίνουμε για μια νέα κίνηση του ανταγωνισμού.	1	2	3	4	5	6	7
Οι ανταγωνιστές μας είναι ισχυροί.	1	2	3	4	5	6	7
Τεχνολογία	1: Διαφωνώ απόλυτα 7: Συμφωνώ απόλυτα						
Στον κλάδο μας παρατηρούνται ραγδαίες τεχνολογικές εξελίξεις.	1	2	3	4	5	6	7
Οι τεχνολογικές εξελίξεις παρέχουν μεγάλες ευκαιρίες στις επιχειρήσεις του κλάδου μας.	1	2	3	4	5	6	7
Ένας μεγάλος αριθμός νέων προϊόντων του κλάδου μας προήλθε από σημαντικές τεχνολογικές εξελίξεις.	1	2	3	4	5	6	7
Οι τεχνολογικές εξελίξεις στον κλάδο μας είναι λίγες.	1	2	3	4	5	6	7

ΠΕΜΠΤΟ ΜΕΡΟΣ: Απόδοση Επιχείρησης

5.2 Απόδοση (σε σχέση με ανταγωνισμό)

Παρακαλώ, σκεπτόμενοι τα τελευταία τρία χρόνια, προσδιορίστε την απόδοση της επιχειρηματικής σας μονάδας, **συγκριτικά με τον κυριότερο ανταγωνιστή σας**, με βάση τα παρακάτω οικονομικά κριτήρια.

(1: Πολύ χειρότερη, 7: Πολύ καλύτερη)

Οικονομικά κριτήρια	1: Πολύ χειρότερη 7: Πολύ καλύτερη						
	1	2	3	4	5	6	7
Κέρδη.	1	2	3	4	5	6	7
Όγκος Πωλήσεων.	1	2	3	4	5	6	7
Μερίδιο Αγοράς.	1	2	3	4	5	6	7
Απόδοση Επένδυσης (ROI).	1	2	3	4	5	6	7

5.3 Απόδοση (αντιλαμβανόμενη)

Με βάση τα ίδια οικονομικά κριτήρια και σκεπτόμενοι πάλι τα τελευταία τρία χρόνια, παρακαλώ προσδιορίστε το **βαθμό ικανοποίησης της επιχειρηματικής σας μονάδας ως προς τους στόχους που είχατε θέσει** για κάθε ένα από αυτά. (1: Πολύ δυσαρεστημένοι, 7: Πολύ ευχαριστημένοι)

Οικονομικά κριτήρια	1: Πολύ δυσαρεστημένοι 7: Πολύ ευχαριστημένοι						
	1	2	3	4	5	6	7
Κέρδη.	1	2	3	4	5	6	7
Όγκος Πωλήσεων.	1	2	3	4	5	6	7
Μερίδιο Αγοράς.	1	2	3	4	5	6	7
Απόδοση Επένδυσης (ROI).	1	2	3	4	5	6	7

5.4 Απόδοση Επωνυμιών (σε σχέση με ανταγωνισμό)

Παρακαλώ, σκεπτόμενοι τα τελευταία τρία χρόνια, προσδιορίστε την απόδοση των επωνυμιών σας (κατά μέσο όρο), **συγκριτικά με τις κυριότερες ανταγωνιστικές επωνυμίες**, με βάση τα παρακάτω κριτήρια. (1: Πολύ χειρότερη, 7: Πολύ καλύτερη)

Κριτήρια	1: Πολύ χειρότερη 7: Πολύ καλύτερη						
	1	2	3	4	5	6	7
Αντιλαμβανόμενη ποιότητα των επωνυμιών σας από τους πελάτες (Brand Perceived Quality).							
Εικόνα των επωνυμιών σας στην αγορά (Brand Image).							
Αναγνωρισιμότητα των επωνυμιών σας (Brand Awareness).							
Φήμη των επωνυμιών σας (Brand Reputation).							
Εμπιστοσύνη των πελατών στις επωνυμίες σας (Brand Trust).							
Πιστότητα πελατών στις επωνυμίες σας (Brand Loyalty).							
Μερίδιο αγοράς των επωνυμιών σας (Brand Market Share).							

5.5 Απόδοση Επωνυμιών (αντιλαμβανόμενη)

Με βάση τα τελευταία τρία χρόνια και σκεπτόμενοι τη μέση απόδοση των επωνυμιών σας, παρακαλώ προσδιορίστε το **βαθμό ικανοποίησης της επιχείρησής σας ως προς τους στόχους που έχετε θέσει** για κάθε ένα από τα παρακάτω κριτήρια.

