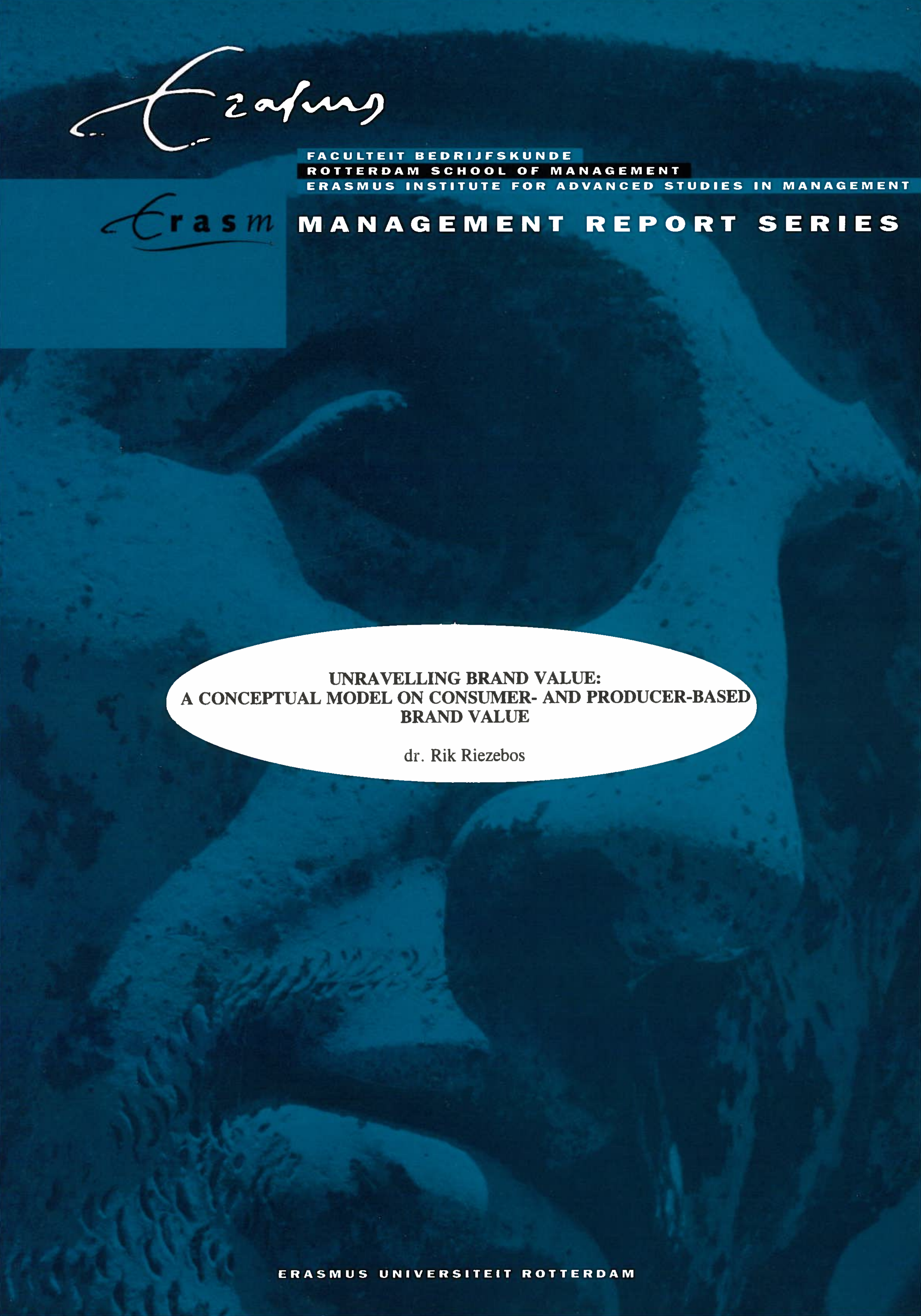

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UNRAVELLING BRAND VALUE: A CONCEPTUAL MODEL ON CONSUMER- AND PRODUCER-BASED BRAND VALUE

dr. Rik Riezebos

ERASMUS UNIVERSITEIT ROTTERDAM

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Erasmus Universiteit/Rotterdam School of Management
Faculteit Bedrijfskunde
P.O.Box 1738
3000 DR ROTTERDAM
Tel.: 010-4082376

Abstract

In this paper a conceptual model is presented of the value that a brand may have to both consumers and producers. Regarding consumer-based brand value, the idea is worked out that differences in the degree of brand value are dependent on type of product (search vs. experience products) and type of positioning (intrinsic vs. extrinsic positioning). Subsequently, consumer-based brand value is linked with producer-based brand value and strategical, financial and managerial benefits that may accrue from producer-based brand value are discussed and are seen from the perspective of the position of a brand in a manufacturer's portfolio. Finally, the findings on consumer-based brand value are differentiated for different types of brands and managerial implications are discussed.

