A Review of Brand Building Models

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The central concern of brand building literature underwent a spectacular shift in the last decade. Branding and the role of brands, as traditionally understood, were subject to constant review and redefinition. A traditional definition of a brand was: "the name, associated with one or more items in the product line, which is used to identify the source of character of the item(s)" (Kotler 2000, p. 396).

Kapferer (1997) found a different approach towards brands prior to the 1980's. "Companies wished to buy a producer of chocolate or pasta: after 1980, they wanted to buy KitKat or Buitoni. This distinction is very important; in the first case firms wish to buy production capacity and in the second they want to buy a place in the mind of the consumer" (p. 23). In other words, the shift in focus towards brands commenced when they were understood to be something more than pure identifiers. Brands, according to Kapferer (1997) serve eight functions displayed in Table 1: the first two are mechanical and concern the essence of the brand: "to function as a recognized symbol in order to facilitate choice and to gain time" (p. 29); the next three are for diminishing the perceived risk; and the final three involve the pleasure side of a brand. He adds that brands perform an economic function in the mind of the consumer, "the value of the brand comes from its ability to gain an exclusive, positive and prominent meaning in the minds of a large number of consumers" (p. 25). Thus, branding and brand building should focus on developing brand value.

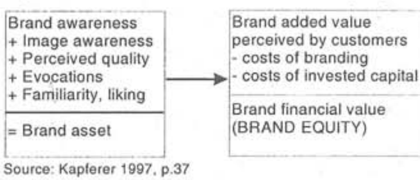
Kapferer's view of brand value is monetary, and includes intangible assets. "Brands fail to achieve their value-creating potential where managers pursue strategies that are not orientated to maximizing the shareholder value" (Doyle 2001a, p. 267). Four factors merge in the mind of the consumer to determine the perceived value of the brand: (1) brand awareness; (2) the level of perceived quality compared to competitors; (3) the level of confidence, of significance, of empathy, of liking; (4) and the richness and attractiveness of the images conjured up by the brand. In Figure 1 the linkages between the different concepts of brand analysis, according to Kapferer (1997), are summarized.

Table 1: The functions of the brand for the consumer

Function	Consumer benefit
Identification	To be clearly seen, to make sense of the offer, to quickly identify the sought-after products.
Practicality	To allow savings of time and energy through identical repurchasing and loyalty.
Guarantee	To be sure of finding the same quality no matter where or when you buy the product or service.
Optimization	To be sure of buying the best product in its category, the best performer for a particular purpose.
Characterization	To have confirmation of your self-image or the image that you present to others.
Continuity	Satisfaction brought about through familiarity and intimacy with the brand that you have been consuming for years.
Hedonistic	Satisfaction linked to the attractiveness of the brand, to its logo, to its communication.
Ethical	Satisfaction linked to the responsible behavior of the brand in its relationship towards society.

Source: Kapferer (1997)

Figure 1: From brand assets to brand equity



Source: Kapferer 1997, p.37

1. Brand orientation

Urde (1999) introduces Brand orientation as another brand building model highlighting brands as strategic resources. "Brand orientation is an approach in which the processes of the organization revolve around the creation, development, and protection of brand identity in an ongoing interaction with target customers with the aim of achieving lasting competitive advantages in the form of brands" (p. 117-118). Brand orientation focuses on developing brands in a more dynamic fashion, starting with the brand identity as a strategic platform. It can be said that as a consequence of this orientation the brand becomes an "unconditional response to customer needs and wants" (p. 120). This should be, however, considered carefully given that "what is demanded by customers at any given moment is not necessarily the same as that which will strengthen the brand as a strategic resource"

(p. 121). Following this reasoning, "the wants and needs of customers are not ignored, but they are not allowed to unilaterally steer the development of the brand and determine its identity" (p. 122).

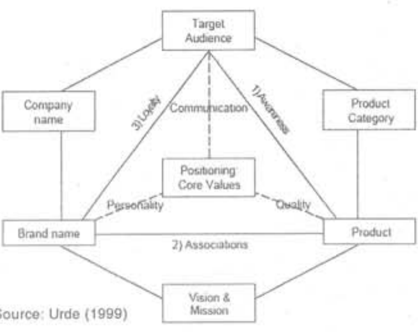
According to the brand orientation model, "the starting point for a process of brand building is to first create a conspicuous understanding of the internal brand identity. The brand then becomes a strategic platform providing the framework for the satisfaction of customers' wants and needs" (Urde 1999, p. 129). The point of departure for a brand-oriented company is its brand mission.