(1: Πολύ δυσαρεστημένοι, 7: Πολύ ευχαριστημένοι)

Κριτήρια	1: Πολύ δυσαρεστημένοι 7: Πολύ ευχαριστημένοι						
	1	2	3	4	5	6	7
Αντιλαμβανόμενη ποιότητα των επωνυμιών σας από τους πελάτες (Brand Perceived Quality).							
Εικόνα των επωνυμιών σας στην αγορά (Brand Image).							
Αναγνωρισιμότητα των επωνυμιών σας (Brand Awareness).							
Φήμη των επωνυμιών σας (Brand Reputation).							
Εμπιστοσύνη των πελατών στις επωνυμίες σας (Brand Trust).							
Πιστότητα πελατών στις επωνυμίες σας (Brand Loyalty).							
Μερίδιο αγοράς των επωνυμιών σας (Brand Market Share).							

ΕΚΤΟ ΜΕΡΟΣ: Δημογραφικά Χαρακτηριστικά

6.1 Δημογραφικά χαρακτηριστικά επιχείρησης										
Παρακαλώ προσδιορίστε τα παρακάτω δημογραφικά χαρακτηριστικά της επιχείρησης όπου εργάζεστε.										
6.1.1 Την αγορά όπου δραστηριοποιείται.	Καταναλωτική (b2c)			<input type="checkbox"/>	Βιομηχανική (b2b)			<input type="checkbox"/>		
Εάν η επιχείρησή σας δραστηριοποιείται και στις δύο αγορές, παρακαλώ διευκρινίστε ποσοστιαία, ανάλογα με τα έσοδα της επιχείρησης ανά αγορά, ώστε το σύνολο να είναι 100 μονάδες.	Μονάδες _____			Μονάδες _____						
6.1.2 Τον κλάδο όπου δραστηριοποιείται (παρακαλώ συμπληρώστε).										
6.1.3 Τον αριθμό των εργαζομένων που απασχολεί – κατά προσέγγιση (παρακαλώ συμπληρώστε).										
6.1.4 Τον κύκλο εργασιών το περασμένο έτος – κατά προσέγγιση (παρακαλώ συμπληρώστε).										
6.1.5 Τον τύπο της ιδιοκτησίας.	Ελληνική			<input type="checkbox"/>	Πολυεθνική			<input type="checkbox"/>		
Εάν η επιχείρησή σας είναι ελληνική, παρακαλώ διευκρινίστε το ποσοστό του τζίρου που αντιπροσωπεύουν οι εγχώριες πωλήσεις και οι πωλήσεις στο εξωτερικό, ώστε το σύνολο να είναι 100 μονάδες.	Εγχώριες πωλήσεις		Πωλήσεις στο εξωτερικό							
	_____		_____							
6.1.6 Τα έτη δραστηριοποίησης της επιχείρησής σας στην αγορά (Στην περίπτωση πολυεθνικής, αναφέρατε τα έτη από την ίδρυση της μητρικής).	1 – 5	<input type="checkbox"/>	6 – 10	<input type="checkbox"/>	11 – 20	<input type="checkbox"/>	21 – 40	<input type="checkbox"/>	>40	<input type="checkbox"/>

6.2 Δημογραφικά χαρακτηριστικά ερωτώμενου.

Παρακαλώ διευκρινίστε τα παρακάτω δημογραφικά χαρακτηριστικά σας.

6.2.1 Τη θέση σας στην επιχείρηση. (παρακαλώ συμπληρώστε).										
6.2.5 Την ηλικία σας.	21 – 30	<input type="checkbox"/>	31 – 40	<input type="checkbox"/>	41 – 50	<input type="checkbox"/>	51 – 60	<input type="checkbox"/>	61+	<input type="checkbox"/>

Σας ευχαριστούμε θερμά για την πολύτιμη συνεργασία σας.