Introduction

Since almost ten years now, both practitioners and researchers have been paying a lot of attention to the topic of branding and to the concept of brand equity. Sometimes, however, it seems that the more attention is paid to a topic, the more opinions tend to diverge. To a large extent, this may to also be true for the concept of brand equity. Definitions of brand equity range from those stressing the financial perspective (e.g., Shocker and Weitz 1988), the strategic perspective (Mahajan, Rao and Srivastava 1989), the managerial perspective (Aaker 1991; Keller 1993) to the image a brand name stands for in the minds of the consumers (Kim and Lehmann 1990). What all definitions of brand equity have in common, however, is that they focus on the *value of a brand*. In this paper, the focus is on unravelling brand value. The disentangling of the brand value phenomenon is based on the distinction between the value of a brand to consumers, and the value of a brand to the firm (conform Aaker 1991; Kamakura and Russell 1993). The structure of this paper is also based on this distinction. After an introduction on the concept of brand value in general (part I), elements of consumer-based brand value will be discussed (part II). Subsequently, producer-based brand value will be examined in greater detail (part III) and this paper will finish with conclusions and practical implications on brand value (part IV).

Part I: The concept of brand value

In 1955, Gardner and Levy published the article "The product and the brand" in which for the first time an attempt was made at distinguishing between a product and a brand. Probably one of the first authors who described marketing insights from the perspective of brands was Stephen King. The opening line of his book "Developing new brands", clearly stressed the importance of differentiating between a product and a brand: "What makes companies succeed is not products, but brands" (King 1973, p.v). In his book, King pointed out that one of the major differences between a product and a brand is that *values* may be added to brands. In the current decade, both practitioners and researchers are aware of the fact, that, in many cases, brands are the lifeblood of a company and that the success of a company is often dependent on the brand strategy adopted. If Stephen King is right about the major difference between a product and a brand, in order to be successful, one needs thus to determine how values can be added to a brand and one needs to determine what factors may influence the values added to a brand.

Added value and Brand equity

In unravelling the value of a brand, one might first of all search for the roots of this concept. The concept of brand value can in fact be traced back to two constructs: the construct of "added value" and the construct of "brand equity". *Added value* is a construct that has been frequently used in advertising literature to refer to the value that a brand may add to a product for consumers. Probably the first author to refer to this construct was Young (1963, p.69-73) (later followed by King 1973, p.9 ff, Jones 1986, p.28 ff, Murphy 1992, p.3, among others). Most authors, however, confined "added value" to *non-functional* brand values. Jones (1989, p.6), for example, refers to added values as "psychological values". In point of fact, for most authors, added values have no reference to the physical product at all. The brand Coca-Cola may serve as an example to illustrate the difference between functional and non-functional values. For Coca-Cola, the functional values may refer to a good-tasting thirst-quencher, whereas the non-functional values may refer to fun and pleasure (as emphasized in advertising). For most brands, however, either functional or non-functional benefits are emphasized in advertising. Seeing that in practice brands may also provide functional values, the term "brand-added value" was introduced to refer to both functional and non-functional values a brand may provide to consumers (Riezebos 1994). In this paper, the term "brand-added value" will be used to refer to *consumer-based* brand value and this term will sometimes be abbreviated as "BAV".

The construct of *brand equity* penetrated the marketing literature at the end of the 1980's (although the term had already been used by U.S. advertising practitioners in the early 1980's) (Barwise 1993). Broadly speaking, brand equity stood for the financial value attached to brands for a producer. However, within a short time span, brand equity was also used as a term to express the value of a brand for consumers. In his book "Managing brand equity", Aaker (1991) elaborated upon the construct of brand equity by discussing a number of factors that may contribute to the value of a brand to consumers and by discussing factors that may contribute to the value of a brand to the firm. From about 1988 onward, several studies were published on how to measure brand equity (like Shocker and Weitz 1988; Kim and Lehmann 1990; Kamakura and Russell 1993). In these studies, the angle from which brand equity was being investigated (i.e., the value of a brand to consumers or the value of a brand to producers), was not always clear. In this paper the term "brand equity" will be used to refer to *producer-based* brand value (in conformity with its original meaning).

