Université Montesquieu - Bordeaux IV

ECOLE DOCTORALE ENTREPRISE ECONOMIE SOCIETE (E.D. 42)

DOCTORAT en SCIENCES DE GESTION

Reza Hirad Hosseini

Stratégie de marque de société et création de richesse pour les actionnaires

Thèse dirigée par M. Dominique XARDEL, Professeur à l'ESSEC

Soutenue le 7 Juin 2011

Jury

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Corporate branding and creation of wealth for shareholders

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Dedication

I would like to dedicate this accomplishment to my beloved parents who have always given me unconditional love and support throughout my life. My father and mother both have provided me with unparallel guidance and directions to build my future and shape my identity; and have encouraged me to dream high and be ready to face big challenges. I express my greatest love and appreciation to them, and am always grateful for all they have done for me.

RÉSUMÉ

Cette recherche teste de manière empirique la valeur d'une marque de société pour ses actionnaires et les propriétés de la marque en réduisant les risques à un niveau corporatif. Ce processus s'opère indépendamment des récessions économiques. Les études précédentes, ayant établi une relation entre les activités de marketing et la création de la valeur pour les actionnaires, se concentrent principalement sur les marques des produits plutôt que la valeur d'une marque de société et négligent le contrôle des autres variables financières et de performance de marché. Cette recherche est fondée sur la théorie du positivisme. La théorie du positivisme postule que la seule connaissance authentique est celle basée sur l’expérience et la réalité. L’échantillonnage aléatoire des données a été choisi pour la partie quantitative de cette étude et pour la section qualitative de cette recherche, l’auteur a choisi l’échantillonnage et la technique principale de recueillir des données est l’observation.

La contribution principale de cette étude à la littérature est précisément la marque commerciale, ses caractéristiques de mélange du risque et de la création de richesse pour les actionnaires, et l'utilisation des contrôles financiers et de marché, tout en vérifiant les relations entre contrôles financiers et contrôles de marché. En utilisant les données annuelles du sondage Interbrand entre 1994 et 2008, l’auteur trouve une preuve forte pour les entreprises qui possèdent une ou plusieurs marques globales très connues et la richesse pour les actionnaires. Ce résultat est cohérent avec la théorie actuelle de la marque qui postule que les efforts liés au développement d'une marque ajoutent de la valeur à l’entreprise et démontrent des caractéristiques de variation du risque. Les résultats demeurent solides à la suite de l'analyse factorielle et de la régression multivariée. Dans la partie qualitative de la recherche, l’auteur présente des cas relativement notoires de marques corporatives – leur histoire et la raison expliquant leur succès ainsi que les différentes politiques de marque sont soulignées. Cette section peut être considérée la validation qualitative des résultats quantitatifs. Il s'agit donc d'une méthodologie de triangulation. Les cadres conceptuels et les modèles théoriques ont été monopolisés afin d’analyser davantage les cas qualitatifs de cette recherche. Cette perspective additionnelle a renforcé et mis en valeur nos résultats quantitatifs.

Mots Clés: stratégie de marque de société, richesse des actionnaires, marketing corporatif, gestion du risque, décisions/vision administrative(s), stratégies de création du branding.

ABSTRACT

This research tests to analyze if solid corporate brands create wealth for shareholders; and have risk reducing properties. Previous studies that were relating marketing with the creation of shareholder value worked on product brands. This research is based on theory of positivism; positivism states that true knowledge is based on verification. Random sampling was chosen for the quantitative part of this study, and for the qualitative section of this research we chose purposive sampling. Observation is used as the main data collection technique.

The most important contribution of this research to the field of branding is precisely the focus on corporate brand, its risk reducing and creation of wealth for shareholders. Using data between 1994 and 2008, we find strong evidence that corporations that own superior corporate brands create wealth for stakeholders of companies. Later in the qualitative part of this research we went through some fairly known cases of corporate brands – their stories and how they managed to succeed were explained and some of their branding policies were highlighted. This part is seen as qualitative validation of quantitative results through triangulation method. Conceptual frameworks and theoretical models were implemented to further analyze the qualitative cases for this research; this added perspective reinforced and supported our quantitative findings.

Key Words: corporate branding, shareholder's wealth, corporate marketing, risk management, managerial decisions / visions, brand building strategies.

Introduction

1. Abstract

Kevin Keller (1998) defined corporate brand equity (CBE) as the 'differential response by consumers, customers, employees, other firms, or any relevant constituency to actions, products or services that are provided by an identified corporate brand entity' (p. 539). A company is said to have strong CBE when stakeholders hold 'strong, favourable and unique associations' about the corporate brand in their memories (p. 540). CBE therefore includes all those intangible aspects of a corporate brand that are presented in the form of corporate reputation, corporate image, corporate associations and relationships that add value to an organization's corporate identity (Motion, Leitch and Brodie, 2003). CBE depends highly on perceptions about a corporate brand and thus any valuation of CBE should be based on the different stakeholders' perceptions about a corporate brand.

A corporate brand is 'more than just the outward manifestation of an organization its name, logo and visual representation, it is the core of values that define it' (Ind, 1997, p. 13). It is the overall perception about an organization, reflected by its overall corporate identity (Balmer, 2001). Marketers have become increasingly concerned about assessing perceptions about corporate brands. The increased environmental pressure faced by marketers has highlighted the importance of managing and evaluating corporate brands.

2. Research Questions

<u>Main Research Question:</u>

Does successful corporate branding create shareholders wealth? If it does, is it independent of economic downturns or not?

<u>Sub-Questions of This Research:</u>

1. Do superior corporate brands have risk reducing properties compared to unbranded products? If they do, how significant and is this aspect of corporate branding?
2. Do corporations that own superior brands exhibit higher profitability compared to other competing brands that are in the market?

3. Research Hypotheses

1. There is a significant (positive) relationship between successful corporate brands and creating shareholders' wealth. This view is supported by most branding theories; both for product branding and corporate branding perspectives.
2. Superior corporate brands do have risk reducing properties. This is based on the first theories of corporate branding and its basic models – these models are explained in the following chapters in details.
3. There is a significant (positive) relationship between superior brands and higher profitability. This perspective is also strongly supported by virtually all branding theories – this hypothesis could be referred to as the main perspective or axiom of branding that all similar studies verify.

Chapter I: Literature Review – Theoretical Models and Conceptual Frameworks

Abstract

Branding is a surely major concept in the domain of advertising and, gradually, its relevance in public-relations management circles is noticeable. While the concept has always been related with public relations in some measure, the impact in the 21st century should be seen in different manners, from sporting games with famous brand names to the huge rise in brand websites. Consequently, there is a need to take stock of how intensely branding is affecting all relationships that organizations have with their stakeholders.

Even though there are lots of forces which guide these relationships (prior experience, uses and gratifications, and so on), brand discovery may be objectifying these communicative encounters to a certain extent.

The concepts of branding and brand recognition are intertwined and associated with advertising, marketing and public relations. Wood (2000) indicates that there are more than a few different meanings linked with brand equity. First, it could be interpreted as the entire value of a brand as an asset - in other words, when the brand is in fact sold in the market or included on a financial sheet. Second, brand equity possibly will be construed as the power of attachment that consumers have to meticulous brands. Lastly, it could well describe the associations or also the beliefs that consumers have in relative to particular names. The divisions in these definitions all have their own origin in the disciplines of marketing and accounting.

1.1. History and Background

The concepts of corporate branding and corporate character have gained significant interest both in educational and also practitioner circles. These concepts are predominantly relevant to strategic management and also immensely in marketing disciplines; providing new lenses all the way through which an organization's vital attributes possibly will be nurtured and changed.

In theory, a host of research that is contributing to corporate branding and management throughout academic journals and seminars is rapidly growing. In practice, many national, and also multinational and even small and medium-sized enterprises (SMEs) all have recognized that managing corporate characters and corporate brands is a deliberate tool that creates solid competitive advantage.

Marketers have all become increasingly anxious with the force of increased environmental pressures like the significance of reactions in direction of corporate scandals, the fast speed of product introductions and additions, limited investor-attracting opportunities, the demand for a very much qualified workforce, and the increase in mergers and acquisitions.

Consequently, senior managers have started doing some devoting a considerable amount of resources towards the supervision of corporate brands and corporate identities to benefit from the leveraging influences of different corporate branding and management. For example, in 2003 BT (British Telecom) spent about £5m to re-design and launch its new visual character (the 'connected world') to state its internationalization, its exposure of a wide range of different business activities and its capabilities in all multimedia.

Nonetheless; in spite of an increasing acknowledgment of the importance of corporate branding and its supervision both in theory and practice, there is still the call for to further discuss these two concepts in order to supply a solid theoretical and also practical infrastructure.

In many cases, fiscal accountants (with the first definition) will use the term brand value and not brand equity. The brand's value, as a feature in the overall market, emerges as the major consideration. Public relations and publicity professionals acknowledge this first explanation, but they place special stress on customer-brand relationships and relations. These practitioners have additionally refined the concept with ideas like brand identity or brand image.

Brand image is connected with the needs and desires of an intention market by using the four 'Ps' of advertising and marketing (product, price, place and promotion).

The strategic realization of these factors determines brand power, that is, the amount of loyalty or attachment that customers experience towards a brand. With the number of associated conceptual ideas, Blackstone (2000) states that brand equity is the serious factor. A brand is related with a product in the market, but the value of consumer venture changes over time.

Brand equity consists of the gradual, added-value qualities that synergistically will come together in consumers' mindsets. The thought of added value is predominantly important in this debate. Even though practice of the brand could not be overly compound from the consumer stakeholder's standpoint the ongoing use of the brand demonstrates that surely it has added value in that person's life.

Blackston (2000) posits that a number of this utilization possibly will be quite automatic (reaching for a glass of milk); nevertheless continuous usage indicates that a number of measure of significance has been connected with the brand by the consumer. A brand could be a product but it may also symbolize the 'heart' of an organization through the construction of a unique identity (Knapp, *1999).*

Blackston (2000) believes that elementary marketing variables, like product and price, are indispensable ideas but the added-value notion is where ultimate accomplishment of branding is gained. However, added value is not forever easy to classify. Generally, this idea is in some way measured or inferred in terms of consumers' ideas. Although such inferences remain, Blackston (2000) strongly suggests that better understanding of brand equity could be achieved by true acknowledging that brand relationships are happening, interactive processes connecting both the brand and the consumer. The spirit of relationships is via communication, the process which both constructs and also provides meaning to the relationships.

The organization is projecting a reflection, and consumers are providing sense to the messages. Thus, a bond between the brand and the consumer will develop or will disintegrate. These brand affairs include two factors that are critical for added value; trust in the brand and also customer approval. In short, added value will be achieved when all these factors are maximized.

In more recent articles on corporate branding we could underline the following main contributions to this field:

The study by McMurrian and Washburn easily addresses the need for drawing some theories from other disciplines in order to understand how brands and customers interrelate, and proposes that social-contract theory should be used as a framework to inspect how moral company actions may guide to a favorable figure in the market and hence add to customer-perceived value.

Shamma and Hassan advance the debate on perceived value on the grounds of brand equity and study the latter concept at corporate stage. They provide a conceptual structure which illustrates that relevant corporate values held by stakeholders to charge corporate brand equity may vary and that each stakeholder's valuation has a force on variant corporate performance indicators.

Similarly, Anisimova and Mavondo's research considers the fact that corporate uniqueness and its perception relate to numerous stakeholders. It draws concentration to incongruence between different perceptions of stakeholders on corporate brand which possibly will lead to adverse outcomes for companies; it then proposes a model which incorporates both managers' and customers' views on brand.

Afterward, studies by Stokes, attempts to defy the general tendency of using corporate branding as an overarching notion. This article provides dispute about the description of corporate brand concept in contrast to vision, image, and the concepts of status and identity. The writer discusses the conceptual distinctions and also intersections between these concepts and corporate branding, which is well supported by empirical data that are collected from an airport's staff.

Inspired by up to date studies, Halliday and Kuenzel bring the concept of recognition into the area of corporate branding and expand a conceptual model of customer brand discovery in business associations, based on social identity theory. Their critique offers a view on how customer brand identification could play a vital role in linking corporate branding, individuality and communications.

In another study, Powell focuses on organizations' inside environment and incorporates literatures from business-to-business and managerial identity research streams. This unfolds employees' views on issues connected to the interconnections between imagination, distinctiveness and brand by adopting a case-study, in particular thematic complex analysis. In this study it is argued that most small to medium-sized enterprises (SMEs) that support creativity among their workforces may benefit from a creative reputation and very stronger organizational brand awareness.

Another standpoint is presented by Wah, who argues that former studies have failed to show strong relationships between the novel constructs of strategy, constitution and culture on the one hand and dimensions of administration on the other. Besides these determinants of management, he does suggest a set of constructs associated to management processes and ecological characteristics – like corporate artifacts, symbolism, shared values, the personality of employee relationships, and rational schemata, among others.

Sowa directs the reader's consideration towards integrated marketing communication, and he questions how public relations ought to take place during this aligning of all promotional activities and strategies in order to accomplish a communicative operation with corporate brand names.

Other recent studies center on the practice of corporate rebranding and the re-formation of a company identity during a fusion. Cettier and Schmitt recognize seven key factors for a victorious corporate rebranding procedure by examining companies from the United States, UK and Germany for the era between 1995 and 2004. Also, they compare two rebranding initiatives that were done by UBS and die Swiss Fiscal Corporation. Melewar, Stark and Karaosmanoglu provide an additional example of the re-creation and relaunch of a corporate characteristic by some analyzing on the Renuault-Nissan merger on the basis of another supervision model developed by Melewar and Jenkins.

Article by Langer and Varey, provides one more challenging view about the conventional role of corporate communication in company identity and image building. By drawing on study on nationwide images, media studies, and business communication and providing corporation examples such as Hamburg-Mannheimer, Shell, Burger King and Scandinavian Airlines, they affirm that corporate image or corporate distinctiveness cannot be built on the starting point of product images or identities. They dispute that corporate communication should be measured as an interactional tool and consequently its role in image and identity creation should be researched by integrating all stakeholders of an association, all the discursive history and previous actions of a corporation, and the social recollection of the respective public.

Some researchers recommend social-contract theory as a functional framework for understanding the affiliation between businesses and customers. They put forward that customer-perceived value rises when businesses carry out ethical behaviours that bridge the break between business and customer communities. They build the case that customer value, shaped through brand-building efforts, leads to long-term success and competitive advantage. This outlook is the first to propose that social-contract theory explains the instrument by which customers recognize brands as promises.

This specific observation explores the associates between a company's branding activities, client perceptions of a company's moral behaviour, and buyer value. It reviews social-contract hypothesis as it relates to a business and its clients and suggests that this theory offers a valuable framework for examining the affiliation between branding policy and customers' perceptions of value. Our assessment of the literature suggests that principled behaviour builds equity which in turn provides buyer value. On the contrary, unethical behaviour can spoil brand equity and, thus, customer value. Numerous recent examples exemplify the dissipation of brand equity for all companies ensnared in moral scandals.

- Social-contract theory and marketing ethics

Dunfee, Smith and Ross, Jr. (1999) propose that social-contract theory is a normative move toward to ethics that prescribes how all managers should counter when facing an issue with the right and wrong implications. Of all commerce activities, marketing has developed a status of being among the most awful offenders for unprincipled practice (LeClair, Ferrell and Ferrell,1997).

As academics and organizations have searched for clarification and prescriptions for business ethics, social-contract theory has emerged as a practicable framework.

Donaldson (1982) was one of the first to recommend social-contract theory as a source for business ethics. In his book *Corporations and Morality* (1982), Donaldson made a request of social-contract theory to 'productive organizations' rather than the conventional application to supporting institutions. Donaldson identified two classes of commerce obligations-direct (open) compulsions grounded in laws and also contracts, and indirect (generalized) obligations that most organizations have about most stakeholders.

Donaldson used social-contract assumption to recognize indirect obligations such as the capacity of employees' rights, instruction goals, and consumers' unrecorded rights. In his second book *The Ethics of International Business* (1989), Donaldson applied social-contract premise to international commerce and more evidently established generalized obligations as a basic contract. In commerce, social-contract theory sets a bar that represents a lowest amount responsibility.

Dunfee (1991) expanded serial-contract theory in order to better echo the applied nature of business ethics. He also sees social contracts as including positive standards or norms. These norms are more often than not, not fully defined in words and are connected to notions of right and wrong behaviour that is shared by a (or some) group or community. Donaldson and Dunfee

(1994) portray such a community as a self-defined, and also self-circumscribed group of people who act together in the context of shared tasks, values or goals, and who are competent of establishing norms of principled behaviour for themselves.

Donaldson and Dunfee (1994) merged their social-contract dreams into an integrative social-contract premise that envisions social contracts as existing between two communities, to the case of promotion ethics, one community is the commerce organization and the other one will be the business's customers. This economic incorporation is characterized by the business association that ties the community of customers to the business group community in exchange practices.

According to Dunfee (1991), the communities will identify group norms of behaviour. If these group norms are dependable with general moral standards, the norms become norms, and all members of the group have a basic obligation to fulfill with ethical norms. In essence, this task to comply is accepted by people who are members of a cluster, who benefit from the group, or who are also beneficiaries of the norms of the group. Such is also the case with different branding of products, services, and even trade organizations themselves. Branding conveys a guarantee by a member of one community (the business) to a member of the other community (the customer) and the guarantee ultimately is accepted as an ethical norm.

Calton and Lad's (1995) treatment of social contracting as a system governance process offers an additional sight of how social-contract theory relates to advertising practice. Calton and Lad (1995) define a set-up as the structure among the actors of a public system. A market is characterized by financial exchanges between loyal customers and conscientious providers of goods and services; consequently, a basic system exists. One of the most primary ethical norms found in an arrangement is that network members wilt tell the truth in their communications with other complex members. That is, members of a system share a belief that all system members will work for the common good of the system and thus have common objectives for the good of the network.

As such, members sense they can well rely on the truth in system communications from one associate to another associate. Calton and Lad (1995) contend that network sustainability relies on the formation and maintenance of a community context of mutual trust between participants in the collective learning, problem-solving process.

It is in this logic that we use social-contract presumption as our basis for examining the task of ethics in branding. Businesses present satisfying goods or services to defined groups of customers who construct purchasing decisions on the origin of a product's (or an organization's) brand representation. As such, a brand figure carries with it implied promises.

The automobile industry offers very good examples. Throughout longstanding, steady branding messages, customers suppose that Volvo promises safety, also Mercedes-Benz promises unsurpassed engineering, and also BMW promises performance. Customers build up trust based on brand images and a natural belief that organizations will sustain these implied promises.

Consequently, social-contract theory relates to both advertising ethics and branding strategy via the common theme of exchange. Donaldson's (1982, 1989) social contract proposes that an organization usually offers advantages to its stakeholders, with customers and employees, in exchange for the advantage to exist and be profitable. This exchange affiliation between an organization and its customers is one of the most elemental concepts in marketing (Hunt, 1983; Kotler, 1972).

- Customer value and branding

Branding is strongly related to the method quality component of the customer value since customers develop feelings and also some expectations based on their brand awareness. Heskett, Sasser and Schlesinger (1997) propose that the way in which a product is provided could be as significant to all customers as the results a product in fact delivers.

Based on this principle, Heskett et al. (1997) developed the unique service profit sequence model to clarify the relationships among employees and their customers in a service environment.

The representation suggests most of skilled employees who are vastly satisfied with their jobs are a good deal loyal to the organization and far more creative in delivering high levels of excellence service to customers. And we know that as a result of this soaring level of service, the organization's customers seize positive attitudes toward the company exhibited in elevated levels of customer happiness. In turn, customer approval generates higher levels of loyalty, which is truly expressed in customers' behaviors such as repeat buy and referrals of supplementary customers. This process results in long-term, established revenue growth and success.

We extend this notion of customer value and we will argue that an organization's marketing and also branding activities and resulting brand figure or status are an important module of the process quality variable in the value perception. The association to a company's moral behaviours is also clearly highlighted by Wilimott (2003) in his debate of citizen brands:

> Good citizenship encourages belief in the company, which leads to superior levels of fulfillment and retention and eventually commercial success... Citizenship is quickly becoming a fundamental part of brand equity, (p. 367)

Willmott (2003) does contend that branding, in addition to assigning information concerning a product or service, and also is a basis of information regarding an institute from which customers obtain perceptions of value: and when a brand is identified for good corporate citizenship there is a straight positive force on business operations (a more aggravated workforce, better contractor relationships, and enhanced market intelligence).

Perhaps of even more significance is the positive circuitous impact of a well-perceived brand. And such a brand, conveying a discernment of good corporate citizenship, indeed builds reputation and also trust in a market Citizen brands add to customers' perceptions of quality and, do indeed create a 'goodwill bank' (p. 363). All these results, in turn, generate higher levels of alleged customer value leading to better customer loyalty, which also results in advanced customer preservation rates, repeat sales to on hand customers, and transfer from contented customers.

Central to this viewpoint is the concept of general value that customers understand and distinguish in relationships with most organizations. In the services circumstance, a customer's perceived value is reliant on contacts with other service employees (Heskett et al., 1994). Nonetheless, perceived value in a physical goods environment should be the result of several relationships, or a bunch of satisfactions.

When customers attain a product, they anticipate and imagine some level of convenience value based on the implied agreement with that company. That is, the purchaser expects the product to offer desired personal advantages and also more benefits, physical and/or emotional.

To obtain these need-satisfying products, all customers regularly have some direct contact with an institute and its employees.

- The huddle of satisfactions

Although customers pay for products for the results or usefulness value they search for, current marketing contemplation indicates that customers today are surely better sophisticated and more challenging, and expect more than value value from a product.

These clients are redefining products as mixture of the physical good, the institute from which the product is acquired, and the service established from the organization's employees. Customers look for a cluster of satisfactions that take place from the grouping of product, organization parched employees. Customers anticipate this cluster of satisfactions to bring high levels of alleged value from use of a product, contact with an organization, and also the contact with organization's representatives.

Zeithaml and Berry (1988) indeed found that the quality and alleged value of such processes really consists of the subsequent five dimensions - dependability, and responsiveness, and authority, and empathy and results.

Dependability, or doing what you declare that you're going to do, is the key to long-term growth and fertility because it is a unique determinant of customer trust that truly leads to superior levels of customer preservation. In addition, clients must feel that companies *react to* customer *needs in* a opportune manner and that patron contact personnel do have the *authority* to distribute on promises.

Clients must also sense that the organization is surely *empathetic* or can observe things from the customer's standpoint. Lastly, customers expect to realize desired *results,* or tangible confirmation, from the procurement and use of products.

- Customer value and ethics

We know that a business's principled behaviors powerfully influence customers' perceptions of procedure quality. Customers' overall emotion regarding the quality of processes in upholding a business relationship with a group are based on customers' broad perceptions of the five key items that were also described above, four of which are openly tied to organizational behaviors that are grounded in moral business practices - reliability, responsiveness, sympathy and results.

Firstly, an organization should be *dependable* in delivering on promises that are made to customers. And, secondly, organizations have got to *quickly respond* to customers' matters (such as complaints).

Thirdly, organizations ought to understand the customer's position in any interactions. And fourthly, organizations must think about the *results* of any actions or direct behaviors on customers. For instance, Enron made bad internal administration decisions that resulted in immoral practices.

These immoral activities, while chiefly interior to the company, had far greater effects in the market. It was not only clients that were pessimistically affected - the effects are felt by all or most of stakeholders in the corporation.

Business *ethics,* the foundations of such processes by which customers expand feelings of trust in organizations, openly impact customers' perceptions of development quality. Customers very well may sense they are getting good results from having a company's products; that the market price of such products is sensible compared to other competitive products; and that the cost of getting the products is in line; nevertheless, their perceptions of value is to be degraded if they do not honor and trust the companies.

- Brand ethics lead to customer value

Researchers such as Rust, Zeithaml and Lemon (2004) also expanded on Keller's design of customer-based branding and brand equity. They do sponsor that, as a replacement for focusing on brand equity, companies must be more concerned in customer equity - the 'sum of overall values of all of the firm's clients, across all the brands' (p. 113). And Rust et al. (2004) portray customer equity as being the consequence of brand choice and purchaser lifetime value.

Yet according to their model, three channels of equity - value equity, and brand equity and relation equity - force brand choice. Here, value equity is the impartially considered quality, price, and ease of the offering,' while relation equity 'indeed factors in switching costs - the customer's unwillingness to go somewhere else (p. 116). In other cases, the key to rising brand choice, and eventually customer equity, is brand equity. Again, Rust et al. (2004) declare that while brand equity drivers diverge from company to company, three frequent drivers are brand consciousness, attitude toward the brand, and also brand principles or corporate citizenship.

As said before, there are several different models, that all recommend that ethical corporate behaviors add positively to brand equity, which leads to having more customer value. On the other hand, immoral behaviors degrade a company's brand equity by generating brand liabilities. In this framework, social-contract theory is the structure that helps to clarify the connections between brands, and corporate ethics and also customer value.

- Trust processes and ethical behaviour

Having long-term relationships with clients does depend on exchange processes that are described by high levels of trust among the parties involved in an exchange (Morgan and Hunt, 1994).

And also there is some discrepancy in the literature as to whether customers can build up trust in the organization itself or whether customers actually expand trust in the representatives of organizations.

It is fairly spontaneous that customers would extend perceptions of trust (or in some cases distrust) in some organizations via contact with organizational representatives since these contacts actually characterize the organizations to the customers.

Here the description of trust is a mixture of two elements connected to an exchange partner – that is perceived credibility and also supposed benevolence (Scheer and Steenkamp, 1995). Trustworthiness relates to expectancy that the swap partner's word, written declaration (contract), or actions can be relied on. Benevolence indeed relates to the scale that one exchange partner is authentically interested in the security of the other partner (the customer) and is in quest of developing a win-win relationship.

Doney and Cannon (1997) propose five distinct processes - calculative, forecast, capability, intentionality and conversion - by which customers expand trust in business relationships and also organizations. Of these five trust processes, apparent ethical behaviour is an essential component of trust based on aptitude, intentionality and transference.

Capability truly focuses on the credibility constituent of trust and involves the organization's capability to meet its obligations and also deliver on its promises-Customers deduce a level *of* trust in an association if the customer has reason to think the organization can deliver products, and services and also support as promised.

Principled actions also hint an organization's *intentionality* when customers suppose the organization will act in ways that are in customers' greatest interests. Lastly, a customer can expand trust in an organization via the process of *transference,* when a customer trusts an exchange associate because of its relationship with *a* third-party whom is trusted by the customer. All in all, a business organization's moral behaviors and actions are the groundwork of these trust processes.

1.2. Brand Image and Success

The brand's accomplishment depends on the growth of a personal link with each purchaser. According to Blackston (2000), if a society moves from a self-centred to a more customer-focused posture success in these relationships possibly will be eventually realized.

Blackston indeed indicates that the brand-relationship impression has been applied to the expansion of advertising and marketing campaigns, but it can be comprehensive to all areas of integrated promotion communication, including public relations. The true objective of a preferred relationship with the buyer stake- holders may offer a guide for the brand's 'communication' with all individuals.

Given that behavioral stability is indispensable for long-term relational achievement, the sales endorsement, packaging and public associations that are linked with a brand must be reliable and endlessly leveraged.

Nonetheless, are public relations and brand recognition becoming so closely associated so as to vague the communicative core of relationships? Can we actually have a communicative contract with a brand name?

According to literature, if the consumer is happy, he/she is likely to carry on the brand association and, thus, added value possibly will be maximized over time. And it should be mentioned that corporate branding is undeniably the 'mark' of an artifact or organization.

In other words, it should be interpreted as a unique assertion of identity, quality, belief and value with the final decision on those aspects resting with the character consumer.

The branding notion in public relations is often related with four process areas: 1) creating; 2) sustaining; 3) and damaging; and also 4) repairing, and creating exclusive identities for brand names might be difficult, considering the enormous assortment of information in the market.

Consumers are exposed to a great amount of data concerning brand names and comprehensive mental processing/comprehension of most brand names and their connected applications is almost unfeasible.

Burnett and Moriarty do provide the subsequent recommendations for marketing and public relations professionals as they do make messages about brands:

1. Build the brand unique by drawing awareness to qualities.
2. Utilize a plan that aligns with the brand representation that you wish to project and drive public relations and marketing messages that are generally dependable with other mass-media messages.
3. Make the packaging as purposeful as possible.

4. Product packaging, marketing, and public relations must fit together. In other words, consistency is continually emphasized.

Organizations require ensuring that human and fabric resources are dedicated to brands that offer the most potential for success. Kefallonitis argues that creating a unique brand experience can imitate the organization's advantages compared to competitors. Consequently, the organization can present reinforcing messages to its on hand customer base and also draw other consumers.

Researchers do emphasize the importance of aligning the reliability, originality and significance of the brand experience to a center brand value, an indispensable quality that is worth to be communicating about. If this arrangement does not take place, organizations will resist differentiating their brands in the vast buyer pool of information. They conceive that creating brands involves consideration to consumer stakeholders' perceptions of comparable brands in the market. Consequently, the organization must plan product features that are not only distinctive but add value. Therefore, added value is created and also it is potentially kept.

Normally, organizations will carry out research (like interviews and also surveys) to conclude the likely significance of various brand characteristic in collection processes. For instance, potential customers might be asked to rank characteristics from lowest to highest. Consumers might be interviewed with these questions: 1) what is absent in the market? and *2)* What would you wish to see to fill that void? then, a brand is built that addresses all these needs and also perceptions, and this information is indeed very synthesized with data about all markets.

It should be noted that not all organizations follow these guidelines in brand creation but, in general, many companies in the 21st-century business environment in these rigorous market research activities.

- Brands and brand equity

Brands play a vital role in the relationship between company and customer; they help customers navigate the decision process by reducing risk and providing a shortcut to product identification. In many cases, brands allow customers to make a personal statement about who they are. For companies, brands not only provide a legal means to identify and protect their products, but also provide the key to product differentiation, which ultimately leads to competitive advantage. In fact the value of a company's brand can constitute as much as 70 per cent of its intangible assets. Putting this into perspective, the total value of many companies often comprises 90 percent intangible assets (Keller, 2003). Thus, well over half a company's assets may be attributable to its brand(s).

In the eyes of many customers, the brand *is* the company. David Aaker has said that brand identity goes beyond brand as a product and includes brand as an organization, person and symbol (Aaker, 1996). In fact, at least 32 of the top 50 global brands have names that are the same as or very similar to the organization's name (Clarke, 2004). Customers attach a high level of meaning to a brand, meaning that goes far beyond the brand's name and symbolism. To many customers a brand is a promise (Keller, 2000). This is the language that confirms the application of social-contract theory in branding. Customers form relationships with brands chat are built on trust and often describe these relationships as being a type of bond, pact or contract.

The success of longstanding, well-known brands such as Wedgwood, Estee Lauder, Starbucks and Dell has been attributed to the founders' abilities to forge deep relationships with customers (Koehn, 2001).

The goal of branding is to build brand equity, the definition of which continues to be debated in the marketing literature (e-g., Aaker, 1991; Farquhar, 1989; Srivastava and Shocker, 1991). Commonly, brand equity has been discussed as the value, over and above the tangible value of a product, passed on to customers (both individuals and companies) by the brand and its components. Aaker (1991) explained brand equity as consisting of brand assets and brand liabilities that contribute to or detract from a product's value to the firm and/or its customers. Aaker and Keller, among others, advocate managing, maintaining and measuring brand equity.

According to Keller, '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.' To build CBBE, a company must take four sequential steps to form a brand pyramid. The first step answers the question, 'Who are you?'

and requires creating brand salience or brand awareness. The next step addresses the question, 'What are you?' and involves delivering on brand performance and creating a brand image. The third question, 'What about you?' focuses on generating customer evaluations, opinions, and feelings about the brand. Finally, reaching the top of the pyramid, or achieving brand resonance answers the question, 'What about you and me?' and constitutes achieving customer loyalty, attitudinal attachment, a sense of community, and active engagement with the brand (Keller, 2003). As we will demonstrate, the steps involved in building customer-based brand equity are fully consistent with the tenets of social-contract theory.

1.3. Brand Creation

Wan sink (1997) provides some additional thoughts on the brand creation discussion by talking about 'brand re-creation in other words providing a revised brand perspective or consumers. Many integrated marketing communication professionals believe that brands, as with natural life cycles, observe the law of positive: entropy; they are created, they grow, they mature, they decline and they die. In some instances, brand sales and market share decline because customers have lost interest due to changing conditions in the marketplace (typewriters and the advent of word processing) or because another brand becomes more salient (Apple Computers lost its edge in the late 1990s/ early 1990s to Microsoft, a company which was able to provide more tools for software customers). Even, though brand creation and re-creation are distinct to the actual product life-cycle, the same idea guides the success of these processes, addressing the needs of consumers and their perceptions of a product and/or market niche.

Brand re-creation can also be considered a natural maintenance activity in the overall brand-identification process. In order to maintain a successful brand relationship, some modifications may need to occur. Of course, there are examples of limited brand maintenance because the product continues to address the needs of consumers in its market niche. However, ongoing communication processes are always recommended so that consumers are reminded about the characteristics and strengths of the organization or product. But can we really claim that we have relationships with brands?

In the process of brand identification, organizations have different maintenance strategies and tactics. Corporate brands are used when a company operates in a tightly defined market (Kellogg's with breakfast cereal), and promoting related products is a brand-maintenance strategy for the company. Standardization strategies may also be used when companies choose to associate related products or names at the international level. In this sense, company executives make a 'non-adaptation' choice in the various global markets where they are operating. Additionally, corporate history can be a primary factor when brands are leveraged or extended. With this approach, a brand name is maintained by associations with new products. In other words, the brand name is revitalized by these connections.

With the immense amount of information directed towards consumers, dynamic brand-maintenance strategies are essential. Creativity is helpful and, in some cases, maintaining an information-based context may also be useful. Through a medium such as a website, people consume, communicate and transact with the organization or corporate brand. With regular website maintenance, brand identity may be preserved in the minds of consumer stakeholders. Even though some changes may occur, the brand is still important because a personal link to the consumer has been maintained. However, the organization needs to remember that persona! links, outside of brand-identification strategies and website development, are just as important for the health of public relationships as they were 30 years ago.

The importance of personal connections is emphasized when damage to a brand name's reputation occurs. Management indiscretions (such as covering up information about products or financial misinformation) or the mishandling of crisis situations may cause the damage. Since organizations have distinct brand identities, there are numerous examples of brands enduring painful circumstances in the public sphere. The debacles that have plagued corporations such as Exxon (1989) and Enron (2001-2003) have been extensively documented in the popular media. These events create an excellent environment for brand damage, especially when stakeholders perceive that the organization does not care and/or is mishandling the situation.

In most cases, however, brand names decline as perceptions change in the marketplace. Over the course of time, without proper maintenance, brand damage is likely to occur and the brand's image cannot be restored to a positive state. Corporate brand names can also be damaged by claims from internal and external stakeholders, such as the media, that are inconsistent with organizational narratives. These claims may eventually lead to brand damage. However, if the organization can distance itself from the claims and provide evidence of accountability, brand damage may be significantly reduced. On the other hand, social legitimacy and financial stability may be permanently harmed but if the organization is committed to strong public relationships, organizational brand identity may weather the storm.

Image-restoration strategies employed by various companies provide some insight into brand rejuvenation after damage occurs (Benoit, 1995, 1997,2000).

However, in most instances, denying and evading are not helpful in the overall brand-rejuvenation process. Reducing offensiveness can involve lessening or minimizing the apparent damage with rhetoric ('it's not as bad as we thought') as well as a couple of other responses; differentiation (not as negative as another company's situation) and transcendence, which involves placing the event and the organization in a different context (communicating to stakeholders about the 'bigger picture').

In other words, the details of a particular negative situation may be presented as being not as important as a view of the organization and its associated brands at a more holistic level. Corrective action is fairly straightforward; the organization takes steps to remedy the problem with the objective of returning to the previous, positive state of affairs. Finally, mortification is a completely apologetic stance; wrongdoing is admitted and the organization asks stakeholders for forgiveness.

Benoit (1995) also provides the following suggestions for image- , restoration discourse:

1. Avoid making false claims for brands and provide adequate support.
2. If your organization is responsible, admit this fact immediately.
3. Communicate plans to correct and prevent recurrence of the problem.

The final point might be classified as goodwill, if such actions are designed to appeal to a group of stakeholders beyond merely repairing particular brand damage, if customers perceive that the organization is truly acting in their best interests, the brand image(s) may begin to -recover. Additionally, restoration tactics may not need to take place over a long period of time, if the organization is straightforward with its stake- holders about issues and claims. In such cases, brand damage is limited because the company assumes responsibility and provides appropriate evidence related to the claims.

Audience perceptions are critical to brand image restoration. If the organization reminds stakeholders of past good deeds and positive relationships through bolstering communication strategies (boosting morale/perceptions by deflecting attention) without addressing the critical brand damaging issue(s), brand repair may not even occur. Customers may quickly reject the brand, or it may gradually fade from the marketplace. Corporate credibility plays a significant role in customers' ' attitudes towards corporate brands (Goldsmith, Lafferty and Newell, 2000).

1.4. Brand role in advertising and marketing

In terms of advertising/marketing in relation to branding, Aaker (1996) also indicates that the influence of brand names on consumer stakeholders is significant. According to Aaker, brand names define the corporations. If customers' perceptions are aligned with this corporate reassurance, the marketplace should be a favourable venue for the product(s). A key point to emphasis at this juncture is that it is representatives of the organization who are providing the reassurance, and not the brand name.

Several different brand strategies are associated with integrated marketing communication: 1) brand-user strategies; 2) brand image strategies; 3) brand-usage strategies; and 4) corporate advertising. Brand-user strategies focus on the types of individuals that use certain brands. Celebrity endorsements are common examples of this type of strategy (Goldsmith et al., 2000).

When celebrities are present in the advertisements, there is a tendency to show the user of the brand more than the brand itself. The relationship is not with the brand, but with the person, even if that person is inaccessible from the buyer's private sphere. The idea is simple; consumers who like the celebrity will transfer that attraction to the brand. Thus, golfers who like Tiger Woods will use the Nike brand, action-movie fens who like Chuck Norris will purchase exercise equipment, and so forth.

A brand-image strategy works toward the development of a brand 'personality'. In this type of marketing communication, the focus is on the brand as an object of choice rather than the user. If a person appears in the advertisement, it is a typical person rather than a celebrity. The importance of a strong brand in the business environment has led many companies to devote more money to brand-image advertising and associated sales promotions and public relations campaigns. In addition to developing the brand image for various specialty audiences in trade journals (for example, suppliers), businesses use broadcast media, print media and online sources. Increasingly, organizations are realizing that having a strong brand name gives the company a better opportunity to bid on business contracts and enhances the public relationships that organizations have with their stakeholders.

Brand-usage strategies emphasize different uses for the brand while corporate advertising promotes the corporate name and image rather than the individual brand. Increasingly, organizations are interfacing with their stakeholders in the realm of social responsibility. Thus, corporate advertising is an essential communication strategy. Garbett defines corporate image advertising by emphasizing its potential outcomes:

1. To educate, inform or impress the public with regard to the company's policies, functions, facilities, objectives, ideals and standards.
2. To build favourable opinion about the company by stressing the competence of the company's management, its scientific knowhow, manufacturing skills, technological progress, product improvements and

contribution to social advancement and public welfare; and on the other hand, to offset unfavourable publicity and negative attitudes.

3. To build up the investment qualities of die company's securities or to improve its financial structure.

4. To sell the company as a good place in which to work, often in a way designed to appeal to college graduates or to people with certain skills.

The primary goal of each brand strategy approach is brand development, including image, brand awareness, positive perceptions of the brand, and 'interaction' (that is, purchase) with the brand. The nature of the communicative strategy should incorporate the advertising messages conveyed with the overall integrated theme, so that a relatively consistent message is disseminated to stakeholders. The message and its subsequent effect on stakeholders is the overriding consideration. Public-relations efforts are primarily focused on making sure that every possible contact delivers a positive and unified message about the company.

In general, an integrated marketing communication programme involves all the messages that an organization delivers to both internal and external stakeholders. Every contact point provides an opportunity for a message to be sent about the organization and its associated brands. The essential argument in this discussion is that messages about corporate identity and brand identification are delivered by individuals in the organization as they interact with stakeholders.

A brand, in and of itself, cannot create a relationship with a customer. The public-relations department *is* involved with these various contact points, whether these encounters are planned or unplanned. An unanticipated negative situation is an opportunity to place the brand image in the spotlight, to show that the organization is committed to its stakeholder relationships.

According to Dean (2004), corporate crisis is defined as a chaotic event that creates uncertainty and threatens an organization's goals. Public expectations are higher for an organization that is highly respected compared with organizations that are less well-regarded or less well-known. In other words, when crises happen, stakeholders expect the organization to uphold its brand image. A good reputation can be a double-edged sword. A solid reputation benefits the company with positive public attitudes and potential financial success, but it also means that consumers will have high expectations for the company when crises happen and the brand is truly tested. Fulfilling these expectations enhances integrated marketing communication efforts. Gildea provides the following recommendations:

1. Study the scope of your corporate responsibility.
2. Closely analyse your reputation and those of your competitors.
3. Measure and manage what 'drives' the perceptions of those reputations.
4. Put the findings to work for you in the marketplace (p. 21).

1.5. Branding and corporate relations

Additionally, Sethi (1979) argues that while corporate communicative responses and public relationships are certainly involved with, problems/issues, there should be an overriding concern with solutions. For businesses to successfully operate in the marketplace, solutions in stakeholder relationships are paramount.

Heath (1997) outlines a couple of additional image-advertising tactics, designed to enhance brand reputations. First, direct image advertisements differentiate the sponsor, its brand names or services from its competitors. In this process, the company may appeal to common sense and/or human compassion. These corporate-image ads are designed to cast the organization in a positive light for taking a particular position on an issue. The organization and its associated products are considered to be 'good' because the issue is thought to be of general concern/interest. Direct ads, according to Heath, can be taken at face value because they demonstrate admirable characteristics which have not only social value but commercial value as well. As Heath (1997, pp. 200-1) further observes about this type of communication:

1. It directly affects image through a favourable description of the company's products or services that are not the subject of public debate.
2. It directly affects image by providing facts about the organization's operations or activities.
3. It directly affects image through a description of how well an organization's activities and policies agree with values that meet key publics' expectations of appropriate corporate behaviour.

4- It directly affects image through a description of the organization's support of charitable community-service activities and expected and appropriate community relations.

On the other hand, indirect image advertising asks stakeholders to assign positive attributes to the organization, based on the positions it takes on issues; the image of the company can therefore be enhanced by associations with values and attributes that are held in high regard.