Urde's Brand Hexagon (1999), shown in Figure 2, integrates brand equity and brand identity with a company's direction, strategy and identity. The right side of the model reflects the reference function – product category and product, which are analyzed rationally –, while the left side of the model reflects the emotional function - corporate and brand name, which are analyzed emotionally. "A brand is experienced in its entirety" (p. 126), which implies that both emotions and rational thought are involved. The lower part of the model – mission and vision – reflects the company's intentions towards the brand; whereas the upper part reflects the way that target consumers interpret the brand. At the heart of the model lies the core process of brand meaning creation, which includes the positioning and core values.

In brief, "in a brand-oriented organization, the objective is – within the framework of the brand – to create value and meaning. The brand is a strategic platform for interplay with the target group and therefore is not limited to being an unconditional response to what at any moment is demanded by customers" (Urde 1999, p. 130).

Moreover, Urde's (2003) later article showed that the brand building process is two-part: internal and external. He defines the internal process as

Figure 2. Brand Hexagon



Source: Urde (1999)

that used primarily to describe the relationship between the organization and the brand, with the internal objective being for the organization to live its brands. On the contrary, the external process is that concerned with relations between the brand and the customer, with the external objective of creating value and forming relationships with the customer.

2. Brand leadership

Aaker and Joachimsthaler (2000) leave behind the traditional branding model and present the brand leadership model, "which stresses strategy as well as tactics" (p. 7). In this model, the brand management process acquires different features: a strategic and visionary perspective; the brand manager is higher in the organization, has a longer time job horizon, and is a strategist as well as communications team leader; building brand equities and developing brand equity measures is the objective; and, brand structures are complex, as the focus is on multiple brands, multiple products, and multiple markets. In short, brand identity and creating brand value become the drivers of strategy.

The brand leadership model is Aaker and Joachimsthaler's (2000) proposal for building strong brands. They argue that there are four challenges, summarized in Figure 3, which must be addressed:

1) The organizational challenge: to create structures and processes leading to strong brands, with strong brand leader(s) for each product, market or country. It is also a task to establish common vocabulary and tools, an information system that allows for sharing information, experiences and initiatives, and a brand-nurturing culture and structure. Supporting this challenge, McWilliam and Dumas (1997) argue that everyone on the brand team needs to be aware of the brand building process, and they propose metaphors as intelligent tools to transmit the values of a firm. Doyle (2001b) adds that brand management must be viewed as part of the total management process and not only as a specialist marketing activity.

2) The brand architecture challenge: to identify brands, sub-brands, their relationships and roles. It is also essential to clarify what is offered to the consumer and to create synergies between brands; to promote the leveraging of brand assets; to understand the role of brands, sub-brands, and endorsed brands in order to know when to extend them; and to determine the relative role of each brand of the portfolio. Aaker (2004) renames brand architecture calling it brand portfolio strategy instead. He says that "the brand portfolio strategy specifies the structure of the brand portfolio and the scope, roles,

and interrelationships of the portfolio brands" (p. 13). Hence, this challenge could be renamed the brand portfolio strategy challenge.

3) The brand identity and position challenge: to assign a brand identity to each managed brand and to position each brand effectively to create clarity. Speak (1998) supports and adds to this stating that the brand identity challenge should have a long-term focus in order to integrate the brand building process into the fabric of the organization.

4) The brand building program challenge: to create communication programs and other brand building activities to develop brand identity, which helps not only with the implementation but also in the brand defining process. In short, brand building must do what is necessary to change customer perceptions, reinforce attitudes, and create loyalty. One tactic to do so would be to consider alternative media in addition to advertising. Doyle (2001b) also adds that the brand strategy must maximize shareholder value.

3. Brand asset management

Davis (2002) also discusses a new way of managing brands. He argues that brands, along with people, are a company's most valuable asset. "There is growing support for viewing and managing the brand as an asset and thus having the brand drive every strategic and investment decision" (Davis and Dunn 2002, p. 15). This becomes relevant given that the top three strategic goals for brand strategy nowadays are increasing customer loyalty, differentiating from the competition, and establishing market leadership (Davis and Dunn 2002). It is crucial for a company to change its state of mind in order to adopt this perspective because "brand management has to report all the way to the top of the organization and has to involve every functional area" (Davis 2002, p. 9). Davis (2002) defines brand asset management as "a balanced investment approach for building the meaning of the brand, communicating it internally and externally, and leveraging it to increase brand profitability, brand asset value, and brand returns over time" (p. 12). Some of the shifts from traditional brand management to this new model are highlighted in Table 2.