Besides the terms "brand-added value" (or: BAV) and "brand equity", we will also use the term "brand value". The term "brand value" will in this paper be used to refer to the value concept of brands *in general*, irrespective of the subject involved (i.e., consumer or producer). Before elaborating further upon consumer- and producer-based brand value, we will discuss the basic principle of how value may be added to a brand.

The principle of complementarity

In discussing how value may be added to a brand, we have to clarify the difference between a product and a brand. Here, the reader's attention is drawn to the fact, that, in this paper, the term "product" is used to refer to a generic product which cannot be identified by consumers on the basis of characteristics that are not part of the product itself (like a brand name), and that the term "brand" (or "branded article") is used to refer to a product which can be identified by a characteristic like a brand name. So, our conception of a brand ranges from a simple product provided with a brand name, to a product with a brand name that may invoke all kind of associations in consumers' minds. Above, we mentioned that a fundamental difference between a product and a brand can be found in the fact that values may be added to a brand (in conformity with King, 1973). This does, however, not mean that a product may not be of value to consumers. What is suggested here, is that additional values may be added to a brand and that this is not possible for products. When values are added to a brand, the brand name functions as an extrinsic characteristic that can be conceived as a representative for the values added.

Regarding the possibility to add values to a brand, the question of *how* values may be added becomes relevant. Simply stated, one may argue that, when a producer provides brand-related information, this added information may have value to consumers (thereby positively influencing BAV; see figure 1). Information may be added to the brand through packaging and advertising and this information can be presented to consumers in both a rational and an emotional way. The idea that will be elaborated upon in this paper, is that added information may only add value to a brand for consumers, if the information provided cannot be obtained from the branded article itself before purchase. In the remainder of this paper, we will refer to this idea as *the principle of complementarity*.

Figure 1: "Added information" by the producer to a brand may lead to "added value" for the consumer, if the information provided cannot be obtained from the branded article itself.

In disentangling the concept of brand value, one should realize that producer-based brand value is, to a large extent, dependent on consumer-based brand value. This proposition is based on the presumption that, in case consumers ascribe value to a specific brand, they will most likely buy the brand. Consequently, one may state that, if a certain number of consumers buy a brand regularly, that brand has certain benefits to the producer. These benefits may, for example, be of a financial nature (e.g., the sales of the brand guarantee a relatively stable income for the producer), but also of a strategic nature (e.g., competitors may have difficulty in convincing consumers to switch-over to another brand). Based on the dependency of producer-based brand value on consumer-based brand value, the concept of brand value is discussed from a bottom-up approach (meaning that consumer-based brand value is discussed before producer-based brand value). In part II, the focus is on consumer-based brand value.

Part II: Consumer-based brand value

In this part, a conceptual framework of consumer-based brand value is discussed. The construct of brand-added value is elaborated upon by discussing two factors that may influence the degree to which brand-added value may occur. Subsequently, attention is paid to assets that may contribute to brand-added value and attention is paid to the benefits for consumers that may accrue from this type of brand value. Finally, in this part, several implications of the conceptual framework are discussed.

Factors that influence brand-added value

Above, it was stated that added information may lead to (brand-) added value if the information added cannot be obtained from the branded article itself. This idea of complementarity is thought to be dependent on two factors: the type of positioning of the brand, and the type of product the brand stands for. Even though these factors are a conceptual distinction - and it is not always easy to classify a brand into the values these factors can assume - these distinctions can provide insight into how and when one can influence brand-added value. For the type of positioning, a distinction is made between intrinsic and extrinsic positioning, whereas for the type of product a distinction is made between search and experience products. After having discussed both factors, the focus will turn to differences in the degree to which brand-added value may occur.

Type of positioning. In general, one can say that brands can be positioned on the basis of intrinsic or extrinsic cues. Intrinsic cues are those that, if changed, cause a change in the physical product itself (Szybillo and Jacoby 1974). As examples, one could think of the taste and aroma of food products, or specific attributes and design of durable consumer goods. Extrinsic cues are all the other cues that a brand may possess. Not only may one think here of packaging, brand name and price, but also of rational and emotional information that may be linked to the brand name by packaging and advertising. When a brand is *intrinsically* positioned, the accent in the information is usually placed on aspects such as product quality and brand-specific attributes. Advertising for intrinsically positioned brands often makes use of one or more "unique selling propositions" (USP) and this type of advertising is also referred to as "informational advertising" (Puto and Wells 1984). If a brand is *extrinsically* positioned, the emphasis in brand information is usually placed on transferring associations that do not refer to the product itself. In advertising, this is expressed through a "transformational" execution form[1]. This type of advertising is meant to change, or transform, the usage experience of the brand by the consumer.