For example, valuing the environment is viewed positively by many stakeholders and could lead to more sales. Increasingly, companies are being evaluated on social criteria (Waddock, 2000). Heath (1997) argues that these image advertising types are, essentially, attitudes that stakeholders hold regarding the company. An attitude is an expression of the belief that an object is associated with key traits and favourable or unfavourable dispositions toward those traits and, ultimately, towards the object itself (Fishbein and Ajzen, 1975).

In short, people can have attitudes towards brands but can they really have relationships with brand names? According to Sternthal, Phillips and Dholakia (1973), expertise and trustworthiness are influential in persuading consumers, lending credence to the argument that the human dimension plays a major role in the integrated marketing communication process. However, Chaiken (1980) indicates that a relationship exists between attitude towards the ad (object) and purchase intentions. Chaiken's conclusion is significant at this point in the essay; low-involvement relationships are more concerned with attitude than consumption.

In terms of the ramifications for relationships with internal and external stakeholders, a key argument in this discussion is that people cannot have strong relationships with brands per se. Although consumers and other stakeholders can interact with brands, Blackston (2000) argues that this relationship tends to be automatic and marked by low involvement. So, what does this mean for branding? Increasingly, the power of branding is evident in society. For example, sporting contests with corporate names and stadiums with corporate identities in everything from sporting events and venues (the O2 Arena, formerly the Millennium Dome, in London) to sponsorship liaisons with nonprofit or charity initiatives.

The Legacy Town Center complex in Piano, Texas, a 'master-planned business, retail and residential community, according to its website, is close to the corporate headquarters of EDS (Electronic Data Systems) and other business offices/corporate parks. Its overriding feature is its plethora of national-brand stores and other highly recognizable retail outlets. Planned communities such as this and the pervasive mall concept are indicators that people seem to be interacting more within the relatively controlled environment of highly commercialized spaces than in their own neighborhoods or communities.

However, social, as opposed to commercial, interaction tends to be limited in these spaces. Many people proceed past others, focusing on their own personal initiatives and not on their fellow human beings. The vast array of brand names and stores demand attention. Even though brand names have been part of our society for many years, their dominance of the cultural landscape is now inescapable and, thus, so is the need to consider their potential impact on stakeholder relationships.

The possibility of inaccurate, distorted attitudes and/or perceptions of a company by consumer stakeholders is always possible (Grunig, 1978) but the omnipresence of brand names in consumer stakeholders' mindsets overrides this. As mentioned previously, mall spaces are controlled environments. Are corporations, in a sense, controlling relationships among internal and external stakeholders? Is mutual sharing, a fundamental goal of ethical public relations, being compromised? While these questions are difficult to answer, the impact or corporate brand names on public relationships is evident in three ways: 1) relationship objectification; 2) corporate sponsorships; and 3) corporate integration.

First, relationship objectification may be occurring in some stakeholder relationships. From the stakeholder's perspective, the relationship with the organization may be objectified because of low involvement (Chaiken, 1980). Interaction with organizational personnel is limited to brief purchases or supplier deliveries. However, when a high-involvement problem occurs (a repair or an invoice discrepancy), or if the person still feels objectified (for instance, because of impersonal phone systems with multiple options), the relationship may gradually deteriorate.

By the time public relations professionals meet with the stakeholder to either repair the damage or just engage in a regular meeting, the stakeholder relationship has already been compromised. With some effort by the practitioner, the relationship may be salvaged, but it depends on the individual situation. In short, stakeholders (not just customers) may feel objectified in their interactions with today's modern corporations. Since public relationships should exhibit high-involvement behaviour in crucial instances, the tendency for some stakeholders to receive low-involvement responses from organizations is not mutually beneficial.

According to Davis (2000) professional public relations seems to be primarily patronized by the corporate sector and its messages are often directed at corporate audiences. In other words, receiving low-involvement responses from organizations may be natural for other stakeholders and thus relationship objectification is a normal phenomenon. Davis (2000) argues that good corporate public relations means forgetting the general public and instead targeting elite decision-makers. While this premise may seem counterintuitive, the idea bolsters the argument that some organizations are concerned with controlling stakeholder relationships and that mutual sharing is being compromised.

Additionally, if the majority of debates regarding corporate governance are contained within such elite communicative networks, the implications for many stakeholder relationships are likely to be more negative than positive. The organization's public relations staff may try to solicit feedback regarding new branding initiatives through, for example, sponsorships and integrated marketing campaigns. However, the feedback process may be merely an organizational exercise designed to placate stakeholders. Customers and employees may be persuaded by such constriction exercises into believing that the corporation really has then interests at heart but, in reality, top executives made the branding decision earlier in the process.

According to Davis (2000) public relations, as an extension of managerial will, may exclude non-corporate elites and block media coverage of various business activities and trends. In short, brand management is an area where decisions are exclusively reserved for top executives, with limited feedback from other stakeholders. Corporate-source dominance, expressed through advertising and public relations, is a major force in the international cultural landscape; the omnipresence of brands such as Coca-Cola and McDonald's provides telling testimony. With brand marketing and other managerial efforts, Davis believes that public relations has catered to a small group of executives and customers. Additionally, public relations personnel have worked to block mainstream media coverage, exclude non-corporate voices, and helped to define the boundaries of elite corporate communication networks.

1.6. Stakeholders and corporations in scope of branding

Even though a core principle of public relations is maximizing mutually beneficial relationships with stakeholders, Davis returns to the point that public relations' first priority is the interests of the organization being represented. The maintenance of corporate advantage and advancement is the overriding consideration.

Davis refers to the 'malleable masses' in relation to consumer stakeholders, indicating that most target audiences can be trained to accept corporate brand identities in the marketplace. While this may be true to some extent, this is a negative portrait of the abilities of consumers to respond to the marketplace of brands and their associated symbols. With tools such as the Internet, consumers and other stakeholders may be able to provide some equilibrium, providing additional source dominance in the international marketplace.

Corporate sponsorships have become increasingly common in public life. From sporting events to sponsored school materials and equipment, the dependence associated with such sponsorships is an area of potential concern. For example, a nonprofit group decides to align its efforts with a corporation which helps to sponsor a race fox breast cancer.

The nonprofit group is dependent on the corporation's event sponsorship and, in many instances, such collaboration is beneficial for all parties involved (runners, corporation, nonprofit groups and the patients themselves), even though the corporation's financial contingencies may take some money away from the cause. While in some nonprofit groups, the event may occur without the help of corporate entities, the pervasiveness of sponsorships may indicate that many people in society feel that corporate power and corporate money are necessary for all public-relations initiatives.

Moreover, the dependence on such sponsorships may indicate low-involvement behaviour from the stakeholders themselves. Instead of self-reliance, there is dependence on corporate sponsorships.

The corporation, and its associated products, may leverage significant financial resources at the event; its presence may also create the possibility that competing messages are communicated. In particular, there may be more emphasis on the brand names and less on the people involved and/or the cause. Other events may also be affected by competing messages. For example, 'Got Milk?', a public information campaign launched on behalf of milk producers in 1993, features NASCAR star Jeff Gordon in full apparel. As with many other drivers in this sport, Gordon's .uniform is a tapestry of brand names. The presence of the names is helpful for these brands but does it diminish the impact of the 'Got Milk?' message? Competing messages thrown up by corporate sponsorships is a topic deserving further investigation.

Finally, integrated marketing communication may influence public relationships. Traditionally, short-term advertising initiatives and personal-selling efforts yield results much sooner than most public-relations activities do. Many public relations practitioners are feeling the effects of this consolidation not only in the form of layoffs and increased number of duties, but also the increasing expectations that corporations have in terms of ROI (return on investment).

The challenge for public-relations professionals is fulfilling these expectations in the context of the longer time frames usually required for the development of public relationships, in which, immediate results are not always apparent. Public relations professionals must consistently communicate this message or they may find that the profession loses its universal voice in the public sphere.

Chapter II: Research Methods and Designs

Rationale Behind This Research

Studies on corporate branding all have advanced degree of complexity than those linking to product branding, principally due to the multiplicity of stakeholders concerned; this makes the study more demanding.

A study connecting an adequate number of stakeholders inside an organization would supply the statistically - significant/insignificant results which are required for generality. Previous research studies in this specific area all have focused on an adequate illustration of stakeholders in a few companies.

This was the case in Davies et al.'s (2001) unique study where two stakeholder groups, clients and employees, were both studied crosswise three companies. Chun and Davies' (2006) study as well examined these two stakeholder groups, again across two companies. Even though they did not conduct their study across numerous companies, they set a good instance by using a sufficient sample size of individuals as the sampling frame inside an organization.

Individuals can have awareness in a company by keeping more than one stakeholder tide. For example, an individual could be both a customer and also an employee.

This fact raises the subject of 'unit of analysis' legitimacy and inter-stakeholder bias. Future study should cover this issue.

Studies on comparable topics rely profoundly on the availability of a diversity of indicators such as people, client, financial and operational indicators inside a firm.

While retrieving information concerning employee, purchaser, financial and operational-level data can pose a dispute, more companies these days are investing in information and data store systems to assess performance. These systems permit companies to well again identify gaps and attempt to unravel them in order to meet the demands of the progressively more highly regulated business setting, which also requires firms to discharge information about overall industry performance. Therefore, it is powerfully recommended that companies use information structures and data-warehouse applications as sources for charging corporate performance.

More studies needs to be undertaken in advertising to address the stakeholders' viewpoint and its implications for corporate result. This will very much enhance the value of marketing inside an organization from a function that merely serves customers merely, to one that is anxious about relationships with all of an organization's stakeholders.

Furthermore, it will highlight the significant role marketers play in improving the value of a corporation and their role in making stakeholder value and improving operational competence. This will change the sensitivity of marketing by non-marketers, who do not believe in the return on investment that marketers provide.

2.1. Research Methodology

This research is conducted based on a blend of both qualitative and quantitative methods. The main contribution of this research is based on the results that are derived from quantitative part of this study; econometrics analysis and multivariate regressions are used in order to study variant aspects of corporate branding and test some hypotheses that are later explained in details. In the latter sections of this research about twenty cases of corporate brands and the story of their success or failure in capitalizing on their marketing and branding strategies are explained.

In chapter six we have: qualitative validation of quantitative results. This is called the triangulation technique to further strengthen the findings of (chapter five) empirical analysis. In this part of study which is qualitative, emerging themes that support some branding theories are highlighted and ; therefore, some guidelines and axioms of corporate branding and how to set most suitable strategic visions are explained via analyzing real cases.

The qualitative part of this study further more strengthens the findings that are resulted from the regressions in the quantitative part of this study. Again, it should be mentioned that the backbone of this research is quantitative and the qualitative cases are seen as supporting factors that will elaborate on findings that are derived from the run regressions.

2.2. Research Theory

This research is based on theory of **Positivism**. According to positivism, true knowledge is based on experience and should be positively verified. More precisely the research theory that is used for this study is **logical positivism** and is based on empirical analysis.

2.3. Research Design

2.3.1. Data Collection Techniques

We are going to use the following data collection techniques:

Observation

Observation helps us to monitor and study a specific event or phenomena for different purposes.

2.3.2. Sampling Methods

We chose **Random sampling** for the quantitative part of this study; and for the qualitative section of this research we chose **Purposive Sampling**. Unlike convenience samples, we should mention that purposeful samples are cautiously selected to achieve a specific objective.

For the qualitative parts of this study fifteen companies are chosen; their successes and failures are analyzed and studied. The qualitative findings will further reinforce and validate the quantitative findings of this study.

2.3.3. Data Analysis Style

For this research we choose **theory-based data analysis style**. In the literature review of branding and brand management there are different theories and models. After completing our tests we came up with the most appropriate branding theory for our study.

According to nature of our research the most suitable type of data analysis is **content analysis**. In our discussions we implement content analysis in order to look at different themes which are emerging.

2.3.4. Data Sources

For the quantitative part of this study I use three sources of data: (1) Interbrand database is used for measures of brands (2) Center for Research database for security prices, and (3) Research database for variant accounting performance measures.

To support with the time for which the Interbrand annual data were obtainable, the sample is constrained to the US publicly traded companies that made the list of top hundred global brands.

Table 1 in the appendix presents companies containing the top 100 best global brands next to with the total number of years that the brand did appear on the list. It is fascinating that the membership list is fairly steady over the section period.

For instance, Coca-Cola, General Electric and also Microsoft Company are the top four brands.

As it was mentioned before the data for the qualitative part of this research are gathered from fifteen cases that will be explained and studied in the future chapters. These are the chosen companies:

1. Coca-Cola
2. Microsoft
3. McDonald's
4. Nokia
5. Apple
6. American Express
7. Nike
8. IKEA
9. Sony
10. Yahoo1. Coca-Cola
11. Shell
12. Adidas
14. 3M
15. Starbucks

2.4. Regression equations and models

The first purpose of the study is to recognize the risk explanatory determinants of corporate brand building. The panel regression incorporates information associated to both cross-section and also to time-series variables; provides a superior number of data points and extra degrees of freedom, and also it diminishes the likelihood of omitted-variable problems.

The fundamental regression model is as follows:

$$Brand\ \ Value_{i,t} = \alpha + X'_{it}\ \beta + \varepsilon_{it}, \qquad (1)$$

Where i =1, ……96 ; t = 1, …15, where

Brand value $_{i,t}$ is the Interbrand approximation of brand value for the ith firm at the time t, in this model α is the intercept, here in this model X'_{it} is a 1 x k vector of observations on k independent variables for the ith firm in the tth period, in this model β is a k x 1 vector of parameters, and also here $\varepsilon_{it,}$ is a disturbance or error term defines as $\varepsilon_{it} = \mu_i + \nu_{it}$, where μ_i signifies the unobservable individual result and ν_{it} also indicates the remainder disturbance.

Variables justifications and explanations

The dependent variables of this model are brand value, and changes in brand value. Also for exogenous (independent) variables, I use bookkeeping and financial market performance procedures and measures as all are explained in this section.

Cash flow from operations

In an well-organized market, when a corporate brand – intangible asset – indeed possesses economic worth, a market value is superior with brands than lacking them; this explanation sums up the most important perspectives that were linked to corporate branding and was also explained in more details in previous chapters.

Furthermore, it is sensible to assume that companies with flourishing and well-established brand names produce superior cash flows compared to other firms with unbranded and general products and services (e.g., Simon and Sullivan, 1993).

Doyle (2001) states that corporate brand value surely and always creates shareholders' wealth by escalating cash flows and reducing their variability.

Additionally, Madden et al. (2005) believe that corporate branding may diminish the firm's market risk by escalating corporate liquidity, solvability, and other management metrics.

Since cash flow is a analogous accounting-based monetary performance measure crosswise firms (e.g., Srivastava et al., 1998; Angulo and Rialp, 2007), this study uses changeability of cash flows from operating activities as a measure wealth creation.

It is worth mentioning that previous studies strongly support choosing *cash flow from operations* as an independent variable for constructing the main regressions equations.

Advertising expenses

Maltz (1991) states that the values of most corporate brands are overlooked by the financial market. Simon and Sullivan deviate with Maltz's earlier results.

Their study clearly shows that Wall Street does not disregard marketing and advertising expenses associated with corporate brand building. The authors examine the relations between brand value vs. current and lagged advertising expenses.

Their findings clearly do suggest that successful promotion expenditures easily do generate feedback and further improve and enhance brand value.

Additionally, Barth et al. (1998) do uncover positive and also economically very significant relations between brand value and advertising expenses. Next to their lead, this research includes advertising expenses (Adv_{t-1}) in the main panel regression model as a proxy for the corporate brand building investments.

There were other explanatory variables that could be used as a proxy for corporate brand building investment, but they were not justified as it will be explained in the part of suggestions for future research of this study.

Previous studies do support choosing *advertising expenses* as an independent variable for this research.

ROA and ROI

It is very reasonable to hypothesize that corporate brand value should be manifested in firm's higher accounting performance. Earlier studies all offer evidence on the positive, economically significant and long-term association between accounting performance measures and brand value.

Their findings all do point out that branding investment clearly should be paid off rather than expensed as current bookkeeping practice requires. In order to detain the long-term effect of branding on a firm's monetary prosperity, this study includes ROA and also ROI in our panel regression.

Previous studies all justify and authenticate using ROA and ROI for this sort of studies, but different researchers have all variant perspectives regarding the explanatory powers of these to independent variables. There are minor advantages associated to ROA or ROI. In similar studies it is very common to start by considering having both of them in the regression equations, and then assessing to see if it is better to include both of them or only choose one of them.

Later in this chapter it will be explained how these two variables differ for this specific study. All these being said, the correlation between ROA and ROI is fairly high. These two independent variables both will yield reliable results when they are individually or jointly implemented in the regression equations.

Sales growth

Keller also lists the subsequent benefits of a brand: superior loyalty from clients, larger profit margins, further brand additional room opportunities, and advanced sales growth rate.

Nonetheless, Barth et al. (1998) also reveal negative statistically very significant relations among sales growth and also brand value. In order to check the relations among corporate branding and sales increase further, this research includes average of sales in the panel regression of our models.

Most of previous studies do propose including *sales growth* very well could be used in these kinds of analysis; but it should be mentioned that dissimilar researchers have very different views and feedbacks regarding sales growth and its relations with other important financial market performance measures.

It is also noteworthy that the relationship between sales growth and brand value has different characteristics as well. Some researchers have opposite point of views on this matter. Consequently, I believe including sales growth as an independent variable in this study is both interesting and informative.

The results clearly illustrate that the fixed effects model does have a statistical advantage compared to the random effects and pooled models.

It has superior adjusted R^2, and for the combined or joint test, all four models are very significant at a 10% or higher critical level.

There are comparable results for working cash flow volatility, and also for lagged advertising expenses, and also for ROI, ROA, and sales growth if the study uses corporate brand value or uses changes in corporate brand value as a dependent variable (using *brand value* and *change in brand value* gave virtually the same results. The reason I examined the hypotheses having two different dependent variables was to see whether there would be major differences in the empirical results for this research – our findings show that the results of including these two variables as our dependent variable are very similar, and no important structural differences were noticed).

The Hausman measurement test is used to check fixed and random effects models. The test is significant; as a consequence, the random effects model could be rejected supportive of the fixed effects model at a 10% or higher critical level.

In the sample, the connection among the brand value and cash flow changeability is negative and also statistically significant. This negative association may be because of wealth creating property of corporate value that was well suggested by Doyle (2001).

When corporate branding produces stable and conventional cash flow from operating activities, it will have a higher net present value and consequently will surely create more wealth to shareholders.

The results of our panel regression clearly will reinforce Madden et al. (2005) and Verbeeten and Vijn (2006) results and conclusions showing that corporate branding alleviates risk of the firm cash flows.

Most of all previous empirical research in this field is uncertain as to whether advertising expenses develop corporate brand value. Also the lagged advertising expenses that were estimated in regression coefficient, is positive and also statistically significant all across the sample. This result is steady with Simon (1993) and Brath et al. (1998) deduction that a victorious branding campaign will clearly generate feedback and also will further enhance corporate value.

Importantly, this finding is very fundamental and should play a central role in implementation of managerial decision makings regarding setting strategies for advertising budgets.

Key managers of corporations should pay attention to this result as it shows the importance of having the correct advertising budgets in place especially for long-term planning – as it will be explained later in the suggestions section, studying the *research and development budgets* could also be very interesting for future research.

The current study clearly uncovers very positive and statistically significant associations between corporate branding, and ROA, and also ROI. Results show that the estimated coefficients are all positive and also are all significant at 10% or higher critical level.

It comes into sight that investment in corporate brand easily leads to having a higher firm profitability. Moreover, this finding advocates that the current accounting practices to disbursement branding investments rather than doing some capitalizing them should be reviewed and maintains the ongoing call for the addition of corporate brand assessment figures in financial and bookkeeping reporting.

Lastly, the estimated coefficient for sales is both very positive and also statistically significant. This result clearly does point to the existence of a significant structural association among brand equity and corporate brand value.

In outlook of this result, it may be practical for a manager to keep path of changes in consumer brand equity and also via monitoring accounting and financial-based measurements of corporate brand. And in general, the results clearly do hold when a change in brand value is a dependent variable.

2.5. Pooled Multivariate Regression Equations

In order to check the impact of corporate branding on, I did estimate the following pooled regressions:

$$Market\,.\ Performance = \alpha + \sum_{t=1995}^{2008} \lambda YEAR(t) + \delta_1 Log(TA) + \delta_2 ADV_{t-1} + \delta_3 ROI + \delta_4\, Sales.\ growth + \delta_5\, \sigma\,(\mathrm{CF}) + \delta_6\, Brand\ Value + \varepsilon,$$

$$Market\,.\;\; Performance = \alpha + \sum_{t=1995}^{2008} \lambda YEAR(t) + \delta_1 Log(TA) + \delta_2 ADV_{t-1} +$$

$$\delta_3 ROA + \delta_4\, Sales\,.\,growth + \delta_5\, \sigma\,(\mathrm{CF}) + \delta_6\, Brand\ Value + \varepsilon,$$

$$Market.\;\; Performance = \alpha + \sum_{t=1995}^{2008} \lambda YEAR(t) + \delta_1 Log(TA) + \delta_2 ADV_{t-1} +$$

$$\delta_3 ROI + \delta_4\, Sales\,.\,growth + \delta_5\, \sigma\,(\mathrm{CF}) + \delta_{6\,\Delta}\, Brand\ Value + \varepsilon,$$

$$Market.\;\; Performance = \alpha + \sum_{t=1995}^{2008} \lambda YEAR(t) + \delta_1 Log(TA) + \delta_2 ADV_{t-1} +$$

$$\delta_3 ROA + \delta_4\, Sales\,.\,growth + \delta_5\, \sigma\,(\mathrm{CF}) + \delta_{6\,\Delta}\, Brand\ Value + \varepsilon,$$

The control variables will provide some insight into wealth creation via corporate branding. All the findings do support the hypothesis that a strong corporate brand will surely contribute positively to shareholders' wealth.

It should be said that the corporate brand value is both positive and also statistically significant at 10% or higher critical value.

The estimated positive and also statistically very significant coefficient of advertising expenses advocates that Wall Street does not disregard marketing factors.

The significance of the estimated coefficients and also the reaction of brand value demonstrate that marketing factors are indeed reflected in the corporate market performance.

Additionally, the positive sign and also the statistical significance of ROI in our pooled regressions models entail that branding investments insert to the corporate market value.

Also, it emerges that ROI is clearly a better proxy for measuring branding investments when compared to ROA; this is because the explanatory power of our regression model is higher when branding investments in our models are proxied by ROI and not by ROA (as it was said before, both ROI and ROA are valid variables and are often included in similar studies. Sometimes researchers decide to include only one of them, and other times both of them are included).

The negative and also economically very significant association among firm's performance and its cash flow is not shocking. The reason is that branding investments that are competent to produce stable and predictable cash flows clearly do contribute to the firm's market value. For this reason, the results strengthen earlier findings of our regressions that corporate branding display risk extenuating property.

And in conclusion, the bond between a firm's performance and revenue is rather weak in all pooled multivariate regressions models. The coefficient of generated revenue or sales is both positive and also significant.

Chapter III: Defining and Creating Brands

Abstract

In this chapter we will go through steps and axioms of building a successful brand. In the first part of this chapter some important definitions and concepts are explained, and later the path towards creating and managing the brand are discovered. Brand architecture, brand identity and other aspects of branding scopes are studied in more details.

3.1. Introduction – What's a name?

The name of a brand is almost always its constant element. The brand's position might change, its corporate colors might be adapted, the typeface modernized, and the logo revised, but few companies will ever change their name (unless the brand was designed to be temporary).

The only reasons for changing it might be: a merger or acquisition; a realignment of regional products under a global brand; or a perceived need to re-launch a company with a new brand identity, or at least a modern variant. This is usually because a market has changed dramatically – like technology markets – or has vanished entirely.

In any of the above cases, renaming is still a high-risk venture in terms of how customers might react, although mergers and acquisitions are often about acquiring customers as much as they are about stock or technologies. Companies that have changed brand names, or even their own names, for any other reason are often treated with ridicule, or accused of wasting money, or admitting defeat to their competitors.

When a Post Office in the UK, for example, became a "brand" under a new umbrella organization called "Consignia", there was a storm of protest and amusement from a skeptical British press. The design and the branding might have been attractive enough on the surface, but commentators questioned the relevance to people who wanted to post and receive letters. Was the organization embarrassed by its own core service? Would people who relied on it know what had happened?

What this proves is that a good brand has substance, purpose, and perceived value – it represents something that people want. The strength of a good brand, then, may only come to light when a poor branding project is set against it. Of course, it is conceivable that some companies might trail new brands solely to call attentions to current brands, and then "bow to the public pressure" to retain the original ones. But whether this is true or not, companies should never take their eye off what their brand design represents.

- A name is a reference point to consumers that goes beyond something that is simply memorable. It should have far more to do with the way a customer relates to the brand. In a well-designed brand, this is deliberate: by including one set of customers, a company may wish to exclude others.
- A brand name is a legal entity a company can protect – and must guard it fiercely.

- It can create value for the company as an intangible asst.
- The brand's name and visual identity also play a pivotal role in the wider marketplace: the brand must be seen and heard not just by the customers, but also by the competitors.
- A name must be appropriate for the brand, appeal to the target market, and "capture" the brand in some way. It should send out a message each time it is seen, heard, discussed or recalled.

The best brand names are brought to life with strong, clear and memorable visual identities that summarize the brand's personality. The goal should be to engage audience externally (the customers) and also internally (the company's employees). This motivating aspect of brands is often overlooked; it is a way to attract the "right" employees and keep them behind the message. Employees, like customers, should say "the brand looks and sounds like me". If employees do not engage with the "message", a company risks having de-motivated or bored employees on its customers, and no amount of strategizing, marketing, and design expertise can repair the damage.

The right name also helps the company talk about itself: it defines who it is and what it does. Together with the right visual identity, it should take an unfamiliar concept and convey it as something recognizable, concrete and desirable. Brand names and designs need to convey a single, consistent message and most importantly connect with customers. The first step in creating a brand identity is to define a naming strategy which includes the following:

- A description of the product and/or company. What makes it unique, different, or necessary?
- A definition of the product or the company that the name may support.
- An understanding of what the name needs to convey. Is it descriptive, inspirational, emotive, or abstract, and to what extent?
- Creating a future brand-architecture (a direction of how the brand will be developed in long term).
- Identifying the target audience, plus market trends to prove the concept.

In marketing terms names can be descriptive, inspirational, emotive or abstract. A descriptive name says what the product or the company is or does. Examples include: Newsweek, American Airlines and Volkswagen ("people's car"). An inspirational name focuses on the possibilities of the product, visualizing what the brand is aiming to achieve or suggest. An emotive name suggests the "effect" of the product, such as the impact it has on people.

This can be via brand values, or through imagery aspects. Good examples of this include: Visa (the credit card that gives people access) and Esprit (the cloths chain, which aims to evoke "spirit" and "life"). An abstract name has, at first conception, no link to the product whatsoever. It can be a made-up word, or a real "freestanding", and unrelated image. Examples include:

- Orange – a freestanding and real-world image
- Kodak – a made-up name.

3.2. Logos

A logo is the visual expression of a brand. It is a means of creating an instant, distinctive presence that can separate a brand from the competition, and allow it to develop a language of its own – including a visual one. It is a sign that communicates what the brand is about. A well-designed logo can attract its target audience, even if they are unfamiliar with the brand or they are just browsing.

It is not so different from window shopping, and going into the store that looks most appealing or picking out one product from a shelf full of similar ones. Obviously, these, too are a major part of the brand-design and identity process, as are explored later in this chapter.

Logos are also a means of indicating origin, ownership, or association, and there are some distinct types. For example, they might take the form of a "word mark" written in a distinctive manner (such as Virgin, Coca-Cola or Coke, and Marlboro); or an abstract symbol, which may have no obvious relation to the brand name (the Mercedes star, or Nike's swoosh); or it might be a hybrid of the two (the "orange" block, with the name inside it).

Others are designed to be simple representations of a name, such as the Apple logo (which has been simplified over the years). Sometimes logos can be pictorial in nature (such as the American Express centurion). Occasionally, the product, service, or company can "become" the logo (Goodyear balloon, or McDonald's golden arches).

Choices that each of these successful companies have made are exemplars of good design translating the brand's purpose or values. Apple wants to stand out from the crowd and just "be itself" – and it wants you to bite. McDonald's wants to welcome you under its overarching brand. Nike's famous symbol, meanwhile, is recognizable as a "tick" of approval.

Logos can be useful means of condensing long company names, as in the case of United Parcel Service (UPS), or of avoiding them altogether by using a symbol or character. Examples of this include Cap Gemini Ernst & young, and British telecommunications. Both companies, curiously, make varied use of a faceless blue figure.

However, British telecommunications is so confident in its use of corporate colors, typeface, and "messenger" logo that it has become better known as "British Telecom" and "BT" without any dilution of its brand presence.

Not only that, but it has radically changed its brand identity at least three times in the past twenty years. Far from demonstrating weakness, this shows just how much, and how quickly, the markets that it operates in have transformed – and it takes a confident company to rebrand itself so publicly. The "BT" logo and color scheme are now used to brand a range of separate spin-off ventures with that same corporate confidence. If these fail, or if a market collapses, the main brand will survive and this is very crucial for the company.

A logo, then, may be for life, or it may need to be adapted, updated, or even abandoned where the market requires a major shift of emphasis, this is a challenge to designers, who must be aware of market trends and conditions to make a meaningful contribution to any branding strategy.

3.3. Brand Types

One of the first things that designer will need to appreciate, when designing new brands or redesigning old ones, is their classification. Whether the design brief is to be “category conformist” or “category breaking”, it is important to understand what the category is.

Two broad but commonly used classifications are “corporate” and “consumer” brands. Corporate brands usually relate to a company itself, such as Unilever, but can also be used broadly to describe services offered to other businesses (rather than to consumer).

Consumer brands, on the other hand, relate to the physical products or services that the company offers to its customers.

In some instances corporate and consumer brands are identical. Procter and Gamble is a corporate brand (although some people do not agree with this and have opposing views regarding Procter and Gamble), and it has major consumer brands in its portfolio, such as Pamper, Ariel and Pantene. The company itself though, is not as well known as its products. But In the case of Vodafone, Sony or Guinness, for example, the corporate and consumer brands are the same, and are equally successful.

In some cases, then consumers know little about the corporate brand behind the familiar consumer ones. For example, they might have heard of Unilever, Procter and Gamble, VNU, EMAP, General Mills, or Ralston Purina, but they are just as likely not to know them. Usually this does not matter, as long as the brands in their consumer portfolio are instantly recognized.

“Hidden” corporate brands in these instances are really about being known by their competitors, and are concerned with their relative positioning. This, though, is just as important in terms of brand design and identity; corporate brands want to show themselves, and their investors, partners, advertisers, and rivals, exactly what they stand for.

Occasionally, though, one of these more hidden brands makes the mistake of assuming it is as well known by the general public as its consumer portfolio might be. The virtual world, for example, is littered with examples of companies who built expensive Web portals around the corporate brand, rather than their popular consumer ones, and then wondered why nobody visited. This has certainly been true in the publishing industry.

When designing a brand, it is vital to know what a company’s real strengths are, particularly when trying to build new revenue streams around an expensive piece of design.

Service brands: In this category we do not talk about an “object” but a performance, which is much harder to design for. But in the services industry the brand takes on a very powerful role since the customer has multiple interactions with employees.

Consider the traveler at an airport. Travelers have interactions with dozens of different people as they pass from check-in through passport control to ticket-checking, and then on to board the plane, where they interact with the cabin crew, and flight attendants. All of these are design opportunities and are parts of the brand “experience.”

Retail brands: retail branding is a truly unique type of branding since it takes design to an even more experiential level. The various aspects of the interior design – graphics, layout, display systems, color schemes, signage, should be taken into considerations.

Consumers expect brands to deliver a specific experience; the experience of shopping at Macy’s is very different from the one at Wal-Mart. Retailers also have to deal with different types of customers who come in with varying expectations.

A “time-poor, cash-rich” customer simply wants to get to what they’re looking for quickly and effectively, whereas a “time-rich, cash-poor” customer will browse and enjoy a more elaborate layout. Designing effectively for such a varied group of customers is the real challenge for designers in this sector.

Consumer product brands: This is the most commonly and heavily branded business of all. Physical goods have always been associated with brands, and include many of the best-known consumer products (such as BMW, Kellogg's, Pepsi, Coca-Cola, and Gillette). All are skillful at communicating their brand values through design, not just of the products themselves, but of packaging, advertising, and other communications targeted at ideal customers groups.

Industrial product brands: A lot of products are meant for business, as opposed to consumer usage. Most "business-to-business" (B2B) brands have a diverse purchasing cycle and process, so traditional techniques of designing, naming, and creating "experiences" need to be modified.

Commodity brands: In recent years there has been an increased tendency to brand commodity goods. With commodity products it is hard to create brand loyalty, as the company is not providing a unique product or service. Brand designs in this sector are moving toward representing a "mark of quality". Some examples of branded commodities are orange juice (Del Monte), oatmeal (Quaker), bananas (Chiquita), and so on.

Branded products risk becoming increasingly generic as customers stop visualizing the differences between them. This is when design differentiation becomes even more important.

3.4. Brand Positioning – The key to success

Brand positioning is the promise that a brand makes and delivers to its customers. This is not set in stone, because as most consumers know, brands often chase or set the impulses of fashion. The brand's focus, emphasis, and benefits can be revised or changed over time.

Together, a company's vision, mission, commercial ambition, and values are central to any brand. Brand design should represent these, while appealing to the target customers and setting the product part in the market.

It is clear that positioning is very much a real-time, people-intensive effort. It helps define who and what a company is, and what is does. The designer's job is to make these concepts concrete and appealing. Customers want to know exactly what is for them to gain.

IBM's recent success in rebranding itself as a friendly, professional services company was achieved by targeting board-level executives. To IBM, chief executives, chief information officers, and chief finance officers are the people who hold the strings of multimillion-dollar technology-buying decisions.

IBM decided to speak directly to the decision maker faced with conflicting advice from internal teams. The approach was simple and effective: you can trust us to solve it.

Another IT company, Oracle, is concentrating on its corporate brands. Oracle's effort has focused on casting itself as the e-business software provider of choice. Again, its rebranding has targeted business, but through the broader channels of billboards and advertisements in the national and business press.

Out of necessity, Microsoft's branding strategy has been more spread; first it needs to keep its grip on the slowing PC market. However, Microsoft is saying to businesses that it lies at the heart of the Internet and Web-related services with its new “Net” initiative. Meanwhile, it is also playing a youth lifestyle card by focusing on the gaming market with the Xbox.

Mergers and acquisitions have huge brand positioning implications. When Ciba-Geigy and Sandoz merged they had to create a new name, identity, and positioning to reflect the new organization. That brand is Novartis.

On other occasions, individual brands can be strengthened when two companies merge, or one acquires the other. When Ford bought Jaguar, for example, the reliability of Jaguar cars increased to higher levels, while the line brand maintained its reputation for styling, elegance, and power.

3.5. Brand Personality

While brand positioning focuses on what the brand can do for the customer, brand personality concentrates on what the brand says about the customer, and how the customer feels about that.

Brand personality is what communicates the brand proposition to its target audience, and a large part of that process is design led. It does not refer to the personality of the consumers. Rather, it is designed to be a personality that attracts the right people. For example, the Virgin brand is designed to be fun, crazy, impulsive, and irreverent. This has to come across visually in everything the brand does.

Next, designers must decide whether status and lifestyle are important to the brand. Brand personality always has a self-expressive function, if only by association. People do not buy a Mercedes just because of the car's performance – there are other reasons for sure. They buy because of the perceived status and lifestyle that the brand represents. They pay to adopt the brand's personality, or to be seen associating with it.

Commodity and service-oriented personalities tend to be less glamorous and exciting. In fact, Surf, Colgate, Tide, and so on, tend to develop personalities "on top of" the product. Often they will create an appealing character – usually an anonymous, but instantly recognizable one. This gives their products a greater presence, and customers appreciate companies' efforts to make their brands more "friendly."

Appliance brands are often considered personality-free. They have a commodity identity. But in research carried out by Whirlpool, the washing machine company found that its brand was regarded as having a gentle, feminine personality, thanks in part to the discreet design scheme.

"Masculine", "feminine", or "caring" personalities might be applicable to many brands, but research of this nature risks being flawed by being carried out by the manufacturers themselves. That said, such research is an acceptable part of a branding exercise. It is always beneficial to find out what customers think – especially if they agree or disagree with the way a brand sees itself.

Brand personalities, even in the household goods and appliances market, are design opportunities, and a good way of delicately differentiating brands in the market.

Studies show that great brands are built over long periods of time with advertising that is faithful to product personality. Brand personality is permanent, if we lose it we might lose the franchise.

Certainly, brands such as MacDonald's, Mercedes, Wal-Mart, and Virgin all have personalities that have remained the same for many years. However, there are brands that have managed to evolve not only their positioning, but also their personalities and their values, successfully.

One such example is the UK glucose drink Lucozade. Starting out as a downbeat, medicinal brand associated with recovering from illness, it has repositioned itself as a trendy, sporty lifestyle brand.

Lucozade has brought onboard popular figures, from British soccer player Michael Owen to gaming icon Lara Croft, to become "faces" of the brand. It is a clever strategy, as such figures have a cross-generational following, but with an accent on youth. By doing this, Lucozade has expanded its customer base, but not alienated any particular group of users.

Another recent example is one of the largest mobile operators in the UK, One 2 One. In 2002, it rebranded itself as T– mobile. The company said, "…the new personality of our brand is confidence – something One 2 One didn't have."

Designers must be aware whether a brand's essential personality is to be changed, or just its relative positioning in the market.

3.6. Brand Architecture

Most large companies start off with one brand, and after years of acquisitions and growth end up with several brands in their portfolio. But what they often fail to think about are the design implications and costs of keeping all these brands effective in the marketplace. Brand architecture is the implementation of a brand portfolio. Most commonly it defines the relationship between corporate brands and sub- (or spin-off) brands, or a corporate brand and its main products and services.

There are four main types of brand architecture. It is important to understand these, because each has rules that have a major impact on design.

Monolithic: The brand is supreme; and products and services are simply given names that relate to the main brand, as in the case of Virgin's products and services. This means designers are very restricted as to what can or cannot be done every time a new sub-brand is launched, as it has to be designed in line with the parent brand.

Heavy endorsement: a strong sub-brand stands alongside a strong parent. Perhaps the best examples are automobiles, where branding is usually based on model line, such as Toyota Celica, Toyota Supra, and Toyota Corolla. When designing a new brand, designers have to be aware of the importance of the main brand, but cannot make the parent brand too strong when it comes to the "look and feel" of the sub-brands.

Light endorsement: the parent brand takes a lesser role and acts purely as a support to the sub-brand. One example is Smirnoff Ice, the "ready to drink" or RTD, a stand-alone brand from Smirnoff vodka.

New brand: There is no relationship with the parent brand. For example, when online banking service Egg was launched in the UK, it was intentionally kept separate from its parent, the insurance giant Prudential. This allowed an entirely new design scheme and personality to be created.

3.7. Brand Management

Once the brand architecture has been clarified, the brand design needs to be managed over time to reflect changes in market conditions and fashion. This is very important for long-term plans of companies.

Managing the values of a brand as it moves from growth to maturity is important, especially as the speed of change in design accelerates.
Over the last few decades there have been major shifts in the way companies conduct brand management. The focus has shifted from local industry to the global market that brands operate in. This is a change from one-step tactical measures to broader strategic thinking.

Today, strategic thinking represents a move toward “think global, and act local”; a shift from product management to category management; and a switch from product branding to corporate branding.

Allied with this is a closer focus on customer relationships. All of this adds up to managing a brand's equity, and that requires a strong relationship between brand and customer.

A “listening” financial service brand, in particular, must alter its focus radically for an economic downturn and for an upswing. In a downturn, the brand design and message might say, “we can help you protect and manage your finances.” In an upswing, the focus might be, “we can help you grow your investments and take new opportunities.” But the underlying values of the brand remain the same and it is willingness to help.

On occasion, a company will listen to such an extent that the customers end up calling the shots. Federal Express, for example, knew that everyone called it “FedEx.” So it accepted the fact and changed its name. FedEx was born and a new logo and design scheme were introduced. This did nothing to damage the brand; rather, it strengthened FedEx's relationships with its customers, who felt a sense of “ownership” of the move. Similar moves have been made over the years by journals, which have abbreviated their names and taken the opportunity to develop simpler, more eye-catching designs that attract attention on the newsstand.

3.8. Living the brand – Brand experience

Many companies spend millions of dollars converting prospects into customers, only to lose their loyalty to competitors. What can a brand designer do to stop this and minimize what, in business jargon, is known as “customer toss”?

The answer lies in understanding first the experience that a customer has – or does not have – of a particular brand. This requires a sophisticated understanding of the “touch-point” that a brand has with its customers. A touch-point is any point at which a customer comes into contact with the brand. The various touch-points might influence them positively or negatively. Whether it is the retail store, the bank statement sent through the mail, the TV advertisement, the billboard on the road, or even the customer service person on the telephone, each of these touch-points leaves a strong impression on the customer.

Understanding the concept of touch-points supports a strong brand strategy – one that can rise above day-to-day market pressures. Many customers today look to experience something unique and special about their brand – partly, it must be said, because their brand's competitors will provide it if their brand does not. Every new design scheme or service raises the stakes in a competitive game. However, customers have also become skeptical, so the promise must deliver something concrete.

Designs must translate brand values into a real experience, from the product all the way through to the in-store experience or its virtual equivalent, via logo, color scheme, uniform, and service culture.

3.9. Key elements of branding

Understanding the crucial elements of branding is vital for a designer. It helps bring a brand's values to life.

The design elements of branding are:

- **Experiential:** how should the buyer feel when he or she purchases the product or service? How should this be communicated in the design?
- **Functional:** what benefits does this brand provide to the buyer? How can this be communicated in the design? And should this be done directly or implicitly?
- **Emotional:** how would we like the customer to feel about owning this brand? And how will he or she actually feel, given the chosen design strategy?
- **Rational:** alternatively, will this brand appeal to the logical side of the buyer? And how can this be communicated in the design?
- **Cultural:** is there a culture of buying this brand? Among whom? Why? Or does the culture of buying it reflect the brand?

- **Visual:** what should this brand look like? And why? Elements here include color, style, logo, and packing.

We read a brand's values according to the way they are presented to us visually. Alternatively, a brand's visual identity can come to represent values that have been communicated to us by other means. In real practice, colors, names, logos, and typefaces are what we see and register first. They become a symbol of the brand and its associations for us.