APPENDIX 10
Descriptive Measures of All Variables in the Main Study

<u>Items</u>	Mean	Std deviation
Market Orientation (Kohli et al., 1993)		
Επικοινωνούμε συχνά με τους πελάτες μας για να διερευνήσουμε τα προϊόντα που θα χρειαστούν στο μέλλον.	4,86	1,536
Στην επιχείρησή μας υπάρχουν στελέχη που έχουν την ευθύνη της συνεχούς συλλογής και ανάλυσης στοιχείων από την αγορά.	5,41	1,582
Εντοπίζουμε έγκαιρα τις αλλαγές στις προτιμήσεις των πελατών μας.	5,08	1,241
Ζητάμε την άποψη των πελατών μας συχνά προκειμένου να αξιολογήσουμε την ποιότητα των προϊόντων μας.	5,34	1,403
Εντοπίζουμε έγκαιρα σημαντικές αλλαγές στον κλάδο μας (π.χ. εξελίξεις ανταγωνισμού, τεχνολογίας, θεσμικού πλαισίου).	5,85	1,124
Παρακολουθούμε περιοδικά την επίδραση που μπορεί να έχουν διάφορες αλλαγές στον κλάδο μας (τεχνολογία, νομοθεσία, κ.λπ.) στους πελάτες μας.	5,64	1,165
Στοιχεία σχετικά με θέματα που αφορούν την ικανοποίηση των πελατών μας γίνονται γνωστά σε όλα τα επίπεδα (ιεραρχίας) της επιχείρησης σε τακτική βάση.	4,95	1,438
Πραγματοποιούμε συχνά συναντήσεις μεταξύ των τμημάτων για να συζητήσουμε τις τάσεις και εξελίξεις της αγοράς.	5,05	1,520
Ένα σημαντικό γεγονός που έχει να κάνει με κάποιο πελάτη μας ή την αγορά γνωστοποιείται άμεσα στο σύνολο της επιχείρησης.	4,68	1,534
Στην επιχείρησή μας, οι άνθρωποι που ασχολούνται με το μάρκετινγκ αφιερώνουν χρόνο για συζήτηση με άλλα τμήματα σχετικά με τις μελλοντικές ανάγκες των πελατών.	5,09	1,405
Όταν κάποιο από τα τμήματα της επιχείρησής μας μαθαίνει σημαντικές πληροφορίες για τους ανταγωνιστές, ενημερώνει άμεσα τα άλλα τμήματα.	5,44	1,371
Αρκετά τμήματα κάνουν περιοδικές συναντήσεις με σκοπό να σχεδιάσουν τον τρόπο ανταπόκρισης στις αλλαγές του περιβάλλοντος της επιχείρησής μας.	4,81	1,395
Θα απαντούσαμε άμεσα σε μια διαρκή και επαναλαμβανόμενη (εντατική) καμπάνια που θα «έτρεχε» κάποιος κύριος ανταγωνιστής μας.	4,56	1,640
Οι δραστηριότητες των διαφορετικών τμημάτων της επιχείρησης είναι καλά συντονισμένες.	4,84	1,336
Αν σχεδιάζαμε ένα εξαιρετικό πρόγραμμα μάρκετινγκ, θα μπορούσαμε πιθανότατα να το υλοποιήσουμε χωρίς χρονική καθυστέρηση.	5,05	1,412
Τα παράπονα των πελατών λαμβάνονται υπόψη από την επιχείρησή μας.	5,82	1,118
Δεν αγνοούμε τις αλλαγές στις ανάγκες των πελατών μας.	5,68	1,049
Δεν δυσκολευόμαστε να αποφασίσουμε με ποιές ενέργειες θα απαντήσουμε σε αλλαγές τιμών των ανταγωνιστών.	5,25	1,297
Αξιολογούμε περιοδικά τα συστήματα ανάπτυξης νέων προϊόντων στην εταιρία μας για να εξασφαλίσουμε ότι βρίσκονται σε αρμονία με τις επιθυμίες των πελατών μας.	4,81	1,376
Όταν οι πελάτες επιθυμούν την τροποποίηση ενός προϊόντος μας, τα εμπλεκόμενα τμήματα αναλαμβάνουν συντονισμένες προσπάθειες για να το επιτύχουν.	4,69	1,495
Market Orientation (Narver and Slater, 1990)		
Είμαστε αφοσιωμένοι στους πελάτες μας.	5,83	1,014
Προσδίδουμε αξία στους πελάτες μας.	5,98	,961