Type of product. Upon further analysis of branded articles, it seems that intrinsic cues sometimes are, and sometimes are not, perceptible *before purchase*. For example, for a jar of jelly, the intrinsic cue, taste, is not discernible before purchase. The comfort of a chair, on the other hand, is apparent before purchase. Related to the distinction between perceptible and imperceptible intrinsic cues, is the distinction between products with predominantly "search cues" and products with predominantly "experience cues" (Nelson 1970; 1974). Products with mainly search cues are products for which the consumer can judge the to him or her important attributes *before* purchase. Products with mainly experience cues are products that can only be judged by the consumer, on the to him or her important attributes, *after* purchase. Thus, for search products, the intrinsic cues are perceptible before purchase, whereas for experience products, the intrinsic cues are *not* perceptible before purchase. In figure 2, the relationship between the perceptibility of intrinsic cues and the type of product (search vs. experience) is displayed.

Based on figure 2, one can easily get some insight into the influence of a brand name on the decision-making behavior of consumers. Jun and Jolibert (1983) report a study in which it appeared that consumers use intrinsic cues to form an opinion about a product if these cues are perceptible (such as clothing), but that consumers use extrinsic cues if the intrinsic cues are not perceptible (such as with many packaged food products). So, if intrinsic cues are not perceptible before purchase, the consumer is more or less dependent on the extrinsic cues to judge a brand before purchase (see also, Cox 1967). One can thus expect that the

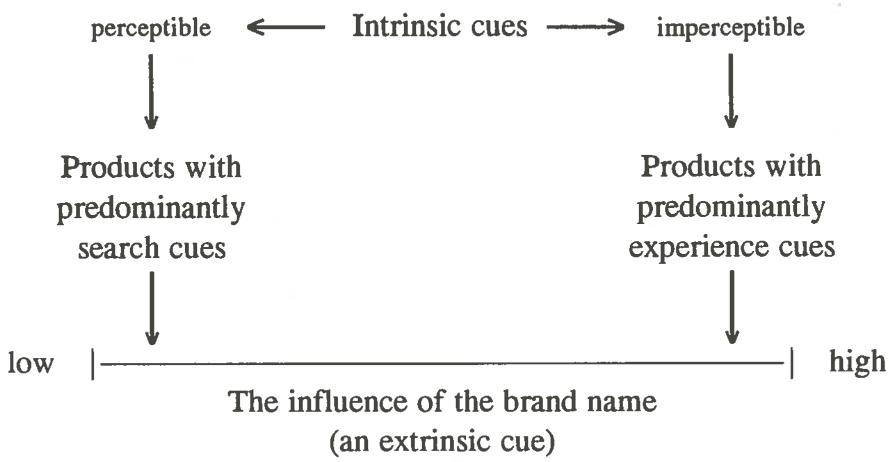

Figure 2: The influence of the brand name on the consumer decision-making process as dependent on the perceptibility of intrinsic cues.

influence of brand name (an extrinsic cue) plays a larger role in the decision-making behavior of the consumer where experience products are concerned, rather than search products. Richardson, Dick and Jain (1994) for example report on a study that indicates that for several experience products, consumers rely more on extrinsic cues when assessing product quality than on intrinsic cues. Similar conclusions on the role of intrinsic and extrinsic cues in pre-purchase situations, are found in Kirmani and Zeithaml (1993, p.149). As a matter of fact, this finding is also consistent with Nelson's theory (1970; 1974) which states that behavior may be influenced to a larger extent where products with predominantly experience cues are concerned, rather than where products with mainly search cues are concerned. Here, Nelson speaks of "guidance", which can - in our opinion - also be taken to mean the influence of extrinsic cues (such as brand name) on consumer decision-making behavior. To summarize, the conclusion here would be that:

1. The consumer judges a brand before purchase mainly on the basis of intrinsic cues if these cues are perceptible (such as is the case with search products).
2. The consumer judges a brand before purchase mainly on the basis of extrinsic cues (such as brand name) if the intrinsic cues are not perceptible (such as is the case with experience products).