To its fans, the Nike “Swoosh” stands not for a brand, but for an aspiration to be the best or to excel in whatever they do. Nike is an example of how persuasive a branding strategy can become when it is well executed.

3.10. Typography

All brand designers have to understand the market, the design brief, and the implications of getting it wrong. Consumers from all demographic and cultural groups are all willing players in the design game. They know what is aimed at them, and what is wrong for their market and for their demographic group.

Young people especially can spot a fake, and brands that aspire to speak their language will be destroyed if they get it wrong. This is especially true when peer pressure from friends raises the stakes even higher to be seen with the “right” brands.

Typographic styles control the image of the brand by giving it an instant outlook. Many strong, huge brands have built their identities on the back of good typography, matched by a product and service culture that displays the brand's values.

Industries in which typography plays a vital role are typically where the customer's interface with a brand is very intimate, such as fashion, beauty, and periodical publishing. Lifestyle periodicals such as *Cosmopolitan*, *Vogue*, *GQ*, and *Maxim* communicate very different values through their visuals. So, on a crowded newsstand, the brand can speak to its target readers quickly and draw their attention away from competitive products. Cover design is very crucial in publishing: a cover can make or break an issue, and sometimes even a periodical.

Some brands have used unique typography to create visual signatures for themselves. These bands are especially common in the fashion world. The superimposed L & V for Louis Vuitton; or the logo of Calvin Klein. All are powerful visual signals that communicate with customers, and some – such as Louis Vuitton – become sought after in their own right as symbols that customers use to make a statement about themselves.

3.11. Structural Changes

In many sectors, such as FMCG (fast-moving consumer goods) – which includes items such as food, drink, pharmaceuticals, and beauty products – packaging is a key brand differentiator. Packaging not only makes a strong brand statement on overstocked shelves, but it also creates merchandising opportunities.

Perrier, Absolut, Jack Daniels, Evian, and other drink brands use bottle shapes to make a distinctive statement. In the canned drinks market, where there are fewer opportunities to use different shapes, graphics are the most important element.

Even teabag companies experiment with shapes and product designs. Whether it is pyramid bags, round ones, individually wrapped sachets, o drawstrings that squeeze out every last drop, each makes a strong statement, aiming for brand loyalty and an emotional response.

Usually, the real benefits are to the brand, although many commodity innovations are sold on the back of benefiting the customer. Familiarity and originality are the names of the game. Marmite's jar, Jif's plastic lemon, Grolsch's larger bottle, and Toblerone's famous pyramid shape are all examples of structures that appeal, without promising any functional advantage.

Technical advances, particularly in materials and manufacturing processes, make it easier to experiment with inexpensive and innovative package designs. These have environmental benefits when they are made with biodegradable materials.

And the technical advances do not end there. Designers are increasingly taking advantage of techniques originally developed for architectural drafting and computer-aided manufacturing to test the viability of 3D concepts.

One area where innovative packaging design has been a key motivator is the fragrance industry. For example, the Kenzo fragrance for men “Zebra” has simulated zebra hair on the cap, while the Boucheron Jaipur bottle is modeled as a bracelet. Perhaps even better known are Gaultier's male and female fragrances.

These are sold in elegant bottles modeled on well-toned male and female bodies. This is a perfect example of the medium and the message being one and the same thing, and it is a message that appeals to Gaultier's target audience of young, independent men and women who appreciate his sense of camp.

3.12. Implementation of Functional Capabilities

Many brands appeal to customers because they have a very clear purpose. That purpose makes the brand not only unique, but also easier to position, maintain, and design for. For consumers, the reason to buy such a product is that it “does what it says it will do”. It is a purchase based on need, or precaution.

Security is one sector that is characterized by functional brands. Many security brands won a reputation for quality and reliability over the years.

Consumers frequently make a mistake on the side of caution by choosing familiar names, some of which have been in the business for generations.

Brands like Yale and Banham have built customer's trust over long periods of time. Chubb, for example, started with mortise locks, and has since diversified into a range of professional, domestic, and even fire-prevention security products. The company has even identified complementary markets such as insurance into which it can transfer its considerable brand equity.

Brands like these rarely shout their goods from the rooftops with flashy designs, eye-catching logos, or innovative packaging. They do not need to; security products, such as locks, are not something that people buy every day, but they are something that everyone needs. A designer's brief here would be simply to maintain, and possibly build on, such companies' reputations for functional, reliable products.

The automobile market is another difficult one, as most people purchase automobiles based on reputation and image. While this might be seen as a plus-point for the industry's big-budget branding exercises, people tend to stay loyal to brands, making it difficult to persuade them to change (unless they have moved into a higher income bracket).

The key to successful branding in this market is to appeal to buyer's self-image. All automobile brands, such as Mercedes, Ford, Jaguar, and BMW, have distinct and established personalities. Nevertheless, it is possible to change a brand's perceived personality with a sustained rebranding exercise.

One brand that has managed to do this is Volvo, which has successfully translated its functional values into overcoming its image issues.

Volvo entered the US market in 1956 to a less-than-rousing reception. The model it chose to launch had a style more reminiscent of the austere 1940s than the more forward-looking and youth-obsessed 1950s.

The company soon overcame this by developing a strategy around its cars' resilience. The concept was: these are the cars built tough enough for the severe Scandinavian weather and road conditions. Out of this evolved the familiar but realistic claim that Volvos were among the safest vehicles to drive. Over the following couple of decades, this was reinforced by the fact that the Volvo 144 and the luxury model 164 met all proposed US safety standards of the 1970s before they were even announced.

In 1982, Volvo introduced the 760, the first of the 700 series that would become a favorite family automobile of the “yuppie” (young, upwardly mobile) set in the 1980s. In 1985, Volvo became the best-selling European import.

Recently, Volvo has taken its positioning a step further by finally having the confidence to move closer to lifestyle branding, while retaining its core values of safety reliability. A clever example of this was its “safe sex” campaign (it's safe to have sex in a Volvo).

Another Scandinavian success story continues to be IKEA. The “flat pack” furniture retailer started out as a purely functional brand, but has since become a household name synonymous with a simple lifestyle.

Swedish design capabilities were always renowned, but not popularly until IKEA made them a household name. What most appeals to customers about the brand, is its endless lines of minimal, often inexpensive products that seem to suggest a designer, European lifestyle, that and the fact that they are intended to be easy to assemble and use.

IKEA made intelligent use of people's perceptions by its unique branding. In the late 1990s, in particular, this appealed to young couples, singles, and gay men who perhaps wanted to disassociate themselves from their parents' taste. This was especially true at time when they were being bombarded by images of sleek, minimalist interiors full of wood, glass, steel, and leather.

Industries where purchasing decisions are based on quality and uniqueness often focus on the functional capability of the brand. One category where this is paramount is high-tech manufacturing. Brand names in these industries act more as a reference point, where product reputations and brand designs arise from the underlying strengths of the business.

The reputation of 3M, for example, is based on its constant drive to innovate and create practical, unique, and ingenious products. The 3M brand today has clean, crisp, and simple logo, which was developed as far back as 1977. Later they came up with the idea of using 3M as the umbrella identity.

Before this the company used a wide variety of logos and names on all its advertising and products, without the benefit of associating them with a single brand, and a single set of brand values.

3.13. Brand-Buying Decisions

For brands whose core proposition is specialist knowledge or expertise, the best way to position them according to author Alan Mitchell, is as “intellectual property” brands.

The industries where such branding is most appropriate are professional services, law firms, high-end information technology companies, and innovation-led packaged goods specialists.

In these cases, most of the brands are generated from the names of the organizations' founders, or are based on purely rational, rather than emotional, concepts; examples include Ernst & Young (now Cap Gemini Ernst & Young), PricewaterhouseCoopers, J. Walter Thompson, Michael Page, Hewlett-Packard, Siebel, and McCann-Erickson.

A notable exception is management consultancy Accenture, formerly Andersen Consulting. The rebranding (“an accent on the future”) took place after a complex and vicious court battle with its then sibling, accountancy giant Arthur Andersen. But in the light of (Arthur) Andersen's subsequent disgrace and breakup in the wake of the Enron scandal, Accenture's decision to cut off all associations with the once-proud and equitable name seems remarkably predictive.

The name and logo – once mocked – have passed into the public consciousness. The design retains the proud “A” of Andersen, but its “accent on the future” arguably protected the business from its unfortunate associations. So, it seems that a few billions of dollars spent on lawsuit, strategizing, repositioning, and rebranding can pay dividends.

Investment bank Charles Schwab engaged Landor, a global consultancy, to identify the brand’s core attributes. The company used the consultancy to develop a new wordmark (the typographical style of the company name), plus a new set of visuals, and a brand “voice.” Schwab's new identity is defined as “strong, elegant, and sophisticated.”

The new wordmark brings together the personal and professional aspects of the business. In design terms, it pairs a refined, and elegant “Charles” with a bold, all-capital, and functional “Schwab.” The new visual vocabulary, photography style, and brand voice help to ensure recognition across a wide range of media and people.

Used together, these separate and distinct typographic elements deliver the message that Schwab offers personalized investment advice, reaffirming the confidence of existing customers and attracting new, affluent investors.

3.14. Relational Brands

The brand/customer relationship, if properly maintained, can be a major strength. A bond of trust between a brand and its customers can create greater brand equity, differentiating the company from the competition.

Strong brand equity allows companies to retain customers, service their needs more effectively, and increase profits. However, how can one create such a unique and close relationship with a brand that the customer's purchase becomes an "autopilot" decision?

The most important way is by demonstrating an exceptional understanding of customer's individual requirements, and reflecting this in the "look and feel" of the brand design.

Many dot.com enterprises have given new meaning to the word "personalization." Many use "cookie" technology, which allows a website to recognize an individual customer when they visit. The website can then load their personal profile and purchase record.

Dot.coms like Amazon have designed brands that focus on understanding customer habits and purchasing patterns in such a way that the customer can walk away with a pleasant experience.

But personalization involves a lot more than greeting your own name when you visit the site from your own computer, or log on from another with a password. It requires a brand to demonstrate an understanding of current and future requirements.

This type of service will become increasingly common with the arrival of new generations of mobile services that recognize users' locations. Most people believe that in the near future, designers will be able to create truly personal brands that interact with customers on the move, depending on where they are, and what they are doing.

The financial services sector is very enthusiastic about personalized services, because they create a unique experience that makes customers feel they are individually valued. MBNA has taken personalization to the next level by linking it with what is known as "affinity marketing."

The company links credit cards with various organizations – whether it is the customer's favorite charity, sports club, or university. In this way, MBNA gives customers a personalized card that creates cross-benefits between the customer, their chosen organization, and, of course, MBNA.

Another new entrant in this field is Accucard, which personalizes its cards with color schemes chosen by the customer, and also reflects that chosen personality in all its correspondence with them.

3.15. Role of Branding in Marketing

3.15.1. Creating Brand Memories

People generally remember the first time they saw a favorite movie, or heard a song that became important to them because it coincided with a significant time in their lives. People develop deep, personal associations with this type of thing—something that some brands use as the inspiration for designing equally memorable experiences.

The periodical *Business Week* calls the trend "nostalgia marketing." Many brands rerun TV advertisements that professional, adult customers will remember from their schooldays. The aim is to recreate the feeling they had when they first saw them, and to renew their acquaintance with the brand by appealing to that nostalgia.

Others brands make knowing references to their pasts: the new Volkswagen Beetle and the new Mini are two examples of brand designs that have reinvented a "classic" for a new era. Both of these designs have their roots in the middle of the last century.

By doing so, brands can rediscover their own roots and core values, and remind themselves (and their customers) what they have achieved and where they have come from. For example when we visit the Coca-Cola website we can see the company proudly displaying its history. This movie captures generations of customers, while the brand's principal focus can still remain on attracting the young.

The Coca-Cola site is full with references to days gone by; a font and nostalgic time warp. Mercedes-Benz is another brand that helps us to remember the past— its past, and ours by association.

The "Of Legends and Passion" section of Mercedes' website reveals a brand keen to associate itself with a fine tradition, and with the good memories its customers have of their own days gone by. Indeed, the company's centennial celebrations in 2001 saw its dusting of its past advertising to remind us of its history of innovation decade by decade.

Unexpected delivery is another way of building brand memory. Consumers have become educated enough to know what to expect from a brand experience. Giving them something new, unexpected, or “out of the box” helps create brand memory.

3.15.2. Taking Brands Across Cultures

Designing and managing a global brand creates many testing challenges for a brand owner. Global branding is a process whereby a brand owner can wisely and successfully translate a product or service from one market to another.

However, the key to global branding success lies in understanding local diversity, traditions, and usage patterns before taking a product or service across geographical boundaries.

Many brands today have built a global proposition by understanding and stressing local difference, or, conversely, by designing a deliberately multicultural and multiethnic visual identity (as in the cases of, for example, united colors of Benetton).

The investment bank Morgan Stanley’s campaign “one client at a time,” HSBC’s advertising of local traditions, and British Airways’ ill-fated, but bold, decision to display on its tail fines local artists’ paintings from the territories it serves are all examples of global thinking. Some nations are beginning to examine their own branding as highly as at a government level. For example, the Philippines began considering it following a seminar there by Philip Kotler about how the international community viewed the country; while New Zealand's influential *Unlimited* periodical devoted a feature to the New Zealand "national brand."

Even the US media have begun questioning the country's image in the wake of anti-American (and anti globalization) demonstrations throughout the world. This, in some ways, is the other side of the coin of many brands' success, as companies have (rightly or wrongly) come to signify the culture of their country of origin. Most nations want to be seen as progressive, environmentally conscious, a good place to do business, along with a host of other qualities. No national branding program will succeed if its image does not stand up to scrutiny.

3.15.3. Brand Revival

It is easy to blame fragile economies when a brand starts to lose its value, but there are usually other, more fundamental considerations. Sometimes brands simply lose touch with consumers, particularly if they have dominated a market for a long time. On other occasions, though, the problem is the category itself: technology is removing some brands by making their categories obsolete.

If a company that produces dozens of successful products becomes synonymous with only one of them, then that brand becomes locked in people's minds as standing for one thing alone.

If the brand stands for an idea, such as "security" (in the case of Chubb, for example), then the company can simply keep innovating and develop new products that fit that overarching idea. But if the brand has been successfully positioned to represent a single product or product category, then the company can face the problems if the category is threatened by the march of technology.

For example, successful brands such as Polaroid (which built itself up until it was synonymous with instant photography) have seen the categories they represent decline due to digital photography.

Brands can lose touch both with the customer and with where the brand exists in popular culture—something that moves fast and is also fragmenting and mutating in ways it has never done before.

Simple tribal youth cultures that were once centered on music have become increasingly complex. They are spreading across the boundaries of youth and deeper into adulthood, as people in their late 20s and 30s continue to go to nightclubs and music events. Meanwhile, the youth market itself is more and more obsessed with gaming and technology.

Fashions, as we all know, change quickly, and we are on a fast track. Brands that do not keep up are quickly lost. They first become inappropriate, then invisible, and then they are gone.

This is certainly true of periodical publishing, an industry that traditionally moves fast to identify new groups of readers, and designs products quickly for them. But for the same reason, periodicals can have short shelf life. One such brand was *Mademoiselle*, a periodical that lost touch with its readers and folded. Despite along and rich history, *Mademoiselle* was too late on feminism and working women at the time. The title got out of sync culturally.

Periodical publishing is a high-risk business when brands are misconceived, or companies believe they can read the Zeitgeist, only to find they are wrong. In the late 1980s, UK brand Carlton, which had successfully built a stable of lifestyle and women's periodicals, poured so much capital into a new launch, *Riva*, that when it failed the company collapsed after just few issues of the title. It saw a gap in the market that simply was not there, a new demographic group that did not exist.

Companies really need to be differentiated, otherwise there will be problems. That is what happened to Oldsmobile at one time a top-selling car. What was an Oldsmobile versus a Buick or a Chevrolet? The distinctions were so little that, over time, Oldsmobile was squeezed out. To avoid such a fate, companies must continue investing in their brands to keep them updated, energized, and differentiated. When brands believe they are in an unassailable position, they are usually one wrong move away from meltdown.

There are plenty of examples of brands that get it right. Nike has kept in touch with its customers and expanded its brand from sports clothing and equipment. So successful has it been that it has survived occasional bouts of poor publicity about its manufacturing processes; Nike is still seen as a tick of approval by its devotees.

It remains an uphill struggle to energize a brand if its category is dying this is often the most serious challenge that brand designers face.

3.15.4. Brand Valuation

The simple definition of the value of a brand (or the brand equity) is the amount another party is prepared to pay for it. Often this bears little relation to profitability. Recently, many of the brands with the greatest perceived value were internet ventures—despite the fact that many of the companies concerned were nowhere near returning a profit. The brands were seen as the definitive players in a new market—thanks mainly to good branding design supporting a clearly identified business opportunity.

Another way of calculating the value of a brand is to look at the gap between what is paid to buy a company, and the monetary value of that company's fixed assets. This difference represents the "good will" being purchased, which is usually a reflection of the perceived value of the company's key products or brands.

The Internet space in particular has seen brand valuations often vastly exceed those of long-established brands with strong revenue streams, healthy growth, and good profit forecasts.

Many companies have had to build the infrastructure to support a good piece of brand design, and an attractive interface. Their extraordinary brand equity for several years demonstrated, if nothing else, the value to the market of defining a new territory, and creating a unique piece of brand design to stake their claim on it.

3.15.5. Commodity Branding

Manufacture of raw materials and commodity products often ignore the opportunity to increase their margins, create consumer demand for their products, and build value by employing the branding practices made successfully by many consumer packaged goods enterprises.

Intel, with its "Intel Inside" strategy, branded its microprocessor through computer manufactures directly to the end-user, turning microprocessors into a significant selling point for every computer. While greatly increasing the value of its microprocessors, Intel's branding strategy also built brand equity.

The pharmaceutical industry started branding pharmaceuticals directly to the consumer, creating consumer choice and demand through informative consumer advertising campaigns. These have transformed a "direct-to-doctor" marketplace into one that is driven by consumer demand.

The markers of commodity products often assume that branding and marketing their products is impossible. Or they believe that branding is too complex and too expensive to be worthwhile.

"Branded raw materials," such as basic drugs, bring greater value to both manufacturer and end user, while also increasing profit margins. By branding raw materials, manufacturers increase the perception of their products by offering the added ingredient of good quality. Consumers experience greater satisfaction by purchasing such a product, because of the implied guarantee.

3.15.6. Co-Branding

Co-branding is where two or more branded products (component brands) join forces to form a separate and unique product (a composite brand). This is a strategy popular when introducing new consumer products.

Some marketplace examples include Kudo's Granola bars with Snicker's pieces, the Ford Explorer with an Eddie Bauer interior, and Betty Crocker Brownie Mix with Hershey's chocolate flavoring, while McDonald's has joined forces with Cadbury's in the UK and Oreo in the US to create a range of dessert products.

There are many different types of cobranding strategies. Joint promotions represent an attempt by one or both brands to secure corporate endorsements that will improve their respective market positions (such as McDonald's and Disney).

Joint advertising, meanwhile, is a more precise technique. Bacardi and Coca-Cola promote the complementary use of their products, reflecting a common, popular choice. More creative examples include Apple's Powerbook campaign, which featured the movie *Mission Impossible*, or the more recent Nokia campaign with the Steven Spielberg film *Minority Report*.

The latter example was clever, as the film was implicitly critical of communications technologies, but Nokia still gained by implying that its currents technologies were innovative and were creating a communications revolution.

Physical product integration takes place when one branded product is inextricably linked with another. Consumer product manufacturers are increasingly interested in cobranding strategies as a means of gaining greater marketplace exposure, fending off the threat of private label brands, and sharing high promotional costs with a partner.

The cobranded product is new to the consumer, even though the component brand names are not. Therefore, consumers use the component brand names to make judgments about the cobranded product in the absence of further information.

However, one danger of co-branding is the possibility that consumers might transfer a negative experience with on component brand to the other partner.

Another type of cooperative marketing program is "tie-ins." Film, video, game, music, and book publishing all benefit from this. The successes of Harry Potter and the *Star Wars* films have opened up opportunities for a wide range of companies to join forces and extend the experience far beyond the original book or film. Drinks, sweets, toiletries, and toy manufacturers have all helped extend these globe-conquering franchises.

Chapter IV: Managing Corporate Brands and Reputation

4.1. Corporateness and Strategic Management

Strategic management as a body of knowledge and practice has been dominated by an 'outside-in' perspective, often simplified for researchers and practitioners into the typical SWOT framework. This portrays strategy as a three-stage process of examining the opportunities and threats in external environments of organizations, considering the strengths and weaknesses of internal resources, and bringing both into alignment.

The usual emphasis and core message of this framework, however, is that it is the external opportunities and threads that drive strategy with internal resources needing to be brought into line with these environmental pressures. The major figure in this outside-in approach to strategic management is Michael Porter, whose views on strategic success are characterized as being driven by fit with the external environment.

Porter's original focus was on the attractiveness of industries as the driver of strategy and the forces that shape attractiveness of industries to firms – buyer and supplier power, the threat of substitute products/services and new entrants into the market and the intensity of competitive rivalry.

Based on this external analysis, the main strategic choice for firms was how to position themselves competitively, either through differentiation in the minds of customers, cost leadership throughout the value chain or focus, niche marketing strategies. Accordingly people and HRM were treated as downstream or derived decisions that followed strategic marketing, planning and branding and were rarely to be of significant strategic important.

It should come as great surprise that marketing and branding specialists have drawn intellectual inspiration from such mode, and how they may have contributed to its dominance by elevating the 'cult' of the customer and product branding to an all-time high during the 1980s and 1990s. In this field, people use the term cult here because there was some ideological as well as rational reasoning used to justify outside-in perspectives. Ideology can be thought of as the use of ideas to promote certain interests, often beyond what might be justified by the evidence or interest of society in general. And there is little doubt that the interests of marketing and branding specialists, especially the major marketing consultants, were served by promoting customers at the expense of other stakeholders in organizations.

Later in the field of branding, this 'inside-out' strategic perspective has become a counterpoint to the outside-in aspect of Porter's perspective and speaks to the differentiation agenda, proposed by unique organizational identities. Though this picture is a little unfair, since Porter has acknowledged the importance of internal resources in driving strategy, his debates with Jay Barney are worth reviewing.

In contrast to Porter's focus on the attractiveness of industries, Barney's resource-based view on strategy and, by implication, on HRM, sees the fundamental and sustainable route to competitive advantage as arising from how we put together unique and desirable combinations of internal, usually intangible resources, the principal justification being that everything else is open to inspection and copying.

The most important of these are often seen to be information and people, and their relationships to other key processes and intangible assets, such as knowledge creation and distribution, brands and the creation and maintenance of reputations.

Since these intangibles are, in many respects, the products of specific organizational cultures, defined by the guiding assumptions and values, attitudes, norms of behavior and key artifacts such as structures systems and processes, this has led some writers to believe it is how such cultures are managed and how people are selected, developed, rewarded and organized that differentiates firms, especially in the modern knowledge-based industries and growing service sectors of Europe and North America.

This view provided a major intellectual and empirical justification for the importance of HRM and its links to key strategic decisions on issues such as branding and reputations. Just as the interests of marketing people have been served by the outside-in approach, we have to be a little cautious of any perspective that offers a one-best-way analysis and solution.

There is criticism for at least two other reasons:

- Resources are intangible (such as organizational knowledge and reputations), so they cannot be open to measurement, making proof of the idea a near impossibility.
- An organization's truly valuable (human) resources are difficult to imitate because they are obscure, so how can employees and managers understand and build on them to create sustainable advantages?

These criticisms have important practical implications for reputation management and branding because they have been traditionally seen as part of "soft management", not the numbers game that most managers understand.

4.2. The Value of Brands

As noted in the previous chapters, the economic and social value of brands to organizations is increasing significantly. Studies by academics and consultants have shown that the contribution of brands to the top-branded companies can contribute between 20 and 70% to the market capitalization of the parent companies, and that companies with strong brands consistently outperform those with weaker brands.

The key message here is that brands matter a great deal in the valuation of companies and in helping those companies outperform their competitors. As a result, the valuation of brands on the balance sheet is becoming much more widely accepted in most advanced countries. National accounting standards are changing to follow the early lead of the UK, Australia and New Zealand in allowing brand values to appear on balance sheets, with the expectation that most countries will follow American Generally Accepted Accounting Principles (GAAP) in capitalizing 'good-will' on company balance sheets and depreciating it according to its useful life, normally a much longer period than technology or other capital investments.

These changes in capitalization have led some companies that once owned factories and other forms of physical, but depreciating, assets to divest themselves of these tangible assets and invest more heavily in intangibles such as brands that have a much longer useful life. Thus we are witnessing the development of companies that are little more than a collection of brands; "manufacturers without factories" reliant on outsourcing production and services to developing economies such as India and China. Nike is a good example of this approach of doing business. However, these developing countries are also on track to recognize the importance of brands to the future of their economies and their major organizations.

4.3. Corporate Social Responsibility (CSR)

The social value of brands is less clear but no less important. Some people believe that the global brands could be a threat to governments and to ordinary people, again with Nike and Gap being a good example during the 1990s, when they were accused of exploiting workers in 'sweatshops' in Indonesia, Thailand and other parts of South-East Asia.

A report from the San Francisco Global Exchange revealed that Nike workers in Indonesia were being paid 80 US cents a day, and asked the company to double this rate, the cost of which would have been around $20 million, the amount that Michael Jordan was being paid annually to endorse the brand. The consequences of this negative publicity placed pressure on Nike and similar companies to champion the cause of exploitative working conditions and human rights abuses in these countries by raising wages and proposing codes of practice for working overseas. It is due to cases such, as this one that companies have begun to take a genuine interest in CSR to minimize the risk to their brands associated with their social and environmental performance.

CSR is sometimes seen as a skeptical attempt by business to escape their responsibilities or as the latest in a long list of management trends; but it has at least two important justifications:

- The first is the commercial incentive to enhance brand reputations by being seen as a trustworthy business, good employer, good place to work and good neighbor in the community. As we shall see, becoming an employer of choice and securing a high raring in the various benchmarking exercises that rate companies on these issues has a major impact on their ability to attract and retain top talent.
- The second is the more defensive reason, which is to enforce companies that 'breach the rules' to adapt their practices to meet ever-changing public expectations.

McDonald's introduction of healthy meals to its menu is a good example of company responding to criticisms and legal challenge over its impact on rising obesity levels in the USA and UK. During 2002 it experienced its first drop in profits as consumers reacted to almost epidemic levels of obesity, associated in part with the high-fat fast foods McDonald's and other fast food chains offered. These chains began to compete on price, which was a sign that their brands were beginning to lose relevance to consumers.

McDonald's and other fast food companies responded by introducing new, healthier food lines, though whether this strategy will convince consumers that the companies have their interests at heart is another thing. Another example is British American Tobacco (BAT), which published its CSR policy in 2005 as a response to the public concern about its products. Its senior managers argue that the health risks associated with smoking make it more imperative to act responsibly.

In addition to the CSR arguments, social value is also associated with extra investment needed by branded companies to improve products and services continuously, and to keep them relevant. Again, research into this aspect of branding showed that less-branded companies launched fewer products and spent less on R&D than their more heavily branded counterparts.

Indeed, economists who have looked into the effects of advertising support this line of reasoning. Modern advertising contains very little information about the nature of products and services on offer, especially commodity products and services. What they do contain is information that the company is able and willing to invest in the product/service and in developing a relationship with consumers. And because most marketing people understand this 'theory', advertisers are drawn into ever more costly advertising campaigns.

CSR has been touched on in many studies and books since it is one of the most growing areas of interest for modem businesses and is the basis on which a corporate identity can be built.

4.3.1. The case for CSR

The case that is usually made for CSR is a business case for pursuing socially and environmentally friendly policies, rooted in a stakeholder theory of governance and Rawlsian theory of social justice. Rawlsian ethics are associated with a 'theory of good', which focuses on defining the characteristics of a just society. Imagine a society in which there were no laws, social conventions or political stare; then ask the question: what principles might reasonable people agree on to guarantee order while placing few constraints on individual freedoms?

When applied to organizations, a theory of good states that these principles and the outcomes that result from these principles must be distributed with full consultation and so that no organizational stakeholders are losers while others are clear winners. Responsible leaders should place organizational survival and the long-term interests of its stakeholders over any single interest.

Drawing on these ideas, CSR advocates contend there is a more or less fundamental tension between the pursuit of private profit and public good, usually because a pursuit of profit at the expense of society is unsustainable in the long run. The basic argument underlying the business case for CSR has two aspects. First, profit in its own right is not pursued by companies for the public good but for private gain, which has little or nothing to do with the public good. If the pursuit of profit is to advance social welfare, it cannot be left to the hidden hand of the market and powerful business leaders, a form of very rough justice.

Instead, it often requires active regulation from outside bodies: in the case of the Financial Services Industry in the UK, this would be through government legislation. Second, in the pursuit of private gain, companies are driven by their internal business logic of maximizing revenues and minimizing costs to place burdens on society and on the environment. Economists call these placing externalities on society, defined as companies taking action that affects others' welfare without having the incentive to recognize this impact in their decision-making, nor fully accounting for it in their evaluation of the costs and benefits of particular decisions.

The consequences are that these externalities lead to inefficiencies for society if businesses do not pay their fair share of costs. Therefore, unless it is checked either by CSR or by government regulation, private enterprise is bound to make losers of everyone apart from private business and its owners.

The business case for CSR

As we have seen from different cases, CSR has become a big issue. Its agenda is supported by many governments, business organizations and professional bodies. For example, the British government has been prominent among them in making the business case for CSR through its relevant website. There are several international networks promoting CSR and its more modern focus on sustainable development, including the World Business Council for Sustainable Development (http://www.wbcsd.ch/). Its membership is made up of 180 multinational enterprises including the European-based Shell, BP, Nokia, Michelin, Novartis, ABB, Volkswagen, major US-based Dow Chemicals, Ford, General Motors, Procter & Gamble, Time Warner and GE.

One of the Council's publications acknowledges the legal requirement to promote 'acceptable returns for its shareholders and investors' but argues that 'business and business leaders have made significant contributions to the societies of which they form part' and that responsible leadership is necessary for business and societal progress.

4.3.2. Measurement of CSR

Inevitably when making a business case for anything, this turns on measurement. Numbers are languages that business people understand and need to use to convince the financial community that pursuing goals other than shareholder value is likely to pay off for all in the long run. Managers also need measurement for performance management reasons and to keep them focused.

As a result, many of the companies mentioned in this section have adopted the 'triple bottom line' (3BL) as a performance measure. Managers also need measurement for performance reasons and to keep them focused. The idea was first offered in John Elkington's (1997) book; in which he described a framework for measuring and reporting corporate performance against economic, social and environmental parameters.

In effect, 3BL is a planning and reporting mechanism, and a decision-making framework used to achieve sustainable development. It has been adopted by organizations as diverse as local government in Australia, major corporations such as Monsanto, the BBC and British Petroleum, and also small firms.

The financial community is also paying attention in the form of a Dow Jones Sustainability Index tracking the economic, environmental and social performance of more than 300 global companies, such as Siemens, Nokia and Home Depot, whose business practices have received the green seal of approval from a Swiss-based organization, Sustainable Asset Management (http://www,sam-group.coin/htmle/maia.con). Not surprisingly, consultants have been at the forefront of CSR. Price-Waterhouse Coopers (2006) published a survey of 140 American corporations, arguing that companies that ignore the triple bottom line are 'courting disaster ', concluding that it 'will increasingly be regarded as an important measure of value'.

4.4. Organizational identity, action and image

As noted before, organizational identity has its origins in earlier work by academics on individual identity and the identification process: how individuals come to take on the identity of groups and organizations. We will examine this issue of individual identification later in this section, which deals more specifically with individual-organizational linkages. It is also suggested that much of the recent work on identity has focused on organizational identity, a relatively new idea. This has been conceived of in two, rather different, ways - a stronger and weaker version - both of which have different practical implications. The weaker version of organizational identity is to see it as little more than a summation of the shared beliefs of those individuals who make up the organization - a kind of collective personality.

The other, stronger version is to see an organization as a 'social actor' in its own right, independent of the particular individuals comprising it, capable of, and authorized to, take actions, entering into contracts and projecting an image to the outside world in its own right, Often a sports metaphor is used to explain this social actor perspective, as when senior managers invoke the idea of a team being bigger than any of its players and outliving their narrow career interests.

The basic premise of this latter view is one of self-reference, which is sometimes equated with the idea of organizational agency - that an organization can develop a self-concept or self-definition independent of how outsiders see it. Such a notion meets the needs of other stakeholders, including government, to hold it to account in its own right, in much the same way individuals are held to account for their beliefs and actions. For, as was noted, collective identity, like individual identities, is a claim for difference as well as similarity with others. Just as we define ourselves as individuals to be different from groups we do not want to belong to and to be similar to groups we want to receive affirmation from, organizations need to differentiate themselves through their own agency and conform to expectations set by stakeholders such as government, the state and industry bodies.

4.4.1. Culture, image and identity

What is the difference between identity and culture? Recapping on the three principles of organizational identity by previous studies: that (a) it should capture its essence or 'claimed central character' of the organization; (b) it should set out its claimed distinctiveness; and (c) it should show continuity over time - it is clear that they could equally apply to culture. This is not helpful in distinguishing between them and in clearing up this problem. One way of doing so is to see organizational identity as the link between culture and image, the approach taken by Hatch and Schultz (2002). Their reasoning is quite complicated and subtle, but basically suggests a two-way, recursive relationship between the three core ideas of culture, organizational identity and organizational image.

The first relationship (1) is between culture and identity. Cultures can be thought of as the deeper, often hidden, values, beliefs and assumptions that shape how organizations define themselves collectively (Schein, 1985).

Over time, through self-conscious, collective reflection on culture, an organizational identity emerges. This is a more surface-level, collective sense of 'who we are'. The key point about this relationship is that identity does not have to depend on people outside of the organization for confirmation; instead it is largely internally driven.

The organizational identity that emerges helps create (2) the second relationship, an impression on significant others, e.g. potential and existing customers, potential employees, investors, the media, and the general public. The processes, however, are not just one-way: identities reflect back on cultures (3) as the collective organizational behavior of employees helps sustain and confirm the cultural value, beliefs and assumptions of the organization over a period of time.

As an example of relationships (1) and (2), Hewlett-Packard (HP), which began life as an electronic test and measurement instrumentation manufacturer in 1939, is well known for having an organizational identity that is expressly defined by a 1961 internal memo from Dave Packard. This memo stated that the mission of the HP was 'to design, develop and manufacture the finest products, the advancement of science and the welfare of humanity'. It has also become known worldwide for an open, caring and sharing style of HRM that places employees at the centre of its operation and as one of the best places to work in international league tables of such issues.

It is generally held that this identity was the product of the values and assumptions of the founders, and of the success generated by following its founding culture and principles. When HP moved into the computing business, for which it is now known, this identity remained core to its operations.

In 2001, HP sold off its original test and measurement division to create Agilent Technologies, a completely separate company. Unsurprisingly, however, Agilent had all of the hallmarks of HP's founding culture, expressed in its organizational identity, operations, policies and practices, such as HR, ethical business policies, diversity management and so on.

The final relationship (4) shows how identities may also be externally generated. Identities – who we as people and customers are - are not only formed culturally by reference to internal values and beliefs, but are also formed by feedback from significant others of the projected image. Quite literally, significant others act as a mirror for the organization to help form its sense of who it is and what it looks like.

For example, certain sections of the media that feed off the need for celebrity sometimes play an important role in creating heroic 'leaders' in organizations or 'celebrity organizations', often at odds with how an organization sees itself or would like to see itself. Arguably, the current concern with the 'cult of leadership' and the increasingly high salaries being paid to CEOs, reflect media and investor needs to hold individuals, rather than team of leaders, to account and the need to make news.

Another illustration of this relationship has been the creation of the Beckham brand. David Beckham, who is one of the world's most famous footballers and has become an icon among teenagers in Asia and Europe, is behind one of the best-known personal brands. It is often suggested, however, he owes his image to his ability to appeal to many different groups, all of whom project on him what they will see - star symbol, family man, new man and even savior of English national identity. In other words, he is, according to some observers, a media and consumer creation with a celebrity status extending far beyond his abilities as a footballer (The same argument can be applied to the 'celebrities' of reality TV shows whose reputations have grown because of a complicit relationship with the media in creating them and the market for 'non-celebrities').

It is argued that Manchester United, the club with which he grew up and who helped him build his image, were happy to transfer him to Real Madrid because the Beckham image had become 'bigger than the club' and detracted from the team that had shaped his football (and, in part, commercial) success. For example, his manager, Sir Alex Ferguson, accused him of playing (long , showy) 'Hollywood' passes that were intended to enhance his own image, often to the detriment of his team members and the club (because they cut out his midfield colleagues and had little regard for the ability of the receiver to deal with the long ball). This is only one of many illustrations that show the dark side of talent management, often revealing tensions between individuals whose image is created by significant outsiders and the collective identity of the internal teams they work with. Good examples here are the 'stars' of the knowledge-intensive industries such as financial investment, consulting, medicine and academia, whose external reputations are effectively “rented” by the organizations that employ them.

4.4.2. Corporate character, image and identity

As we discussed earlier, the reputation management approach, developed by Gary Davies and his colleagues in the UK (Davies *et al,* 2003, 2004), is a fruitful approach to exploring the links between identity and image. This is one of the weaker versions of organizational identity that was referred to earlier, since it tends to view it as the summary of the shared beliefs of those individuals who make up the organization. Nevertheless, it has high practical value. Davies *et al.'s* starling point, in contrast to the plural view of reputations, is that corporate reputation is 'the collective term referring to all stakeholders' views of corporate reputation' (p. 62),including internal identity and external image, which they define as the views of the company held by external stakeholders, especially customers, and the view of employees.

Gary Davies' and his colleagues' principal argument is that employees and customers' perceptions of the reputation of an organization will influence their behavior towards it, similar to the service-profit chain. In service businesses such as retailing, in which most of their research has been conducted, the perspectives of employee and customers towards the organization and its services are seen as interdependent and form part of the reputation chain. Their model proposes an ideal, rather than typical relationship between satisfied employees, high level of organizational identification, strong brand reputations, customer satisfaction, loyalty and increased sales.

The core link in the model is the alignment of identity and image. If a misalignment develops with obvious gaps between internal and external views, these are seen as potential causes of crises. The most novel useful aspect of their model is their way of assessing the reputation of an organization and measuring the gaps between identity and image. So far, there are no reputable and tested measures that ask the same question of employees and customers when assessing the identity-image- reputation links.

There are good and obvious reasons for this, since the criteria employees use to evaluate 'who we are' and those used by customers to judge the image of the company are likely to differ in some ways. As Hatch and Schultz have pointed out, the starting point for identity is the internally driven culture, while image is more likely to be outsider-driven by sources such as the media and communications channels. Nevertheless, all authorities on this topic recognize that there is a two-way interaction between employees' and customers' views of the organization, which Davies *et al.* (2003, 2004) now define as 'corporate character'. They have spent a number of years researching a corporate character scale to assess the reputation of an organization from the perspectives of employees and customers.

Drawing their ideas from existing literature and from primary survey research of 2061 employees and 2565 customers in 49 different business units of 13 organizations, they have developed five major and two minor dimensions of corporate character that employees and customers can use to evaluate an organization's identity, image and reputation. The major dimensions are agreeableness, competence, enterprise, ruthlessness and chic; the minor dimensions are informality and machismo. The dimensions can be broken down into 16 facets and measured by the strength of agreement with 49 items.

Since much of the research took place in retail stores with employees, managers and customers the results and some of the items (such as chicness) reflect the context. Their findings showed that agreeableness was the factor most highly correlated with employee and customer satisfaction among all three groups of respondents; employees, however, showed greater concern for all seven dimensions and store managers showed less concern for enterprise than the other two groups. All three groups were dissatisfied by ruthlessness.

The second and third most highly correlated dimensions with satisfaction were enterprise and competence, though both were more important to employees, which might be expected since there are more obviously relevant internally. Chicness came fifth, most probably because that is an important factor in retailing to employees and customers. Informality and machismo (masculinity) were minor factors, not correlating strongly with satisfaction, but Davies and his colleagues have chosen to retain them as they are likely to be important in other contexts.

However, being highly correlated with a phenomenon does not mean that you can say anything statistically about what causes what. For example, there is a well-known debate in organizational behavior over the 'happy worker -productive worker' relationship: high levels of performance may cause employees to feel satisfied just as much as employee satisfaction can cause high levels of performance (Harter *el al,* 2002), So, the final stage of their research was to ascertain the main drivers of satisfaction from this list of dimensions, which they did using a statistical technique known as stepwise regression for all three groups.

The results showed that agreeableness was the most important driver, accounting for 48%, 35% and 32% of the variation in satisfaction levels among staff, customers and managers respectively. The second, and only other, factor that explained variation in satisfaction levels was enterprise; when combined with agreeableness, they explained 52% and 39% of the variation in employee and customer satisfaction levels respectively. They also attempted to find out if there was a significant link between satisfaction and financial performance. Here the results were more tentative, as might be expected, but they found a relationship between customer satisfaction and year-on-year sales growth, which in turn was correlated with agreeableness, enterprise and chicness.

Employee satisfaction did not correlate with financial performance, but did so with agreeableness, informality, enterprise and was negatively correlated with ruthlessness. They concluded that image is associated with performance (as measured by sales growth), but only via customer satisfaction.

The practical implications of this work are that employee satisfaction and customer satisfaction may not be necessarily linked; managers have to want to create these links through concerted actions. Thus harmonizing image and identity has three aspects to it.

-**Having symmetry**. This is achieved by using a similar framework and set of dimensions to measure identity and image, e.g. the corporate character approach.
-**Achieving affinity**. It is not enough for customers and employees (and other stakeholders) to see the corporate character in the same way; what satisfies them must be the same to achieve the emotional links, e.g. they must both value agreeableness or enterprise, and place a negative value on ruthlessness.
-**Having connection**. Connections are the logical reasons why employees would want to see satisfied customers through, for example, seeing a connection between their attitudes and behaviors, satisfied customers (and other stakeholders) and the company.

They recommend that organizations wishing to explore gaps between organizational identity and how outsiders view an organization's image (its reputations) might want to develop a more contextually sensitive of this adaptation.

4.4.3. Governance and leadership

Two to the most important dimensions of organizational action are governance and leadership. Researchers have discussed work that showed how governance and its problems are embedded in the multiple identities of organizations (Golden-Biddle and Rao, 1997). Golden-Biddle and Rao have developed a very useful framework to analyze problems such as Hurricane Katrina, or, indeed, any situation that relates the actions or inactions of boards of directors and senior managers to organizational identity and individual's identification with their organizations.