Κατανοούμε τις ανάγκες των πελατών μας.	5,76	,999
Θέτουμε ως πρωταρχικό στόχο την ικανοποίηση των πελατών μας.	5,94	1,008
Μελετάμε τον βαθμό ικανοποίησης των πελατών μας.	5,43	1,223
Παρέχουμε εξυπηρέτηση στους πελάτες μετά την πώληση (after-sales service).	5,55	1,378
Οι πωλητές μας ανταλλάσσουν τις πληροφορίες που έχουν για τον ανταγωνισμό.	5,70	1,236
Αντιδρούμε ταχύτατα σε ενέργειες του ανταγωνισμού.	5,14	1,298
Τα ανώτατα στελέχη συζητούν σχετικά με τις στρατηγικές που ακολουθεί ο ανταγωνισμός.	5,83	1,183
Εκμεταλλευόμαστε ευκαιρίες που οδηγούν στην απόκτηση ανταγωνιστικού πλεονεκτήματος.	5,63	1,158
Βασίζουμε τη στρατηγική μας στη στενή συνεργασία μεταξύ των τμημάτων, επιδιώκοντας συνέργιες.	5,15	1,256
Κατά την εφαρμογή διαφόρων λειτουργιών της επιχείρησης, γίνεται διαμερισμός πληροφοριών.	5,07	1,247
Τα τμήματα ανταλλάσσουν μεταξύ τους τις πληροφορίες που έχουν.	5,19	1,283
Όλα τα τμήματα συνεργάζονται για να προσδώσουν αξία στους πελάτες μας.	5,30	1,272
Οι επιχειρησιακοί πόροι μοιράζονται αρμονικά μεταξύ των τμημάτων.	4,87	1,319
Brand Orientation as Attitude (BOA)		
Για μας, μια επωνυμία είναι κάτι πολύ παραπάνω από απλά ένα όνομα ή ένα λογότυπο.	6,44	,960
Στην επιχείρησή μας πιστεύουμε ότι η ανάπτυξη επιτυχημένων επωνυμιών είναι από τους σημαντικότερους τρόπους για να αποκτήσουμε και να διατηρήσουμε καλή θέση στη αγορά.	6,29	,995
Η ανάπτυξη και στήριξη των επωνυμιών μας είναι βασική προτεραιότητα στην επιχείρησή μας.	6,11	1,075
Νιώθουμε ότι οι επωνυμίες μας αποτελούν έναν από τους βασικότερους λόγους ύπαρξης της επιχείρησής μας.	6,03	1,127
Brand Development Orientation (BDO)		
Το όραμα της επιχείρησής μας επηρεάζει σε μεγάλο βαθμό την επιλογή του positioning των επωνυμιών μας.	5,55	1,203
Λαμβάνουμε σοβαρά υπόψη τα δυνατά και αδύνατα σημεία των επωνυμιών μας πριν επιλέξουμε το positioning τους.	5,73	1,090
Πριν αναπτύξουμε το positioning των επωνυμιών μας, μελετάμε τα δυνατά και αδύνατα σημεία των ανταγωνιστικών επωνυμιών.	5,41	1,276
Για να επιλέξουμε το positioning των επωνυμιών μας μελετάμε τις τάσεις της αγοράς.	5,85	1,153
Κατά την επιλογή positioning για τις επωνυμίες μας λαμβάνουμε υπόψη την εικόνα που έχουν οι πελάτες για την επιχείρησή μας.	5,41	1,304
Έχουμε προσδιορίσει σαφώς τις βασικές αξίες των επωνυμιών μας.	5,99	1,035
Οι συνειρμοί που κάνουν οι πελάτες σχετικά με τις επωνυμίες μας είναι ξεκάθαροι.	5,48	1,169
Το positioning των επωνυμιών μας είναι εύκολα κατανοητό.	5,53	1,144
Με την απλή αναφορά του ονόματος των επωνυμιών μας, είναι ξεκάθαρο το τί αυτές συμβολίζουν.	5,58	1,250
Το positioning των επωνυμιών μας μπορεί εύκολα να επικοινωνηθεί στους πελάτες.	5,58	1,226
Οι πελάτες μας είναι διατεθειμένοι να πληρώσουν παραπάνω (σε σχέση με τον ανταγωνισμό) για να αποκτήσουν τις επωνυμίες μας.	5,27	1,405
Το positioning που επιλέγουμε για τις επωνυμίες μας αποτελεί το κύριο μέσο διαφοροποίησής τους από τον ανταγωνισμό.	5,23	1,331
Οι επωνυμίες μας έχουν ξεχωριστό νόημα για τους πελάτες μας.	5,39	1,143
Οι επωνυμίες μας διαφοροποιούνται από τις ανταγωνιστικές επωνυμίες με τρόπο εύκολα αναγνωρίσιμο από τους πελάτες μας.	5,44	1,240