Below, we will further explore the value of a brand for the consumer on the basis of the factors just reviewed.

Differences in the magnitude of brand-added value. On the basis of the above described conceptual framework on revealed and hidden intrinsic cues, we can state that the influence of the brand name on consumer decision-making behavior is greater for experience products than for search products (see figure 2). One can therefore expect that the value a brand name can add to a brand will be greater for experience products than for search products. In other words, BAV will appear to a greater extent where experience products are concerned than where search products are concerned. This effect can be called the "main effect" of the type of product on the magnitude of BAV. Empirical support for the fact that BAV occurs more strongly with respect to experience products than with respect to search products, can be found in Riezebos (1994).

However, among search products and among experience products, the influence of brand name and the degree to which BAV occurs, can also differ. These differences in BAV can be caused by different types of positioning. Regarding this, the rule was adopted that the information on the package and in the advertisements can only be of value to the consumer if this information cannot be derived from the article itself before purchase. The differing degree to which BAV can occur, can probably be best illustrated with the use of search products. Above we stated that a search product can be evaluated before purchase through intrinsic cues (because these cues are perceptible). Now if, for such search products, the information about the brand (on the package and in advertising) pertains to these perceptible cues, there will be no *added* information (the information can, after all, be derived from the product itself, and hence, the principle of complementarity does not take root). Consequently, an intrinsic positioning of a search product will add no value to the brand (BAV will not emerge). If, on the other hand, one extrinsically positions a search product, value can be added to the brand. Should one extrinsically position a search product, the brand name may function as a halo construct (here, we apply the halo construct as described by Han 1989). This means that the brand name serves mainly as a cue in influencing beliefs about the brand and that the brand name itself invokes little or no belief-related associations in the consumer's mind. So, the role of the brand name is limited here to influencing consumers' perceptions of intrinsic cues. Transformational advertising may, in the case of search products, have as a consequence that consumers judge the perceptible cues of the branded article differently before purchase. This type of advertising may, furthermore, transform consumers' usage experience of the brand. Regarding search products, we conclude that an extrinsic positioning will add more value to a brand than an intrinsic positioning.

With an experience product, the question which type of positioning will lead to the stronger BAV, is more difficult to answer. Since intrinsic cues are imperceptible for experience products, both intrinsic and extrinsic positioning can add value to the brand. If, being an experience product, a brand is positioned intrinsically, its BAV will mostly be based on functional values. For example, the BAV of Vidal Sassoon Wash & Go may for the most part be based on the fact that this brand is a shampoo and conditioner in one. If a brand with largely experience cues is positioned extrinsically, however, its BAV will be mainly based on non-functional values. Thus, for experience products, BAV can occur with both intrinsic and extrinsic positioning.

The theory of Fennell (1978), as further worked out by Rossiter and Percy (1987), may give insight into which type of positioning adds more value to a brand in the case of experience products. In Fennell's theoretical framework, a distinction is made between negative and positive purchase motivations. Negative purchase motivations are based on the consumer's experience with an aversive stimulus and motivate the consumer to reduce or even avoid the stimulus in question. Positive purchase motivations are, on the other hand, based on the consumer's desire to engage in hedonic or rewarding situations and motivate the consumer to (temporarily) increase his or her emotional state[2]. Rossiter and Percy (1987) formulate guide-lines for creative strategies in advertising on the basis of both classes of purchase motivation. To cut a long story short, these guide-lines suggest that in the case of a negative motivation, advertising should focus directly on the benefits provided by the brand. In our opinion, this resembles an *intrinsic* positioning of the brand. By focussing on distinguishing benefits and by translating these benefits into acceptable claims, a large amount of value may be added to a brand that is characterized by experience qualities. On the other hand, in the case of positive purchase motivations, Rossiter and Percy suggest that "liking of the ad" by the target audience is of great importance. Here, it is supposed that consumers' attitude toward the ad will influence consumers' attitude toward the brand (for a discussion on the relationship between both types of attitude, see Shimp 1981). The guide-lines for brands that are based on positive purchase motivations, resemble in our opinion an *extrinsic* positioning of the brand.

For the sake of completeness, the reader's attention is drawn to some conclusions of Nelson that - at first sight - seem to contradict some of the conclusions formulated above. On the subject of providing information in advertising, Nelson (1974) concludes that:

1. For products with predominantly search cues, advertisements should contain "hard" information (i.e., an intrinsic positioning), because these products are mainly judged on intrinsic cues.
2. For products with predominantly experience cues, advertisements should contain "soft" information (i.e., an extrinsic positioning), because consumers are not able to verify whether information on intrinsic cues is true or false.