Their framework sets out the four mutually interdependent elements - organizational and individual identities, and senior managers' expectation of how they should act and how they do act which are linked by two processes of identification and action. So, first of all, individuals will identify most strongly with the organization when they believe that preserving the organization's identity will satisfy their own needs; second, and most importantly the actions of leaders are based on expectations of how they should act and expectations concerning the result of their actions. Thus, when senior leaders act in ways consistent with their expectations and those of others these actions maintain strong degrees of integration between individuals' and organizational identities.

However, when they do not act in accordance with expectations, or experience role conflict or conflicts of commitment to multiple identities, the process of identification is weakened, especially among employees. Applying this analysis to the Hurricane Katrina case President Bush's initial failure to act, along with those others indicted, certainly failed to meet the expectations for the American presidency to show decisive leadership and may have led to a decline in identification among voters and many employees of the New Orleans Police Force with the Bush presidency (which reached an all-time low during the early stages of the disaster), the state and city government.

Moreover, it may have confirmed the impression among some that Bush was a weak leader. Another, perhaps kinder, interpretation is that Bush and his aides were caught in a conflict of commitment, between upholding the Federal government's organizational identity that embraced the spirit of September 11 and upholding the identity of individual states for independence.

This type of analysis is consistent with the comments on leadership *styles*, in which researchers highlighted the failures of senior leaders to 'walk the talk' by acting out the mission and values statements. For example, both views expressed in the Hurricane Katrina case are consistent with the need to hold an individual to account rather than the more diffuse and fractures structure of governance. Moreover, there are few more powerful explanations for lack of identification by employees, often manifested in skepticism and cynicism, than the failure of senior leaders to act in ways consistent with organizational identity.

More positively, it is also noted that when leaders act to preserve an organizational identity that employees perceive to be in their best interests, high levels of individual identification follow. For example, following President Bush's decisive actions after September 11, his personal ratings went up noticeably. US coast, Hurricane Rita, the Bush administration acted well before the event, one might speculate as much to restore identity of the Bush presidency for decisive leadership and Bush's personal ratings, as for protecting the citizens of Galveston from the storm.

This process was also clarified most recently during a recent piece of research at Agilent Technologies, discussed earlier, when senior managers did everything they could to preserve the organization's identity as an employer of choice, even when they were ordered by headquarters to take their fair share of employee layoffs. Consistently throughout the period of layoffs and beyond, individual identification, as measured by attitude surveys, remained high.

However when senior managers, faced by ever-mounting pressure to change the contracts of those remaining, breached the old 'deal' on employment, identification levels plummeted.

4.5. Organizational Culture and Change

In many ways organizational culture is the silent partner in corporate branding. The silence comes from the fact that so much of what can be about culture is implicit, or tacit. One implication of culture's implicitness is that most new hires require about a year to learn to the ropes. Trying to tell them what the culture is like rarely gives much insight. To be of any use, cultural knowledge must be absorbed in to one's innermost being, and thus culture cannot be taught like an academic subject.

Organizational scholars who study culture often use the metaphor of an iceberg to explain the difficulties managers face when they try to control or change their organization's culture - chipping away at the surface little to alter the overall mass. The visible part of the iceberg represents what we can easily see, hear, and touch - the artifacts of the culture (theses include objects, words, and deeds). The far larger portion hidden beneath the water represents the tacit layers of values, beliefs, and assumptions that guide life inside the organization. The deeper layers of organizational culture shape the behavior of employee, so it is typically these that managers want to change even though their change efforts always begin with, or as, artifacts.

Edgar Schein, an organizational culture scholar so famous he appears in Philip Kerr's novel Gridiron, developed this layered model of culture and a theory of culture change based upon it. According to Schein's model, the artifacts, values, and basic assumptions of a culture are interrelated. Deep meanings held within members' assumptions and belief are expressed as norms and values that then shape behavior. It is culturally influenced behaviors that produce the artifacts we see above culture's water line. There is more to culture than this, however, because cultural artifacts are symbolic as well as tangible - they carry meaning. Taking a symbolic path shows that culture arises from the numerous ways its members use artifacts to create meaning and communicate it. This meaning-making activity links artifacts back to culture's deeper layers. Meaning making, and the interpretive process that produces it, introduces the possibility of change since even when artifacts remain the same, their meaning can shift when members interpret then differently. The meaning held in cultural values and assumptions is attached to objects, words, and deeds through association, thereby turning the artifacts into symbols. Members of the culture share and then use symbols to communicate with one another, which is how an artifact like a national flag comes to be so laden with meanings.

According to Schein, change is introduced into a culture when new values carried by objects, ideas, or behaviors (artifacts) demonstrate their worth to members of the culture who then absorb them into the tacit layers (values and assumptions) represented by the lower regions of the iceberg. These deep layers contain the knowledge that worked well enough and long enough to be taken for granted within the culture. Members will only start to change when new values prove their worth by improving organizations. When management can persuade members that new cultural material is useful – something best done by management's own behavior – the values that the new artifacts carry with them will work their way deeper into the culture. Negotiation over meaning is required for this to happen, and that negotiation occurs primarily in the symbolic areas.

Embedding new meaning in the value layer of culture is what constitutes culture change. However, the cultural change that occurs rarely ends up looking like what managers planned. This is because any change initiative start at level of artifacts and new artifacts will be understood in the context of existing values and assumptions. There will always be give and take between old ways of thinking and new cultural material, because it is the meanings in play within a culture that determine what changes and what stays the same. This uncertainty is what makes controlling culture so difficult – managers are far from alone in determining which meanings are in play within a culture. The process of absorbing new meaning into tacit knowledge takes time during which competing meaning can send intended change in unintended directions. The amount of interpretation involved makes it difficult to trace cultural change using quantitative measures.

However, ethnographic research can provide insight that will help us learn how best to manage brands in relation to employees and their cultures.

4.6. Leadership in Culture Change

Even though managers cannot change organizational culture on their own, they are not helpless. According to Schein, members of a culture are more likely to embrace new value that management has introduced if it is clear to them what practical contribution the new values make to their lives. For example, if the people of ING interact in more open and sincere ways during marathon events and then carry this way of relating to each other and to customers in to other aspects of their work, then they will begin to implant the values of openness and transparency along with the corporate brand symbolism into their culture and thereby align it with top management's strategic vision for the brand this change will affect both vision image and image culture alignment when stakeholders respond to the refreshed ING brand. Many managers mistakenly believe that the deep layers of culture are open to the techniques by which tangible corporate assets are managed.

The nature of culture shows why this type of thinking is misguided. Culture requires new management techniques that recognize and use its tacit and symbolic nature. Much of brand management has been overly concerned with the tangible properties of brands - logo, name, colors, typography, and other stylistic elements. Instead, Schein's theory makes clear that top management's actions are most direct way to influence the deep levels of culture. Schein describes two types of mechanisms by which leaders embed new values in the organizational cultures of their employees. Primary embedding mechanisms involve leaders' direct attempts to form the meaning employees use at work (through personal example and speeches).

Secondary embedding mechanisms operate through organizational structures and cultural artifacts other than the leader's own words and deeds. While the secondary mechanisms may escape interpretation (perhaps for lack of interest), primary embedding mechanisms are more difficult for employee to ignore due to the power of top management to attract and direct their attention. This explains why role modeling by managers is such an influential cultural change practice. However, while manager may direct attention to themselves or other artifacts, it is the stakeholders who ultimately determine the meaning these artifacts carry. The values for transparency and openness ING's top managers proclaimed when they declared their intention to refresh the corporate brand worked their way into the organizational culture through both primary and secondary mechanisms. To the extent that constructing a new building and investing in Globe runner redistributed resources, rewards, and status, top management exercised primary embedding mechanisms. But these changes also involved the secondary mechanism of altering the physical and social structures of the organization to support the brand's values, and of influencing formal policy and philosophy statements.

Thus the design of the new headquarters building and the Globe runner program communicated top management's intentions both directly and indirectly. Still, if these artifacts are to change ING, members must unite them in to the larger organizational culture by incorporating their meaning into the deep layers of values and assumptions. While it is true that installing one or two new artifacts will not change much about the overall patterns of a culture and its core meaning, over time the thousands of new interpretations made of a constantly changing mix of artifacts within an organization will do so. The introduction of new artifacts and cultural values will invoke new meaning marking activity, and often brand artifacts are designed with rich symbolic meaning in mind. These are supposed to be communicated to stakeholders through advertising and other kinds of marketing, but if current brand meaning and stakeholder images are not taken into account along with the dynamics of organizational identity, expectations can lead actual meanings in unintended directions. It is difficult to manage the direction meaning will take as multiple stakeholders weigh in with their interpretations.

When BA intended to symbolize its new global strategic vision with multicultural artwork boldly displayed on the tail fins of its fleet of airplanes, BA's intended symbolism did not resonate with business class passengers who decided to stick tenaciously to their image of BA as a national, not a global icon, nor did it resonate with employees who out of step with top management's strategic vision for different reason.

Likewise the Orange brand, through clever advertising and an innovative service concept to symbolize a free lifestyle, aligned employees with consumers but was out of kilter with the organizational culture of Hutchison, the Orange brand's corporate parent, and ultimately with top management's strategic vision for the company's future. Both examples show how failure to align the meaning made by employees with vision and images leads to trouble. Only through deep listening and engaged response managers can create the balanced identity conversation among employees, and stakeholders that make the alignment possible.

4.7. Through Stakeholders' Eyes

In 2007, Aspen Ski Company, owner of several large resorts in the Rocky Mountains, learned from Greenpeace that Kimberly Clark (K-C), maker of Kleenex brand tissues and other paper products, was not keeping pace with industry standards for recycled paper usage. Worse still, it was sourcing some of its wood pulp from the endangered forest in Canada. While skiing in Aspen, a member of Greenpeace noticed Kleenex at one of its lodge and complained to Richard Brooks, forest campaigner for Greenpeace Canada, who contacted Aspen Ski Company and alerted them to the issue. Although at the time some considered K-C an environmental leader (for example, it held the No. 1 rank among personal care companies in Dow Jones Sustainability World Indexes), the information Brooks provided and its own research into matter convinced Aspen to pull K-G's products from its establishments.

According to fortune's Marc Gunther, Auden Schendler, who heads up Aspen's community and environmental efforts, wrote: "We are taking these actions because Kimberly – Clark's use of pulp from endangered forests and lack of recycled fiber in consumer tissue paper products is contradictory to our guiding principles, " Gunther also recorded that Aspen removed a sign marking a spot on one of the mountains as "Kleenex Corner." Aspen Ski

Company is justifiably concerned that global warming could destroy its business, but it also wants to be a good corporate citizen by catering to the principles it shares with its key stakeholder - people who want to keep skiing and others who want to reverse the effects of global warming for different reasons. For KC, on the other hand, Aspen and Greenpeace are becoming hard to ignore, particularly when they are joined by one of the company's largest customers. Wal-Mart recently added its powerful voice to those who hope to change K-C's behavior. This complicated story reflects the even more complex world companies enter when they listen and respond to stakeholder concerns.

There are competing interests to serve and conflicting information to sort through, and any of these could at any time combine in unforeseen to create a scandal that does irreparable harm to a corporate brand. But the world of stakeholders is not only a landscape dotted with time bombs and booby traps, it is filled with opportunities to engage with people who are as concerned about and willing to serve the enterprise as employees are. Stakeholders have their particular, often personal, reasons to engage with the organization and, like Aspen Ski Company, Greenpeace, and Wal-Mart in the K-C story, increasingly demand to do so.

How will managers respond to their approaches, what will they gain, and what do they risk? Companies have long understood their dependence on the societies in which they operate - for market access, labor, raw materials, capital, and technical knowledge - but only recently have they started recognizing that stakeholder's concerns are their concerns, and that actively listening and responding to stakeholders produces fresh ideas for product innovation, enthusiasm for the enterprise, and enhancement of organizational reputation.

The description of the organizational identity conversation explained why listening and responding to stakeholder improves a corporate brand and builds lasting corporate reputation.

Stakeholders and How Companies Know Them

According to Edward Freeman, the father of stakeholder theory, corporations operate via social contracts that guarantee certain rights to those who have an interest (a stake) in their activities or outcomes. Every company has a variety of stakeholders. On the inside are the company's own managers and employees. Outside are members of the firm's supply chain: customers, suppliers, and joint venture or alliance partners. Less direct relationships to the company make stakeholders of the communities in which a company operates and those who serve them, including politicians, regulators, NGOs, and the media. If employees are unionized, then their unions should be considered part of the stakeholder mix as well. In its simplest from, Freeman's theory states that organizations that attend to the demands of all their stakeholders will outperform organizations that privilege some stakeholder groups over others (for instance, giving shareholders more weight than customers or employees).

While this may seem sensible, most organizations are only beginning to consider this broad picture of their responsibilities, and few have yet to fully grasp its implications for managing their corporate brands. Many companies get to know their stakeholders by mapping their influence on the organization. For example, studies show that there are a lot of people who have a stake in building a sustainable business for the LEGO Group. Stakeholder mapping formed a big part of the LEGO Group's "Shared Vision", which top management is currently using to guide the company toward excellence. Their figure (map) shows how the founder's vision of being the best is interpreted differently by each of the six core stakeholder groups. During the mapping process top management used the slogan "only the best is good enough" to remind everyone inside the firm that they faced endless opportunities (a play on the core brand idea "endless play") to improve the company.

Maps like the one LEGO Group developed help companies define stakeholder touch points they can then monitor and manage, typically by defining the experience the company expects its employees to deliver to various stakeholders and assessing their performance. Stakeholder dialogues, another popular activity at many companies, provide input from selected individuals on everything from product ideas to image and reputation. Early efforts to converse directly with stakeholders focused almost exclusively on customers. During the 1990s, Dell Computer Company started using customer intranet sites and Platinum councils to tap its largest global customers for product ideas and other forms of feedback.

The companies whose branding practices we most admire constantly look for ways to involve their brands in the lives of their customers and other key stakeholders and sometimes bring stakeholders directly into their management and branding processes. Discovering what conversation stakeholders would like to have is key to making stakeholder dialogue effective. What is it about the corporate brand or the practice of brand management that offers valuable resources that stakeholders can use to achieve their objectives?

It is important to see the brand through stakeholders' eyes, and the only way to do that is to listen to them and respond to their ideas and concerns, as Pfizer did with issue of HIV-AIDS. Through debate with its many stakeholders-patients, physicians, pharmacists, regulators, business partners, NGO, health care opinion leaders, and its own employees- Pfizer saw an opportunity to do "something worthwhile" by investing resources to fight AIDS in Africa. Although the company does not offer drugs to combat this horrible disease, activist pressure and employee opinion combined to make the company feel responsible.

After all, shouldn't the world's largest pharmaceutical company take on the world's biggest health problem? In response to its stakeholder, Pfizer sent eighteen of its medical and managerial professionals to seven NGOs operating in nine countries. As members of the pilot group for the Pfizer Global Health Fellow that launched in 2003, part of the group began training African health care providers in the effective treatment of AIDS victims.

Though there is a seeming drop in the bucket, Pfizer claims a tremendous multiplier effect from the efforts of its Pfizer Fellow. For Example, the company calculated that by 2007 the first hundred Pfizer Fellow had graduated their thousandth AIDS health care provider in partnership with the Infectious Diseases Institute at Makerere University in Uganda.

Although fighting AIDS is not a significant strategic issue for Pfizer, responding to the concerns of its stakeholders is. One immediate benefit of programs like the Pfizer Fellow has been feeding the passions of its employees. Another is that, by addressing health care on a global scale, Pfizer is positioning itself to lead the entire enterprise of which it is a part, with long-term benefits to both its brand and reputation as a citizen of the world. However, by not focusing its energies on activities more central to its business, it turns the risk of losing the support of management or investors along the way.

Johnson & Johnson and Novo Nordisk similarly mold their identities around enterprise level action. However, because their business concerns are central to their corporate social responsibility (CSR) efforts, their branded programs more directly link stakeholder engagement practices to their organizational visions and cultures.

4.8. Stakeholder Contributions to Strategic Vision and Organizational Culture

When companies embark on stakeholder involvement programs, they often bring a process that ultimately changes not just their approach to corporate branding but other aspects of their business as well. In particular, stakeholder interaction will force people in the company to reassess how they view their future (vision) and will reorient them to their past (culture), thus influencing their strategic alignments. An example comes from Novo Nordisk.

Diabetes is a disease that can either be inherited (Type 1 diabetes) or induced through obesity and other lifestyle factors (Type 2 diabetes), and it poses major health risks for a growing percentage of the world's population, particularly in its Type 2 preventable form. Studies of the projected growth of this disease led Novo Nordisk's top managers to renew the company's original vision statement:"We will be the world's leading diabetes care company. Our aspiration is to defeat diabetes."Novo Nordisk subsequently went through a period of substantial organizational change to refocus its brand around its renewed vision.

First, in 2000 Novo Nordisk spun off the company's enzymes business to make diabetes once again its central concern (following the de-merger, products related to diabetes contributed about 75 percent of the company's revenues). Next Novo Nordisk's top managers called for revising the corporate vision. They formed a task force to conduct a self-study of their corporate heritage and to analyze their image both internally and around the world. Ultimately the process led top management to create new Corporate Branding Unit. Corporate vice president Charlotte Ersboll was put in charge and made responsible for developing and executing the corporate brand throughout the enterprise. One of her first assignments was to turn the revised strategic vision for Novo Nordisk's corporate brand into a clear and evocative brand platform that led to the 2005 launch of the "Changing Diabetes" program.

"Changing Diabetes" enabled the company to partner with others pledged to fight this horrible disease. The company was already closely aligned with the World Diabetes Foundation (WDF), which it had started in 2001. "Dedicated to create awareness, care and relief to people with diabetes in the developing world," WDF was similar to the International Diabetes Foundation (IDF) except that it focused specifically on helping impoverished diabetics in the developing world. Although funded by Novo Nordisk, the WDF developed its own role and identity in the global diabetes community and acted as an independent force for change.

At roughly the time Ersboll started leading the partnership venture, a young diabetic from United States became active in the WDF and the IDF. Clare Rosenfeld caught Ersboll's attention when she began to advocate putting diabetes on the UN's agenda. Novo Nordisk had recently launched its "Young voices" initiative to bring attention to the problems faced by young diabetics and found Rosenfeld to be a striking example of a young person with diabetes making an effort to lead the world to greater awareness of diabetes's devastating effects on health and with a compelling vision of getting diabetes on the agenda of the United Nations.

Also smitten by Rosenfeld's vision, Professor Martin Silink, IDF's incoming president, saw it as a platform for uniting the global diabetes community behind a worthwhile effort. Clare and her mother Kari Rosenfeld, together with Silink, shared the idea with potential partners to see if it had the power to take form. Very early in this process, the WDF and Novo Nordisk were contacted and were quick to pledge their joint support.

Novo Nordisk and the WDF decided that they wanted to take a leading role in bringing the needed global alliance about, developing a global campaign in collaboration with IDF to "United for Diabetes." The IDF quickly brought other companies on board as well as other diabetes association. But in those critical first phases the involvement of Novo Nordisk and the WDF helped provide the manpower and marketing resources essential to its success. Novo Nordisk contributed ten full-time staff members and the WDF produced a campaign movie.

As part of the alliance strategy, Rosenfeld, with encouragement from WDF, became active in IDF's Young Leadership Program and her mother Kari Rosenfeld was named project manager for the effort to get diabetes on the UN agenda. All the effort paid off. Only six months after Rosenfeld's team petitioned the UN, Its General Assembly adopted a resolution making November 14 an official UN day to be observed annually stating in 2007. Diabetes is only the second health issue, after HIV-AIDS that the UN has acknowledged in this way.

As another part of its contribution to pledging a UN Resolution on Diabetes, Novo Nordisk developed its Changing Diabetes World Tour, which launched in September 2006.

Over an eighteen-month period, the Changing Diabetes “Bus” toured five continents disseminating information on the prevention and treatment of diabetes, engaging those who approached in conversation about the disease and their experiences with it. When the vehicle left Japan, after having toured Europe, South Africa, and Australia, it had been visited by more than fifty-eight thousand people and had generated media coverage reaching nearly 460 million people worldwide with message about diabetes.

The youth of Young Voices were part of the tour at every stage, engaging in dialogue with politicians, media, other people with diabetes, and the general public. Their personal diaries and a diary of the tour were featured on Novo Nordisk's Web site to allow the public, politicians, and prominent stakeholders from the diabetes community to follow it has made its way to Manhattan. As we write, the "Bus" is scheduled to end its journey on November 14, 2007, parking in front of the UN to join the celebration of the first UN-sponsored World Diabetes Day.

Novo Nordisk's "Changing Diabetes" program continues to generate awareness of the company's focused commitment to take global responsibility for diabetes and it continues to benefit from many partnerships. Among these is the William J. Clinton Foundation, which has joined the WDF to fight obesity and diabetes on a global scale. At it is in New York City in 2007, former U.S. president Bill Clinton endorsed the "Global Changing Diabetes Leadership Forum" that way for this collaboration.

By founding the WDF, proving leadership for the "Unite for Diabetes" campaign, sending the "Changing Diabetes" tour around the world, and participating in the "Leadership Forum," Novo Nordisk has shown the diabetes community that it is willing to use its brand to persuade the world to address the growing threat of diabetes. It has also proven to its own employees, some of whom were highly skeptical, that even though Novo Nordisk is a relatively small player in the pharmaceutical industry and even smaller on the global stage, it can exercise leadership in the fight against this devastating disease. Novo Nordisk's managers believe that leadership on this contributed to strengthening the company's market position. In 2007, the company took a 40 percent share of the diabetes treatment market in United States for the first time, placing Novo Nordisk ahead of Eli Lilly and Sanofi-Aventis (and its share of European markets remained greater than 50 percent throughout this period).

Novo Nordisk's stakeholder involvement efforts have created a mechanism for top managers to show the company that it is serious about its vision. Following their example, many employees have jumped on the bandwagon, volunteering time and other personal resources to "Changing Diabetes." This new behavior has created some significant changes inside the organizations culture, one of which was to rediscover the company's founder story, out of deep love for his diabetic wife, Novo Nordisk's founder. The University of Copenhagen's professor and Nobel Prize-winner August Krogh developed an early version of the insulin that saved her life. Many Novo Nordisk employees now regard this pioneer of diabetes Treatment as the progenitor of "Changing Diabetes", tour and all. The years of corporate brand refinement that led to this moment have shown employees that Novo Nordisk's leadership in the fight to prevent diabetes comes from the work they do each and every day.

Some Warnings Regarding Stakeholder Involvement

Some managers worry that involvement in stakeholder issues will not produce recognition of the company involved. Or conversely, they fear they will be suspected of getting involved only for insensitively commercial purposes and thus will damage the firm's reputation. Increasingly, however, stakeholders recognize the many benefits of corporate involvement and interpret a company's support as evidence that it is taking its corporate social and environmental responsibilities seriously.

More worrying is the issue of how to manage the involvement to make sure the corporate brand speaks for itself, as opposed to requiring self-promotion. Stakeholder communities are characterized by a high degree of transparency and exchange among community members both offline and online. Constant communication increases the likelihood that companies will be credited with contributions to issues central to community members, but it does mean that all will see them in the same light. Furthermore, community members serve as opinion leaders for broader audiences and thereby generate third-party endorsements of the corporate brands that get involved.

Playing on the global stage with the stakeholders has same notable drawbacks. Stakeholders will not limit their ambitions for the brand to managers' purposes; they have their own agendas, as Nike found out when it initially ignored stakeholder concerns over condition in the factories that make Nike shoes. As news spread about the low pay and miserable lives of those employed by Nike suppliers in Indonesia and Vietnam, Nike faced growing pressure to change its ways. At first the company attempted to sidestep the issue by claiming it would be at a competitive disadvantage if it took action alone and that it had no grounds for interfering in the politics of foreign nations. But as pressure mounted Nike learned that it needed to step up to its leadership role as the world's biggest maker of sporting goods. Implementing policies for monitoring conditions in the factories that supply its products, eliminating child labor, and improving the pay levels and benefits provided to factory workers, Nike not only improved its reputation, it salvaged its brand.

Nike's experience shows how tight internal control ever some branding activities is impossible. Stakeholders will always create meanings for brand, and will demand responses. For example, during the problems of Nike's dealings with its suppliers, one young man tried to buy a pair of customized shoes from the company's Web site. He wanted the word "sweatshop" printed under the Swoosh, and when Nike repeatedly declined to fill his order, he posted the increasingly unsympathetic corporate correspondence on the Internet for all to see. As the postings made the rounds of viral distribution, Nike realized just how little it could do to contain this issue. Having Michael Moore show up on its doorstep offering Phil Knight a plane ticket to accompany him on a footwear factory tour to be documented for his movie "The Big One" was another indicator that stakeholders were gaining the upper hand.

Once Nike took initiative in solving the problems in its supply chain, it learned another important lesson in stakeholder engagement: companies cannot prevent their competitors from taking advantage of initiatives that serve the entire enterprise of which they are a part. Novo Nordisk competes head-to-head with Eli Lilly, Sanofi-Aventis, and Glaxo Smith Kline for its share of the world diabetes marker, and these companies directly benefited from Novo Nordisk's "Unite for Diabetes" campaign. Yet by becoming an industry spokesperson, Novo Nordisk changed its role within the economy and society, creating new costs but also offering many new opportunities to lead positive change throughout the world. Though much of this leadership will involve partnerships that can diminish the amount of credit that Novo Nordisk can claim for itself, the key is to maintain an enterprise-level point of view, sharing in the glory of improving the world for everyone, as opposed to only lining stockholders' pockets.

And the final concern, corporate brands can provide stakeholders a ready-made platform from which to address the world's ills, but too many companies try to take the stage themselves, causing harm to their corporate brands. Like BP, which gained public support for a time with its brand promise to save the world from greenhouse gases, companies soon learn that stakeholders will hold them to their promises. While for a time BP enjoyed price premiums from customers who supported the brand's ambitions, the company's poor management of the Alaskan pipeline shocked and disappointed many stakeholders. In effect BP was hurt by its own policies when the public judged it by the higher standards of environmental sustainability it set for itself with its numerous green brand campaigns.

When it comes to stakeholder engagement, the range of possibilities is huge. Most companies have to learn for themselves what works and what does not, what stockholders will tolerate and what other interests require. Although there is recipe for guaranteed success, keeping the conversation alive, listening and responding to those who matter from all spheres of enterprise, will give a brand what it needs to find its particular path to maintaining success.

Chapter V: Empirical Analysis on Corporate Branding and Shareholder's Wealth Creation

Abstract

This part of the research tests empirically whether successful corporate brands create wealth for shareholders and have risk reducing properties. As explained before, previous studies that do relate marketing activities with the creation of shareholder value mostly test on product brands rather than on corporate brands and also do not control for other financial and market related variables or choose to ignore them. Random sampling was chosen for the quantitative part of this study.

The major contribution of this research to this field of branding in the literature is exactly the center of attention on corporate brand, and also its risk reducing and shareholders' wealth creating characteristics, and the use of variable controls while testing the hypothesized relations. Using the Interbrand yearly study data between 1994 and 2008, I find solid evidence that corporations that own superior corporate brands create shareholders' wealth free of recessions. This finding is in coherency with the existing theories on branding activities, which argue that branding efforts will add value to the firm and have risk reducing factors. The findings are vigorous after implementing multivariate regressions.

5.1. Background and Introduction

In current marketing literature, branding is associated with creating an image in customers' and potential customers' minds. Such an image is designed to identify a product or service with value associated with the product or service and to differentiate a product or service from those offered by competitors. In essence, positive brand equity becomes a competitive advantage. It should be mentioned that we observe in another sense, branding is presented in marketing principles textbooks as a promise made by a company to customers regarding the overall product in terms of quality, utility value and psychological value. Through a company's branding activities, customers associate specific brands with the aforementioned qualities. Positively perceived branding activities result in brand recognition, brand loyalty and brand preference. As we have suggested in this article, as a result of branding activities, a company's brand is perceived by customers as constituting a promise to customers.

However, that branding and the resulting brand image is more than a promise to customers. With social-contract perspective in mind, a brand represents a contract between a company and its customers. That is, a brand and associated branding activities are perceived by customers to be a promise of quality, utility and psychological value made by a company. This promise by one community member to another community member is seen as a social contract in which terms of the agreement are expected to be upheld and delivered.

Each action taken by management either contributes to or takes away from the customer's level of trust in the company to live up to its promise and support the contract. Such is the case with branding activities.

In today's world Customers learn to trust businesses when they perceive the business as upholding ethical norms. In other words, customers trust businesses when they see that the promises the business makes via their branding activities are true.

Branding continues to evolve from its roots in product marketing and its further development, a corporate wide endeavor. Today branding is entering a new period where it engages not just customers and employees but all members of the enterprise of which it is a part.

As was previously mentioned in the introduction of this study - it is worth knowing that given the fact that sometimes financial statements tend to ignore efforts and contributions that are associated with branding, these fields are heavily examined and studied in different departments of highest ranked universities and academic institutions all over the world.

Till early 1980's there was not high attention given to activities that evolved around brands of different companies and such jobs were attended to only by midlevel managers and directors. But now there is a completely different vision on brands especially when it comes to corporate branding. All big companies do have their own branding departments or at least divisions in marketing that is responsible for handling and managing the visions and missions of brands both in long term and also in short and medium term time horizons.

Former experimental results advocate that a good brand will result in having better accounting performance and also a better capital market performance for corporate brands when the economy was in a good shape. Nevertheless, the associations between corporate brand values on one hand and creation of shareholders' wealth on the other hand have yet to be examined expansively in order to have persuasive results.

As it was mentioned before, Interbrand states that a good brand value will put in significant increases – sometime up to seven percent – to a company's stock price when we are having bull markets and economy is on the rise, and lowers deficit in a bear market (Parkhurst, 2002).

The outcomes of this chapter determine if corporate branding has risk diminishing characteristics; and also it examines if corporate branding will result in creation of shareholders' wealth.

Considering the literature it is fairly clear that a good brand should easily rationalize having price premiums compared to competitors. It will raise the product's market share, and also will generate a very beneficial brand loyalty, add to barriers to entry, and also will surely create superior profit margins.

It is very vital to recognize that a financial perspective defines brand equity as the generated values from cash flows.

In recent times, researchers show that a firm employs in corporate branding when it decides to market the company itself, as a brand and therefore the high-ranked manger of that corporation includes company's product(s), and also service(s), and customer experience, interaction with different stakeholders.

Nevertheless, we should implement concern when estimating the brand values. Lots of accounting practices do show different and inconsistent assessments when it comes to measurement of brand values. There are different criteria that should be taken into considerations and there are many aspects and attributes that do play very important roles and yet are virtually impossible to accurately quantify. Good examples that always generate headaches for brand directors are what they should so with internal brands, brand extensions and sub-branding. Analyzing the effects of rebranding some of the existing products or services is also very difficult.

Another major potential problem could be the accounting challenges that will coincide with branding challenges, for example the way depreciation is recognized in other cases would not work for depreciation of a given brand when we treat brands as assets of companies. Brands are not (usually) shown on balance sheets but yet again we refer to them as the main asset that a company could have.

Expenditures that are acquired to augment and improve brand values might demoralize company's revenues as brand values boost because these charges should be expensed out rather than capitalized.

While all brand assessment models present weaknesses and biases, this study uses value of brand equity estimates that are published by Interbrand, for more detailed quantitative analyses.

It should be explained that, Barth et al. (1998) and Madden et al. (2005) econometrically prove that Interbrand estimates are both much related and also adequately dependable for use in financial reports.

Appendix 1 illustrates Interbrand's method for measurement of brands and their values. How interbrand ranks these brands based on different criteria is also explained.

5.2. Branding research and the importance of people

From discussions of brands, it should now be apparent that there is a trend in the marketing literature towards recognition of effective people management in the branding process. In addition to the practitioner works that are cited, academics in the branding field have been sending out relatively similar messages for a number of years (Berthon et *al* 1999; Harris and de Chernatony, 2001; Ewing *et al,* 2002; Buckley, 2005).

Are branding specialists on the ground taking this message to heart? The answer is a qualified 'yes' De Chernatony (2001a, 2001b) has explored the differing interpretations held by brand managers about branding, some of which have immediate relevance for HR and people management. These interpretations with some examples include:

- Brands as visual logos and signifiers, which create differentiation in the minds of customers, e.g. the Nike swoosh logo, Adidas's three stripes.
- Brands as legally enforceable statements of ownership, e.g. among the ancient or prestigious universities such as Cambridge, Oxford and Harvard.
- Brands as a form of shorthand for consumers, e.g. Hoover or McDonald's, which:
    a. Assist the information processing limitations of individuals and help them to make attributions about products and services.
    b. Reduce the risk for customers in imperfect markets.
- Brands as positioning by helping associate brands with particular benefits for customers, e.g. the Virgin brand and Virgin Blue in Australia, Rolex.
- Brands as personality, in which brands are infused with emotional values beyond their functional benefits, e.g. Coke helping the world to come together, Calvin Klein underwear.
- Brands as a relationship builder, which is an extension of the idea of brands as embodying a personality into the notion of customers having a relationship with the brand, e.g. Disney, British Airways.
- Brands as clusters of values, which help organizations extend into new markets with related values, e.g. Virgin and its moves into the soft drinks marker, Sony and its moves into entertainment.

- Brands as added value beyond the basic product or service offering, for which customers value and are usually willing to pay a premium price, e.g. Kellogg's, Colgate, Unilever's soap powders
- Brands as visions, which are mainly used to galvanize stakeholders into actions designed to attain some future desired state, e.g. Sony's pioneer brand offering innovation, British Airways and the 'world's favorite airline' culture change program, Audi's 'Vorsprung Durch Technik' (advance with technology) strap line, political parties such as the re-branding of 'New Labor' in the UK during die 1990s
- Brands as identity that set out a culture, with which organizational stakeholders can readily associate, e.g. the Body Shop, Apple, Ben & Jerry, Hewlett-Packard, Cancer Research
- Brands as linage, which focuses on what customers perceive to be real, e.g. Barbie, Harry Potter, Evian and BMW

We should be able to see from these diverse interpretations that the brand managers view branding not only as playing a key external role in adapting their organizations to market circumstances, but also in aligning people behind the brand.

To argue that brands should be at the heart of all key decisions in an organization is inconsistent with how many successful organizations operate in practice. Moreover, as we have seen, consumers are increasingly wary of the negative connotations of brands and the 'spin' associated with brand managers, public relations and communications departments. Most branding and marketing literature is underpinned by a communications perspective which is based on an assumption that organizations are essentially conflict-free and made up of homogeneous cultures.

Corporate Reputations

As it was noted before, the concepts of branding and corporate reputations have a common origin in their focus on the image of organizations. Branding specialists sometimes use the term reputation to refer to key attributes of brands. Nonetheless, one of the central key arguments is that the idea of a reputation is a more distinctive, root concept of communications 'spin' than branding, is plural in its outlook and addresses a wider range of stakeholders and agendas.

These include CSR, diversity and governance, which are important topics in field of branding and brand building. Thus, reputation is a broad, inclusive and useful focal concept, and has a distinctive meaning.

Like branding corporate reputations have become the subject of a number of influential press ratings, including Fortune Magazine, Asia Business and The Financial Times, which have lent it credibility with the general public and other stakeholders. However, reputations have also become notable because of their ability to help defend an organization when it encounters adverse publicity.

For example, Johnson &Johnson was able to survive the catastrophic, malicious tampering with Tylenol, one of its core products, by recovering well from a small decline in its market value because of the company's past reputation for good business principles and socially responsible behavior.

Other companies, when facing similar disasters, have suffered more severe and sustained declines in market value because they did not have the depth of reputational capital to sustain them through their crises. Merck, the US pharmaceutical company, was in the middle of a crisis. It had £27 billion wiped off its share value following the successful legal action taken against it for its now infamous marketing of Vioxx, the anti-inflammatory drug that was associated with heart problems (Economist, 2005b).

Corporate reputation is also important in the wake of the corporate governance and financial irregularities – Enron, WorldCom and Andersen Consulting in the USA, Parmalat in Italy, Shell in the UK and Mannesman and Volkswagen in Germany are famous cases – because it acts as a form of ethical control by creating a culture of ethical values and standards of behavior that help guide employees in their dealings with customers, clients and governments.

Approaches to Reputation Management

Like identity, image and brands, this whole area is confused by different people using the term in slightly different ways. For example, some writers and practitioners treat reputation, and image as the same thing, others suggest that they are different but closely related, while yet others treat reputations as a combination of image and identity.

In slightly more formal terms, reputation can be defined as the mirror of image: the feedback from others concerning the credibility of an organization's self-definition.

There are some important implications of this definition; first, outsiders only have partial information on which to base their assessments and, thus, what they come to expect of an organization. Second, they are likely to make assessments on the basis of what they value and expect to find in the projected image. However, there is some disagreement over whether an organization enjoys a reputation singular or reputations plural.

Corporate Character

Another influential approach to reputation management has been developed by Gary Davies and his colleagues in the UK (Davies 2003), who see organizational reputations as the alignment of identity and external image. They have developed a unified and objective way of measuring the gaps between external image and internal identity. Their argument is that reputation is 'the collective term referring to all stakeholders' views of corporate reputation' (p. 62), including internal (organizational) identity and external image, which they define as the views of the company held by external stakeholders, especially customers.

It is the way in which these gaps are measured, however, that is of most interest because they use a single concept and set of measures to gauge differences, which is very unusual in this type of research. To gain a 'clear line of sight' between internal and external perceptions of the organizations they make use of the notion of stakeholder perceptions of the organization's personality, a construct borrowed from the psychology literature to describe generic organizational personality types.

Organizational personality is defined by eight dimensions: agreeableness, trustworthiness, chicness, competence, masculinity, ruthlessness, kindness and informality. Questions have been derived to assess these personality dimensions, and internal and external stakeholders are provided with the same questions. By doing so, the extent of the gaps can be measured and used to realign the three components of reputation.

This work has been extensively used in research and consulting, and is useful in helping us understand the various views of the organization held by different stakeholders using the same set of measures. More recently, Davies and his colleagues have dropped the term 'personality', and replaced it with 'character', a wise decision given the problems of conflating organizational attributes with those of individuals.

The idea of an organization having a character is more widely accepted perhaps because it is vaguer, is a synonym for reputation and unlike personality, has a lineage in organizational studies. For example Rob Goffee and Gareth Jones (2003) have developed a sophisticated analysis of corporate cultures based on the notion of character.

In this section of the study I have explored, in more depth, the notions of branding and reputations, showing how these are distinctive but related ideas. Even as branding is the better-known concept especially among practitioners, the argument is that we have to work with both notions. In these models, researchers have described reputations, which are best thought of as plural, as lead indicators of corporate brands.

Brands flow from good or poor reputations held by different groups of people about the organization's image. These evaluations are quite specific to the particular values of different groups, so are more usually associated with a wider range of stakeholder and agendas, including good governance, CSR, diversity and human resource management. Reputation is also a more intuitive idea, takes longer to build and is a more acceptable term to organizations in the not-for-profit sector.

Moreover, there is an increasing volume of material on reputation management, which is very well researched and is shown to have strong links to performance. At the heart of the reputation management approach is the link between external image and internal identity.

5.3. Relevant studies on this field of branding

The concepts of corporate branding and corporate character have gained significant interest both in academic and practitioner circles. These concepts are predominantly major to strategic management and also in marketing disciplines, providing fresh lenses throughout which an organization's essential attributes could be taken care of and altered.

In theory, a host of research contributing to corporate branding and management through academic journals and conferences is rapidly increasing. In practice, many national multinational and even small and medium-sized enterprises (SMEs) have recognized that managing their corporate identities and corporate brands is a strategic tool that creates competitive advantage.

Marketers have become increasingly concerned with the impact of increased environmental pressures such as the significance of reactions towards corporate scandals, the fast pace of product introductions and extensions, scarce investor-attracting opportunities, the demand for a highly qualified workforce, and the rise in mergers and acquisitions.

Therefore, senior managers have started devoting a Substantial amount of resources towards the management of corporate brands and corporate identities in order to benefit from the leveraging influences of corporate branding and management. For instance, in 2003 BT (British Telecom) spent about £5m to re-design and launch its new visual identity (the 'connected world') to express its internationalization, its coverage of a wide range of business activities and its capabilities in multimedia.

However; in spite of an increasing recognition of the importance of corporate branding and management both in theory and practice, there is still the need to further discuss these two concepts in order to provide a solid theoretical and practical infrastructure.

In many cases, financial accountants (with the first definition) will use the term brand value rather than brand equity. The brand's value, as a factor in the overall marketplace, emerges as the primary consideration. Public relations and advertising professionals acknowledge this first definition, but they place special emphasis on customer-brand relationships and associations. These practitioners have further refined the concept with ideas such as brand identity or brand image.

Brand image is associated with the needs and desires of a target market. The strategic implementation of these factors determines brand strength, that is, the degree of loyalty or attachment that customers feel towards a brand. With the number of related conceptual ideas, Blackstone (2000) argues that brand equity is the critical factor. A brand is associated with a product in the marketplace, but the value of consumer investment changes over time.

Brand equity consists of the incremental, added-value qualities that synergistically combine in consumers' mindsets. The idea of added value is particularly important in this discussion. Even though usage of the brand may not be overly complex from the consumer stakeholder's point of view the ongoing use of the brand demonstrates that it has added value in that person's life.

Blackston (2000) posits that some of this utilization may be quite automatic (reaching for a glass of milk) but continuous usage indicates that some measure of significance has been associated with the brand by the consumer. A brand may be a product but it may also represent the 'heart' of an organization through the creation of a unique identity (Knapp, *1999).*

Blackston (2000) argues that fundamental marketing variables, such as Product and price, are essential ideas but the added-value concept is where ultimate success of branding is realized. However, added value is not always easy to define.

Generally, this idea is indirectly measured or inferred in terms of consumers' brand ideas. Even though such inferences remain, Blackston (2000) suggests that greater understanding of brand equity may be achieved by acknowledging that brand relationships are occurring, interactive processes involving both the brand and the consumer. The essence of relationships is communication, the process which constructs and provides meaning to the relationships.

The organization is projecting an image, and consumers are providing meaning to the messages. Thus, a relationship between the brand and the consumer develops or disintegrates. These brand relationships include two factors that are essential for added value; trust in the brand and customer satisfaction. In short, added value is achieved when these factors are maximized.

In more recent articles on corporate branding we can highlight the following major contributions to this field:

The study by McMurrian and Washburn addresses the need for drawing theories from other disciplines to understand how brands and customers interact, and proposes that social-contract theory can be used as a framework to examine how ethical company actions may lead to a favorable image in the marketplace and hence increase customer-perceived value.