Οι πελάτες μας ταυτίζουν τις επωνυμίες μας με ξεχωριστά συγκριτικά πλεονεκτήματα.	5,49	1,135
Internal Brand Orientation (IBO)		
Η ανώτατη διοίκηση συμμετέχει ενεργά στην προσπάθεια δημιουργίας και στήριξης των επωνυμιών μας.	6,03	1,054
Η ανώτατη διοίκηση μεταδίδει στους εργαζομένους τον ενθουσιασμό για τις επωνυμίες μας.	5,67	1,341
Η ανώτατη διοίκηση δείχνει ιδιαίτερο ενδιαφέρον σε θέματα που αφορούν στην ανάπτυξη και στήριξη των επωνυμιών μας.	5,88	1,208
Πρώτη από όλους, η ανώτατη διοίκηση δείχνει έμπρακτα την πίστη της στις επωνυμίες μας (κατανοεί τις αξίες τους, πιστεύει σε αυτές, κλπ.).	6,01	1,129
Η ανώτατη διοίκηση θεωρεί τα ζητήματα που αφορούν στις επωνυμίες μας ως υψηλής προτεραιότητας.	5,92	1,163
Οι αξίες που αντιπροσωπεύουν οι επωνυμίες μας είναι απολύτως σαφείς σε όλους τους εργαζομένους και συνεργάτες της εταιρίας μας.	5,12	1,328
Οι αξίες των επωνυμιών μας καθορίζουν σε μεγάλο βαθμό τα κριτήρια με τα οποία επιλέγουμε τους εργαζομένους μας.	4,44	1,557
Όλοι οι εργαζόμενοι είναι υπερήφανοι για τις επωνυμίες μας.	5,35	1,407
Στους νεοπροσλαμβανόμενους εργαζομένους της επιχείρησής μας παρέχεται πληροφόρηση / γίνονται παρουσιάσεις (εγχειρίδια, βίντεο) όπου παρουσιάζονται ξεκάθαρα οι αξίες των επωνυμιών μας.	5,01	1,817
Όσοι εργαζόμενοι δίνουν τον καλύτερό τους εαυτό για να στηρίξουν τις επωνυμίες μας αναγνωρίζονται και ανταμείβονται για τις προσπάθειές τους (π.χ. αύξηση μισθού, προαγωγή).	4,61	1,562
Οι αξίες των επωνυμιών μας καθορίζουν και τη συμπεριφορά των εργαζομένων στην καθημερινή τους εργασία.	4,55	1,443
Όλοι οι εργαζόμενοι είναι συστρατευμένοι για τη στήριξη των επωνυμιών μας.	4,79	1,426
Σε όλους τους εργαζομένους επικοινωνείται επακριβώς ο ρόλος τους στην προσπάθεια επίτευξης των στόχων που έχουν τεθεί για τις επωνυμίες μας.	4,80	1,503
Οι εργαζόμενοι αισθάνονται ότι το μέλλον τους στην επιχείρηση είναι συνδεδεμένο με αυτό των επωνυμιών μας.	4,91	1,518
External Brand Orientation (EBO)		
Οι ενέργειες επικοινωνίας για τις επωνυμίες μας δε στέλνουν αντικρουόμενα μηνύματα.	5,84	1,076
Κάθε τί που μπορεί να επηρεάζει την εικόνα των επωνυμιών μας (π.χ. ενέργειες above και below the line, μουσική αναμονής στο τηλεφωνικό κέντρο εξυπηρέτησης, συσκευασία, ενδυμασία εργαζομένων, επιστολόχαρτα, κ.λπ.) είναι σε αρμονία με το positioning που έχουμε επιλέξει για αυτές.	5,78	1,199
Οι ενέργειες μάρκετινγκ (επικοινωνία, διανομή, προώθηση, κλπ.) είναι διαρκώς συντονισμένες ώστε να παρέχεται ομοιόμορφη εικόνα στους πελάτες για κάθε επωνυμία μας.	5,91	1,076
Επιδιώκουμε οι πελάτες στους οποίους στοχεύουμε και που χρησιμοποιούν τις επωνυμίες μας να μπορούν να υποστηρίξουν τις αξίες των επωνυμιών μας.	5,46	1,216
Σε κάθε ενέργεια μάρκετινγκ που κάνουμε, μπορεί κανείς να αναγνωρίσει τις αξίες των επωνυμιών μας.	5,76	1,055
Ανεξαρτήτως αλλαγών που μπορεί να συμβαίνουν στην εταιρία μας (π.χ. αποχώρηση στελεχών), οι βασικές αξίες των επωνυμιών μας παραμένουν σταθερές.	6,14	1,050
Ακόμα και όταν κυριευόμαστε από άγχος για τις πωλήσεις και τα νούμερα, δεν προχωρούμε σε ενέργειες που μπορεί να βλάψουν την εικόνα που έχουμε χτίσει για τις επωνυμίες μας.	5,67	1,395
Όταν μια επωνυμία πάει καλά στην αγορά, συνεχίζουμε να επενδύουμε τους απαιτούμενους πόρους σε αυτή.	6,01	1,069