In formulating these conclusions, one should, however, realize that Nelson focussed on *advertising as information* (this is even the literal title of his 1974-article). However, here, in this paper, we focus on advertising that is aimed at *adding value* not already present in the product (for different roles for advertising, see, for example, Young 1963, p.49-73). So, one may state that the conclusions drawn by Nelson are (partly) correct if the aim is spreading information. Nelson did not, however, work out the idea that advertising may add value not incorporated in the product. On the subject of adding value, we conclude that for search products, an extrinsic positioning will result in a higher BAV than an intrinsic positioning. In the case of an experience product, an intrinsic positioning will yield a higher BAV if consumers' purchase motivation for the brand in question is negative whereas an extrinsic positioning will result into a higher BAV if consumers' purchase motivation is positive. To return to the thread of the story, we will now discuss assets and benefits of BAV.

Assets and benefits of brand-added value

Below, three assets of BAV are reviewed: intrinsic brand associations, extrinsic brand associations and brand name awareness. After describing these assets of BAV, we will link these assets with type of product and type of positioning. Subsequently, two classes of benefits of BAV are described, namely functional and expressive benefits.

Assets of BAV. Aaker (1991) distinguished five assets of brand equity, of which, in our opinion, three may contribute to consumer-based brand value. These three assets are (in terms of Aaker): perceived quality, brand associations and brand awareness. If one further examines these terms, one might ask oneself if these terms cover every aspect of BAV. Although Aaker (1991, p.91) distinguishes several aspects of product and service quality, the term "perceived quality" refers more to the nature and state of things (like reliability and durability) than to the presence of certain attributes or features. What both dimensions have in common, is that consumers' associations about these dimensions refer to *intrinsic* cues of the brand in question. Therefore, we prefer to replace the term "perceived quality" by the term "intrinsic brand associations", referring both to quality aspects and specific additional trimmings of the brand that may be of value to consumers. In general, one may state that a brand has value for consumers if a brand name invokes positive intrinsic associations in consumers' minds.

In accordance with intrinsic brand associations, one may then also speak of "*extrinsic* brand associations" (instead of Aaker's general term "brand associations"), referring to, for example, a life style that may be associated with the brand (like is the case of Bacardi rum). Here, one can state that a brand has value for consumers if a brand name invokes positive extrinsic associations in consumers' minds. Regarding intrinsic and extrinsic brand associations, one may also use the term "brand image" as an umbrella term for both types of associations.

Besides positive intrinsic and extrinsic brand associations that may contribute to BAV, one may also state that, where brand name awareness is concerned, well-known brand names are of more value to the consumer than unknown brand names (in terms of insecurity reduction). The saying, "unknown, unloved", is valid in this case. Corroboration for the relatively strong effect of brand name awareness on choice behavior can be found in Aaker and Day (1974), Hoyer and Brown (1990) and Nedungadi (1990). One may even state that, most probably, the brand name has a moderating effect on the intrinsic and extrinsic brand associations. This means to say that the associations determine the direction of BAV (positive or negative) and that brand name awareness, for a large part, determines the degree of BAV. In other words, brand name awareness chiefly has a strengthening effect on the direction of BAV, determined by the associations. So, theoretically, for two brands with the same positive associations, the well-known brand will have a more than proportional higher level of BAV than the lesser-known brand. Conversely, however, for two brands with the same negative associations, the more known brand will probably have a higher "brand-lesser value" than the lesser-known brand. So, for example, if an East European make of car invokes negative brand associations, higher brand name awareness would only increase this effect. To conclude, one can say that brand name fulfils two different roles where BAV is concerned: the brand name can function as a cue to arouse intrinsic and extrinsic brand associations in the mind of the consumer, and the degree of awareness of the brand name can contribute to BAV. Below, we will bring the three assets of BAV in connection with the factors "type of positioning" and "product type".

If we position the factors "product type" and "type of positioning" against each other, a matrix of four cells will emerge (see figure 3). The above discussed assets of BAV can now be placed in the appropriate cells of the matrix. For every cell, it can be said that, in any case, brand name awareness can contribute to BAV. The type of positioning further determines which type of brand associations can contribute to BAV. In the case of intrinsic positioning, only intrinsic brand associations can contribute to BAV, by definition. In the case of extrinsic positioning, only extrinsic brand associations can contribute to BAV, by definition.