Shamma and Hassan further the discussion on perceived value on the grounds of brand equity and examine the latter concept at corporate level. They provide a conceptual framework which illustrates that salient corporate values held by stakeholders to assess corporate brand equity may differ and that each stakeholder's valuation has an impact on corporate performance indicators.

Similarly, Anisimova and Mavondo's research takes into account the fact that corporate identity and its perception relate to multiple stakeholders. It draws attention to incongruence between the perceptions of internal and external stakeholders on corporate brand which may lead to undesirable outcomes for companies; it then proposes an integrative model which incorporates both managers' and customers' views on corporate brand.

Later, studies by Stokes, attempts to challenge the general tendency of using corporate branding as an overarching concept. This article provides argument about the definition of corporate brand concept in comparison to vision, image, and the concepts of reputation and identity. The author discusses the conceptual distinctions and intersections between these concepts and corporate branding, supported by empirical data collected from an airport's staff.

Inspired by recent studies, Halliday and Kuenzel bring the concept of identification into the area of corporate branding and develop a conceptual model of customer brand identification in business relationships, based on social identity theory. Their article offers a view on how customer brand identification can play a central role in linking corporate branding, identity and communications.

In another research, Powell focuses on organizations' internal environment and integrates literatures from business-to-business and organizational identity research streams. It unfolds employees' views on issues related to the interconnections between creativity, identity and brand by adopting a case-study approach, in particular thematic network analysis. In this study it is argued that small to medium-sized enterprises (SMEs) that encourage creativity among their workforces may enjoy a creative reputation and stronger organizational brand perception.

Another perspective is presented by Wah, who argues that earlier studies have failed to present strong relationships between the original constructs of strategy, structure and culture on the one hand and dimensions of management on the other. In addition to these determinants of management, he suggests a set of constructs related to management processes and environmental characteristics - corporate artifacts, symbolism, shared values, the nature of employee relationships, and mental schemata, among others.

Sowa directs the reader's attention towards integrated marketing communication, and in particular he questions how public relations should take place during this aligning of promotional activities and strategies in order to achieve a communicative transaction with corporate brand names.

Other recent studies focus on the practice of corporate rebranding and the reformation of a corporate identity during a merger. Cettier and Schmitt identify seven key factors for a successful corporate rebranding process by examining companies from the United States, UK and Germany for the period between 1995 and 2004.

Furthermore, they compare two rebranding initiatives that were undertaken by UBS and die Swiss financial corporation. Melewar, Stark and Karaosmanoglu provide another example of the re-creation and relaunch of a corporate identity by analysing the Renuault-Nissan merger on the basis of another management model developed by Melewar and Jenkins.

Article by Langer and Varey, provides another challenging view about the traditional role of corporate communication in corporate identity and image construction. By drawing on research on national images, media studies, and corporate communication and providing company examples such as Hamburg-Mannheimer, Ram-ball, Shell, Burger King and Scandinavian Airlines, they assert that corporate image or corporate identity cannot be built on the basis of product images or identities.

They argue that corporate communication should be considered as an interactional tool and therefore its role in image and identity construction should be researched by integrating all stakeholders of an organization, all the discursive history and former actions of a corporation, and the social memory of the respective public.

Some researchers propose social-contract theory as a useful framework for understanding the relationship between businesses and customers. They suggest that customer-perceived value increases when businesses practice ethical behaviors that bridge the gap between business and customer communities.

They make the case that customer value, created through brand-building efforts, leads to long-term profitability and competitive advantage. This view is the first to suggest that social-contract theory explains the mechanism by which customers perceive brands as promises.

This specific view explores the connections between a company's branding activities, customer perceptions of a company's ethical behaviour, and customer value. It reviews social-contract theory as it relates to a business and its customers and suggests that this theory offers a useful framework for examining the relationship between branding strategy and customers' perceptions of value. Our review of the literature suggests that ethical behaviour builds brand equity which in turn provides customer value. Conversely, unethical behaviour can damage brand equity and, consequently, customer value. Numerous recent examples illustrate the dissipation of brand equity for companies ensnared in ethical scandals.

- Social-contract theory and marketing ethics

Dunfee, Smith and Ross, Jr. (1999) suggest that social-contract theory is a normative approach to ethics that prescribes how managers should react when facing an issue with right and wrong implications.

Of all business activities, marketing has developed a reputation of being among the worst offenders for unethical practice (LeClair, Ferrell and Ferrell,1997). As academics and organizations have searched for explanations and prescriptions for business ethics, social-contract theory has emerged as a viable framework.

Donaldson (1982) was one of the first to propose social-contract theory as a basis for business ethics. In his book *Corporations and Morality* (1982), Donaldson made an application of social-contract theory to 'productive organizations' rather than the traditional application to political institutions. Donaldson identified two classes of business obligations-direct (explicit) obligations grounded in laws and contracts, and indirect (inexplicit) obligations that organizations have regarding stakeholders. Donaldson used social-contract theory to identify indirect obligations such as the scope of employees' rights, regulation goals, and consumers' unwritten rights.

In his second book *The Ethics of International Business* (1989), Donaldson applied social-contract theory to international business and more clearly established inexplicit obligations as a basic contract. In business, social-contract theory sets a bar that represents a minimum responsibility.

Dunfee (1991) expanded serial-contract theory to better reflect the applied nature of business ethics. He sees social contracts as including certain standards or norms. These norms are usually not fully defined in words and are related to notions of right and wrong behaviour that is shared by a group or community.

Donaldson and Dunfee (1994) describe such a community as a self-defined, self-circumscribed group of people who interact in the context of shared tasks, values or goals, and who are capable of establishing norms of ethical behaviour for themselves.

Donaldson and Dunfee (1994) merged their social-contract ideas into an integrative social-contract theory that envisions social contracts as existing between two communities, to the case of marketing ethics, one community is the business organization and the other is the business's customers. This economic integration is characterized by the business relationship that ties the community of customers to the business organization community in exchange practices.

According to Dunfee (1991), the communities will specify group norms of behaviour. If these group norms are consistent with general moral standards, the norms become an ethical norm, and all members of the group have a basic duty to comply with ethical norms.

In essence, this duty to comply is accepted by people who are members of a group, who benefit from the group, or who are beneficiaries of the norms of the group. Such is the case with branding of products, services, and even business organizations themselves. Branding conveys a promise by a member of one community (the business) to a member of the other community (the customer) and the promise eventually is accepted as an ethical norm.

Calton and Lad's (1995) treatment of social contracting as a network governance process offers another view of how social-contract theory relates to marketing practice. Calton and Lad (1995) define a network as the structure among the actors of a social system.

A market is characterized by economic exchanges between loyal, repeal customers and conscientious providers of goods and services; thus, a basic network exists. One of the most fundamental ethical norms found in a network is that network members wilt tell the truth in their communications with other network members. That is, members of a network share a belief that all network members will work for the common good of the network and thus have common objectives for the good of the network.

As such, members feel they can rely on the truth in network communications from one member to another member. Calton and Lad (1995) contend that network sustainability depends on the creation and maintenance of a social context of mutual trust among participants in the collective learning, problem-solving process.

It is in this sense that we use social-contract theory as our basis for examining the role of ethics in branding. Businesses offer satisfying goods or services to defined groups of customers who make purchasing decisions on the basis of a product's (or an organization's) brand image. As such, a brand image carries with it implied promises.

The automobile industry offers good examples. Through longstanding, consistent branding messages, customers believe that Volvo promises safety, Mercedes-Benz promises unsurpassed engineering, and BMW promises performance. Customers develop trust based on brand images and an inherent belief that organizations will uphold these implied promises.

Therefore, social-contract theory relates to both marketing ethics and branding strategy through the common theme of exchange. Donaldson's (1982, 1989) social contract suggests that an organization offers advantages to its stakeholders, including customers and employees, in exchange for the privilege to exist and be profitable. This exchange relationship between an organization and its customers is one of the most fundamental concepts in marketing (Hunt, 1983; Kotler, 1972).

- Customer value and branding

Branding is closely related to the process quality component of customer value because customers develop feelings and expectations based on their brand perceptions. Heskett, Sasser and Schlesinger (1997) suggest that the manner in which a product is provided can be as important to customers as the results a product actually delivers. Based on this belief, Heskett et al. (1997) developed the service profit chain model to explain the relationships between employees and customers in a service environment.

5.4. Data and Research Structure

As was previously mentioned in the section of 4.3.5 of this research (data source segment) this research study has three sources of data: (1) Interbrand database for ranking and measurements of brands (2) Center of Research for Prices, that gives us the different security prices, and also(3) Research IQ Insight database for having accounting measures.

As mentioned before, to have the correct time periods for all our data and different variables implemented in this research we constrained our sample to the US public companies.

The first objective of the study is to identify the risk reducing factors for branding at corporate levels. The panel regression integrates information associated to both cross-section and time-series variables; and as a result of that the finding gives higher data points.

The first regression model is the following:

$$Brand\,.\,Vvalue_{i,t} = \alpha + X'_{it}\beta + \varepsilon_{it}, \tag{1}$$

Where i =1, ……96 ; t = 1, …15, where

- $Brand\,.\ Value_{i,t}$ is defined as the Interbrand for the ith firm

  α is the intercept

- X'_{it} is the vector of data on k independent variables β is vector of coefficients

- $\varepsilon_{it,}$ is the error term.

5.5. Variables justifications and explanations

The dependent variables chosen for this research are brand value, and also changes in brand value. Also, for exogenous (independent) variables, we use accounting and financial market performance measures as are explained in this section.

5.5.1. Cash flow from operations

Taking into account most known theories on branding, if corporate brands – intangible assets – have real economic values, then a firm's market value is higher; this description gives the main outlooks that were linked to corporate branding; was explained in more details in previous chapters.

In addition, it is rational to presume that companies that have successful and unshakable brands will produce higher incremental cash flows in comparison with firms with unbranded and common products and services (e.g., Simon and Sullivan, 1993).

Doyle (2001) believes that brand creates shareholders' wealth by escalating cash flows and dropping their variability. Moreover, Madden et al. (2005) state that corporate branding might diminish the firm's risk by rising corporate liquidity and some other factors related to risk management. Since cash flow that will be generated from operating activities is a analogous measure across firms, this study implements variability of cash flows generated from operating activities, $\sigma(CF)$, as a gauge of risk-adjusted wealth for shareholders.

It is worth mentioning that most previous studies also strongly support choosing *cash flow from operations* as an independent variable for constructing the main regressions equations.

5.5.2. Advertising expenses

Maltz (1991) believes that the value of brands is overlooked by financial markets. In 1993, Simon and Sullivan oppose with Maltz's previous results. Their research exhibits that Wall Street does not disregard marketing and advertising expenses related with corporate brands. The authors observe the relations between brands and current and also lagged advertising expenses.

Their findings advocate that successful endorsement expenditures create feedback and further develop brand value during the second year. Moreover, Barth et al. (1998) reveal positive and also economically significant relations between brands and advertising expenses. This study takes lagged advertising expenses (Adv_{t-1}) in main panel regressions as a proxy that is used for the brand building investments.

It should be mentioned that there could be advertising variables with 2 or 3 lags of periods also included in this study but having only one period lag is the most common.

There were other explanatory variables that could be used as a proxy for corporate brand building investment, but they were not justified as it will be explained in the part of suggestions for future research of this study.

Previous studies also strongly support choosing *advertising expenses* as an independent variable for this research.

5.5.3. ROA and ROI

It is sensible to hypothesize that corporate brand value must be evident in firm's accounting performance. Previous studies offer evidence on the positive, and also economically significant and having association between accounting measures and brand value.

Their results identify that branding investment has to be amortized and not expensed. In order to confine the long-term outcome of branding, this study includes ROA and ROI in the panel regression.

Previous studies all rationalize and validate having ROA and ROI for this type of studies, but different researchers have variant perspectives regarding the explanatory powers of these to independent variables. There are minor advantages associated to ROA or ROI. In similar studies it is very common to start by considering having both of them in the regression equations, and then assessing to see if it is better to include both of them or only choose one of them.

Later in this chapter it will be explained that how these two variables differ for this specific study. All these being said, the correlation between ROA and ROI is fairly high. These two independent variables both will yield to reliable results when they are individually or jointly implemented in the regression equations.

5.5.4. Sales growth

Keller (1997) lists the subsequent advantages for brands: bigger loyalty from their customers, having better profit, added brand extension prospects, and superior sales growth rates.

Nevertheless, Barth et al. (1998) find out negative and statistically significant relations observed between sales and brand value. To look at the relations between brands and sales further, this research includes average of sales growth in the panel regression.

Preceding studies all suggest including *sales growth* could be used in these types of analysis; but it should be mentioned that different researchers have very different views and feedbacks regarding sales growth and its relations with other financial market performance measures.

It is noteworthy that the relationship between sales growth and brand value has different characteristics as well. Some researchers have opposite point of views on this matter. Consequently, I believe including sales growth as an independent variable in this study is both interesting and informative.

5.6. Empirical Findings and Regressions Results

Table 5 exhibits the correlation matrix for all exogenous variables and it is seen that there is not a major concern regarding the problem of multicolliniarity. Table 6 gives an estimation results for corporate brand value and also for a change in corporate brand value.

We can see that the fixed effects model has a statistical advantage over the random effects model. It has higher adjusted R^2, and for the joint test, all of the four models are significant at a 10% or better critical level. The following four panels are the main results of this part of the study.

Panel A. Brand value with ROI

	Fixed effects		Random effects		Pooled effects	
σ (CF)	-0.196*	(0.083)	-0.153*	(0.075)	-0.214*	(0.094)
Advertising expenses $_{t-1}$	0.883**	(0.012)	0.904**	(0.011)	0.741*	(0.073)
ROI	0.241***	(0.001)	0.250***	(0.000)	0.272**	(0.027)
Sales growth	0.131*	(0.078)	0.202	(0.340)	0.331	(0.977)
Adj. R^2	0.31		0.22		0.18	
Wald x^2Hausman specification test[a]	20.449	(0.038)				
F statistics	5.242	(0.000)				

Panel B. Brand value with ROA

	Fixed effects		Random effects		Pooled effects	
σ (CF)	-0.248*	(0.078)	-0.111*	(0.082)	-0.259*	(0.077)
Advertising expenses $_{t-1}$	0.879*	(0.091)	-0.737	(0.989)	0.412	(0.615)
ROA	0.341***	(0.009)	0.312***	(0.004)	0.259*	(0.059)
Sales growth	0.239*	(0.096)	0.281*	(0.091)	0.343	(0.842)
Adj. R^2	0.34		0.23		0.12	
Wald x^2Hausman specification test[a]	14.759	(0.023)				
F statistics	1.488	(0.065)				

Panel C. Changes in Brand value with ROI						
	Fixed effects		Random effects		Pooled effects	
σ (CF)	-0.225*	(0.091)	-0.117*	(0.075)	-0.231*	(0.067)
Advertising expenses $_{t-1}$	0.942**	(0.048)	0.733**	(0.011)	0.879**	(0.032)
ROI	0.179**	(0.018)	0.258**	(0.089)	0.217**	(0.048)
Sales growth	0.129**	(0.037)	0.349**	(0.052)	0.202**	(0.021)
Adj. R^2	0.36		0.16		0.13	
Wald x^2Hausman specification test[a]	14.112	(0.026)				
F statistics	9.531	(0.000)				

Panel D. Changes in Brand value with ROA						
	Fixed effects		Random effects		Pooled effects	
σ (CF)	-0.359*	(0.059)	-0.191*	(0.089)	-0.217*	(0.069)
Advertising expenses $_{t-1}$	0.568**	(0.022)	0.501*	(0.098)	0.521**	(0.716)
ROA	0.308**	(0.019)	0.512*	(0.073)	0.458*	(0.089)
Sales growth	0.172**	(0.039)	0.077**	(0.041)	0.343**	(0.015)
Adj. R^2	0.32		0.20		0.11	
Wald x^2Hausman specification test[a]	15.241	(0.019)				
F statistics	2.239	(0.054)				

*** Significant at 1% significance level;
** significant at 5% significance level;
* significant at 10% significance level.

There are fairly comparable results for all variables whether the study uses corporate brand value or changes in corporate brand value. The reason we examined the hypotheses having two different dependent variables was to see whether there would be major differences in the empirical results for this research – our findings show that the results of including these to variables as our dependent variable are very similar, and no important structural differences were noticed.

The results of our regressions definitely support Madden et al. (2005) and Verbeeten and Vijn (2006) conclusion that corporate branding reduces risk of the firm.

Earlier empirical studies are unconvincing as to whether advertising expenses improve corporate brand value. Also, estimate for the lagged advertising expenses is positive and significant. This outcome is steady with previous studies on this regards.

This finding is very crucial and should play an important role in implementation of managerial decision makings regarding setting strategies for advertising budgets. Key managers of corporations should pay attention to this result as it shows the importance of having the correct advertising budgets in place especially for long-term planning – as it will be explained later in the suggestions section, studying the *research and development budgets* could also be very interesting for future research.

It is clearly shown that investment in corporate brand yields to better profitability. Moreover, this result advocates that accounting ways to expense branding investments instead of capitalize them should be reviewed in more details.

The coefficient for sales growth is both positive and statistically significant. This result shows that there is a structural connection between brand equity and corporate brands.

In order to test the impact of corporate branding on the shareholders' wealth, we estimate the following pooled multivariate:

$$Market\ Performance = \alpha + \sum_{t=1995}^{2008} \lambda YEAR(t) + \delta_1 Log(TA) + \delta_2 ADV_{t-1} + \delta_3 ROI + \delta_4\ Sales\ Growth + \delta_5\ \sigma\ (\mathrm{CF}) + \delta_6\ Brand\ Value. + \varepsilon, \quad (2\text{-}1)$$

$$Market\ Performance = \alpha + \sum_{t=1995}^{2008} \lambda YEAR(t) + \delta_1 Log(TA) + \delta_2 ADV_{t-1} + \delta_3 ROA + \delta_4\ Sales\ Growth + \delta_5\ \sigma\ (\mathrm{CF}) + \delta_6\ Brand\ Value + \varepsilon, \quad (2\text{-}2)$$

$$Market\ Performance = \alpha + \sum_{t=1995}^{2008} \lambda YEAR(t) + \delta_1 Log(TA) + \delta_2 ADV_{t-1} + \delta_3 ROI + \delta_4\ Sales\ Growth + \delta_5\ \sigma\ (\mathrm{CF}) + \delta_6 \Delta Brand\ Value + \varepsilon, \quad (2\text{-}3)$$

$$Market\ Performance = \alpha + \sum_{t=1995}^{2008} \lambda YEAR(t) + \delta_1 Log(TA) + \delta_2 ADV_{t-1} +$$

$$\delta_3 ROA + \delta_4\ Sales\ Growth + \delta_5\ \sigma\ (\mathrm{CF}) + \delta_6\ \Delta Brand\ Value + \varepsilon, \qquad (2\text{-}4)$$

Panel A. The multivariate model is:

$$(1)\ Market\ Performance = \alpha + \sum_{t=1995}^{2008} \lambda YEAR(t) + \delta_1 Log(TA) + \delta_2 ADV_{t-1} +$$

$$\delta_3 ROI + \delta_4\ Sales\ growth + \delta_5\ \sigma\ (\mathrm{CF}) + \delta_6\ Brand\ Value + \varepsilon;$$

$$(2)\ Market\ Performance = \alpha + \sum_{t=1995}^{2008} \lambda YEAR(t) + \delta_1 Log(TA) + \delta_2 ADV_{t-1} +$$

$$\delta_3 ROA + \delta_4\ Sales\ growth + \delta_5\ \sigma\ (\mathrm{CF}) + \delta_6\ Brand\ Value + \varepsilon,$$

Variable	(1) Brand/Cap with ROI		(2) Brand/Cap with ROA		(1) Returns with ROI		(2) Rreturns with ROA	
	Estimate	p-value	Estimate	p-value	Estimate	p-value	Estimate	p-value
Intercept	0.144	0.989	0.101	0.891	0.569	0.207	0.419	0.221
Year95	0.238*	0.034	0.189*	0.049	0.779*	0.059	0.711*	0.054
Year96	0.149*	0.089	0.109*	0.070	0.829*	0.069	0.753*	0.067
Year97	0.183*	0.097	0.098*	0.057	0.788*	0.081	0.909*	0.071
Year98	0.001*	0.054	0.001*	0.083	0.471*	0.064	0.708**	0.051
Year99	0.001*	0.079	0.004*	0.010	0.479*	0.049	0.438*	0.091
Year00	0.229**	0.039	0.201**	0.007	0.568*	0.101	0.511*	0.068
Year01	0.057	0.148	0.069*	0.080	0.837**	0.029	0.857*	0.101
Year02	0.029**	0.017	0.112**	0.019	0.952**	0.022	0.674*	0.096
Year03	0.138**	0.009	0.205**	0.049	0.403***	0.001	0.607**	0.040
Year04	0.160**	0.051	0.099**	0.051	0.688*	0.055	0.788*	0.093
Year05	1.192***	0.000	0.919**	0.040	0.679**	0.049	0.002*	0.099
Year06	1.228**	0.041	1.002**	0.027	0.551*	0.093	0.588*	0.069
Year07	1.188***	0.000	0.928**	0.040	0.679**	0.048	0.002*	0.099
Year08	1.228**	0.039	1.001**	0.026	0.551*	0.089	0.588*	0.069
Log (TA)	0.346	0.558	0.359	0.498	0.028	0.662	0.005	0.698
ADV_{t-1}	1.049**	0.021	1.011*	0.091	1.819*	0.079	0.981*	0.061
ROI	0.039***	0.004			0.247**	0.016		
ROA			0.001	0.208			0.029	0.591
Sales growth	1.049*	0.098	1.012	0.109	0.119	0.161	0.159	0.178
σ (CF)	-1.002*	0.073	-1.001*	0.052	-1.919*	0.089	-0.993*	0.079
Brand value	0.804*	0.069	0.898*	0.057	0.044**	0.023	0.069**	0.003
Adj. R^2	0.30		0.11		0.35		0.10	

Panel B. The multivariate model is:

$$(1)\ \textit{Market Performance} = \alpha + \sum_{t=1995}^{2008} \lambda \textit{YEAR}(t) + \delta_1 \textit{Log}(TA) + \delta_2 \textit{ADV}_{t-1} + \delta_3 \textit{ROI} + \delta_4 \textit{ Sales growth} + \delta_5 \sigma\ (\text{CF}) + \delta_6\ \Delta \textit{Brand Value} + \varepsilon;$$

$$(2)\ \textit{Market Performance} = \alpha + \sum_{t=1995}^{2008} \lambda \textit{YEAR}(t) + \delta_1 \textit{Log}(TA) + \delta_2 \textit{ADV}_{t-1} + \delta_3 \textit{ROA} + \delta_4 \textit{ Sales growth} + \delta_5 \sigma\ (\text{CF}) + \delta_6\ \Delta \textit{Brand Value} + \varepsilon,$$

Variable	(1) Brand/Cap with ROI		(2) Brand/Cap with ROA		(1) Returns with ROI		(2) Returns with ROA	
	Estimate	p-value	Estimate	p-value	Estimate	p-value	Estimate	p-value
Intercept	0.138	0.449	0.159	0.368	0.047	0.938	0.031	0.821
Year95	0.239**	0.017	0.198*	0.099	0.435***	0.001	0.489**	0.051
Year96	0.151**	0.051	0.086*	0.103	0.498**	0.019	0.558**	0.037
Year97	0.181**	0.041	0.107*	0.090	0.439**	0.033	0.629***	0.001
Year98	0.022*	0.080	0.018*	0.096	0.519**	0.001	0.709*	0.093
Year99	0.034*	0.085	0.023*	0.079	0.667*	0.088	0.050*	0.089
Year00	0.261**	0.048	0.214*	0.057	0.768**	0.049	0.598*	0.101
Year01	0.007*	0.098	0.002	0.119	0.457**	0.008	0.715	0.939
Year02	0.049*	0.065	0.003	0.271	0.769**	0.047	0.003	0.782
Year03	0.119***	0.001	0.098*	0.068	0.807**	0.015	0.671*	0.089
Year04	0.158***	0.004	0.143*	0.05	0.929***	0.001	0.469**	0.042
Year05	0.152**	0.022	0.103*	0.092	0.522**	0.024	0.578*	0.089
Year06	1.439***	0.001	1.302**	0.029	1.028***	0.001	1.010**	0.021
Year07	0.151**	0.023	0.105*	0.094	0.518**	0.028	0.568*	0.091
Year08	1.437***	0.001	1.302**	0.029	1.032***	0.001	1.007**	0.022
Log (TA)	0.478	0.371	0.469	0.291	0.002	0.849	0.010	0.969
ADV_{t-1}	1.019**	0.005	1.002*	0.072	1.188***	0.008	0.071**	0.034
ROI	0.012***	0.001			0.220***	0.001		
ROA			0.009	0.364			0.010	0.779
Sales growth	1.119*	0.094	1.171	0.269	0.838	0.311	1.104	0.592
σ (CF)	-1.004*	0.073	-1.011*	0.089	-0.904*	0.081	-1.001*	0.059
Δ Brand value	1.014***	0.001	1.107**	0.029	1.317***	0.001	1.238**	0.049
Adj. R^2	0.34		0.13		0.42		0.38	

The positive estimate on lagged advertising expenses shows that Wall Street does not disregard marketing efforts. It means that clearly marketing factors affect the branding staregies.

Furthermore, the positive sign of ROI means that branding investments increase the corporate market values.

It is seen that ROI is a better proxy for branding investments than ROA. The explanatory power for our regressions are higher if branding investments are proxied by ROI and not by ROA (as it was said before, both ROI and ROA are valid variables and are often included in similar studies. Sometimes researchers decide to include only one of them, and other times both of them are included).

The relation between a market performance and sales growth is weak in all pooled regressions.

5.7. Regressions Analysis and Interpretations

This section tested to see if brand value has risk lowering properties and if it creates shareholders' wealth.

Preceding studies on marketing activities and creation of shareholder wealth centered principally on product brands and not on corporate brands. The main input of this research to the field of branding in the literature is specifically the focus on corporate brand, and its risk lowering and also on shareholders' wealth creating characteristics; and the use of financial and market controls.

Using the Interbrand data between, we find proof that corporations that have superior corporate brands create shareholders' wealth. This result is very consistent with all accepted existing branding theory, which says that branding efforts insert value to the firm and show risk justifying characteristics.

In today's world if the consumers are satisfied, they are likely to continue the brand relationship and, thus, added value may be maximized over time. Corporate branding is the 'mark' of a product or organization. In other words, it can be interpreted as a unique declaration of identity, quality, trust and value with the final judgment on those aspects resting with the individual consumer.

In terms of advertising and marketing in relation to branding, this study also indicates that the influence of brand names on consumer stakeholders is significant.

Chapter VI: Qualitative Validation of Quantitative Results through Triangulation Technique – Historical Cases

Abstract

In this chapter some qualitative cases regarding strategies for successful corporate brand building and its management will be presented. As it was explained in the methodology section of this study, this research is mainly a quantitative study. And here in this chapter we are implementing qualitative validation of quantitative results. This is usually referred to as the triangulation technique to further more strengthen the empirical findings and analysis. These real cases further more confirm our findings in the quantitative part of this study. Going through these cases will help us understand the challenges that major companies have faced in different economic periods, and how managers of these enterprises implemented appropriate strategic visions to strengthen their corporate brands.

I strongly believe that the nature of these brands and the way they are differentiated from their competitors will give us a better analytical perspective regarding brand building and brand management. The qualitative part of this study will explore the different branding theories via going through some significant real cases. Investigating these cases and studying the history of these brands will be a helping hand in order to better comprehend variant branding strategies; and assist the key managers to implement the most suitable branding and marketing policies for their corporations.

The following companies are chosen as the qualitative cases for this research. The findings in this section further validate and reinforce the quantitative findings of chapter five.

1. Coca-Cola
2. Microsoft
3. McDonald's
4. Nokia
5. Apple
6. American Express
7. Nike
8. IKEA
9. Sony
10. Yahoo
11. Shell
12. Adidas
13. Dell
14. 3M
15. Starbucks

6.1. Coca-Cola – King of Brands

From "The Pause That Refreshes" via "the Real Thing," to the simple "Enjoy," exceptional campaigns and classic design have helped Coca-Cola establish itself as one of the world's leading brands.

Coke and Santa Claus (with a Coke-red tunic) are linked in the minds of many people in the West. Coke's branding is an exercise in how it should be done. The basic Logo has changed little in a century, yet the contest of the logo has been cleverly updated over the years. A Coca-Cola can remains forever a Coca-Cola can, but the 21st century version is bright, reflective, and contemporary, while retaining all its definitive elements: the logo and the Coke-red color. The Coke bottle was one of the original iconic packaging designs: a strategy imitated by dozens of companies, to varying degree of success, ever since it first appeared.

Coca-Cola was a major presence at the event: asserting itself on billboards and advertisements, as well as being carried in all shops and outlets around the event.

Meanwhile, its “Coca-Cola Celebration Mix” – a remix of previously unknown Somali-Canadian artist K’Naan’s song “Waving Flag” – became the unofficial anthem of the World Cup.

In fact, the Coca-Cola co-owned song proved so popular that it went on to become a number one iTunes hit in 17 countries.

6.2. Microsoft – Realizing Potentials

Microsoft has come a long way since it was first launched in 1975. Then it was a very product-centric company. Now its design values are intended to communicate the idea of "realizing the potential" of its customers, whether they are general consumers or international businesses. Microsoft believes that it can empower people through effective and efficient software - any time, any place, and on any device. This shift in thinking has been reflected in the way Microsoft is presenting itself in each of its markets.

Furthermore, Microsoft is also trying to build "Trustworthy Computing" as a platform to increase customer trust through improved responsiveness, accountability, and predictability in everything the company provides. This shift of brand focus comes in the wake of several years of bad publicity about Microsoft's business practices, which culminated in the famous antitrust lawsuit in the United States (the implications of which are still being felt).

"Enabling people to do new things" is what is now translated across every aspect of Microsoft's interaction with customers, from the softer and more user-friendly design of Windows XP to developing new products, integrating new customers, and interacting more deeply with new and existing partners. Microsoft has also created strong and powerful sub-brands - a sensible strategy and a move away from its unpopular and often divisive "monolithic" approach in the middle of the last decade.

6.3. McDonald's – I'm lovin' it

The success of McDonald's is based on a philosophy of value, speed, cleanliness, and fun. These values have come to be represented in its "golden arches" logo, which has crossed languages and cultures to become a design icon. The logo is bright enough to remind children of its focus on kids' products, while smart enough to attract adults - whether or not they are parents.

The overarching "M" encourages visitors to enter and, wherever they are in the world, essentially they will find the same menu (although some products are delicately specified for different territories and cultures), and the same design of bright colors, and clean information design.

Recently, the fast food giant has introduced its own take on popular dishes from world cuisine, indicating an awareness that even it needs to update its brand to keep pace with popular taste. This partial shift of focus has even extended to occasional TV advertising campaigns that are ironic rather than iconic.

6.4. Nokia – From rubber boots to lifestyle phones

Finish mobile phone giant Nokia is seen as a benchmark of elegant technology for the mobile generation on the move; but the origins are very different. The Nokia Company originally ran a wood pulp mill, which was established in 1865. It merged with the Finnish Rubber Work in 1898, a company that made rubber boots. In 1967, the corporate entity was an industrial corporation with four major business segments: forestry, rubber, cable, and electronics.

Nokia entered the world of cellular communications in the 1990s with the launch of its first GSM phone, the Nokia 1011. What sets Nokia apart from many competitors is a discreet brand design, coupled with an easy-to-use operating system and functional yet stylish hardware. In this way, the brand does not shout "Nokia", but leaves each new generation of phone to make its presence felt in a market dominated by flashy, trendy designs coupled with confusing operating systems.

That said, the company has designed some clever co-branding initiatives, most notably its tie-in with the Spielberg science fiction film Minority Report. The implied message: tomorrow's technology is here today.

6.5. Apple – Thinking Differently

Apple's history is the definitive rollercoaster ride of a new technology company. There have been many highs and lows since the company started in Steve Jobs' bedroom in the 1960s. But the foundation of Apple's history has design innovation in every aspect of its product line, from its heyday in the 1980s through the dark years of the mid-1990s to its renaissance at the end of that decade, and arguably its prime right now.

Unusually for a technology company, Apple is an aspirational, lifestyle brand, as well as a functional one with hardcore, professional fans. Apple computer has not only developed numerous new products, it has also built a reputation for quality and reliability among designers and media people, a good route to the wider population's affections.

Apple strengthens its user loyalty with every move due to the brand’s commitment to beauty, design and functionality.

6.6. American Express – Introduction of the Blue Card

American Express began life in 1850 as a regional freight express business. In 1882 company took a small step that started a dramatic strategic shift. Due to the increasingly popular postal money order, American Express faced declining demand for its cash shipping services. In response, American Express created its own money order. The Express Money order became an unexpected success.

A decade later in 1892, the American Express president took a vacation in Europe and found it hard to translate his letters of credit into cash. This initiated the idea of creating the American Express traveler's check. The new product created the perfect launch pad for the company to enter financial services. The next logical step was for American Express to enter travel services. All of these small steps created a giant leap away from the company's founding concept of being a freight express business.

AmEx, as it is popularly known, is now a truly global offering products and services in nearly every country in the world. The classic green AmEx card was launched in 1958 and, over the decades, the card evolved to reflect its consumers' changing lifestyles and aspirations.

However, with technological change moving ever faster, American Express' core products have proved less relevant to a new generation of consumers. The company realized that it needed to attract 25-40 year olds, a market that the traditional green card had never been able to win over. Any credit card company can attract new customers, if not their loyalty, by offering low interest rates.

But rather than competing on those terms, American Express decided to reinvent the entire credit card category. The result: Blue, a credit card that breaks the mold in functionality, by offering reward points, no annual fees, and a security chip. Many companies do not consider the fact that a branded card to be the most frequent contact a customer has with a brand. Cards are badges symbolizing status, aspirations, affinities, and personal preferences.

6.7. Nike – Just do it!

Nike, named after the Greek goddess of victory, was a setup in a garage, with such a "do it yourself" visual; it is no surprise that the product is such an important part of what Nike is about. Nike has extended that idea and turned it on its head; now the "Just do it" applies to the company's loyal followers, who feel they can adopt the freewheeling philosophy by buying into the brand's values.

Nike's business is a truly aspirational one. Nike stands for excellence - and not just in its products. Nike's brand is a tick of approval for all of the high-profile achievers and sporting heroes who have adopted the Nike look as part of what they are about. Nike in London and New York is the ultimate brand extension. For the faithful who visit it, it is like "coming home'; for the followers who do not, it remains a statement of what they are about, even if they do not acknowledge it. For nonbelievers, it is a shoe shop as a way of life. Online, the brand allows customers further in, by letting them customize a pair of shoes in their own chosen colors. The price is high, but for people who buy them, it gives them a place with the stars on the walk of fame.

6.8. IKEA – The Swedish Affair

The Swedish furniture company is beyond doubt a great retail brand. It has created a bond with young price-conscious homemakers in more than 30 countries. To these people IKEA-with its assembly from flat packs-represents elegant design at reasonable prices. To the loyal customers who fill its stores, IKEA is stylish and self-assembly.

Rising from its humble origins in Smaland, a rural area of Sweden, IKEA grew from a tiny mail-order business to a multibillion-dollar furniture giant with more than 260 stores and 130,000 employees (2009) generating revenues more than 23 billion US dollars. The brand is driven by the sometimes unconventional philosophies of its founder, Ingvar Kamprad. The company name bears the initials of the farm and his home community-I(ngvar), K(amprad), E(imtaryad-the farm), and A(gunnaryd-the community).

IKEA aims to give all its customers good-quality, highly practical, contemporary design at affordable prices. IKEA's mission statement purifies its functional objectives: "To contribute to a better everyday working life for the majority of people, by offering a wide range of home furnishing items of good design and function, at prices so low that the majority of people can afford to buy them."

Brand values and informal rules are strong and ever-present elements that help create a bond between IKEA coworkers worldwide. In 1976 Ingvar Kamprad described this element in what later became known as "The

Testament of a Furniture Dealer." Everybody working with the IKEA concept knows and understands this document, and according to Ingvar Kamrad, maintaining a strong IKEA culture is one of the most crucial factors behind the continued success of the brand.

IKEA has a rigid system of how and why it includes a product in its range. It achieves this through following the principles of what it calls "Democratic Design". Any item that enters the IKEA range must meet the criteria set down under the following three headings:

1. Form
2. Function
3. Right Prices

SONY

6.9. Sony – Go Create

Initially established as "Totsuken" (Tokyo Tsushin kenkujo), Sony's two founders, Akio Morita and Masaru Ibuka, decided that to make the company more accessible to the West, so the name had to change. Sony was derived from the Latin word sonus – the root of words such as "sound" and "sonic"- and Sony's earliest product was a tape recorder. The word was also used to express Sony's culture of promoting entertainment, youthfulness, and invention.

In fact the whole culture at Sony is based around providing their technicians with a good working environment and the time to innovate and think "out of the box". There is no better proof of this than the fact that Sony's two most successful product ranges, the Walkman and the PlayStation, Were both developed in a house. Both products have created significant revolutions and cultural shifts in the way music and home entertainment are created and consumed.

Sony's motivation has always been having deep consumer insight into the ways in which consumers wish to be entertained. Walkman and its dozens of spin-offs were not about technology, but delivering the benefit of listening to music on the move.

6.10. Yahoo – Do You Yahoo?

The founders of Yahoo! chose the name because they liked the definition of a yahoo: "rude, unsophisticated, and uncivilized". "Yahoo" appeared in Jonathan Swift's Gulliver's Travels. But the business created by them in their own travels is far from uncivilized, although this type of branding appealed to Internet surfers who, as the medium took off, liked to appear alternative and countercultural.

Yahoo! Inc. is now a leading global Internet communications, commerce, and media company that offers a comprehensive branded network of services to more than 350 million individuals each month worldwide. The services all bear the brand's distinct look and feel, which says: color, fun, variety, innovation, and speed - coupled with trust, reliability, and an authoritative source of information.

One of the company's innovations has been to allow customers to create their own communities under the Yahoo! Brand. So, by offering free services that allow people to publish their own passion, interests, and individuality for the world to see, Yahoo! can also adopt the limitless personalities of its customers by association.

6.11. Shell – Opening up Shell

Shell has been using the pectin, or scallop, symbol for more than 100 years. The logo's characteristic red and yellow colors have defined not just the company's business objectives, but also shell's stated values of quality and reliability. It should be mentioned that the company's logo has evolved great deal over the past 100 years, even though shell would maintain that its ideals have remained constant.

Shell uses the same logo, colors, and brand around the world for all its marketing and advertising. This single brand philosophy not only helps to promote a "united front", but is based on the company's vision of being an environmentally and socially responsible organization. As we review the brand's history, we can see the development and shift in corporate thinking, and how that is represented in the brand design.

The exact from of the shell symbol has been modified slowly over the years. The current version was created by Raymond Loewy and launched in 1971. Fourty years later, it still is one of the world's most recognized symbols. Like the scallop shell itself the colors have also been modified.

6.12. Adidas - The Coolest of Kicks

When Adidas entered the market about 50 years ago, its focus was on producing shoes made specifically for soccer and running. Establishing the brand as the choice for professional athletes eventually led them to become a mainstream sportswear brand. In the 1980s, rap and hip hop band Run DMC enhanced Adidas' street reputation with the "My Adidas". But by the early 90s, Nike and Reebok were beating Adidas even in Germany, is home turf.

The next generation of Adidas shoes took the company back to the cover values that Adidas derived from sport: authenticity, inspiration, and commitment.

However, the real key to success in the now-crowed market lays in the considerable endorsement deals that Adidas developed with world-class athletes. Recent sports figures representing Adidas score highly in the celebrity stakes. British soccer superstar David Beckham's relationship with Adidas has had a massive impact on Adidas' profile in the UK.

In the US, Kobe Bryant is another Adidas endorsee. The La Lakers and one of the best NBA "All-Star" players is a massively popular athlete. This increases the revenue.

Reinvention was the key. Once on its website, Adidas acknowledges, "The markets (an industry) in which we compete are transforming rapidly, paced by the evolution or revolution in how 'sport' are defined. Team sports as soccer and basketball will always be a fundamental part of sporting competition. Today, however, diverse, individual, 'no-rules' sports such as snowboarding, inline skating, and surfing have grown into significant categories."

6.13. Dell – Relationship is the king

Dell computer is a classic example of the "relationship is king" model. In his dorm room in Austin, Texas, in the early 1980s, Michael Dell had an insight into a better way to build and sell computers. Rather than mass-producing his PCs and selling them through the retailers, Dell decided to bypass the channel and deal directly with customers.

This business model gave Dell two advantages. First the brand could lower its manufacturing costs by trying these directly to the orders received. Second, and more important from a branding perspective, Dell established a direct dialog with customers, providing the feedback the company needed to continually serve customers better. The result is a powerful and valuable relationship cycle. This direct connection has served as the cornerstone of the Dell brand in a crowded market. Where choice is overwhelming, people often opt for the brand design that says: "You can talk to us."

6.14. 3M – A Century of Innovation

3M's success comes from its ability to provide unique and innovative solutions to its customers' problems. 3M was founded in 1902 by five businessmen who set up a mineral deposit mine for grinding-wheel abrasives. But the deposits proved to be of little value, and the new Minnesota Mining and Manufacturing Company (the three Ms of the name) quickly moved to producing sandpaper and other innovative products at the time.

The 3M brand with its distinctive red logo is a precious asset, as are Post-it, Scotch-Brite, Scotch, and Scotchguard. In 1977, 3M was chosen to become the umbrella identity for worldwide use across all its separate brands (the exact concept of corporate branding). This was very psitive. First, the company allowed its products to speak for themselves and became innovative solutions to everyday problems. Then the corporate brand moved into the foreground, and its products were redesigned to appear under the umbrella heading.

Now 3M is a badge of quality and innovation that customers recognize when they are looking to make the "right" choice, even if they do not consciously look for the 3M brand. This trust is then transferred to other products.

6.15. Starbucks – A Coffee to go

Jerry Baldwin and Gordon Bowker, whose interest in coffee was more than wanting to enjoy a good cup of it, founded the original Starbucks in 1971. However, Howard Schultz truly maximized the brand's potential when he joined as CEO in 1982 and created new standard in the business.

Starbucks is more than just about coffee: it is about brand design, turning a near-commodity product into a complete experience on every street corner. The key to the brand's uniqueness is that Starbucks has created its own vocabulary in the coffee-drinking world. Getting customers to live the brand to such an extent that they change the way they ask for a coffee.