Στα προγράμματα μάρκετινγκ των επωνυμιών μας δίνεται ιδιαίτερη βαρύτητα σε μακροπρόθεσμους στόχους (π.χ. ενίσχυση εικόνας και φήμης, αύξηση αναγνωρισιμότητας).	5,82	1,224
Πριν κάνουμε κάποια αλλαγή σε επίπεδο επιχειρησιακής στρατηγικής λαμβάνουμε σοβαρά υπόψη μας τις επιπτώσεις που αυτή μπορεί να έχει στις επωνυμίες μας.	5,81	1,199
Δίνουμε πάντα προσοχή στο πώς οι διάφορες επωνυμίες μας συνδέονται μεταξύ τους.	5,64	1,160
Κάθε στρατηγική που αφορά στις επεκτάσεις των επωνυμιών μας (brand ή line extension) είναι έτσι σχεδιασμένη που να προστατεύει και να ενισχύει την αρχική επωνυμία (parent brand).	5,73	1,172
Διενεργούμε έρευνες μάρκετινγκ σε συχνή βάση για να προσδιορίσουμε πού πρέπει να βελτιώσουμε ή να τροποποιήσουμε τις προσπάθειες στήριξης των επωνυμιών μας.	4,85	1,665
Διενεργούμε έρευνες μάρκετινγκ για να εντοπίσουμε τυχόν αποκλίσεις μεταξύ των δικών μας αντιλήψεων και αυτών των πελατών σχετικά με τις επωνυμίες μας.	4,93	1,691
Στην περίπτωση που οι επωνυμίες μας και όσα τις χαρακτηρίζουν (αξίες, positioning, κ.λπ.) βρίσκουν ανταπόκριση μόνο σε ένα μικρό κομμάτι της αγοράς – στόχου, εξετάζουμε σοβαρά το ενδεχόμενο να αλλάξουμε την εικόνα τους.	5,25	1,264
Παρακολουθούμε συστηματικά τις αντιλήψεις που έχουν οι εργαζόμενοι για τις επωνυμίες μας.	4,14	1,661
Entrepreneurial Orientation		
Στην επιχείρησή μας δίνουμε ιδιαίτερη έμφαση στην καινοτομία καθώς και στην Έρευνα και Ανάπτυξη.	5,37	1,460
Είμαστε συνήθως πρωτοπόροι στην υιοθέτηση καινοτομιών.	5,20	1,507
Τα προϊόντα μας είναι καινοτομικά, «μπροστά από την εποχή τους».	5,03	1,493
Είμαστε συνήθως οι πρώτοι που υιοθετούμε νέες τεχνολογίες.	4,99	1,609
Διατηρούμε επιθετική στάση απέναντι στον ανταγωνισμό (π.χ. προβλέπουμε τις κινήσεις τους για να τις κάνουμε πρώτοι, τους προλαβαίνουμε σε διάφορες ενέργειες κ.λπ.)	4,87	1,471
Έχουμε την τάση να προχωράμε σε ενέργειες που ενέχουν υψηλό ρίσκο, αναμένοντας υψηλές αποδόσεις.	4,13	1,501
Εισάγουμε με μεγάλη συχνότητα νέα προϊόντα στην αγορά.	4,73	1,575
Όταν έχουμε να αντιμετωπίσουμε μια κατάσταση υψηλού ρίσκου, υιοθετούμε επιθετική στάση.	4,37	1,429
Πιστεύουμε πως απαιτείται ριψοκίνδυνη στάση για την επίτευξη των στόχων μας.	4,19	1,490
Marketing Departmental Power		
Οι λειτουργίες που εκτελούνται από το τμήμα Μάρκετινγκ θεωρούνται πιο κρίσιμες σε σχέση με άλλες λειτουργίες της επιχείρησής μας.	4,83	1,405
Η ανώτατη διοίκηση θεωρεί ότι το τμήμα Μάρκετινγκ είναι ένα από τα πιο σημαντικά τμήματα της επιχείρησής μας.	5,43	1,350
Σε σύγκριση με άλλα τμήματα της επιχείρησής μας, το τμήμα Μάρκετινγκ μπορεί να προσλάβει τα στελέχη που χρειάζεται πιο γρήγορα.	4,12	1,505
Οι απόψεις και ενέργειες του τμήματος Μάρκετινγκ υπερισχύουν συνήθως των υπολοίπων τμημάτων, σε θέματα που αφορούν στο σύνολο της επιχείρησής μας.	4,56	1,410
Σε γενικές γραμμές, το τμήμα Μάρκετινγκ φαίνεται να ασκεί μεγαλύτερη επιρροή στον τρόπο λειτουργίας της επιχείρησής μας, σε σχέση με άλλα τμήματα.	4,74	1,519
Interdepartmental Conflict		
Τα περισσότερα τμήματα της επιχείρησής μας δεν «τα πάνε καλά» μεταξύ τους.	2,75	1,433
Όταν στελέχη από διάφορα τμήματα της επιχείρησης βρίσκονται μαζί, υπάρχουν συνήθως εντάσεις.	2,80	1,367
Τα άτομα ενός τμήματος αποφεύγουν γενικά να συναναστρέφονται με άτομα άλλων τμημάτων.	2,16	1,234