		Type of positioning: *Intrinsic*	Type of positioning: *Extrinsic*
Type of product	*Search*	BAV = BNA *	BAV = BNA + EBA **
	Experience	BAV = BNA + IBA ***	BAV = BNA + EBA ***

Figure 3: Type of product against type of positioning. For every cell it is indicated which assets can contribute to brand-added value (BAV): intrinsic brand associations (IBA), extrinsic brand associations (EBA) and brand name awareness (BNA). The number of stars in each cell indicate the extent to which BAV can occur.

Where search products are concerned, we already concluded that intrinsic positioning (i.e., stressing intrinsic brand associations) cannot add value to the brand (because the intrinsic cues are perceptible, so it is not a matter of complementarity). The only component that can contribute to BAV in this case is brand name awareness. For an extrinsically positioned search product, both brand name awareness and extrinsic brand associations can contribute to BAV. BAV will thus more strongly occur for extrinsically positioned search products than for intrinsically positioned search products. For an experience product that is intrinsically positioned, brand name awareness and intrinsic brand associations can contribute to BAV. On the other hand, in the case of an extrinsically positioned experience product, brand name awareness and extrinsic brand associations can contribute to BAV. Thus, for experience products, an intrinsic as well as an extrinsic positioning can lead to the contribution of two components to BAV.

The question that now needs answering, is what the relative strength of BAV is in each of the matrix cells. This is denoted in figure 3 by the number of stars in each cell; more stars means that BAV will more strongly occur. As explained above, the extrinsic positioning of a search product (**), results in a higher BAV than an intrinsic positioning (*). Based on figure 2 we had already concluded that BAV would more strongly take place with experience products than with search products (the so-called "main effect"). The extrinsic positioning of an experience product (***) will thus result in a higher BAV than an extrinsic positioning of a search product (**). Depending on the type of purchase motivation, an intrinsic positioning will add more value to a brand than an extrinsic positioning, and vice versa. The effect that BAV - depending on type of product - will sometimes occur more strongly with extrinsic positioning and sometimes more strongly with intrinsic positioning, can be called the "interaction effect" of type of product and type of positioning on BAV.

Benefits of BAV. In terms of benefits for the consumer, one may state that all three assets discussed above, may yield both functional and expressive benefits (Katz 1960). With functional benefits, we refer to the consumers' maximization of gains from the physical product (functional benefits are sometimes also referred to as "instrumental" or "utilitarian benefits"). Regarding expressive benefits, we refer to consumption goals in the consumer's psycho-social world, meaning that consumers may use brands to express their identity. With this we mean that by using the brand, a consumer may make clear to other consumers to which social group he or she wants to belong, and to which social group he or she does *not* want to belong (see, for example, Braun and Wicklund 1989, on conspicuous consumption). Both functional and expressive benefits may have value to consumers before, during and after consuming a product. In line with this, Aaker (1990) mentions three specific values that a brand may provide to consumers: a brand may enhance a consumer's interpretation / processing of information, a brand may enhance confidence in the purchase decision and a brand may enhance use satisfaction. One should realize, that all three specific values that a brand may provide to consumers may as well be of functional and of expressive nature. A brand may, for example, enhance use satisfaction because a consumer is convinced that the brand is superior to other brands on functional attributes, but a brand may also enhance use satisfaction because a consumer feels "socially safe" when consuming the article. The three assets, the two classes of benefits and the three specific values that a brand may provide to consumers, are summarized in figure 4.

Assets of BAV	Class of benefits	Values provided
Brand name awareness	Functional benefits	▪ enhance processing of information
Extrinsic brand associations		▪ enhance confidence purchase decision
Intrinsic brand associations	Expressive benefits	▪ enhance use satisfaction

Figure 4: Three assets of brand-added value (BAV) (intrinsic and extrinsic brand associations, and the level of brand name awareness) linked with two classes of benefits and the specific values that brands may provide for consumers.

Before moving from the value of a brand for the consumer, to the value of a brand for the producer, we will formulate implications of the conceptual framework for consumer-based brand value.