Cafes used to be about finding a good cup of coffee in a good location in which to talk, relax, read, and watch the world go by. Starbucks has stuck its label on that way of life, and has bought the street corners and the coffee beans to supply it. The experience remains the same, but you wear the label and speak the language, even if you do not realize it. And if you like Starbucks coffee, you know you can find it wherever you go.

All these qualitative cases show that branding began as a marketing endeavor to create and manage the relationship between products and consumers. The rise of the product brand, particularly as promoted by fast-moving consumer goods companies like Procter & Gamble and Unilever.

Companies today are entering an era of stakeholder capitalism that is changing the balance of power within firms. New rules for doing business are being written as suppliers, investors, employees, communities, and a growing number of global NGOs are organizing to offset the influence global business represents. Stakeholders make stronger claims on companies than ever before, and their influence affects the identities of the firms that they relate to and target.

This fact encompasses the interests and expectations of the full range of a company's stakeholders and makes corporate branding a strategic asset of increasing importance to corporate boards, CEOs, and top management. More time and attention at the highest levels of an organization will be given to listening and talking to stakeholders and engaging the full range of them through the corporate brand. To do this kind of complex, interactive, and inclusive communicative work requires that managers become more conversant with the symbolic aspects of corporate branding, which is key to the new era of branding.

The main implication of the symbolic view of corporate branding is that many voices will shape and inform the corporate brand though myriad format of communication-— direct and indirect, face-to-face, and virtual—

and through traditional channels as well as new media such as text messaging and Web sites like MySpace and YouTube. As a result the next generation of brand managers will spend increasing amounts of time looking at the bland through the eyes of their multiple stakeholders. Participation in brand community events will feature prominently on their schedules, and every interaction inside the firm and out will become much more of a two-way communication process. Brand managers will bring some of these stakeholders into the management process, making use of their ideas and skills in internal company activities. They will design new activities that get employees to work alongside even more stakeholders doing things that give all of their lives greater meaning.

Before long, corporate brand managers will become masters of helping their companies create what they see through Stakeholders' eyes. So, for example, Novo Nordisk's brand comes to mean much more than serving diabetic customers, it is about joining forces with others to change the effects of diabetes around the world. And Johnson & Johnson's brand docs not simply represent its pharmaceutical, medical, personal, and baby products; it promotes caring, whether by aiding parents as they care for their children or doctors and nurses who care for the infirm. Such visions are not pretty words, they are the heart and soul of the well-branded third-wave firm. Brands that catch the third wave will not only express these enterprise-minded aspirations, they will inspire action on the part of all stakeholders to help the company create these new realities.

Summary of Findings and Conclusions

1. Abstract

Research on corporate brand has not got much attention from marketing scholar. This study intends to fill this gap by highlighting the importance and weight of corporate brand equity; measuring and evaluating the effects of successful corporate branding on making wealth for shareholders; and linking corporate performance with corporate brand equity. Theoretical models are offered that integrate the multiple stakeholders' significant values in corporate brand valuation.

By linking components of corporate performance with corporate brand equity elements, an outline is developed which sets the pace for a series of propositions which can be tested. This study concludes with managerial implications, the challenge presented by the research and an agenda for future research.

As was mentioned previously, this study works on whether corporate brand value of equity reveals risk mitigating properties and creates shareholders' wealth. By using the Interbrand yearly survey data restricted to the US publicly bought or sold companies, I find significant evidence that corporations with superior corporate brands show higher profitability and generate shareholders' wealth independent of economic recessions. In addition, the empirical evidence supports branding theory, arguing that branding efforts have added value to the firm and exhibit risk mitigating

characteristics. After using factor analysis and pooled multivariate regression the findings remain robust.

2. Theoretical Implication – Corporate Based Measures

Their overall impacts on business performance have been tested by previous models of stakeholder orientation, mainly financial results. These researches worked on the effects of stakeholder orientation on a subset of corporate performance measures, mainly marketing and financial measures, like market share and return on investment (ROI). It is important to emphasize that all the corporate brand equity (CBE) valuation are based on the respective stakeholders' perceptions regarding the degree that their interests are satisfied. The equity elements of CBE indicate the perceived value by the related stakeholder groups. CBE shows the degree that an organization fulfils all different stakeholder values. Corporate performance characterizes the implication of stakeholders' perceptions on indicators of internal performance.

Various methods for assessing perceptions about corporations have been proposed by numerous consulting firms. A consulting company which concentrates in building and also leveraging corporate brands, Core brand, developed the Corporate Branding lndex which measures the effects of corporate advertising on corporate reputation and also financial performance over a particular period of time. An indication can be provided to management to assess ROI, the return on investment, from corporate advertising.

Numerous measures from the academic perspective have been developed in the marketing literature by which perceptions at the corporate level can be assessed. These include corporate image, corporate associations, corporate reputation and corporate identity. In different chapters of this research, these aspects of corporate brandings were studied and explained.

Measuring CBE needs the assessment of all different stakeholders' perceptions regarding a corporate brand. Any valuation of CBE ought to be derived by the stakeholders' valuable elements which are especially important to every stakeholder group. It is clear that different stakeholders have different concerns and interests that should be addressed independently.

This study, as explain before, indicates that corporations which own superior corporate brands show higher profitability and generate shareholders' wealth independent of economic recessions and downturn. In addition, the empirical evidence supports branding theory, arguing that branding efforts add value to the firm and reveal risk mitigating characteristics. In this study, according to the implied branding theory, if corporate branding creates predictable and also stable cash flow from operating activities, it will have a higher net present value and therefore create more wealth for shareholders.

3. Practical Implication – The Stakeholder Perspectives

It ought to be mentioned that any valuation for CBE, corporate brand equity, needs assessing stakeholders' perspectives regarding a corporate brand. Stakeholders include: customers, employees, stockholders, suppliers, creditors, vendors, governments, regulators, media, interest groups and also the community at large.

The stakeholder theory that is often cited in the strategic management literature, indicates the necessity of creating and keeping successful relationships with all corporate stakeholders to reach corporate goals. However, the marketing literature has mainly focused on managing relations with the customer as the most important stakeholder group. This is highlighted in the market-orientation approach, where the key interest is in serving and addressing customer groups. Yet in a highly interdependent and also regulated business environment it is irrational to overlook the demands of other non-customer groups. This has attracted the attention of marketing scholars to re-evaluate the role of marketing in an organization.

The Board of Directors of American Marketing Association, in 2004 came up with a new definition of marketing as 'an organizational role and a set of processes for making, communicating and delivering value to customers and also for managing customer relations in ways which benefit the organization and also stakeholders.

This new definition deals with the interests of stakeholders and also includes the stakeholders' demands as part of the marketing role. This definition assumes that mutual trust between a company and stakeholders and shared responsibilities helps in achieving their common goals in the long run.

The pressure that a company's stakeholders exert drives corporations to meet stakeholders' demands. The more responsive organization is for stakeholders' needs, the better the overall credibility and image of the organization for its stakeholders. This will be on the inside reflected, on the general corporate performance of an organization and on the outside on the corporate reputation which is perceived by an organization's public figure. This study addressed the impact corporate branding on stakeholders' wealth creation.

Corporate performance

It is not sufficient to assess performance on financial indicators in order to evaluate a company's general corporate performance. Financial performance deals with the financial capability of an organization which is based on accounting systems and standards aiming to satisfy the necessities of capital markets. Besides, financial indicators usually do not offer sufficient guidance for internal management decision making and also control. Corporate Performance (CP) measurement contains aspects of evaluation that assess performance from a corporate perspective that has financial and non-financial measures. A corporate-based measure gives a more comprehensive technique to evaluate performance that can be traced to specific stakeholder’s values. Several CP measurement frameworks based on a 'balanced-performance' perspective have been developed.

Owners and Stakeholders – A Monetary Aspect

Owners include institutional investors and also individual shareholders that possess a share of a company, and therefore become company owners. The owners are mostly interested in the firm's financial value. They are mainly concerned about increasing their shareholder value by having a satisfactory rate of return on their investments. Their desires can be realized through corporate growth, corporate profits, increases in stock value, dividend distribution and market opportunities.

Having a higher perceptions of owner's equity for the value of their stock causes having higher expected share price. Previous studies imply that efficient exchange relations with shareholders bring in more possible cash flow for investment, and also raise shareholder value. Evidence is provided by researchers to prove that monetary exchanges with shareholders outcome would be increase in potential cash flow into a company from shareholders, because of the increased credibility and also trust of the future value for stock. This increases commitment and also trust in investment which leads to higher share prices, reflecting higher corporate equity value.

Previous findings without a doubt indicate that there is a strong relation between previous gains (earnings, share, and increase in stock value) and future stock price. They also provided some evidence for the positive relation between stockholders' perceptions of profitability for the company and dividend distribution.

4. Regressions Results and Discussions

This study tests empirically whether brand value of equity possesses risk mitigating properties and generates shareholders' wealth on a corporate level independent of economic recessions and downturns. Previous studies regarding marketing activities with the creation of shareholder value focus mainly on product brands instead of on corporate brand value of equity and therefore fail to control other financial and also market performance variables. The precise focus on corporate brand, its risk mitigating and shareholders' wealth creating characteristics, and the use of market and financial controls would be the main contribution of this research to the field of branding in the literature, while testing the hypothesized relations.

The first goal of this study was to recognize the risk mitigating determinants of corporate brand building. The panel regression includes information related to cross-section and time-series variables, providing a larger number of data points and grater degrees of freedom, and reducing the chance of having omitted-variable problems.

The basic regression model is as follows:

$$Brand\ .\ Value_{i,t} = \alpha + X'_{it}\beta + \varepsilon_{it},$$

Where i =1, ……96 ; *and also* t = 1, …15, where

Following four regressions panels are the main results for this part of study.

Panel A. Brand value with ROI

	Fixed effects		Random effects		Pooled effects	
σ (CF)	-0.196*	(0.083)	-0.153*	(0.075)	-0.214*	(0.094)
Advertising expenses $_{t-1}$	0.883**	(0.012)	0.904**	(0.011)	0.741*	(0.073)
ROI	0.241***	(0.001)	0.250***	(0.000)	0.272**	(0.027)
Sales growth	0.131*	(0.078)	0.202	(0.340)	0.331	(0.977)
Adj. R^2	0.31		0.22		0.18	
Wald x^2Hausman specification test[a]	20.449	(0.038)				
F statistics	5.242	(0.000)				

Panel B. Brand value with ROA

	Fixed effects		Random effects		Pooled effects	
σ (CF)	-0.248*	(0.078)	-0.111*	(0.082)	-0.259*	(0.077)
Advertising expenses $_{t-1}$	0.879*	(0.091)	-0.737	(0.989)	0.412	(0.615)
ROA	0.341***	(0.009)	0.312***	(0.004)	0.259*	(0.059)
Sales growth	0.239*	(0.096)	0.281*	(0.091)	0.343	(0.842)
Adj. R^2	0.34		0.23		0.12	
Wald x^2Hausman specification test[a]	14.759	(0.023)				
F statistics	1.488	(0.065)				

Panel C. ChangeS in Brand value with ROI

	Fixed effects		Random effects		Pooled effects	
σ (CF)	-0.225*	(0.091)	-0.117*	(0.075)	-0.231*	(0.067)
Advertising expenses $_{t-1}$	0.942**	(0.048)	0.733**	(0.011)	0.879**	(0.032)
ROI	0.179**	(0.018)	0.258**	(0.089)	0.217**	(0.048)
Sales growth	0.129**	(0.037)	0.349**	(0.052)	0.202**	(0.021)
Adj. R^2	0.36		0.16		0.13	
Wald x^2Hausman specification test[a]	14.112	(0.026)				
F statistics	9.531	(0.000)				

Panel D. ChangeS in Brand value with ROA

	Fixed effects		Random effects		Pooled effects	
σ (CF)	-0.359*	(0.059)	-0.191*	(0.089)	-0.217*	(0.069)
Advertising expenses $_{t-1}$	0.568**	(0.022)	0.501*	(0.098)	0.521**	(0.716)
ROA	0.308**	(0.019)	0.512*	(0.073)	0.458*	(0.089)
Sales growth	0.172**	(0.039)	0.077**	(0.041)	0.343**	(0.015)
Adj. R^2	0.32		0.20		0.11	
Wald x^2Hausman specification test[a]	15.241	(0.019)				
F statistics	2.239	(0.054)				

Later in this research, in order to test the impact and effects of corporate branding on the creation of shareholders' wealth, we estimated the following:

$$Market\ Performance = \alpha + \sum_{t=1995}^{2008} \lambda YEAR(t) + \delta_1 Log(TA) + \delta_2 ADV_{t-1} + \delta_3 ROI + \delta_4\ Sales.growth + \delta_5\ \sigma\ (\mathrm{CF}) + \delta_6\ Brand.value.of.equity + \varepsilon, \quad (2\text{-}1)$$

$$Market\ Performance = \alpha + \sum_{t=1995}^{2008} \lambda YEAR(t) + \delta_1 Log(TA) + \delta_2 ADV_{t-1} + \delta_3 ROA + \delta_4\ Sales.growth + \delta_5\ \sigma\ (\mathrm{CF}) + \delta_6\ Brand.value.of.equity + \varepsilon, \quad (2\text{-}2)$$

$$Market\ Performance = \alpha + \sum_{t=1995}^{2008} \lambda YEAR(t) + \delta_1 Log(TA) + \delta_2 ADV_{t-1} + \delta_3 ROI + \delta_4\ Sales.growth + \delta_5\ \sigma\ (\mathrm{CF}) + \delta_6\ \Delta Brand.value.of.equity + \varepsilon, \quad (2\text{-}3)$$

$$Market\ Performance = \alpha + \sum_{t=1995}^{2008} \lambda YEAR(t) + \delta_1 Log(TA) + \delta_2 ADV_{t-1} + \delta_3 ROA + \delta_4\ Sales.growth + \delta_5\ \sigma\ (\mathrm{CF}) + \delta_6\ \Delta Brand.value.of.equity + \varepsilon, \quad (2\text{-}4)$$

Panel A. The multivariate model is:

$$(1)\ \textit{Market Performance} = \alpha + \sum_{t=1995}^{2008} \lambda \textit{YEAR}(t) + \delta_1 \textit{Log}(TA) + \delta_2 \textit{ADV}_{t-1} + \delta_3 \textit{ROI} + \delta_4 \textit{Sgrowth} + \delta_5\, \sigma\,(\mathrm{CF}) + \delta_6 \textit{Brand value} + \varepsilon;$$

$$(2)\ \textit{Market Performance} = \alpha + \sum_{t=1995}^{2008} \lambda \textit{YEAR}(t) + \delta_1 \textit{Log}(TA) + \delta_2 \textit{ADV}_{t-1} + \delta_3 \textit{ROA} + \delta_4 \textit{Sgrowth} + \delta_5\, \sigma\,(\mathrm{CF}) + \delta_6 \textit{Brand value} + \varepsilon,$$

Variable	(1) Brand/Cap with ROI		(2) Brand/Cap with ROA		(1) Returns with ROI		(2) Rreturns with ROA	
	Estimate	p-value	Estimate	p-value	Estimate	p-value	Estimate	p-value
Intercept	0.144	0.989	0.101	0.891	0.569	0.207	0.419	0.221
Year95	0.238*	0.034	0.189*	0.049	0.779*	0.059	0.711*	0.054
Year96	0.149*	0.089	0.109*	0.070	0.829*	0.069	0.753*	0.067
Year97	0.183*	0.097	0.098*	0.057	0.788*	0.081	0.909*	0.071
Year98	0.001*	0.054	0.001*	0.083	0.471*	0.064	0.708**	0.051
Year99	0.001*	0.079	0.004*	0.010	0.479*	0.049	0.438*	0.091
Year00	0.229**	0.039	0.201**	0.007	0.568*	0.101	0.511*	0.068
Year01	0.057	0.148	0.069*	0.080	0.837**	0.029	0.857*	0.101
Year02	0.029**	0.017	0.112**	0.019	0.952**	0.022	0.674*	0.096
Year03	0.138**	0.009	0.205**	0.049	0.403***	0.001	0.607**	0.040
Year04	0.160**	0.051	0.099**	0.051	0.688*	0.055	0.788*	0.093
Year05	1.192***	0.000	0.919**	0.040	0.679**	0.049	0.002*	0.099
Year06	1.228**	0.041	1.002**	0.027	0.551*	0.093	0.588*	0.069
Year07	1.188***	0.000	0.928**	0.040	0.679**	0.048	0.002*	0.099
Year08	1.228**	0.039	1.001**	0.026	0.551*	0.089	0.588*	0.069
Log (TA)	0.346	0.558	0.359	0.498	0.028	0.662	0.005	0.698
ADV_{t-1}	1.049**	0.021	1.011*	0.091	1.819*	0.079	0.981*	0.061
ROI	0.039***	0.004			0.247**	0.016		
ROA			0.001	0.208			0.029	0.591
Sales growth	1.049*	0.098	1.012	0.109	0.119	0.161	0.159	0.178
σ (CF)	-1.002*	0.073	-1.001*	0.052	-1.919*	0.089	-0.993*	0.079
Brand value	0.804*	0.069	0.898*	0.057	0.044**	0.023	0.069**	0.003
Adj. R^2	0.30		0.11		0.35		0.10	

Panel B. The multivariate model is:

$$(1)\ Market\ Performance = \alpha + \sum_{t=1995}^{2008} \lambda YEAR(t) + \delta_1 Log(TA) + \delta_2 ADV_{t-1} + \delta_3 ROI + \delta_4 Sgrowth + \delta_5 \sigma\,(CF) + \delta_6\ \Delta Brand\ value + \varepsilon;$$

$$(2)\ Market\ Performance = \alpha + \sum_{t=1995}^{2008} \lambda YEAR(t) + \delta_1 Log(TA) + \delta_2 ADV_{t-1} + \delta_3 ROA + \delta_4 Sgrowth + \delta_5 \sigma\,(CF) + \delta_6\ \Delta Brand\ value + \varepsilon,$$

Variable	(1) Brand/Cap with ROI		(2) Brand/Cap with ROA		(1) Returns with ROI		(2) Returns with ROA	
	Estimate	p-value	Estimate	p-value	Estimate	p-value	Estimate	p-value
Intercept	0.138	0.449	0.159	0.368	0.047	0.938	0.031	0.821
Year95	0.239**	0.017	0.198*	0.099	0.435***	0.001	0.489**	0.051
Year96	0.151**	0.051	0.086*	0.103	0.498**	0.019	0.558**	0.037
Year97	0.181**	0.041	0.107*	0.090	0.439**	0.033	0.629***	0.001
Year98	0.022*	0.080	0.018*	0.096	0.519**	0.001	0.709*	0.093
Year99	0.034*	0.085	0.023*	0.079	0.667*	0.088	0.050*	0.089
Year00	0.261**	0.048	0.214*	0.057	0.768**	0.049	0.598*	0.101
Year01	0.007*	0.098	0.002	0.119	0.457**	0.008	0.715	0.939
Year02	0.049*	0.065	0.003	0.271	0.769**	0.047	0.003	0.782
Year03	0.119***	0.001	0.098*	0.068	0.807**	0.015	0.671*	0.089
Year04	0.158***	0.004	0.143*	0.05	0.929***	0.001	0.469**	0.042
Year05	0.152**	0.022	0.103*	0.092	0.522**	0.024	0.578*	0.089
Year06	1.439***	0.001	1.302**	0.029	1.028***	0.001	1.010**	0.021
Year07	0.151**	0.023	0.105*	0.094	0.518**	0.028	0.568*	0.091
Year08	1.437***	0.001	1.302**	0.029	1.032***	0.001	1.007**	0.022
Log (TA)	0.478	0.371	0.469	0.291	0.002	0.849	0.010	0.969
ADV_{t-1}	1.019**	0.005	1.002*	0.072	1.188***	0.008	0.071**	0.034
ROI	0.012***	0.001			0.220***	0.001		
ROA			0.009	0.364			0.010	0.779
Sales growth	1.119*	0.094	1.171	0.269	0.838	0.311	1.104	0.592
σ (CF)	-1.004*	0.073	-1.011*	0.089	-0.904*	0.081	-1.001*	0.059
Δ Brand value	1.014***	0.001	1.107**	0.029	1.317***	0.001	1.238**	0.049
Adj. R^2	0.34		0.13		0.42		0.38	

5. Limitations of this study and directions for future research

The focus of this study was US publicly traded companies which made the list of Interbrand's top one hundred brands from 1994 to 2008. This makes the results of this study somehow precise towards American perspectives of corporate brandings. For further researches it is sensible to study different aspects and perception of branding in different societies and cultures. For instance in Germany there is a vast importance related to precision and accuracy aspects which are conveyed through brands; but in America the general image of a corporate brand is the most important aspect which acts as a protective umbrella for the firm. For future researches including dummy variables for being a US company versus a non-US company could offer us more information about the shareholders' perceptions on successful brands in US and other large markets all around the world.

In this research all brands in different industries and fields have been used together in the regressions for empirical analysis. For more precise implementation of branding policies and marketing strategies some dummy variables could be included for specific sectors of economy and then we could analyze the results. For example, for follow-up studies having dummy variables for high-tech industries and also for food sector could be suggested, as these two sectors have a great tendency to be very much responsive to corporate branding investment. Doing so will help the key managers of companies to know how much to invest on their branding activities and whether or not they are in a field that they should pay a great deal of attention to corporate branding.

This study includes lagged advertising expenses (Adv_{t-1}) in the panel regression as a proxy for the corporate brand building investments. Following the common norm and previous studies, I included advertising expenses with one lag; some researchers may believe there should be more complex variables constructed for this issue. There is no generally accepted way for this matter. Some people believe that lags of 2 and 3 periods might be much more important that the basic 1 period lags. While, others believe that inclusion of two or even more explanatory variables for advertising costs, makes a better sense. I strongly believe that this is a very good field for follow-up studies. For example – as far as I know – there is no specific research on corporate branding to give us the optimum amount that should be allocated for advertising. Having such criteria will be very useful for key managers of large corporations for long run decision makings of. Via accurate implementation of advertising strategies for branding and marketing policies vast potential gains could be developed.

The nature of this research is primarily quantitative, while qualitative cases are only used to validate the quantitative outcomes. For future researches cases with more and detailed information should be analyzed in deeper layers to have more qualitative knowledge about corporate branding and its effects on shareholders' wealth.

Studies pertaining to corporate branding are more complex than those relating to product branding, primarily because of the large number of stakeholders involved; this fact makes the research much more demanding. To address the stakeholders' perspective and its implication for corporate outcomes, specifically for corporate performance, more research is to be undertaken in field of marketing. Doing so will enhance the value of marketing greatly in an organization from a function that merely serves customers, to one that is concerned with relationships with all the organization's stakeholders. Furthermore, it will draw attention to the important role that marketers play in enhancing the worth of a corporation and their function in generating stakeholder wealth and developing operational efficiency.

Managerial implications

Corporate branding policies entail that marketers look further than the marketing of a company's products or company's services and they pay more attention towards the marketing of the whole business. This would be the new job and role of marketers. In order to ensure efficiency of the entire business's operations marketers need to develop and manage relationships not only with customers, but also with all company stakeholders. Therefore, the function of brand managers has become wider to encompass relations with all regulators, owners, employees, customers, the community and partners.

When the strategy is implemented, it will be used by managers as a tool to identify areas of weaknesses and strengths in the stakeholders' relations. Areas of strength that need to be persistent can be identified and areas of weakness that need to be better nurtured and managed can be detected. Such recognition sends out signals about current relationship between stakeholders and company, which predicts the company's sustainability and competitive position in the market.

6. Conclusions and Interpretations

A successful corporate brand is very vital for companies in today's very competitive, regulative and unstable environment which faces our businesses. Measuring of corporate brands involves a broader lay down of dimensions that go past the customer perspectives and more in the direction of the stakeholder perspectives.

Corporate performance is evident in terms of people results, also customer results, and financial results and also operational results. A company that has a fairly strong corporate brand is thought to create a very high corporate performance. This fact is because a strong brand is a natural source of having or creating a competitive advantage that surely affects not only one group, but also offers precious unique intentions to all different stakeholders and their groups.

This research tests empirically whether brand value possesses risk justifying (or lowering) properties and generates wealth on a corporate level independent of economic crises and downturns. All previous studies that were relating marketing activities with the creation of shareholder value mainly did focus principally on product brands rather than on corporate brands and also failed to control for other financial and market performance variables.

The main contribution of this research to the field of branding in the literature is in particular putting the focus on corporate brands and analyzing shareholders' wealth.

Using the Interbrand annual survey data, I find very strong verification that corporations that possess superior corporate brands do create shareholders' wealth. This result is totally consistent with all existing branding theories, which state that branding efforts will add value to the firm and also will exhibit risk reducing characteristics. The findings are robust after implementing multivariate regression.

Later in the qualitative part of this research we went through some fairly known cases of corporate brands – their stories and how they managed to succeed were explained and some of their branding policies were highlighted. This part is seen as qualitative validation of quantitative results through triangulation method. Conceptual frameworks and theoretical models were implemented to further analyze the qualitative cases for this research; this added perspective reinforced and supported our quantitative findings.

Qualitative cases that were implemented in this study – using triangulation method for this study – clearly show that branding is a major concept in the domain of advertising and marketing and, more and more, its relevance in public-relations is noticeable.

While the concept has forever been linked with public relations, the impact in the 21st century should definitely be seen in a multiplicity of ways, from very different sporting events with famous brand names to the craziest rises in all brand websites. Therefore, there is a need to seize stock of how intensely branding is affecting the variant relationships that organizations have. Nevertheless there are lots of forces which guide all these relationships; brand identification possibly will be objectifying these outgoing encounters partially.

The concepts of branding and brand identification are entangled and connected with all advertising, marketing and public relations. Studies on this topic indicate that there are several diverse meanings that are associated with brand equity.

First, it could be interpreted as the entire value of a brand as a set apart asset - in other words, when the brand is in fact sold in the market or included on a financial report. Secondly, brand equity could be construed as the muscle of affection that consumers boast to particular brands. Lastly, it possibly will describe the relations and beliefs that consumers include in relation to meticulous brands. The distinctions in these definitions all have their own origin in accounting and marketing.

Usually, financial accountants (with the first definition) will apply the term brand value and not brand equity. The brand's value, as a feature in the overall market, emerges as the chief consideration. Advertising professionals recognize this first definition, although they place special stress on customer-brand associations and relations. These practitioners have more refined the concept as brand identity or brand image.

Brand image is connected with the needs and aspirations of a target market using the four 'Ps' of marketing (product, price, place and promotion).

Importantly, the strategic realization of these factors determines brand potency, that is, the degree of devotion or attachment that customers sense towards a brand.

With the number of correlated conceptual ideas, we may argue that brand equity is the decisive factor. A brand is linked with a product in the marketplace, although the value of consumer asset or investment changes over time.

Brand equity is made of the incremental, qualities that all synergistically unite in consumers' mindsets. The thought of added value is particularly central in this discussion. Although usage of the brand possibly will not be overly compound from the consumer stakeholder's point of view the constant use of the brand displays that it has added value.

Other researchers argue that elementary marketing variables, such as products and also prices, are indispensable ideas but the added-value concept is when eventual success of branding is realized. Nonetheless, added value is not always simple to define. In general, this idea is ultimately measured or inferred via consumers' brand ideas.

Although such inferences exist, it is strongly suggested that better understanding of brand equity possibly will be achieved by acknowledging that brand affairs are taking place, interactive processes with both the brand and the consumer.

The spirit of associations is communication, the process that constructs and supplies meaning to the relationships. In this framework, the organization is projecting a representation, and consumers are giving meaning to the messages. Consequently, a relationship between the brand and the consumer enlarges or disintegrates.

If the consumers are happy, they are to be expected to continue the brand relationship and, therefore, added value could be maximized over time. More importantly, corporate branding is the 'mark' of a product or organization. In other words, it may be interpreted as a unique assertion of identity, superiority, trust and value with the final verdict on such aspects resting with the individual consumer.

Finally, regarding advertising and marketing relative to branding, this study also indicates that the weight of brand names on consumer stakeholders is very significant.

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Appendix I: Interbrand's Methodology

Description of how Interbrand calculates the brand value. There are so many different ways to rank brands. Some rankings rely on little more than opinion polls or advertising expenditures. Interbrand uses complex and enhanced models in order to estimate net present value of brand's future earnings. Interbrand does not rank parent companies.

According to their website, they use reports from analysts at JPMorgan Chase, Citigroup, and Morgan Stanley; Interbrand projects five years of revenue and profits tied to brand's products and services. Next, Interbank projects the net earnings for that segment of the business.

Appendix II: Empirical Graphs and Tables

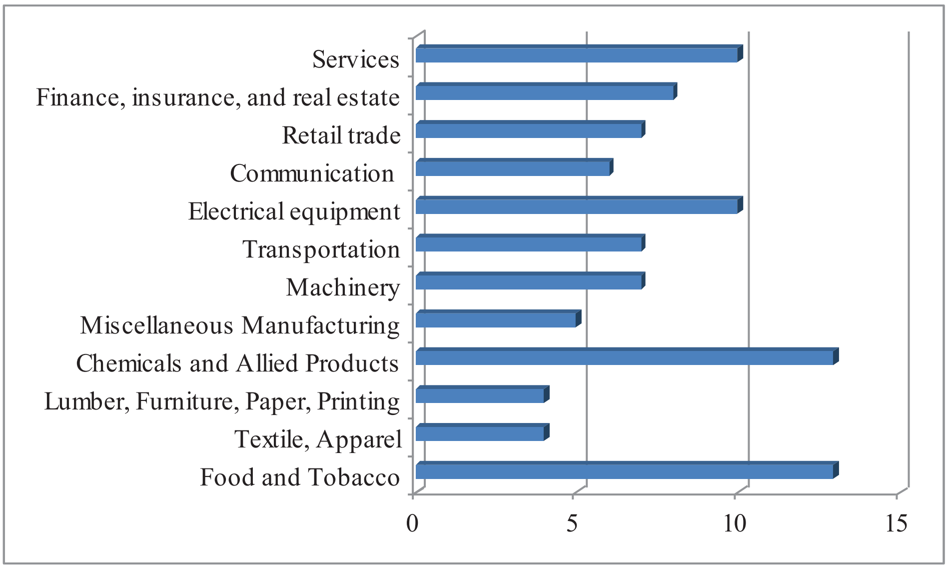

Figure 1: The breakdown of company sample by industry

Table 1: The sample expressive information for 1994 - 2008

Company.name	Listing #Years	B /C %	Company.name	Listing #Years	B/C %	Company.name	Listing #Years	B/C %
3COM Company	2	5.12	Bristol Myers Squibb Company	4	1.77	GE	12	19.41
3M Company	3	18.39	Burger King	4	0.28	General Mills	4	49.38
Adobe Company	2	10.48	Campbell Soup	4	43.67	Goldman Sachs	8	38.28
American.Express	12	47.21	Caterpillar Company	6	10.21	Goodyear	4	67.18
AIG Company	1	3.85	Cendant Company	2	3.88	Google	3	15.91
Alcoa Company	4	4.65	Cisco Systems	9	17.87	Harley-Davidson	8	85.19
Altria Company	12	87.41	Citibank	9	17.12	Hasbro Co	4	21.18
Amazon Company	10	65.57	Clorox Company	4	31.39	Heinz Co	12	81.32
AMB Company	4	36.18	Coca-Cola	15	54.78	Hershey Foods	3	68.38
American Home Products Corp	4	4.34	Colgate Palmolive	13	60.88	Hertz Co	7	5.12
Anheuser-Busch	12	83.51	Dell	9	14.61	Hilton	6	43.11
AOL Company	9	69.69	Disney	7	54.62	Hormel Foods	2	13.28
Apple	13	60.88	EBAY Company	4	13.88	HP Co	12	28.51
AT & T	6	37.32	Estee Lauder	5	135.11	IBM	14	65.11
Avon Company	12	91.69	Exxon-Mobil	6	14.67	Intel Corp	13	41.64
Bausch & Lomb	4	65.28	FedEx Company	5	26.71	Intuit	2	1.02
BellSouth Company	1	9.08	Ford Company	12	112.72	ITT Industries	2	4.57
Black & Decker Company	4	65.38	GAP	10	76.89	J&J Company	12	7.51
Boeing Company	2	8.49	Gateway	1	27.77	JP Morgan Chase	6	8.59

Company.name	Listing #Years	B/C %	Company.name	Listing #Years	B/C %	Company.name	Listing #Years	B/C %
Kellogg Company	12	97.6	PG Corp	12	85.58	Yum! Brands	8	97.77
Kimberly-Clark	7	15.1	Qwest Co	1	21.57			
Eastman-Kodak	7	78.38	Reebok Co	3	94.84			
Kraft Company	7	22.12	Rohm & Haas	4	6.68			
Mattel Company	4	30.28	Sara Lee Co	4	26.12			
McDonald’s	8	68.77	Schering-Plough	4	1.78			
Merck Corp	5	7.21	Southwest Airlines	2	10.65			
Merrill Lynch	7	24.78	Sprint Co	1	24.82			
Microsoft Corp	10	20.88	Starbucks Coffee	9	33.63			
Morgan Stanley	6	18.18	Sun Microsystems	6	59.38			
Motorola Co	8	9.67	Sybase Co	2	10.67			
Nike	12	99.28	Symantec	2	6.88			
Northwest Airlines	2	92.08	Texas Instruments	2	15.17			
Novell	3	9.77	Tiffany & Co.	7	77.62			
Oracle Co	11	20.23	UBS	4	8.05			
Pepsi	14	55.67	UPS	3	23.38			
Pfizer Corp	11	12.32	Wrigley’s	8	4.12			
Philips Co	8	96.12	Xerox Corp	8	6.91			
Polo/RL	6	19.08	Yahoo Company	8	2.17			

Table 2: Monetary size and performance measurements of data sample

Variable	Mean	Median	Standard Deviation
Assets, $\$10^6$	86,775	85,931	64,701
Total.Sales, $\$10^6$	79,432	75,687	37,082
Cash.Flow, $\$10^6$	32,795	30,298	31,977
Advertising, $\$10^3$	7,312	7,068	6,841
Brand.Value, $\$10^6$	22,974	21,949	20,512
Market/Book Ratio	3.58	3.41	2.88
Sales.Growth, %	15.18	6.79	6.14
ROA, %	10.61	9.19	7.41
ROIl, %	14.93	14.28	12.68
Brand/Cap, %	36.48	36.38	32.38

Table 3: Main Correlation Matrix for Independent Variables

	Assets	Sales	Cash Flow	Advertising expenses	Return	Growth in sales	ROA	ROI
Log (TA)	1							
Sales	0.46	1						
Cash flow	0.54	0.63	1					
Advertising	0.27	0.41	0.44	1				
Brand/Cap	0.09	0.24	0.16	0.18	1			
Sales growth	0.02	0.11	0.03	0.11	0.17	1		
ROA	0.01	0.03	0.14	0.01	0.23	0.12	1	
ROI	0.01	-0.07	0.11	0.02	0.21	0.16	0.94	1

Table 4: Four different estimators for corporate brand value

Panel A. Brand value with ROI

	Fixed effects		Random effects		Pooled effects	
σ (CF)	-0.196*	(0.083)	-0.153*	(0.075)	-0.214*	(0.094)
Advertising .expenses $_{t-1}$	0.883**	(0.012)	0.904**	(0.011)	0.741*	(0.073)
ROI	0.241***	(0.001)	0.250***	(0.000)	0.272**	(0.027)
Sales .growth	0.131*	(0.078)	0.202	(0.340)	0.331	(0.977)
Adj. R^2	0.31		0.22		0.18	
Wald x^2Hausman specification test[a]	20.449	(0.038)				
F statistics	5.242	(0.000)				

Panel B. Brand value with ROA

	Fixed effects		Random effects		Pooled effects	
σ (CF)	-0.248*	(0.078)	-0.111*	(0.082)	-0.259*	(0.077)
Advertising .expenses $_{t-1}$	0.879*	(0.091)	-0.737	(0.989)	0.412	(0.615)
ROA	0.341***	(0.009)	0.312***	(0.004)	0.259*	(0.059)
Sales .growth	0.239*	(0.096)	0.281*	(0.091)	0.343	(0.842)
Adj. R^2	0.34		0.23		0.12	
Wald x^2Hausman specification test[a]	14.759	(0.023)				
F statistics	1.488	(0.065)				

Panel C. ChangeS in Brand value with ROI

	Fixed effects		Random effects		Pooled effects	
σ (CF)	-0.225*	(0.091)	-0.117*	(0.075)	-0.231*	(0.067)
Advertising .expenses $_{t-1}$	0.942**	(0.048)	0.733**	(0.011)	0.879**	(0.032)
ROI	0.179**	(0.018)	0.258**	(0.089)	0.217**	(0.048)
Sales .growth	0.129**	(0.037)	0.349**	(0.052)	0.202**	(0.021)
Adj. R^2	0.36		0.16		0.13	
Wald x^2Hausman specification test[a]	14.112	(0.026)				
F statistics	9.531	(0.000)				

Panel D. ChangeS in Brand value with ROA

	Fixed effects		Random effects		Pooled effects	
σ (CF)	-0.359*	(0.059)	-0.191*	(0.089)	-0.217*	(0.069)
Advertising .expenses $_{t-1}$	0.568**	(0.022)	0.501*	(0.098)	0.521**	(0.716)
ROA	0.308**	(0.019)	0.512*	(0.073)	0.458*	(0.089)
Sales. growth	0.172**	(0.039)	0.077**	(0.041)	0.343**	(0.015)
Adj. R^2	0.32		0.20		0.11	
Wald x^2Hausman specification test[a]	15.241	(0.019)				
F statistics	2.239	(0.054)				

Table 5: Pooled multivariate regressions

Panel A.

The multivariate model is:

$$(1)\ \textit{Market. Performance} = \alpha + \sum_{t=1995}^{2008} \lambda YEAR(t) + \delta_1 Log(TA) + \delta_2 ADV_{t-1} + \delta_3 ROI + \delta_4 S.growth + \delta_5\,\sigma\,(\mathrm{CF}) + \delta_6 Brand.\ value + \varepsilon;$$

$$(2)\ \textit{Market. Performance} = \alpha + \sum_{t=1995}^{2008} \lambda YEAR(t) + \delta_1 Log(TA) + \delta_2 ADV_{t-1} + \delta_3 ROA + \delta_4 S.growth + \delta_5\,\sigma\,(\mathrm{CF}) + \delta_6 Brand\ .value + \varepsilon,$$

Variable	(1) Brand/Cap with ROI		(2) Brand/Cap with ROA		(1) Returns with ROI		(2) Rreturns with ROA	
	Estimate	p-value	Estimate	p-value	Estimate	p-value	Estimate	p-value
Intercept	0.144	0.989	0.101	0.891	0.569	0.207	0.419	0.221
Year95	0.238*	0.034	0.189*	0.049	0.779*	0.059	0.711*	0.054
Year96	0.149*	0.089	0.109*	0.070	0.829*	0.069	0.753*	0.067
Year97	0.183*	0.097	0.098*	0.057	0.788*	0.081	0.909*	0.071
Year98	0.001*	0.054	0.001*	0.083	0.471*	0.064	0.708**	0.051
Year99	0.001*	0.079	0.004*	0.010	0.479*	0.049	0.438*	0.091
Year00	0.229**	0.039	0.201**	0.007	0.568*	0.101	0.511*	0.068
Year01	0.057	0.148	0.069*	0.080	0.837**	0.029	0.857*	0.101
Year02	0.029**	0.017	0.112**	0.019	0.952**	0.022	0.674*	0.096
Year03	0.138**	0.009	0.205**	0.049	0.403***	0.001	0.607**	0.040
Year04	0.160**	0.051	0.099**	0.051	0.688*	0.055	0.788*	0.093
Year05	1.192***	0.000	0.919**	0.040	0.679**	0.049	0.002*	0.099
Year06	1.228**	0.041	1.002**	0.027	0.551*	0.093	0.588*	0.069
Year07	1.188***	0.000	0.928**	0.040	0.679**	0.048	0.002*	0.099
Year08	1.228**	0.039	1.001**	0.026	0.551*	0.089	0.588*	0.069
Log (TA)	0.346	0.558	0.359	0.498	0.028	0.662	0.005	0.698
ADV_{t-1}	1.049**	0.021	1.011*	0.091	1.819*	0.079	0.981*	0.061
ROI	0.039***	0.004			0.247**	0.016		
ROA			0.001	0.208			0.029	0.591
Sales growth	1.049*	0.098	1.012	0.109	0.119	0.161	0.159	0.178
σ (CF)	-1.002*	0.073	-1.001*	0.052	-1.919*	0.089	-0.993*	0.079
Brand value	0.804*	0.069	0.898*	0.057	0.044**	0.023	0.069**	0.003
Adj. R^2	0.30		0.11		0.35		0.10	

Panel B.