Ο κάθε εργαζόμενος της επιχείρησης αισθάνεται ότι οι στόχοι του τμήματός του διαφέρουν κατά πολύ από τους στόχους που έχουν οι συνάδελφοί του σε άλλα τμήματα.	2,92	1,422
Το να προστατεύει ένας εργαζόμενος τα συμφέροντα του τμήματός του είναι κοινή πρακτική στην επιχείρησή μας.	3,79	1,581
Οι στόχοι κάθε τμήματος θεωρούνται ασύμβατοι με τους στόχους των άλλων τμημάτων.	2,53	1,396
Παρατηρούνται αρκετές διαμάχες μεταξύ των τμημάτων της επιχείρησης.	2,69	1,448
Market Turbulence		
Στον κλάδο που δραστηριοποιείται η επιχείρησή μας, οι προτιμήσεις των πελατών αλλάζουν αρκετά με την πάροδο του χρόνου.	4,20	1,513
Οι πελάτες της επιχείρησής μας αναζητούν συνεχώς νέα προϊόντα.	4,59	1,483
Παρατηρούμε πως υπάρχει ζήτηση για προϊόντα μας από πελάτες που δεν τα έχουν αγοράσει ποτέ στο παρελθόν.	4,32	1,489
Σε σχέση με τους υπάρχοντες πελάτες μας, οι νέοι πελάτες τείνουν να έχουν διαφορετικές απαιτήσεις σχετικά με τα προϊόντα μας.	4,04	1,369
Πολλοί από τους πελάτες που εξυπηρετούμε είναι νέοι πελάτες.	4,12	1,314
Competitive Intensity		
Ο ανταγωνισμός στον κλάδο μας είναι πολύ σκληρός.	5,97	1,158
Στον κλάδο μας παρατηρούνται συχνά «πόλεμοι» προωθητικών ενεργειών.	5,55	1,609
Ο,τιδήποτε προσφέρει μια επιχείρηση του κλάδου μας μπορεί να αντιγραφεί άμεσα από τον ανταγωνισμό.	5,09	1,599
Κύριο χαρακτηριστικό του κλάδου μας είναι ο ανταγωνισμός τιμών.	4,95	1,670
Σχεδόν κάθε μέρα μαθαίνουμε για μια νέα κίνηση του ανταγωνισμού.	4,33	1,676
Οι ανταγωνιστές μας είναι ισχυροί.	5,48	1,446
Technological Turbulence		
Στον κλάδο μας παρατηρούνται ραγδαίες τεχνολογικές εξελίξεις.	4,11	1,678
Οι τεχνολογικές εξελίξεις παρέχουν μεγάλες ευκαιρίες στις επιχειρήσεις του κλάδου μας.	4,33	1,637
Ένας μεγάλος αριθμός νέων προϊόντων του κλάδου μας προήλθε από σημαντικές τεχνολογικές εξελίξεις.	4,22	1,695
Οι τεχνολογικές εξελίξεις στον κλάδο μας είναι λίγες.	4,03	1,815
Firm Performance (relative to competition)		
Κέρδη.	5,05	1,370
Όγκος Πωλήσεων.	4,94	1,401
Μερίδιο Αγοράς.	4,95	1,395
Απόδοση Επένδυσης (ROI).	4,96	1,284
Firm Performance (relative to target)		
Κέρδη.	5,09	1,227
Όγκος Πωλήσεων.	5,06	1,204
Μερίδιο Αγοράς.	5,04	1,214
Απόδοση Επένδυσης (ROI).	4,97	1,266