The brand asset management process, as shown in Figure 4, involves four phases and eleven steps. The first phase is to develop a brand vision comprising a single step: developing the elements of a brand vision. The fundamental objective of this step is to clearly state what the branding efforts must do to meet corporate goals. The second phase is to determine the company's "Brand picture" by understanding consumer perceptions about the brand and of competitor brands. This phase consists of three steps: determining the brand's image, creating the brand's contract – list of customer's perceptions of all the current promises the brand makes –, and crafting a brand-based customer model – which allows for understanding how consumers act and think, and how and why they make their purchase decisions. The third phase is to develop a brand asset management strategy, in order to determine the correct strategies for achieving goals according to the brand vision. This phase consists of five steps: positioning the brand, extending the brand, communicating the brand's positioning, leveraging the brand, and pricing the brand.

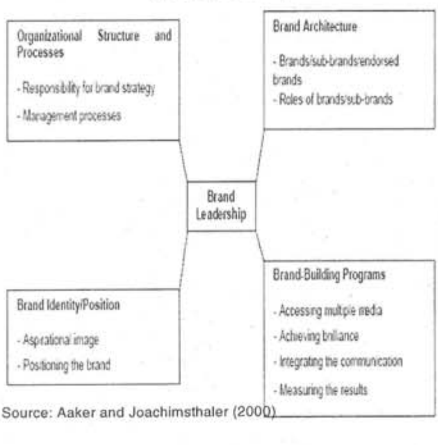
Finally, the fourth phase is to support a brand asset management culture. This final phase consists of two steps: creating a measure of the return

Table 2: The shift from traditional brand asset management

Traditional brand management	Brand asset management strategy
Brand management	Brand asset management strategy
Brand managers	Brand champions and ambassadors
Retention	Deep loyalty
One-time transaction	Lifetime relationships
Customer satisfaction	Customer commitment
Product-driven revenues	Brand-driven revenues
Three-month focus	Three-year focus
Market share gains	Stock price gains
Marketing manages the brand	All functional areas mange the brand
Awareness and recall metrics	Sophisticated brand metrics
Brand is driven internally	Brand is driven externally

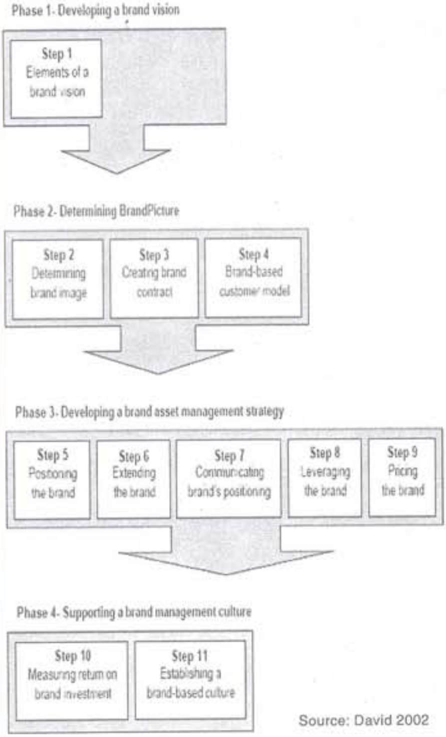
Source: David 2002

Figure 3. Brand Leadership Tasks



Source: Aaker and Joachimsthaler (2000)

Figure 4: Brand asset management process



Source: David 2002

on brand investment, and establishing a brand-based culture.

4. Logman model

The logical brand management or Logman model, integrates insights from Kaplan and Norton's balanced scorecard method, BCG's brand value creation method, the path analysis method, the gap analysis method, and the house of quality method (Logman 2004). The model proposes a logical brand consistency audit by presenting the following questions:

- Is there a logical interaction between the company's brand drivers?

- Are the company's brand drivers perceived by customers the way the company wants them to be?

- Are the company's brand drivers perceived by customers the way the customers want them to be?

- Are the external brand drivers perceived by customers the way the company wants them to be?

- Is there logical consistency between the company's brand drivers across the different customer segments addressed?

- Is there logical consistency between the company's brand objectives at different perspective levels?

- Is there logical consistency between the brand's drivers over time?

According to the author, answering these questions helps to identify real problems and key drivers for their solution, and to analyze brand policy in a specific context.■

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