The multivariate model is:

$$(1)\ Market.\ Performance = \alpha + \sum_{t=1995}^{2008} \lambda YEAR(t) + \delta_1 Log(TA) + \delta_2 ADV_{t-1} + \delta_3 ROI + \delta_4 S.growth + \delta_5 \sigma\,(CF) + \delta_6\,\Delta Brand.\ value + \varepsilon;$$

$$(2)\ Market.\ Performance = \alpha + \sum_{t=1995}^{2008} \lambda YEAR(t) + \delta_1 Log(TA) + \delta_2 ADV_{t-1} + \delta_3 ROA + \delta_4 S.growth + \delta_5 \sigma\,(CF) + \delta_6\,\Delta Brand.\ value + \varepsilon,$$

Variable	(1) Brand/Cap with ROI		(2) Brand/Cap with ROA		(1) Returns with ROI		(2) Returns with ROA	
	Estimate	p-value	Estimate	p-value	Estimate	p-value	Estimate	p-value
Intercept	0.138	0.449	0.159	0.368	0.047	0.938	0.031	0.821
Year95	0.239**	0.017	0.198*	0.099	0.435***	0.001	0.489**	0.051
Year96	0.151**	0.051	0.086*	0.103	0.498**	0.019	0.558**	0.037
Year97	0.181**	0.041	0.107*	0.090	0.439**	0.033	0.629***	0.001
Year98	0.022*	0.080	0.018*	0.096	0.519**	0.001	0.709*	0.093
Year99	0.034*	0.085	0.023*	0.079	0.667*	0.088	0.050*	0.089
Year00	0.261**	0.048	0.214*	0.057	0.768**	0.049	0.598*	0.101
Year01	0.007*	0.098	0.002	0.119	0.457**	0.008	0.715	0.939
Year02	0.049*	0.065	0.003	0.271	0.769**	0.047	0.003	0.782
Year03	0.119***	0.001	0.098*	0.068	0.807**	0.015	0.671*	0.089
Year04	0.158***	0.004	0.143*	0.05	0.929***	0.001	0.469**	0.042
Year05	0.152**	0.022	0.103*	0.092	0.522**	0.024	0.578*	0.089
Year06	1.439***	0.001	1.302**	0.029	1.028***	0.001	1.010**	0.021
Year07	0.151**	0.023	0.105*	0.094	0.518**	0.028	0.568*	0.091
Year08	1.437***	0.001	1.302**	0.029	1.032***	0.001	1.007**	0.022
Log (TA)	0.478	0.371	0.469	0.291	0.002	0.849	0.010	0.969
ADV_{t-1}	1.019**	0.005	1.002*	0.072	1.188***	0.008	0.071**	0.034
ROI	0.012***	0.001			0.220***	0.001		
ROA			0.009	0.364			0.010	0.779
Sales growth	1.119*	0.094	1.171	0.269	0.838	0.311	1.104	0.592
σ (CF)	-1.004*	0.073	-1.011*	0.089	-0.904*	0.081	-1.001*	0.059
Δ Brand value	1.014***	0.001	1.107**	0.029	1.317***	0.001	1.238**	0.049
Adj. R^2	0.34		0.13		0.42		0.38	

Appendix III: Interbrand's top 100 global brands

2009 ranking

Rank	Previous Rank	Brand	Country of Origin	Sector	Brand Value ($m)	Change in Brand Value
1	1	Coca-Cola	United States	Beverages	68,734	3%
2	2	IBM	United States	Business Services	60,211	2%
3	3	Microsoft	United States	Computer Software	56,647	-4%
4	4	GE	United States	Diversified	47,777	-10%
5	5	NOKIA	Finland	Electronics	34,864	-3%
6	8		United States	Restaurants	32,275	4%
7	10	Google	United States	Internet Services	31,980	25%
8	6	TOYOTA	Japan	Automotive	31,330	-8%
9	7	intel	United States	Electronics	30,636	-2%
10	9	Disney	United States	Media	28,447	-3%
11	12	hp	United States	Electronics	24,096	2%
12	11	Mercedes-Benz	Germany	Automotive	23,867	-7%
13	14	Gillette	United States	FMCG	22,841	4%
14	17	CISCO	United States	Business Services	22,030	3%
15	13		Germany	Automotive	21,671	-7%

Rank	Previous Rank	Brand	Country of Origin	Sector	Brand Value ($m)	Change in Brand Value
16	16	Louis Vuitton	France	Luxury	21,120	-2%
17	18	Marlboro	United States	Tobacco	19,010	-11%
18	20	HONDA	Japan	Automotive	17,803	-7%
19	21	SAMSUNG	South Korea	Electronics	17,518	-1%
20	24		United States	Electronics	15,433	12%
21	22	H&M	Sweden	Apparel	15,375	11%
22	15	American Express	United States	Financial Services	14,971	-32%
23	26		United States	Beverages	13,706	3%
24	23	ORACLE	United States	Business Services	13,699	-1%
25	28	NESCAFÉ	Switzerland	Beverages	13,317	2%
26	29		United States	Sporting Goods	13,179	4%
27	31	SAP	Germany	Business Services	12,106	-1%
28	35	IKEA	Sweden	Home Furnishings	12,004	10%
29	25	SONY	Japan	Electronics	11,953	-12%
30	33	Budweiser	United States	Alcohol	11,833	3%
31	30	ups	United States	Transportation	11,594	-8%
32	27	HSBC	United Kingdom	Financial Services	10,510	-20%

Rank	Previous Rank	Brand	Country of Origin	Sector	Brand Value ($m)	Change in Brand Value
33	36	Canon	Japan	Electronics	10,441	-4%
34	39	Kellogg's	United States	FMCG	10,428	7%
35	32	DELL	United States	Electronics	10,291	-12%
36	19	citi	United States	Financial Services	10,254	-49%
37	37	J.P.Morgan	United States	Financial Services	9,550	-11%
38	38	Goldman Sachs	United States	Financial Services	9,248	-10%
39	40	Nintendo	Japan	Electronics	9,210	5%
40	44	THOMSON REUTERS	Canada	Media	8,434	1%
41	45	GUCCI	Italy	Luxury	8,182	-1%
42	43	PHILIPS	Netherlands	Electronics	8,121	-2%
43	58	amazon.com	United States	Internet Services	7,858	22%
44	51	L'ORÉAL	France	FMCG	7,748	3%
45	47	accenture	United States	Business Services	7,710	-3%
46	46	ebay	United States	Internet Services	7,350	-8%
47	48	SIEMENS	Germany	Diversified	7,308	-8%
48	56	Heinz	United States	FMCG	7,244	9%
49	49	Ford	United States	Automotive	7,005	-11%

Rank	Previous Rank	Brand	Country of Origin	Sector	Brand Value ($m)	Change in Brand Value
50	62	ZARA	Spain	Apparel	6,789	14%
51	61	WRIGLEY	United States	FMCG	6,731	10%
52	57	Colgate	United States	FMCG	6,550	2%
53	55	AXA	France	Financial Services	6,525	-7%
54	52	MTV	United States	Media	6,523	-9%
55	53	VW	Germany	Automotive	6,484	-8%
56	59	xerox	United States	Electronics	6,431	1%
57	42	Morgan Stanley	United States	Financial Services	6,399	-26%
58	63	Nestlé	Switzerland	FMCG	6,319	13%
59	60	CHANEL	France	Luxury	6,040	-5%
60	66	DANONE	France	FMCG	5,960	10%
61	64	KFC	United States	Restaurants	5,722	3%
62	70	adidas	Germany	Sporting Goods	5,397	6%
63	73	BlackBerry	Canada	Electronics	5,138	7%
64	65	YAHOO!	United States	Internet Services	5,111	-7%
65	67	Audi	Germany	Automotive	5,010	-7%
66	68	CATERPILLAR	United States	Diversified	5,004	-5%

Rank	Previous Rank	Brand	Country of Origin	Sector	Brand Value ($m)	Change in Brand Value
67	69	AVON	United States	FMCG	4,917	-7%
68	71	ROLEX	Switzerland	Luxury	4,609	-7%
69	72	HYUNDAI	South Korea	Automotive	4,604	-5%
70	76	HERMÈS PARIS	France	Luxury	4,598	1%
71	74	Kleenex	United States	FMCG	4,404	-5%
72	41	UBS	Switzerland	Financial Services	4,370	-50%
73	50	Harley-Davidson	United States	Automotive	4,337	-43%
74	75	Porsche	Germany	Automotive	4,234	-8%
75	78	Panasonic	Japan	Electronics	4,225	-1%
76	80	Tiffany & Co.	United States	Luxury	4,000	-5%
77	79	Cartier	France	Luxury	3,968	-6%
78	77	GAP	United States	Apparel	3,922	-10%
79	81	Pizza Hut	United States	Restaurants	3,876	-5%
80	92	Johnson & Johnson	United States	FMCG	3,847	7%
81	82	Allianz	Germany	Financial Services	3,831	-5%
82	83	Moët & Chandon	France	Alcohol	3,754	-5%
83	84	bp	United Kingdom	Energy	3,716	-5%

Rank	Previous Rank	Brand	Country of Origin	Sector	Brand Value ($m)	Change in Brand Value
84	89		United Kingdom	Alcohol	3,698	3%
85	88	DURACELL	United States	Electronics	3,563	-3%
86	98	NIVEA	Germany	FMCG	3,557	5%
87	91	PRADA	Italy	Luxury	3,530	-2%
88	93	Ferrari	Italy	Automotive	3,527	0%
89	94		Italy	Luxury	3,303	-6%
90	85	STARBUCKS COFFEE	United States	Restaurants	3,263	-16%
91	NEW	LANCÔME	France	FMCG	3,235	N/A
92	97		Netherlands	Energy	3,228	-7%
93	NEW	BURGER KING	United States	Restaurants	3,223	N/A
94	100	VISA	United States	Financial Services	3,170	-5%
95	NEW	Adobe	United States	Computer Software	3,161	N/A
96	90	LEXUS	Japan	Automotive	3,158	-12%
97	NEW	PUMA	Germany	Sporting Goods	3,154	N/A
98	NEW	BURBERRY	United Kingdom	Luxury	3,095	N/A
99	NEW	POLO RALPH LAUREN	United States	Luxury	3,094	N/A
100	NEW	Campbell's	United States	FMCG	3,081	N/A

2008 ranking

Rank	Previous Rank	Brand	Country of Origin	Sector	Brand Value ($m)	Change in Brand Value
1	1	Coca-Cola	United States	Beverages	66,667	2%
2	3	IBM	United States	Business Services	59,031	3%
3	2	Microsoft	United States	Computer Software	59,007	1%
4	4	GE	United States	Diversified	53,086	3%
5	5	NOKIA	Finland	Electronics	35,942	7%
6	6	TOYOTA	Japan	Automotive	34,050	6%
7	7	intel	United States	Electronics	31,261	1%
8	8	M	United States	Restaurants	31,049	6%
9	9	Disney	United States	Media	29,251	0%
10	20	Google	United States	Internet Services	25,590	43%
11	10	Mercedes-Benz	Germany	Automotive	25,577	9%
12	12	hp	United States	Electronics	23,509	6%
13	13	BMW	Germany	Automotive	23,298	8%
14	16	Gillette	United States	FMCG	22,689	8%
15	15	American Express	United States	Financial Services	21,940	5%
16	17	LV Louis Vuitton	France	Luxury	21,602	6%
17	18	CISCO	United States	Business Services	21,306	12%

Rank	Previous Rank	Brand	Country of Origin	Sector	Brand Value ($m)	Change in Brand Value
18	14	Marlboro	United States	Tobacco	21,300	0%
19	11	citi	United States	Financial Services	20,174	-14%
20	19	HONDA	Japan	Automotive	19,079	6%
21	21	SAMSUNG	South Korea	Electronics	17,689	5%
22	NEW	H&M	Sweden	Apparel	13,840	N/A
23	27	ORACLE	United States	Business Services	13,831	11%
24	33		United States	Electronics	13,724	24%
25	25	SONY	Japan	Electronics	13,583	5%
26	26		United States	Beverages	13,249	3%
27	23	HSBC	United Kingdom	Financial Services	13,143	-3%
28	24	NESCAFÉ	Switzerland	Beverages	13,056	1%
29	29		United States	Sporting Goods	12,672	6%
30	28	ups	United States	Transportation	12,621	5%
31	34	SAP	Germany	Business Services	12,228	13%
32	31	DELL	United States	Electronics	11,695	1%
33	30	Budweiser	United States	Alcohol	11,438	-2%
34	22	Merrill Lynch	United States	Financial Services	11,399	-21%

Rank	Previous Rank	Brand	Country of Origin	Sector	Brand Value ($m)	Change in Brand Value
35	38	IKEA	Sweden	Home Furnishings	10,913	8%
36	36	Canon	Japan	Electronics	10,876	3%
37	32	J.P.Morgan	United States	Financial Services	10,773	-6%
38	35	Goldman Sachs	United States	Financial Services	10,331	-3%
39	40	Kellogg's	United States	FMCG	9,710	4%
40	44	Nintendo	Japan	Electronics	8,772	13%
41	39	UBS	Switzerland	Financial Services	8,740	-11%
42	37	Morgan Stanley	United States	Financial Services	8,696	-16%
43	42	PHILIPS	Netherlands	Electronics	8,325	8%
44	NEW	THOMSON REUTERS	Canada	Media	8,313	N/A
45	46	GUCCI	Italy	Luxury	8,254	7%
46	48	ebay	United States	Internet Services	7,991	7%
47	50	accenture	United States	Business Services	7,948	9%
48	43	SIEMENS	Germany	Diversified	7,943	3%
49	41	Ford	United States	Automotive	7,896	-12%
50	45	Harley-Davidson	United States	Automotive	7,609	-1%
51	51	L'ORÉAL	France	FMCG	7,508	7%

Rank	Previous Rank	Brand	Country of Origin	Sector	Brand Value ($m)	Change in Brand Value
52	52	MTV	United States	Media	7,193	4%
53	54	VW	Germany	Automotive	7,047	8%
54	47	AIG	United States	Financial Services	7,022	-6%
55	49	AXA	France	Financial Services	7,001	-4%
56	53	Heinz	United States	FMCG	6,646	2%
57	57	Colgate	United States	FMCG	6,437	7%
58	62	amazon.com	United States	Internet Services	6,434	19%
59	56	xerox	United States	Electronics	6,393	6%
60	58	CHANEL	France	Luxury	6,355	9%
61	59	WRIGLEY	United States	FMCG	6,105	6%
62	64	ZARA	Spain	Apparel	5,955	15%
63	63	Nestlé	Switzerland	FMCG	5,592	5%
64	60	KFC	United States	Restaurants	5,582	-2%
65	55	YAHOO!	United States	Internet Services	5,496	-9%
66	67	DANONE	France	FMCG	5,408	8%
67	68	Audi	Germany	Automotive	5,407	11%
68	66	CATERPILLAR	United States	Diversified	5,288	5%

Rank	Previous Rank	Brand	Country of Origin	Sector	Brand Value ($m)	Change in Brand Value
69	65	AVON	United States	FMCG	5,264	3%
70	69	adidas	Germany	Sporting Goods	5,072	6%
71	71	ROLEX	Switzerland	Luxury	4,956	8%
72	72	HYUNDAI	South Korea	Automotive	4,846	9%
73	NEW	BlackBerry	Canada	Electronics	4,802	N/A
74	70	Kleenex	United States	FMCG	4,636	1%
75	75	PORSCHE	Germany	Automotive	4,603	9%
76	73	HERMES PARIS	France	Luxury	4,575	8%
77	61	GAP	United States	Apparel	4,357	-20%
78	78	Panasonic	Japan	Electronics	4,281	4%
79	83	Cartier	France	Luxury	4,236	10%
80	79	TIFFANY & Co.	United States	Luxury	4,208	5%
81	74	Pizza Hut	United States	Restaurants	4,097	-4%
82	80	Allianz	Germany	Financial Services	4,033	2%
83	85	MOËT & CHANDON	France	Alcohol	3,951	6%
84	84	bp	United Kingdom	Energy	3,911	3%
85	88	STARBUCKS COFFEE	United States	Restaurants	3,879	7%
86	81	ING	Netherlands	Financial	3,768	-3%

Rank	Previous Rank	Brand	Country of Origin	Sector	Brand Value ($m)	Change in Brand Value
				Services		
87	77	MOTOROLA	United States	Electronics	3,721	-10%
88	89	DURACELL	United States	Electronics	3,682	2%
89	91		United Kingdom	Alcohol	3,590	6%
90	92	LEXUS	Japan	Automotive	3,588	7%
91	94	PRADA	Italy	Luxury	3,585	9%
92	90	Johnson&Johnson	United States	FMCG	3,582	4%
93	NEW	Ferrari	Italy	Automotive	3,527	N/A
94	NEW		Italy	Luxury	3,526	N/A
95	87	Hennessy	France	Alcohol	3,513	-3%
96	NEW	Marriott	United States	Hospitality	3,502	N/A
97	93		Netherlands	Energy	3,471	4%
98	96	NIVEA	Germany	FMCG	3,401	9%
99	NEW	FedEx	United States	Transportation	3,359	N/A
100	NEW	VISA	United States	Financial Services	3,338	N/A

2007 ranking

Rank	Previous Rank	Brand	Country of Origin	Sector	Brand Value ($m)	Change in Brand Value
1	1	Coca-Cola	United States	Beverages	65,324	-3%
2	2	Microsoft	United States	Computer Software	58,709	3%
3	3	IBM	United States	Business Services	57,090	2%
4	4	GE	United States	Diversified	51,569	5%
5	6	NOKIA	Finland	Electronics	33,696	12%
6	7	TOYOTA	Japan	Automotive	32,070	15%
7	5	intel	United States	Electronics	30,954	-4%
8	9	M	United States	Restaurants	29,398	7%
9	8	Disney	United States	Media	29,210	5%
10	10	Mercedes-Benz	Germany	Automotive	23,568	8%
11	11	citi	United States	Financial Services	23,442	9%
12	13	hp	United States	Electronics	22,197	9%
13	15	BMW	Germany	Automotive	21,612	10%
14	12	Marlboro	United States	Tobacco	21,282	0%
15	14	American Express	United States	Financial Services	20,827	6%
16	16	Gillette	United States	FMCG	20,415	4%
17	17	LV Louis Vuitton	France	Luxury	20,321	15%

Rank	Previous Rank	Brand	Country of Origin	Sector	Brand Value ($m)	Change in Brand Value
18	18	CISCO	United States	Business Services	19,099	9%
19	19	HONDA	Japan	Automotive	17,998	6%
20	24	Google	United States	Internet Services	17,837	44%
21	20	SAMSUNG	South Korea	Electronics	16,853	4%
22	21	Merrill Lynch	United States	Financial Services	14,343	10%
23	28	HSBC	United Kingdom	Financial Services	13,563	17%
24	23	NESCAFÉ	Switzerland	Beverages	12,950	4%
25	26	SONY	Japan	Electronics	12,907	10%
26	22		United States	Beverages	12,888	2%
27	29	ORACLE	United States	Business Services	12,448	9%
28	32	ups	United States	Transportation	12,013	12%
29	31		United States	Sporting Goods	12,003	10%
30	27		United States	Alcohol	11,652	0%
31	25	DELL	United States	Electronics	11,554	-6%
32	33	J.P.Morgan	United States	Financial Services	11,433	12%
33	39		United States	Electronics	11,037	21%
34	34	SAP	Germany	Business Services	10,850	8%

Rank	Previous Rank	Brand	Country of Origin	Sector	Brand Value ($m)	Change in Brand Value
35	37	Goldman Sachs	United States	Financial Services	10,663	11%
36	35	Canon	Japan	Electronics	10,581	6%
37	36	Morgan Stanley	United States	Financial Services	10,340	6%
38	41	IKEA	Sweden	Home Furnishings	10,087	15%
39	42	UBS	Switzerland	Financial Services	9,838	13%
40	40	Kellogg's	United States	FMCG	9,341	6%
41	30	Ford	United States	Automotive	8,982	-19%
42	48	PHILIPS	Netherlands	Electronics	7,741	15%
43	44	SIEMENS	Germany	Diversified	7,737	-1%
44	51	Nintendo	Japan	Electronics	7,730	18%
45	45	Harley-Davidson	United States	Automotive	7,718	0%
46	46	GUCCI	Italy	Luxury	7,697	8%
47	NEW	AIG	United States	Financial Services	7,490	N/A
48	47	ebY	United States	Internet Services	7,456	10%
49	NEW	AXA	France	Financial Services	7,327	N/A
50	49	accenture	United States	Business Services	7,296	8%
51	53	L'ORÉAL	France	FMCG	7,045	10%

Rank	Previous Rank	Brand	Country of Origin	Sector	Brand Value ($m)	Change in Brand Value
52	50	MTV	United States	Media	6,907	4%
53	54	Heinz	United States	FMCG	6,544	5%
54	56	VW	Germany	Automotive	6,511	8%
55	55	YAHOO!	United States	Internet Services	6,067	0%
56	57	xerox	United States	Electronics	6,050	2%
57	58	Colgate	United States	FMCG	6,025	7%
58	61	CHANEL	France	Luxury	5,830	13%
59	59	WRIGLEY	United States	FMCG	5,777	6%
60	60	KFC	United States	Restaurants	5,682	6%
61	52	GAP	United States	Apparel	5,481	-15%
62	65	amazon.com	United States	Internet Services	5,411	15%
63	63	Nestlé	Switzerland	FMCG	5,314	8%
64	73	ZARA	Spain	Apparel	5,165	22%
65	62	AVON	United States	FMCG	5,103	1%
66	68	CATERPILLAR	United States	Diversified	5,059	10%
67	67	DANONE	France	FMCG	5,019	8%
68	74	Audi	Germany	Automotive	4,866	17%
69	71	adidas	Germany	Sporting Goods	4,767	11%

Rank	Previous Rank	Brand	Country of Origin	Sector	Brand Value ($m)	Change in Brand Value
70	64	Kleenex	United States	FMCG	4,600	-5%
71	72	ROLEX	Switzerland	Luxury	4,589	8%
72	75	HYUNDAI	South Korea	Automotive	4,453	9%
73	81	HERMÈS PARIS	France	Luxury	4,255	10%
74	66	Pizza Hut	United States	Restaurants	4,254	-9%
75	80	PORSCHE	Germany	Automotive	4,235	8%
76	78	REUTERS	United Kingdom	Media	4,197	6%
77	69	MOTOROLA	United States	Electronics	4,149	-9%
78	77	Panasonic	Japan	Electronics	4,135	4%
79	82	TIFFANY & CO.	United States	Luxury	4,003	5%
80	NEW	Allianz	Germany	Financial Services	3,957	N/A
81	85	ING	Netherlands	Financial Services	3,880	12%
82	70	Kodak	United States	Electronics	3,874	-12%
83	86	Cartier	France	Luxury	3,852	15%
84	76	bp	United Kingdom	Energy	3,794	-5%
85	87	MOËT & CHANDON	France	Alcohol	3,739	15%
86	79	KRAFT	United States	FMCG	3,732	-5%

Rank	Previous Rank	Brand	Country of Origin	Sector	Brand Value ($m)	Change in Brand Value
87	83	Hennessy	France	Alcohol	3,638	2%
88	91	Starbucks Coffee	United States	Restaurants	3,631	17%
89	84	DURACELL	United States	Electronics	3,605	1%
90	88	Johnson & Johnson	United States	FMCG	3,445	8%
91	93		United Kingdom	Alcohol	3,379	11%
92	92	LEXUS	Japan	Automotive	3,354	9%
93	89		Netherlands	Energy	3,331	5%
94	96	PRADA	Italy	Luxury	3,286	14%
95	98	BURBERRY	United Kingdom	Luxury	3,221	16%
96	99	NIVEA	Germany	FMCG	3,116	16%
97	94	LG	South Korea	Electronics	3,100	3%
98	90	NISSAN	Japan	Automotive	3,072	-1%
99	NEW	Polo Ralph Lauren	United States	Luxury	3,046	N/A
100	NEW	Hertz	United States	Automotive	3,026	N/A

2006 ranking

Rank	Previous Rank	Brand	Country of Origin	Sector	Brand Value ($m)	Change in Brand Value
1	1		United States	Beverages	67,000	-1%
2	2		United States	Computer Software	56,926	-5%
3	3		United States	Business Services	56,201	5%
4	4		United States	Diversified	48,907	4%
5	5		United States	Electronics	32,319	-9%
6	6		Finland	Electronics	30,131	14%
7	9		Japan	Automotive	27,941	12%
8	7		United States	Media	27,848	5%
9	8		United States	Restaurants	27,501	6%
10	11		Germany	Automotive	21,795	9%
11	12		United States	Financial Services	21,458	7%
12	10		United States	Tobacco	21,350	1%
13	13		United States	Electronics	20,458	8%
14	14		United States	Financial Services	19,641	6%
15	16		Germany	Automotive	19,617	15%
16	15		United States	FMCG	19,579	12%
17	18		France	Luxury	17,606	10%

Rank	Previous Rank	Brand	Country of Origin	Sector	Brand Value ($m)	Change in Brand Value
18	17		United States	Business Services	17,532	6%
19	19		Japan	Automotive	17,049	8%
20	20		South Korea	Electronics	16,169	8%
21	25		United States	Financial Services	13,001	8%
22	23		United States	Beverages	12,690	2%
23	24		Switzerland	Beverages	12,507	2%
24	38		United States	Internet Services	12,376	46%
25	21		United States	Electronics	12,256	-7%
26	28		Japan	Electronics	11,695	9%
27	26		United States	Alcohol	11,662	-2%
28	29		United Kingdom	Financial Services	11,622	11%
29	27		United States	Business Services	11,459	5%
30	22		United States	Automotive	11,056	-16%
31	30		United States	Sporting Goods	10,897	8%
32	32		United States	Transportation	10,712	8%
33	34		United States	Financial Services	10,205	8%
34	36		Germany	Business Services	10,007	11%

Rank	Previous Rank	Brand	Country of Origin	Sector	Brand Value ($m)	Change in Brand Value
35	35	Canon	Japan	Electronics	9,968	10%
36	33	Morgan Stanley	United States	Financial Services	9,762	0%
37	37	Goldman Sachs	United States	Financial Services	9,640	13%
38	31	Pfizer	United States	Pharmaceuticals	9,591	-4%
39	41		United States	Electronics	9,130	14%
40	39	Kellogg's	United States	FMCG	8,776	6%
41	42	IKEA	Sweden	Home Furnishings	8,763	12%
42	44	UBS	Switzerland	Financial Services	8,734	15%
43	43	NOVARTIS	Switzerland	Pharmaceuticals	7,880	2%
44	45	SIEMENS	Germany	Diversified	7,828	4%
45	46	Harley-Davidson	United States	Automotive	7,739	5%
46	49	GUCCI	Italy	Luxury	7,158	8%
47	55	ebY	United States	Internet Services	6,755	18%
48	53	PHILIPS	Netherlands	Electronics	6,730	14%
49	51	accenture	United States	Business Services	6,728	10%
50	48	MTV	United States	Media	6,627	0%
51	50	Nintendo	Japan	Electronics	6,559	1%

Rank	Previous Rank	Brand	Country of Origin	Sector	Brand Value ($m)	Change in Brand Value
52	40	GAP	United States	Apparel	6,416	-22%
53	52	L'ORÉAL	France	FMCG	6,392	6%
54	47	Heinz	United States	FMCG	6,223	-10%
55	58	YAHOO!	United States	Internet Services	6,056	15%
56	56	VW	Germany	Automotive	6,032	7%
57	54	xerox	United States	Electronics	5,918	4%
58	60	Colgate	United States	FMCG	5,633	9%
59	57	WRIGLEY	United States	FMCG	5,449	-2%
60	61	KFC	United States	Restaurants	5,350	5%
61	65	CHANEL	France	Luxury	5,156	8%
62	59	AVON	United States	FMCG	5,040	-3%
63	66	Nestlé	Switzerland	FMCG	4,932	4%
64	64	Kleenex	United States	FMCG	4,842	-2%
65	68	amazon.com	United States	Internet Services	4,707	11%
66	63	Pizza Hut	United States	Restaurants	4,694	-5%
67	67	DANONE	France	FMCG	4,638	3%
68	70	CATERPILLAR	United States	Diversified	4,580	12%
69	73	MOTOROLA	United States	Electronics	4,569	18%

Rank	Previous Rank	Brand	Country of Origin	Sector	Brand Value ($m)	Change in Brand Value
70	62	Kodak	United States	Electronics	4,406	-12%
71	71	adidas	Germany	Sporting Goods	4,290	6%
72	72	ROLEX	Switzerland	Luxury	4,237	8%
73	77	ZARA	Spain	Apparel	4,235	14%
74	79	Audi	Germany	Automotive	4,165	13%
75	84	HYUNDAI	South Korea	Automotive	4,078	17%
76	75	bp	United Kingdom	Energy	4,010	5%
77	78	Panasonic	Japan	Electronics	3,977	7%
78	74	REUTERS	United Kingdom	Media	3,961	2%
79	69	KRAFT	United States	FMCG	3,943	-7%
80	76	PORSCHE	Germany	Automotive	3,927	4%
81	82	HERMES PARIS	France	Luxury	3,854	9%
82	81	TIFFANY & Co.	United States	Luxury	3,819	6%
83	86	Hennessy	France	Alcohol	3,576	12%
84	80	DURACELL	United States	Electronics	3,576	-3%
85	87	ING	Netherlands	Financial Services	3,474	9%
86	89	Cartier	France	Luxury	3,360	10%

Rank	Previous Rank	Brand	Country of Origin	Sector	Brand Value ($m)	Change in Brand Value
87	92	MOËT & CHANDON	France	Alcohol	3,257	9%
88	91	Johnson & Johnson	United States	FMCG	3,193	5%
89	90		Netherlands	Energy	3,173	4%
90	85	NISSAN	Japan	Automotive	3,108	-3%
91	99		United States	Restaurants	3,099	20%
92	NEW	LEXUS	Japan	Automotive	3,070	N/A
93	88		United Kingdom	Alcohol	3,032	-2%
94	97	LG	South Korea	Electronics	3,010	14%
95	94	BVLGARI	Italy	Luxury	2,875	6%
96	93	PRADA	Italy	Luxury	2,874	4%
97	95		Italy	Luxury	2,783	4%
98	NEW	BURBERRY	United Kingdom	Luxury	2,783	N/A
99	98	NIVEA	Germany	FMCG	2,692	4%
100	96	Levi's	United States	Apparel	2,689	1%

2005 ranking

Rank	Previous Rank	Brand	Country of Origin	Sector	Brand Value ($m)	Change in Brand Value
1	1	Coca-Cola	United States	Beverages	67,525	0%
2	2	Microsoft	United States	Computer Software	59,941	-2%
3	3	IBM	United States	Business Services	53,376	-1%
4	4	GE	United States	Diversified	46,996	7%
5	5	intel	United States	Electronics	35,588	6%
6	8	NOKIA	Finland	Electronics	26,452	10%
7	6	Disney	United States	Media	26,441	-2%
8	7		United States	Restaurants	26,014	4%
9	9	TOYOTA	Japan	Automotive	24,837	10%
10	10	Marlboro	United States	Tobacco	21,189	-4%
11	11	Mercedes-Benz	Germany	Automotive	20,006	-6%
12	13	citi	United States	Financial Services	19,967	0%
13	12	hp	United States	Electronics	18,866	-10%
14	14	American Express	United States	Financial Services	18,559	5%
15	15	Gillette	United States	FMCG	17,534	5%
16	17	BMW	Germany	Automotive	17,126	8%
17	16	cisco	United States	Business Services	16,592	4%

Rank	Previous Rank	Brand	Country of Origin	Sector	Brand Value ($m)	Change in Brand Value
18	44	LV LOUIS VUITTON	France	Luxury	16,077	-101%
19	18	HONDA	Japan	Automotive	15,788	6%
20	21	SAMSUNG	South Korea	Electronics	14,956	19%
21	25	DELL	United States	Electronics	13,231	15%
22	19	Ford	United States	Automotive	13,159	-9%
23	22		United States	Beverages	12,399	3%
24	23	NESCAFÉ.	Switzerland	Beverages	12,241	3%
25	26	Merrill Lynch	United States	Financial Services	12,018	5%
26	24		United States	Alcohol	11,878	0%
27	28	ORACLE	United States	Business Services	10,887	0%
28	20	SONY	Japan	Electronics	10,754	-16%
29	33	HSBC	United Kingdom	Financial Services	10,429	20%
30	31		United States	Sporting Goods	10,114	9%
31	29	Pfizer	United States	Pharmaceuticals	9,981	-6%
32	NEW	ups	United States	Transportation	9,923	N/A
33	27	Morgan Stanley	United States	Financial Services	9,777	-15%
34	30	J.P.Morgan	United States	Financial Services	9,455	-3%

Rank	Previous Rank	Brand	Country of Origin	Sector	Brand Value ($m)	Change in Brand Value
35	35	Canon	Japan	Electronics	9,044	12%
36	34	SAP	Germany	Business Services	9,006	8%
37	37	Goldman Sachs	United States	Financial Services	8,495	7%
38	NEW	Google	United States	Internet Services	8,461	N/A
39	36	Kellogg's	United States	FMCG	8,306	3%
40	38	GAP	United States	Apparel	8,195	4%
41	43		United States	Electronics	7,985	16%
42	40	IKEA	Sweden	Home Furnishings	7,817	9%
43	NEW	NOVARTIS	Switzerland	Pharmaceuticals	7,746	N/A
44	45	UBS	Switzerland	Financial Services	7,565	16%
45	39	SIEMENS	Germany	Diversified	7,507	1%
46	41	Harley-Davidson	United States	Automotive	7,346	4%
47	42	Heinz	United States	FMCG	6,932	-1%
48	47	MTV	United States	Media	6,647	3%
49	59	GUCCI	Italy	Luxury	6,619	-101%
50	46	Nintendo	Japan	Electronics	6,470	0%
51	50	accenture	United States	Business Services	6,142	6%

Rank	Previous Rank	Brand	Country of Origin	Sector	Brand Value ($m)	Change in Brand Value
52	49	L'ORÉAL	France	FMCG	6,005	2%
53	65	PHILIPS	Netherlands	Electronics	5,901	-101%
54	51	xerox	United States	Electronics	5,705	0%
55	60	ebay	United States	Internet Services	5,701	21%
56	48		Germany	Automotive	5,617	-12%
57	52	WRIGLEY	United States	FMCG	5,543	2%
58	61	YAHOO!	United States	Internet Services	5,256	16%
59	58	AVON	United States	FMCG	5,213	8%
60	56	Colgate	United States	FMCG	5,186	5%
61	54		United States	Restaurants	5,112	0%
62	53	Kodak	United States	Electronics	4,979	-5%
63	55	Pizza Hut	United States	Restaurants	4,963	-2%
64	57	Kleenex	United States	FMCG	4,922	1%
65	64	CHANEL	France	Luxury	4,778	8%
66	62	Nestlé	Switzerland	FMCG	4,744	5%
67	63	DANONE	France	FMCG	4,513	1%
68	66	amazon.com	United States	Internet Services	4,248	2%
69	67	KRAFT	United States	FMCG	4,238	3%

Rank	Previous Rank	Brand	Country of Origin	Sector	Brand Value ($m)	Change in Brand Value
70	68	CATERPILLAR	United States	Diversified	4,085	7%
71	69	adidas	Germany	Sporting Goods	4,033	8%
72	70	ROLEX	Switzerland	Luxury	3,906	5%
73	76	MOTOROLA	United States	Electronics	3,877	11%
74	71	REUTERS	United Kingdom	Media	3,866	5%
75	72	bp	United Kingdom	Energy	3,802	4%
76	74		Germany	Automotive	3,777	4%
77	NEW	ZARA	Spain	Apparel	3,730	N/A
78	77	Panasonic	Japan	Electronics	3,714	7%
79	81	Audi	Germany	Automotive	3,686	12%
80	80	DURACELL	United States	Electronics	3,679	9%
81	75	TIFFANY & Co.	United States	Luxury	3,618	-1%
82	79	HERMÈS PARIS	France	Luxury	3,540	5%
83	78	Hertz	United States	Automotive	3,521	3%
84	NEW	HYUNDAI	South Korea	Automotive	3,480	N/A
85	90	NISSAN	Japan	Automotive	3,203	13%
86	83	Hennessy	France	Alcohol	3,201	4%
87	88	ING	Netherlands	Financial	3,177	11%

Rank	Previous Rank	Brand	Country of Origin	Sector	Brand Value ($m)	Change in Brand Value
				Services		
88	86		United Kingdom	Alcohol	3,097	4%
89	91	Cartier	France	Luxury	3,050	11%
90	84		Netherlands	Energy	3,048	2%
91	87	Johnson & Johnson	United States	FMCG	3,040	3%
92	89	MOËT & CHANDON	France	Alcohol	2,991	5%
93	95	PRADA	Italy	Luxury	2,760	7%
94	NEW	BVLGARI	Italy	Luxury	2,715	N/A
95	93		Italy	Luxury	2,677	2%
96	85	Levi's	United States	Apparel	2,655	-11%
97	NEW	LG	South Korea	Electronics	2,645	N/A
98	97	NIVEA	Germany	FMCG	2,576	7%
99	98		United States	Restaurants	2,576	7%
100	99	Heineken	Netherlands	Alcohol	2,357	-1%

Résumé - Stratégie de marque de société et création de richesse pour les actionnaires

Contexte et Objectifs

Au cours des deux dernières décennies, les stratégies de marque ont fait partie des plus hautes priorités en particulier pour les grandes organisations. Les entreprises construisent leur avenir à travers les lentilles de marque de société qui sont mises en œuvre dans le cadre de leurs visions stratégiques à long terme. Bien que la valeur de la marque ne peut être trouvée dans les bilans et rapports financiers des sociétés américaines, mais la valeur des produits de marque est largement reconnue et étudiée par des universitaires ((Barth et al. 1998; Aaker, et al., 2001; Lehman, 2004; Kartono et al., 2005), mais aussi par les entreprises américaines elles-mêmes et les investisseurs, comme une source cruciale de force et de valeur dans de nombreuses industries.

Toutefois, les marques fortes, possédant de plus en plus de parts de marché, et contrôlant de plus en plus, la sensibilisation et la satisfaction clientèle, ne sont pas les objectifs au sens absolu du terme, mais les moyens pour créer et améliorer de la richesse pour les actionnaires. Les résultats empiriques déjà obtenus (par exemple, Barth et al., 1998. Kartono et al., 2005; Verbeeten et al., 2006) suggèrent qu'une marque forte offre plus de comptabilité et plus de performance au niveau du marché des capitaux, et au niveau de produits en période économique prospère ; mais, trouver un lien entre les périodes de ralentissement économique, la valeur de marque des sociétés et la création de la richesse pour les actionnaires, s'apparente moins concluant. En outre, la presse économique, est remplie des références sur les liens entre la performance boursière des entreprises avec leurs efforts de *branding* en particulier à une époque où les sociétés comme *Enron, Global Crossing, et MCI-WorldCom* ont bien appris l'impact stratégique et le rôle de la marque de la société sur la valeur de l'entreprise. Comme démontrent la revue annuelle *Interbrand,* la valeur du produit d'une marque forte, ajoute cinq à sept pourcent à la valeur des actions de l'entreprise dans un marché haussier, et atténue les sous-performances dans un marché baissier (Parkhurst, 2002), les questions "est-ce que les activités du développement de la marque ou de la stratégie de la marque, créent la richesse pour les actionnaires au niveau de la société ? » et « est-ce que la marque de

société peut réduire le risque de marché? " semblent rester, jusqu'à présent, sans réponse.
Ainsi, cette étude cherche deux objectifs. Premièrement, elle vise à déterminer si la société s'affichant avec une marque, présente moins de risque d'abaissement des investissements ou non. Deuxièmement, elle examine si la marque de société crée des avoirs et de la richesse pour les actionnaires ou non. Comme a été précédemment mentionné, en étudiant les données de la revue *Interbrand*, une enquête limitée aux sociétés cotées en bourse aux États-Unis et faisant la liste des 100 premières marques mondiales à tout moment entre 1994 et 2008, nous trouvons des preuves solides confirmant que les sociétés qui posent les marques de société, présentent une plus grande rentabilité et cela créent de la richesse pour les actionnaires, indépendamment de la récession économique. En outre, il apparaît que les efforts de développement d'une marque de société baissent les impacts de risque, en augmentant le niveau des flux de liquidités (*cash flows*) issus des opérations et en réduisant leur volatilité.

En outre, les résultats empiriques suggèrent que les managers des sociétés, ont besoin de suivre les changements de la marque axée sur le consommateur, en plus de suivi des mesures du rendement de la valeur de marque en base financière et comptable. Les résultats restent solides après avoir utilisé l'analyse factorielle et la régression multi-variables (*pooled multivariate regression*).

Revue des œuvres et études sur le développement de la marque - Passé et Présent

La préoccupation centrale des œuvres et études effectuées sur le développement et la stratégie de la marque, a connu un changement spectaculaire dans la dernière décennie. La stratégie de marque (*branding)* et le rôle des marques, tels qu'ils sont traditionnellement compris, ont été soumis à un examen constant et à une redéfinition. La définition traditionnelle d'une marque a été: "le nom, associé à l'un ou plusieurs éléments existants dans la ligne de production qui est utilisé pour identifier la source du caractère de l'élément" (Kotler, 2000, p. 396). Selon « *American Marketing Association* » (AMA), la définition d'une marque est : "un nom, terme, signe, symbole, ou un dessin, ou une combinaison d'eux, destinés à identifier les biens et les services d'un vendeur ou un groupe de vendeurs et de les différencier de ceux de leurs concurrents » (p. 404).

C'est dans cette perspective, que Keller (2003a) affirme que «techniquement parlant, désormais, chaque fois un agent de commercialisation crée un nouveau nom, logo ou un symbole pour un nouveau produit, il a créé une marque" (p. 3).

Il reconnaît, toutefois, que les marques d'aujourd'hui sont beaucoup plus que cela. Comme on avait l'occasion de voir, en fonction de ces définitions, les marques ont une fonction simple et claire à savoir «identificateurs». Avant le changement d'orientation et d'intérêts importants vers les marques et le processus de développement de marque, la stratégie de marque était seulement une des étapes dans le processus de commercialisation pour vendre des produits. "Pendant longtemps, la marque a été traitée d'une manière inappropriée comme une partie du produit" (Urde 1999, p. 119). Kotler (2000) mentionne l'image de marque comme «un enjeu majeur dans la stratégie de production» (p. 404). Comme la marque n'est qu'une partie du produit, la stratégie de communication a travaillé sur l'exposition de la marque et la création d'image de marque.

Aaker et Joachimsthaler (2000) mentionnent que dans le modèle traditionnel de marque, le but était de construire l'image de marque, comme un élément tactique qui donne de bons résultats à court terme. Kapferer (1997) a mentionné que «la marque est un signe -donc extérieur -dont la fonction est de révéler les qualités cachées du produit qui ne peuvent pas être touchées " (p. 28). La marque a servi à identifier un produit et de la distinguer de celui des concurrents. "Le défi aujourd'hui est de créer une image forte et distinctive» (Kohli et Thakor 1997, p. 208). En ce qui concerne le processus de gestion de la marque par rapport à la fonction d'une marque comme identificateur, Aaker et Joachmisthaler (2000) examinent le modèle traditionnel de marque où une équipe de gestion de marque a été chargée de créer et coordonner le programme de gestion de celle-ci. Dans cette situation, le directeur de la marque ne faisait pas partie des hauts responsables de la société dans la hiérarchie, et son objectif principal était d'obtenir des résultats financiers à court terme, avec des marques définis et des produits définis sur les marchés définis.

L'objectif de base était la coordination avec les départements de fabrication et de vente afin de résoudre tout problème concernant les ventes et les parts de marché. Avec cette stratégie, la responsabilité de la marque a été la seule préoccupation du département marketing (Davis 2002). En général, la plupart des entreprises pense que se concentrer sur la plus grande et la plus moderne campagne de publicité, signifie se concentrer sur la marque (Davis et Dunn, 2002). Le modèle lui-même a été tactique et réactive plutôt que stratégique et visionnaire (Aaker et Joachimsthaler 2000). La marque était toujours considérée comme une série de tactiques et jamais comme une stratégie (Davis et Dunn, 2002).

Présentation du l’objet de l’étude

La définition de la valeur de la marque a vu le jour en début des années 1980 comme un concept marketing (Rust et al, 2004.) Elle a été redéfinie (par exemple, Aaker, 1991, 1996; Keller, 1997, Kim et al, 2003) au fil des années, mais sa notion sous-jacente est restée la même. La valeur de la marque est un ensemble d'actifs et de passifs de la marque, associés au nom de la marque et au symbole, qui peut soustraire de, ainsi que d'ajouter à, la valeur offerte par un produit ou par un service, et qui apporte de la valeur aux clients et à une entreprise.