Brand Performance (relative to competition)		
Αντιλαμβανόμενη ποιότητα των επωνυμιών σας από τους πελάτες (Brand Perceived Quality).	5,48	,962
Εικόνα των επωνυμιών σας στην αγορά (Brand Image).	5,53	1,096
Αναγνωρισιμότητα των επωνυμιών σας (Brand Awareness).	5,70	1,213
Φήμη των επωνυμιών σας (Brand Reputation).	5,66	1,126
Εμπιστοσύνη των πελατών στις επωνυμίες σας (Brand Trust).	5,72	1,030
Πιστότητα πελατών στις επωνυμίες σας (Brand Loyalty).	5,38	1,134
Μερίδιο αγοράς των επωνυμιών σας (Brand Market Share).	5,20	1,243
Brand Performance (relative to target)		
Αντιλαμβανόμενη ποιότητα των επωνυμιών σας από τους πελάτες (Brand Perceived Quality).	5,46	1,028
Εικόνα των επωνυμιών σας στην αγορά (Brand Image).	5,47	1,107
Αναγνωρισιμότητα των επωνυμιών σας (Brand Awareness).	5,57	1,233
Φήμη των επωνυμιών σας (Brand Reputation).	5,54	1,080
Εμπιστοσύνη των πελατών στις επωνυμίες σας (Brand Trust).	5,58	1,038
Πιστότητα πελατών στις επωνυμίες σας (Brand Loyalty).	5,28	1,149
Μερίδιο αγοράς των επωνυμιών σας (Brand Market Share).	5,12	1,208

APPENDIX 11
Descriptive Measures of Aggregated Variables in the Main Study

<u>Factor / Construct</u>	Mean	Std deviation
Brand Orientation (BO)	5,63	0,81
<u>Brand Orientation as Attitude (BOA)</u>	6,2	0,9
<u>Brand Development Orientation (BDO)</u>	5,52	0,85
Brand Analysis (BAN)	5,58	0,96
Brand Clarity (BCL)	5,62	1,01
Brand Differentiation (BDIF)	5,36	1,05
<u>Internal Brand Orientation (IBO)</u>	5,36	1,06
Top Management Brand Commitment (TMBC)	5,89	1,04
Shared Brand Values (SBV)	4,84	1,23
<u>External Brand Orientation (EBO)</u>	5,45	0,89
Brand Consistency (BCON)	5,79	0,92
Brand Protection (BPR)	5,78	0,94
Brand Performance Assessment (BPA)	4,79	1,24
Market Orientation (MO)	5,47	0,88
Customer Orientation	5,74	0,9
Competitor Orientation	5,57	1,01
Interfunctional Coordination	5,12	1,11
Entrepreneurial Orientation (EO)	4,8	1,17
Innovation	5,14	1,32
Risk Taking	4,45	1,2
Marketing Departmental Power	4,73	1,25
Interdepartmental Conflict	2,85	1,12
Market Turbulence	4,25	1,04
Competitive Intensity	5,22	1,16
Technological Turbulence	4,15	1,57
Brand Performance (BP)	5,47	0,89
BP relative to competition	5,52	0,93
BP relative to target	5,43	0,94
Financial Performance (FP)	5,01	1,05
FP relative to competition	4,98	1,2
FP relative to target	5,04	0,9

APPENDIX 12

Construct Intercorrelations⁴⁴ Summary Statistics

4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
.465	.424	.479	.467	.581	.634	.646	.609	.437	.574	.373	.294	-.400	.155	.079	.175	.421	.373
.488	.562	.473	.454	.597	.574	.591	.662	.534	.500	.458	.401	-.415	.122	.266	.019	.427	.338
.490	.519	.544	.549	.667	.708	.615	.700	.559	.479	.421	.429	-.537	.177	.164	.055	.446	.342
1,000	.455	.568	.528	.663	.525	.576	.617	.387	.412	.322	.413	-.315	.029	.049	.029	.456	.360
	1,000	.548	.504	.522	.501	.576	.578	.529	.431	.411	.389	-.297	.077	.231	.068	.385	.300
		1,000	.695	.589	.632	.621	.575	.425	.420	.318	.392	-.338	.084	.117	-.019	.527	.346
			1,000	.585	.646	.603	.573	.450	.516	.415	.427	-.352	.132	.044	.004	.604	.394
				1,000	.747	.653	.687	.466	.533	.435	.461	-.485	.141	.067	.065	.486	.396
					1,000	.687	.668	.560	.591	.460	.444	-.452	.223	.090	.101	.516	.435
						1,000	.754	.505	.472	.288	.395	-.450	.094	.133	.097	.483	.384
							1,000	.624	.523	.372	.518	-.398	.137	.159	.028	.496	.379
								1,000	.400	.401	.452	-.299	.158	.244	.098	.380	.260
									1,000	.705	.435	-.322	.257	-.005	.237	.447	.307
										1,000	.443	-.193	.268	.101	.172	.288	.219
											1,000	-.199	.284	.215	.124	.333	.200
												1,000	-.103	.007	.004	-.327	.305
													1,000	.249	.414	.050	.021
														1,000	.310	.029	.161
															1,000	.037	.097
																1,000	.635