Une marque forte qui justifie un prix plus élevé par rapport à ses substituts en raison des avantages intangibles associés à la marque, augmente la part de marché du produit, crée la fidélité à la marque, multiple les obstacles à l'entrée de concurrents potentiels, réduit la vulnérabilité conséquente des actions de marketing concurrentiel, et génère des marges bénéficiaires plus élevées. Le résultat net de ces avantages est qu’ils fournissent peut-être un produit de marque pour une société avec des performances d'exploitation plus élevées au fil du temps par rapport aux produits sans marque. Du point de vue des marchés financiers, la valeur de marque est celle capitalisée des flux de liquidités provenant des activités qui découlent de produits et de services de marque. La recherche présente, a examiné la valeur des marques du point de vue du consommateur comme de celui de l’entreprise. Cependant, peu de recherches et études se sont consacrées aux liens éventuels entre l'image de marque de société, son aspect de réduction de risque, et la richesse des actionnaires.

Les œuvres existantes dans ce domaine analysent plutôt les performances de la valeur de la marque de deux points de vue. La performance fondée sur la comptabilité qui lie les attributions de la marque aux résultats d'exploitation tels que les revenus, bénéfices, rentabilité des investissements et des flux de liquidités. D'autre part, la recherche de performance existante fondée sur le marché, révèle un rapport positif entre la valeur des marques et le prix/le rendement sûrs. Bien que ces études fournissent des preuves empiriques démontrant un lien entre l'image de marque des entreprises et la performance du marché, mais elles ne peuvent pas apporter la preuve concluante pour démontrer que les marques fortes créent de la richesse pour les actionnaires. Bref, les travaux de recherche empiriques déjà effectués soulignent l'existence d’un rapport positif entre la valeur de la marque et la performance financière de la société. Cependant, le lien entre l'image de marque des entreprises et la création de richesse des actionnaires dans des conditions économiques évolutives sont moins concluantes. Cette étude vise à développer l'étude de ces relations et identifier le risque de marché pour réduire les déterminants du développement de la marque de société.

Questions de recherche

Question principale de recherche:

Est-ce que le succès de la marque de la société peut créer la richesse pour ses actionnaires? Si c'est le cas, est-elle indépendante de la récession économique ou non?

Sous-questions de cette recherche:

1. Est-ce que les marques supérieures réduisent le risque des investissements par rapport aux produits sans marque? S'ils le font, quelle est l'importance de cet aspect de l'image de marque de société?
2. Est-ce que les sociétés qui possèdent des marques supérieures, présentent une rentabilité plus élevée par rapport aux autres marques concurrentes présentes sur le marché?

Hypothèses de recherche

1. Il y a une relation significative (positive) entre le succès des marques de société et la création de la richesse des actionnaires. Ce point de vue est soutenu par la plupart des théories de marque; à la fois pour des perspectives de marques des produits et celles de société.
2. Les marques supérieures réduisent les risques des investissements. Ceci est basé sur les premières théories de l'image de marque et ses modèles de base - ces modèles sont expliqués dans les chapitres suivants en détail.
3. Il y a une relation significative (positive) entre les marques de société et la rentabilité plus élevée. Cette perspective est également fortement soutenue par la quasi-totalité des théories de marque - cette hypothèse pourrait être dénommée la perspective principale ou axiome de l'image de marque vérifiée d'ailleurs par les études similaires.

Méthodologie de la recherche

Cette recherche a été effectuée sur la base d'une combinaison des deux méthodes qualitative et quantitative. La principale contribution de cette recherche est basée sur les résultats qui proviennent de la partie quantitative de cette étude; les analyses économétriques et les régressions multi-variées ont été utilisées afin d'étudier les aspects variés de marque de la société et d'examiner certaines hypothèses qui seront, dans la foulée, expliquées en détail. Dans les dernières parties de cette recherche une vingtaine de cas de marques et l'histoire de leurs succès ou de leurs échecs en en fonction de leurs stratégies de marketing et celles de marque, seront expliqués.

Dans le chapitre sept, nous avons la validation qualitative des résultats quantitatifs. C'est ce qu'on appelle la technique de triangulation pour renforcer encore plus les résultats de (chapitre six) l'analyse empirique. Dans cette partie de l'étude qui est qualitative, les thèmes émergeants qui soutiennent certaines théories de marque sont mis en évidence et, par conséquent, des lignes directrices et les axiomes de la marque de la société et la méthode de déterminer les visions stratégiques appropriées, sont expliquées via l'analyse de cas réels.

Théorie de la recherche

Cette recherche est basée sur la théorie du positivisme. Le positivisme affirme que la seule connaissance authentique est celle qui se fonde sur l'expérience sensitive et sur la vérification positive. En termes plus précis, la théorie de recherche utilisée pour cette étude, est le positivisme logique qui repose sur des axiomes de l'empirisme. L'empirisme est une théorie de la connaissance qui affirme que celle-ci se pose sur la preuve recueillie par l'expérience sensible. L'empirisme est l'un des nombreux points de vue concurrents qui prédominent dans l'étude de la connaissance humaine, connue sous le nom de l'épistémologie. L'empirisme souligne le rôle de l'expérience et des preuves.

Conception de la recherche

• Techniques de collecte de données

Les techniques de collecte de données nous permettent de recueillir systématiquement des informations sur nos objets d'étude (personnes, objets, phénomènes) et sur les contextes dans lesquels ils se produisent. Concernant la collecte des données, il faut être systématique. Si les données sont collectées de façon irrégulière, il sera difficile de répondre à des questions de recherche de manière concluante. Nous allons utiliser les techniques de collecte de données suivantes: Observation.

L'observation est une technique qui consiste à une sélection systématique, regarder et enregistrer le comportement et les caractéristiques des êtres vivants, objets ou des phénomènes. Les méthodes quantitatives de collecte de données reposent sur un échantillonnage aléatoire et sur les instruments de collecte de données structurés qui correspondent à diverses expériences dans des catégories de réponses prédéterminées.

• Méthodes d'échantillonnage
L’auteur a choisi la méthode d'échantillonnage aléatoire pour la partie quantitative de cette étude, et pour le volet qualitatif de cette recherche, il a choisi l'échantillonnage raisonné. Contrairement aux échantillons de convenance, les échantillons ciblés sont soigneusement sélectionnés pour atteindre à un objectif spécifique. Échantillonnage raisonné sélectionne les cas riches en informations pour une étude approfondie. La taille et des cas spécifiques dépendent du l’objectif de l'étude.
• Le style d’analyse des données
Pour cette recherche, l’auteur choisit le style des analyses des données basé sur la théorie. Parmi les œuvres et essais réalisés sur l'image de marque et de son management, il y a des théories et modèles différents. Après avoir vérifié ces théories et modèles, nous sommes arrivés à la théorie la plus appropriée de marque pour notre étude.

• Type d'analyse de données
Compte tenu de la nature de notre recherche, le type le plus approprié d'analyse des données, est celle du contenu. Dans nos discussions, nous mettrons en oeuvre l'analyse du contenu afin d'examiner les différents thèmes qui émergent.

• Sources de données
Pour la partie quantitative de cette étude, l’auteur utilise trois sources de données: (1) Base de données *Interbrand* pour les mesures de valeur de la marque, (2) Centre de Recherche et de Sécurité des Prix (CRSP) et la base des données sur les prix de base, et (3) la base de données « *Research Insight* » pour la comptabilité des mesures du rendement. Afin de s'aligner sur les délais pour lesquels les données *Interbrand* sont disponibles, l'échantillon est limité aux États-Unis et les sociétés cotées en bourse qui ont fait la liste des tops 100 des marques mondiales à tout moment entre 1994 et 2008.

Analyse empirique des activités de la stratégie de la marque de société et la gestion de la richesse des actionnaires

Le premier objectif de l'étude est d'identifier les déterminants du rôle de la marque sur la réduction des risques. Le panel de la régression contient les informations liées à la fois aux « *cross-section and time-series variables* » ; offre un plus grand nombre de données et de degrés de liberté supplémentaires, et diminue la probabilité des problèmes de variables omis.

Le modèle de régression de base est comme il suit:

La valeur de marque (Brand Value) $_{i,t} = \alpha + X'_{it}\beta + \varepsilon_{it},$ (1)

$i= 1,\ldots\ldots 96$; $t= 1, \ldots 15$

Où :

La valeur de marque (*Brand value*) i,t, est l'estimation de la valeur de marque présentée par *Interbrand* pour la société *i* au temps *t, α* est intercepte, X'it, est un vecteur d'observation de *1 x k*, sur les variables explicatives *k* pour la sociétés *i* dans la période *t*, β est un vecteur de paramètres de *1 x k* , et εit, est un terme de perturbation défini comme : εit =μi +νit, dont μi désigne l'effet individuel et non observable, et νit indique la perturbation restée.

Les justifications et explications variées

Les variables dépendantes sont la valeur des marques, et la variation de valeur de marque. Pour les variables exogènes (indépendantes), l'auteur a recours à des mesures des performances comptables et financières du marché, de tel qu'elles sont expliquées dans cette section.

Flux de liquidités provenant de l'exploitation

La valeur d'une entreprise au marché, est l'issue de la valeur actuelle nette de ses futurs flux de liquidités générés par les actifs tangibles et intangibles. Dans un marché efficace, si une marque d'entreprise -actifs intangibles- possède d'une valeur économique, la valeur au marché d'une entreprise est plus grande avec des marques que sans celles-ci. Cette définition compte les principales perspectives qui sont liées à la marque de la société et qui ont été expliquées en détail dans les chapitres précédents.

En outre, il est raisonnable de supposer que les entreprises avec des noms de marque réussie et bien établie, génèrent plus de flux de liquidités par rapport aux entreprises avec des produits et services sans marque et génériques (par exemple, Simon et Sullivan, 1993). Doyle (2001) postule que la valeur de marque de société crée de la richesse pour les actionnaires par l'augmentation des flux de liquidités et par la réduction de leur variabilité. En outre, Madden et al. (2005) soutiennent que l'image de marque de société peut réduire le risque de marché en augmentant la liquidité de société, sa solvabilité, et d'autres paramètres de gestion des risques. Désormais le flux de liquidités issu des activités d'exploitation est une mesure comparative de la performance financière à base de comptabilité, entre les sociétés (par exemple, Srivastava et al, 1998;. Angulo et Rialp, 2007) ; Cette étude utilise la variabilité des flux de liquidités issu des activités opérationnelles (CF), comme une mesure de création de richesse des actionnaires ajustée au risque. Il est à noter que les études précédentes appuient fortement le choix des flux de liquidités issu des activités opérationnelles comme une variable indépendante pour la production des équations de régression principales.

Dépenses Publicité

Maltz (1991) postule que la valeur des marques de société est ignorée par le marché financier. En 1993, l'étude de Simon et Sullivan est en désaccord avec les résultats de Maltz. Ils démontrent que Wall Street n'ignore pas les frais de marketing et de publicité dus au développement de la marque de la société. Les auteurs examinent les relations entre la valeur de la marque par rapport aux dépenses publicitaires en cours et décalées. Leurs résultats démontrent que les dépenses de promotion réussie suscitent des réactions et améliorent la valeur de la marque en deuxième année. En outre, Barth et al. (1998) découvrent des relations positives et économiquement significatives entre la valeur des marques et des dépenses de publicité. Ainsi disant, le présent document comprend des dépenses de publicité décalées (Advt-1) dans le panel de régression en tant qu'un proxy pour les investissements des entreprises dans le développement de marque de société. Il y a d'autres variables explicatives qui pourraient être utilisées comme moyen indicateur de l'investissement des entreprises dans le développement de marque, mais les justifications nécessaires ne sont pas trouvées, comme il sera expliqué dans la partie des suggestions pour des futures recherches. Des études antérieures prennent en charge le choix des dépenses de publicité comme une variable indépendante.

ROA et ROI

Il est raisonnable de supposer que la valeur de marque de société doit se manifester dans l'amélioration de la performance de comptabilité de l'entreprise. Des études antérieures (par exemple, Aaker et Jacobson, 1994, 2001; Barth et al, 1998;. Verbeeten et Vijn, 2006) fournissent des preuves sur les aspects positifs, et le lien économiquement significatif à long terme, entre les mesures de rendement comptable (par exemple, le retour de investissement (ROI- *Return en investement*), le rendement des actifs (ROA- *Return en assets*), et le retour de fonds propres (ROE- *Return en equity*) et de la valeur de la marque. Leurs résultats soulignent que l'investissement sur l'image de marque devrait être amorti, plutôt que dépensé comme la pratique comptable actuelle exige. Afin de saisir l'effet à long terme d'image de marque sur la rentabilité financière d'une société, cette étude comprend ROA et ROI dans le panel de la régression.

Des études antérieures, toutes, justifient et valident l'usage de ROA et de ROI pour ce type d'études, mais les chercheurs ont les regards variées sur l'aspect explicatif de ces variables par rapport à celles indépendantes. Il y a des avantages mineurs associés à ROA ou à ROI. Dans des études similaires, il est très fréquent de commencer par cet acquis selon lequel les deux variables ROA et ROI peuvent être introduites dans les équations de régression, puis d'évaluer pour voir s'il est préférable d'inclure tous les deux ou seulement choisir l'un d'eux. Plus loin dans ce chapitre, il sera expliqué les différences entre ces deux variables dans le cadre de cette étude spécifique. Malgré tout, la corrélation entre ROA et ROI est assez élevée. Ces deux variables indépendantes à la fois, donneront des résultats fiables quand ils sont individuellement ou conjointement mis en œuvre dans les équations de régression.

La croissance des ventes

Keller (1997) énumère les avantages suivants pour un nom de marque: une plus grande loyauté de la clientèle, moins de vulnérabilité envers des actions concurrentielles de marketing et les crises marketing, les marges de profit plus importantes, les réponses plus inélastiques de la par des consommateurs par rapport aux hausses de prix, une plus grande coopération commerciale et de soutien, l'accroissement de l'efficacité de la communication de marketing, d'autres possibilités de développement de marque, et davantage de taux de croissance des ventes.

Toutefois, Barth et al. (1998) démontrent les rapports statistiques négatifs significatifs entre la croissance des ventes et la valeur de la marque. D'ailleurs, afin d'examiner les relations entre l'image de marque des sociétés et la croissance des ventes, cette recherche comprend une moyenne géométrique de la croissance des ventes au cours de la période d'échantillonnage dans le panel de régression. Des études antérieures suggèrent notamment que la croissance des ventes pourrait être utilisée dans ces types d'analyse, mais il convient de mentionner que les chercheurs ont les points de vue et les réactions très différents concernant la croissance des ventes et de ses relations avec d'autres mesures du rendement financier du marché.

Il est à noter que le rapport entre la croissance des ventes et la valeur de la marque porte des caractéristiques différentes. Certains chercheurs ont les points de vue opposés sur cette question. Par conséquent, l'auteur croit, le fait d'insérer la croissance des ventes comme une variable indépendante dans cette étude, est à la fois intéressant et instructif.

Les résultats empiriques et des régressions

Selon la matrice de corrélation des variables exogènes, la plupart des termes de corrélation pour les variables indépendantes sont assez faibles, ce qui donne peu de raisons de s'inquiéter de la multi-colinéarité entre les variables indépendantes.

Les résultats montrent que le « *fixed effects model* » a un avantage statistique sur les « *random effects model* » et « *pooled model* ». Ce modèle porte plus de R^2 ajusté, et pour le test conjoint, tous les quatre modèles sont significatifs à un niveau de 10% ou à un niveau critique plus haut. Il y a des résultats similaires pour la volatilité des flux de liquidités issu d'exploitation, les dépenses de publicité décalées, ROI, ROA, et la croissance des ventes, en fonction de l'usage de la valeur de marque de société ou de changement de valeur de la marque de société, comme une variable dépendante (en utilisant la valeur de la marque et le changement de valeur de la marque, quasiment les mêmes résultats se sont obtenus. La raison pour laquelle l'auteur a examiné les hypothèses ayant deux variables dépendantes était de voir s'il y aurait des différences majeures dans les résultats empiriques de cette recherche – l'auteur a constaté que les résultats issus de l'insertion de cette variable dépendante sont très similaires, et les différences structurelles importantes n'ont pas été constatées). Le test de spécification d'Hausman est utilisé pour examiner le « *fixed effects model* » par rapport à « *random effects model* ». Le test est statistiquement significatif: ainsi, le « *random effects model* » peut être écarté en faveur du « *fixed effects model* » à un niveau de 10% ou à un niveau critique plus haut. Dans l'échantillon, le rapport entre la valeur de la marque et la variabilité des flux de liquidités est négatif et statistiquement significatif. Cette équation négative peut être attribuée au risque ajusté de la richesse de l'actionnaire, celle à être créée par la valeur de marque de société proposée par Doyle (2001). Si la marque de société génère des flux de liquidités issus des activités d'exploitation, stables et prévisibles, il a une valeur nette plus élevée en même temps et par conséquent, peut créer davantage de richesse pour les actionnaires.

Les résultats du panel de la régression renforcent Madden et al. (2005) et Verbeeten et Vijn (2006) avec cette conclusion que l'image de marque de société atténue le risque de flux de liquidités. Les recherches empiriques précédentes ne sont pas concluantes sur ce point que si les dépenses de publicité puissent accroître la valeur de marque de société ou non. Coefficient de régression estimé des dépenses de publicité est positif et statistiquement significatif dans l'échantillon. Ce résultat est le même qu'avec Simon et Sullivan (1993) et Brath et al. (1998) qui avaient conclu qu'une campagne réussie de marque, génère un bon feedback et améliore également la valeur de la société.

Panel A. Brand value with ROI

	Fixed effects		Random effects		Pooled effects	
σ (CF)	-0.196*	(0.083)	-0.153*	(0.075)	-0.214*	(0.094)
Advertising expenses $_{t-1}$	0.883**	(0.012)	0.904**	(0.011)	0.741*	(0.073)
ROI	0.241***	(0.001)	0.250***	(0.000)	0.272**	(0.027)
Sales growth	0.131*	(0.078)	0.202	(0.340)	0.331	(0.977)
Adj. R^2	0.31		0.22		0.18	
Wald x^2Hausman specification test[a]	20.449	(0.038)				
F statistics	5.242	(0.000)				

Panel B. Brand value with ROA

	Fixed effects		Random effects		Pooled effects	
σ (CF)	-0.248*	(0.078)	-0.111*	(0.082)	-0.259*	(0.077)
Advertising expenses $_{t-1}$	0.879*	(0.091)	-0.737	(0.989)	0.412	(0.615)
ROA	0.341***	(0.009)	0.312***	(0.004)	0.259*	(0.059)
Sales growth	0.239*	(0.096)	0.281*	(0.091)	0.343	(0.842)
Adj. R^2	0.34		0.23		0.12	
Wald x^2Hausman specification test[a]	14.759	(0.023)				
F statistics	1.488	(0.065)				

Ce constat est très crucial et doit jouer un rôle important dans la mise en œuvre des mécanismes de prise de décision au niveau managérial concernant les stratégies adoptables pour les budgets de publicité. Les managers clés des sociétés devraient prêter attention à ce résultat, car il montre l'importance de mise en place des budgets publicitaires correctes, notamment dans le cadre d'une planification à long terme - comme il sera expliqué plus loin dans la section des suggestions, l'étude sur les budgets de recherche et de développement pourraient également être très intéressante pour de futures recherches. La présente analyse révèle des relations positives et statistiquement significatives entre l'image de marque d'entreprise, le ROA, et le ROI. Les coefficients estimés sont positifs et significatifs à un niveau de 10% ou à un niveau critique plus haut.

Il semble que l'investissement dans la marque de société conduit les entreprises à une rentabilité plus élevée. En outre, ce résultat suggère que les pratiques comptables actuelles consistant à dépenser les frais pour l'image de marque plutôt que de les investir, devrait être revu et soutient l'appel en cours de ceux qui proposent l'inclusion des chiffres d'évaluation des marques des sociétés dans les rapports financiers et comptables.

Finalement, le coefficient estimé pour la croissance des ventes est positif et statistiquement significatif. Ce résultat plaide pour l'existence d'un lien structurel important entre la de marque de société axée sur le consommateur et la valeur de marque, et cela sous forme de croissance des revenus. Compte tenu de ce résultat, il peut être utile pour un manager de surveiller les variations de la de marque de société axée sur le consommateur, en plus du suivi des mesures du rendement de la marque en bases comptable et financière. Globalement, les résultats sont valables quand un changement de valeur de la marque devient une variable dépendante.

Afin d'examiner l'impact de la marque de société sur la richesse des actionnaires, l'auteur estime les régressions suivantes à plusieurs variables pour les entreprises axées sur la marque:

$$\textit{Performance du marché} = \alpha + \sum_{t=1995}^{2008} \lambda YEAR(t) + \delta_1 Log(TA) + \delta_2 ADV_{t-1} + \delta_3 ROI + \delta_4\, Sales.growth + \delta_5\, \sigma\, (\mathrm{CF}) + \delta_6\, Brand.value + \varepsilon, \tag{2-1}$$

$$\textit{Performance du marché} = \alpha + \sum_{t=1995}^{2008} \lambda YEAR(t) + \delta_1 Log(TA) + \delta_2 ADV_{t-1} + \delta_3 ROA + \delta_4 Sales.growth + \delta_5\, \sigma\, (\mathrm{CF}) + \delta_6\, Brand.value + \varepsilon, \tag{2-2}$$

$$\textit{Performance du marché} = \alpha + \sum_{t=1995}^{2008} \lambda YEAR(t) + \delta_1 Log(TA) + \delta_2 ADV_{t-1} + \delta_3 ROI$$

$$+ \delta_4 \, Sales.growth \quad + \delta_5 \, \sigma \, (CF) \; + \delta_6 \, {}_{\Delta}Brand.value + \varepsilon, \tag{2-3}$$

$$\textit{Performance du marché} = \alpha + \sum_{t=1995}^{2008} \lambda YEAR(t) + \delta_1 Log(TA) + \delta_2 ADV_{t-1} + \delta_3 ROA$$

$$+ \delta_4 \, Sales.growth \quad + \delta_5 \, \sigma \, (CF) + \delta_6 \, {}_{\Delta}Brand.value \; + \varepsilon, \tag{2-4}$$

Où: « Marché de performance » signifie les rendements anormaux d'entreprise (1) ou de marque / ratio Cap (2); « An (t) » signifie les variables annuelles à effets fixes pour 1995 à 2008, omettant 1994 pour éviter la colinéarité parfaite; « Log (TA) » est le logarithme de la taille des actifs; « Adv_{t-1} » signifie les dépenses de publicité; « ROI (1) ou ROA (2) » signifient le retour de l'investissement ou le retour des actifs - deux proxys pour les investissements dans la valeur de la marque ; « croissance des ventes » signifie la croissance géométrique des ventes; « σ (CF) » est la variabilité des flux de liquidités provenant des activités opérationnelles; « valeur de la marque de l'équité » ou « valeur de la marque de l'équité (changement de valeur de la marque de l'équité) est le proxy de la marque comme un actif financier.

Panel A.

$$(1)\ \textit{Market Performance} = \alpha + \sum_{t=1995}^{2008} \lambda YEAR(t) + \delta_1 Log(TA) + \delta_2 ADV_{t-1} + \delta_3 ROI + \delta_4 Sgrowth + \delta_5 \sigma\ (CF) + \delta_6 Brandvalue + \varepsilon;$$

$$(2)\ \textit{Market Performance} = \alpha + \sum_{t=1995}^{2008} \lambda YEAR(t) + \delta_1 Log(TA) + \delta_2 ADV_{t-1} + \delta_3 ROA + \delta_4 Sgrowth + \delta_5\ \sigma\ (CF) + \delta_6 Brandvalue + \varepsilon,$$

Variable	(1) Brand/Cap with ROI		(2) Brand/Cap with ROA		(1) Returns with ROI		(2) Returns with ROA	
	Estimate	p-value	Estimate	p-value	Estimate	p-value	Estimate	p-value
Intercept	0.144	0.989	0.101	0.891	0.569	0.207	0.419	0.221
Year95	0.238*	0.034	0.189*	0.049	0.779*	0.059	0.711*	0.054
Year96	0.149*	0.089	0.109*	0.070	0.829*	0.069	0.753*	0.067
Year97	0.183*	0.097	0.098*	0.057	0.788*	0.081	0.909*	0.071
Year98	0.001*	0.054	0.001*	0.083	0.471*	0.064	0.708**	0.051
Year99	0.001*	0.079	0.004*	0.010	0.479*	0.049	0.438*	0.091
Year00	0.229**	0.039	0.201**	0.007	0.568*	0.101	0.511*	0.068
Year01	0.057	0.148	0.069*	0.080	0.837**	0.029	0.857*	0.101
Year02	0.029**	0.017	0.112**	0.019	0.952**	0.022	0.674*	0.096
Year03	0.138**	0.009	0.205**	0.049	0.403***	0.001	0.607**	0.040
Year04	0.160**	0.051	0.099**	0.051	0.688*	0.055	0.788*	0.093
Year05	1.192***	0.000	0.919**	0.040	0.679**	0.049	0.002*	0.099
Year06	1.228**	0.041	1.002**	0.027	0.551*	0.093	0.588*	0.069
Year07	1.188***	0.000	0.928**	0.040	0.679**	0.048	0.002*	0.099
Year08	1.228**	0.039	1.001**	0.026	0.551*	0.089	0.588*	0.069
Log (TA)	0.346	0.558	0.359	0.498	0.028	0.662	0.005	0.698
ADV_{t-1}	1.049**	0.021	1.011*	0.091	1.819*	0.079	0.981*	0.061
ROI	0.039***	0.004			0.247**	0.016		
ROA			0.001	0.208			0.029	0.591
Sales growth	1.049*	0.098	1.012	0.109	0.119	0.161	0.159	0.178
σ (CF)	-1.002*	0.073	-1.001*	0.052	-1.919*	0.089	-0.993*	0.079
Brand value	0.804*	0.069	0.898*	0.057	0.044**	0.023	0.069**	0.003
Adj. R^2	0.30		0.11		0.35		0.10	

*** Significant at 1% significance level; ** Significant at 5% significance level; *Significant at 10% significance level.

Panel B.

$$(1)\ Market\ Performance = \alpha + \sum_{t=1995}^{2008} \lambda YEAR(t) + \delta_1 Log(TA) + \delta_2 ADV_{t-1} + \delta_3 ROI + \delta_4 Sgrowth + \delta_5 \sigma\ (CF) + \delta_6\ \Delta Brandvalue + \varepsilon;$$

$$(2)\ Market\ Performance = \alpha + \sum_{t=1995}^{2008} \lambda YEAR(t) + \delta_1 Log(TA) + \delta_2 ADV_{t-1} + \delta_3 ROA + \delta_4 Sgrowth + \delta_5 \sigma\ (CF) + \delta_6\ \Delta Brandvalue + \varepsilon,$$

Variable	(1) Brand/Cap with ROI		(2) Brand/Cap with ROA		(1) Returns with ROI		(2) Returns with ROA	
	Estimate	p-value	Estimate	p-value	Estimate	p-value	Estimate	p-value
Intercept	0.138	0.449	0.159	0.368	0.047	0.938	0.031	0.821
Year95	0.239**	0.017	0.198*	0.099	0.435***	0.001	0.489**	0.051
Year96	0.151**	0.051	0.086*	0.103	0.498**	0.019	0.558**	0.037
Year97	0.181**	0.041	0.107*	0.090	0.439**	0.033	0.629***	0.001
Year98	0.022*	0.080	0.018*	0.096	0.519**	0.001	0.709*	0.093
Year99	0.034*	0.085	0.023*	0.079	0.667*	0.088	0.050*	0.089
Year00	0.261**	0.048	0.214*	0.057	0.768**	0.049	0.598*	0.101
Year01	0.007*	0.098	0.002	0.119	0.457**	0.008	0.715	0.939
Year02	0.049*	0.065	0.003	0.271	0.769**	0.047	0.003	0.782
Year03	0.119***	0.001	0.098*	0.068	0.807**	0.015	0.671*	0.089
Year04	0.158***	0.004	0.143*	0.05	0.929***	0.001	0.469**	0.042
Year05	0.152**	0.022	0.103*	0.092	0.522**	0.024	0.578*	0.089
Year06	1.439***	0.001	1.302**	0.029	1.028***	0.001	1.010**	0.021
Year07	0.151**	0.023	0.105*	0.094	0.518**	0.028	0.568*	0.091
Year08	1.437***	0.001	1.302**	0.029	1.032***	0.001	1.007**	0.022
Log (TA)	0.478	0.371	0.469	0.291	0.002	0.849	0.010	0.969
ADV_{t-1}	1.019**	0.005	1.002*	0.072	1.188***	0.008	0.071**	0.034
ROI	0.012***	0.001			0.220***	0.001		
ROA			0.009	0.364			0.010	0.779
Sales growth	1.119*	0.094	1.171	0.269	0.838	0.311	1.104	0.592
σ (CF)	-1.004*	0.073	-1.011*	0.089	-0.904*	0.081	-1.001*	0.059
Δ Brand value	1.014***	0.001	1.107**	0.029	1.317***	0.001	1.238**	0.049
Adj. R^2	0.34		0.13		0.42		0.38	

*** Significant at 1% significance level; **Significant at 5% significance level; *Significant at 10% significance level.

Les variables de contrôle donnent un aperçu de création de richesse des actionnaires grâce à la marque de société. Les résultats confirment l'hypothèse selon laquelle une marque forte contribue positivement à l'augmentation de la richesse des actionnaires. La valeur de la marque d'entreprise est positive et

statistiquement significative à un niveau de 10% ou à un niveau critique plus haut au fil des années étudiées dans le cadre des régressions estimatives multi-variables.
L'estimation positive et statistiquement significative du coefficient des dépenses de publicité décalées, suggère que Wall Street n'ignore pas les facteurs de marketing. L'importance des coefficients estimés et la bonne réaction au niveau de la valeur de marque montrent que les facteurs de commercialisation se reflètent dans la performance boursière de l'entreprise. En outre, le signe positif et les statistiques significatives concernant les aspects de retour d'investissement dans le cadre des régressions multi-variables impliquent que les investissements sur la marque augmentent la valeur de la société dans le marché. En outre, il semble que le ROI un proxy supérieur pour mesurer l'investissement par rapport à ROA. L'aspect explicatif de la régression est plus élevé lorsque les investissements sont mesure par le critère ROI que par ROA (comme on a déjà mentionné, ROI et ROA sont les variables valides et sont souvent inclus dans des études similaires. Parfois, les chercheurs décident d'inclure un seul d'entre eux, et d'autres fois tous les deux).

Le rapport négatif et économiquement significatif entre la performance du marché de l'entreprise et de ses flux de liquidités d'exploitation n'est pas surprenant. Les investissements sur la marque qui sont en mesure de générer des flux de liquidités d'exploitation stables et prévisibles, contribuent à la valeur de la société sur le marché. Par conséquent, les résultats des régressions multi-variables renforcent les conclusions antérieures issues de panel de la régression selon lesquels la marque de société peut réduire le risque d'investissement. Finalement, le lien entre la performance du marché d'une entreprise et la croissance des ventes est faible selon la régression multi-variable. Le coefficient de la croissance géométrique des ventes au cours de la période de l'échantillon est positif et significatif à un niveau de signification de 10%, mais seulement dans deux des huit modèles de régression.

Conclusion – Les analyses des régressions et limites les interprétations

- **Les limites de cette étude et des orientations pour les futures recherches**

Cette étude est concentrée sur les sociétés des États-Unis cotées en bourse qui ont fait la liste de la revue annuelle *Interbrand* concernant « top 100 » des marques, entre 1994 à 2008. De ce fait est, cette étude et ses résultats reflètent relativement les particularités des perspectives de la stratégie de marque de société aux Etats-Unis. Pour les recherches futures, il est raisonnable d'étudier les différentes attributions et les perceptions de l'image de marque dans les différentes cultures. Par exemple en Allemagne, il est accordé une énorme importance à des attributions de précision et d'exactitude qui sont véhiculées par les marques, mais aux États-Unis l'image globale d'une marque de la société, qui agit comme un parapluie protecteur de la société, est l'aspect le plus important. Pour les études futures, l'inclusion de variables d’une société américaine par rapport à une société non américaine, pourrait nous fournir de plus amples renseignements concernant la perception des actionnaires sur les marques à succès aux États-Unis et d'autres grands marchés dans le monde. Dans cette étude, toutes les marques dans les domaines et industries différents sont utilisés ensemble dans les régressions pour l'analyse empirique. Pour la mise en œuvre plus spécifique des stratégies de marque et de commercialisation, nous pourrions inclure des variables indicatrices pour les secteurs spécifiques de l'économie et d'analyser les résultats. Par exemple, l’auteur propose pour les études en futur, de prendre en compte les variables données pour les industries de haute technologie et aussi pour le secteur alimentaire. Ces deux secteurs ont une forte tendance à être très sensibles à l'investissement sur les stratégies de la marque. Ce faisant, les principaux dirigeants d'entreprises auront une idée sur combien il faut investir dans leurs activités de lancement et développement de la marque et ils pourront évaluer s’ils sont dans un secteur où il faut accorder plus d’intérêts à la stratégie de marque ou non.

Le présent document comprend des dépenses de publicité décalées (ADV t-i) dans le panel la régression en tant qu’un proxy pour les investissements des sociétés dans le développement de marque. Suivant la norme commune et celle des études antérieures, l’auteur a inclus des dépenses de publicité pour une seule période de décalage, mais certains chercheurs croient qu'il devrait y avoir plusieurs variables complexes pour cette question. Il n'existe aucune norme universellement acceptée à cet égard. Certaines personnes croient que 2 ou 3 décalages devraient être pris en compte. Ils estiment que l'inclusion de deux ou plusieurs variables explicatives pour les dépenses de publicité est également logique. L’auteur croit vraiment que c'est un domaine bien propice pour les études de l’avenir. A la connaissance de l’auteur, il n'y a pas de recherche spécifique dans le domaine de l'image de marque de société pour fournir la somme optimale qui devrait être consacrée à la publicité. Avoir de tels critères, serait très bénéfique pour les prises de décision à long terme par les principaux dirigeants des grandes entreprises. D'énormes bénéfices potentiels pourraient être exploités par la mise en œuvre correcte des politiques de publicité pour la marque et les stratégies de marketing.

La nature de cette étude est essentiellement quantitative et des cas qualitatifs ne sont utilisés que pour valider les résultats quantitatifs. Pour les études futures des cas plus riches en informations doivent être analysés en profondeur pour avoir une connaissance plus qualitative de l’image de la marque de société et ses effets sur la richesse des actionnaires. Les études relatives à l'image de marque des entreprises ont un plus haut degré de complexité que celles relatives à l'image de marque du produit, principalement en raison de la multiplicité des éléments impliqués, ce qui rend la recherche plus exigeante. Davantage de recherches doivent être entreprises sur le marketing sur les éléments de perspective et ses conséquences sur la société, en particulier, sur leur performance. Cela renforcera considérablement la valeur du marketing au sein d'une organisation, en lui accordant une plus grande importance, passant d’un élément étant seulement au service de la clientèle, à celui qui s’occupe des rapports entre tous les intervenants d'une organisation. En outre, il mettra en évidence le rôle important des commerçants qui jouent grandement dans le renforcement de la valeur d'une société et dans la création de valeur pour les parties prenantes et dans l'amélioration de l'efficacité opérationnelle.

- **Implications Managériales**

Les stratégies de marque impliquent que les agents de marketing regardent au-delà de la commercialisation des produits/services d'une société et qu’ils s’efforcent de la commercialisation de toute l'entreprise. Il s'agit de la nouvelle fonction de marketing. Ils devraient développer et gérer des relations non seulement avec les clients, mais avec toutes les parties prenantes de l’entreprise pour assurer l'efficacité des activités de l'entreprise entière. Ainsi, le rôle des gestionnaires de marque est élargi pour couvrir les relations avec les clients, avec les employés, les propriétaires, les régulateurs, la communauté et les partenaires. Une fois la stratégie de marque mise en œuvre, les gestionnaires seront en mesure de l'utiliser comme un outil pour identifier les points forts et les faiblesses dans les relations des parties prenantes. Ils peuvent détecter les points forts qui ont besoin d'être soutenus et identifier les zones de faiblesse qui ont besoin d'être mieux gérés et entretenus. Cette détection transmet les signaux utiles sur les relations actuelles entres les parties prenantes de la société, et qui prédisent la position concurrentielle de la société et sa durabilité sur le marché.

Analyses et Interprétations

Une marque de société forte, est une source d'avantage concurrentiel pour les sociétés dans l'environnement hautement concurrentiel, réglementaire et turbulent qui existe aujourd'hui dans le domaine de commerce. Mesurer une marque de société, a besoin d'un plus large des dimensions qui va au-delà de la perspective clientèle et s'oriente davantage vers la perspective des parties prenantes. La performance d'une société se manifeste en termes de son succès parmi les gens, les résultats auprès des clients, les résultats financiers et ceux d'exploitation. Une société qui a une marque forte, est susceptible de générer une haute performance. En effet, une marque forte est une source de compétitivité qui influence non seulement un groupe, mais offre également d'intéressantes propositions à différents groupes d'intervenants. Cette étude teste empiriquement si la valeur de marque de diminue les risques d'investissement et crée de la richesse pour les actionnaires, indépendamment de ralentissement économique. Des études antérieures concernant les activités de marketing avec la création de valeur pour l'actionnaire se concentrent principalement sur les marques de produits plutôt que sur la valeur de marque des sociétés et ne parviennent pas à contrôler d'autres variables du rendement financier et du marché. La principale contribution de cette étude aux œuvres et études existantes, est précisément l'accent mis sur la marque de la société, et le rôle de celle-ci dans la réduction des risques d'investissement et sur la création de la richesse des actionnaires et l'usage des contrôles financiers et de marché, pour vérifier les liens présentés dans le cadre de notre hypothèse.

En utilisant les données de la revue annuelle *Interbrand* entre 1994 et 2008, l'auteur trouve des preuves solides confirmant que les sociétés possédant des marques de société supérieures, créent de la richesse pour les actionnaires, indépendamment de toute récession économique. Ce résultat correspond à la théorie actuelle sur la marque, qui postule que les efforts liés au développement d'une marque (*branding*) font ajouter la valeur de la société et démontrent des caractéristiques d'atténuation des risques. Les résultats demeurent solides à la suite de l'analyse des régressions factorielles multi-variables.

Plus loin, dans la partie qualitative de cette recherche, l'auteur présente des cas relativement notoires de marques des sociétés, leur histoire et la raison expliquant leur succès ainsi que les différentes stratégies de marque. Cette section peut être considérée comme étant la validation qualitative des résultats quantitatifs via d'une méthodologie de triangulation. Les cadres conceptuels et les modèles théoriques ont été mis en œuvre pour analyser les cas qualitatifs dans cette recherche; Cette perspective ajoutée, a soutenu nos résultats quantitatifs. Les cas qualitatifs qui ont été mis en œuvre dans cette étude - en utilisant la méthode de triangulation - montrent clairement que la marque est un concept majeur dans le domaine de la publicité et, de plus en plus, sa pertinence dans les cercles de gestion de relations publiques est manifeste. Bien que le concept ait toujours été lié aux relations publiques dans une certaine mesure, mais son impact au 21^{e} siècle, peut être largement constaté, passant des événements sportifs avec des noms de marque de la société à la croissance exponentielle des sites de marques. Ainsi, il est nécessaire de faire le point sur ce que comment cette stratégie de marque affecte les relations internes et externes que les organisations ont avec leurs parties prenantes. Même s’il y a un certain nombre de forces qui guident ces relations, l'identification de la marque peut objectiver ces rencontres de communication dans une certaine mesure. La valeur de la marque consiste à des qualités croissantes de valeur ajoutée, qui combinent de façon synergique dans les mentalités des consommateurs. L'idée de la valeur ajoutée est particulièrement importante dans ce débat. Même si l'utilisation de la marque peut ne pas être trop complexe du point de vue des parties prenantes et des consommateurs, mais l'utilisation continue de la marque démontre qu'elle génère une valeur ajoutée pour ces gents. D'autres chercheurs soutiennent que les variables fondamentales de marketing, telles que des produits et des prix, sont des idées essentielles, mais le concept de valeur ajoutée se trouve où le succès ultime de la marque est réalisé. Toutefois, la valeur ajoutée n'est pas toujours facile à définir. En règle générale, cette idée est indirectement mesurée en termes d'idées des consommateurs de la marque. Malgré tout, il est suggéré qu'une plus grande compréhension de la valeur de la marque peut être obtenue en reconnaissant que les relations issues de la marque sont en cours, un processus interactif impliquant à la fois la marque et le consommateur. L'essence des relations est la communication, le processus qui construit et donne un sens à la relation. L'organisation est la projection d'une image, et les consommateurs donnent du sens aux messages. C’est ainsi qu’une relation entre la marque et le consommateur se développe ou se désintègre. Si les consommateurs sont satisfaits, ils sont susceptibles de continuer la relation avec la marque et, par conséquent, la valeur ajoutée peut être maximisée au fil du temps. La stratégie de la marque définit la «marque» d'un produit ou d'une organisation. En d'autres termes, elle peut être interprétée comme une déclaration unique sur l'identité, la qualité, la confiance et la valeur. Il est clair que le jugement définitif sur ces aspects appartient à chaque consommateur.

Finalement, en termes de publicité et de marketing par rapport à la stratégie de marque, cette étude indique également que l'influence des marques sur les parties prenantes à la consommation est importante. Les noms de marque de société identifient la société avec ses produits ou services offerts. Le nom de marque de l'entreprise rassure les clients sur ce qu'un produit donné porte les avantages promis parce que la compagnie véhiculant la marque, est une importante organisation réussie qui se présente uniquement avec des produits forts. Si les perceptions des clients s'alignent sur cette assurance, le marché devrait être un lieu favorable pour les produits. Une marque de société forte, est une source d'avantage concurrentiel pour les sociétés dans l'environnement hautement concurrentiel, réglementaire et turbulent qui existe aujourd'hui dans le domaine de commerce. Mesurer une marque de société, a besoin d'un plus large des dimensions qui va au-delà de la perspective clientèle. Les stratégies de marque impliquent que les agents de marketing regardent au-delà de la commercialisation des produits/services d'une société et qu'ils s'efforcent de la commercialisation de toute l'entreprise. Il s'agit de la nouvelle fonction de marketing. Ils devraient développer et gérer des relations non seulement avec les clients, mais avec toutes les parties prenantes de l'entreprise pour assurer l'efficacité des activités de l'entreprise entière.