Implications for consumer-based brand value

Above a conceptual distinction was made between two types of products: search and experience products (Nelson 1970; Nelson 1974). What constitutes a search or experience product depends on several criteria. In general, one could say that durable consumer goods can be classified as search products. For these products, design usually plays an important role in the choice behavior of the consumer. However, durable consumer goods are not always search products; durables with a high ratio of repair and maintenance costs to purchase costs, can be classified as experience products. For cars we would expect higher maintenance costs than for coffee makers, for example. A car can therefore - as one of the few durable consumer goods - be classified as an experience product. Fast-moving consumer goods can, in general, be classified as experience products. As stated before, the classification in search and experience products is in the first place a conceptual distinction. Many search products also have experience cues (for example, the life-span of the imperceptible percolation system of a coffee maker). Most experience products also have search cues (the design of cars). Nevertheless, we can draw some important conclusions concerning the value one can add to a brand, based on the distinction between search and experience products.

When looking at the existing positioning of many search products, it comes to the attention that many of these products are *intrinsically* positioned. From the producer's point of view, this is not so surprising. If one is competing with a *product*, one needs to communicate the advantages of the product in order to alert consumers to the fact that this particular product has qualities that cannot be found in other products. However, Nelson (1974) has noticed that for search products, relatively more brands are offered to the consumer in a single store than for experience products. Where this is not the case, one will often encounter stores with search products that are geographically concentrated (such as furniture stores). In other words, a producer of a search product may give much intrinsic information in his advertisements, but this information is usually easily available at the place of purchase. Taken together, one could thus say that for search products, a relatively large number of brands is present at the point of purchase and therefore the consumer can easily gather information about the intrinsic attributes of search products. For the producers of search products, it would therefore be more fruitful to position their products *extrinsically*. This doesn't mean that intrinsic cues are not important for search products. On the contrary: it is probably even true that consumers in the first instance say that they base their choices on these cues. Extrinsic cues (such as a brand name with a certain reputation) can, however, influence the choice process of the consumer. The existence of a brand name - and the positive connotations related to that name - can cause a consumer to judge an article differently than if this brand name did not invoke such positive connotations. In such a situation, the brand name functions as a halo-construct. The brand name then obstructs an objective review of the intrinsic cues of the search product. A very well-known brand name with accompanying positive connotations can cause this obstruction to have a favorable effect. For search products, we can thus conclude that high brand name awareness and extrinsic positioning will lead to the highest BAV possible.

For experience products (such as packaged food products), the choice between types of positioning appears to be more complex. If a consumer's purchase motivation for a brand is *negative* (like with pain-killers and cleaning products), an *intrinsic* positioning would be preferred over an extrinsic positioning. If the intrinsic positioning is supported by Research & Development and innovation, this could be a good weapon against brands competing on the basis of price. However, this type of positioning necessitates constant investment in the brand (in product improvement as well as up-to-date informational advertising). An active and, in some sense, aggressive attitude is crucial here. However, if a consumer's purchase motivation for a brand is *positive* (like with most food products), an extrinsic positioning would be most appropriate. An advantage of an *extrinsically* positioned experience product may be the built-up brand image which is hard to copy. A transformational advertising campaign will probably also last longer than an informational advertising campaign (Pechmann and Stewart 1990). Possible disadvantages are that it is more difficult to build up a strong extrinsic positioning and that, in times of recession, consumers might reject the brand because the price-value ratio of brands becomes more important.

As mentioned before, the dividing line between search and experience is not a sharp one. However, the essence of the above described conceptual framework is the principle of complementarity. Meaning, BAV can only occur when the packaging and advertising emphasizes information which cannot be derived from the product itself. Such added information forms the basis for the value of the brand to the consumer. Thus, the idea is to point out those attributes which contribute to the benefits found important by the consumer. By emphasizing the information pertaining to the relevant attributes that are not perceptible for the consumer before purchase, on packaging and in advertising, the chance will be greatest that value will be added to the brand. After this discussion of the value of a brand to the consumer, we will switch to the value of a brand to the producer.

Part III: Producer-based brand value

In this part, we will discuss a conceptual framework of producer-based value. First, assets and benefits of brand equity are discussed. Subsequently, an excursion is made to the topic of "brand portfolios", which is necessary to differentiate the benefits for a producer that may accrue from brand equity.

Assets and benefits of brand equity

In discussing factors that may function as assets of brand equity, we will distinguish two aspects of a brand's consumer franchise: size and stability of the market share. Subsequently, three classes of benefits of brand equity for the producer are reviewed: strategic, financial and managerial benefits.

Assets of brand equity. In order to review assets that may contribute to brand equity, we will first take a closer look at the BAV - brand equity relationship. In elaborating upon the BAV - brand equity relationship, the question is relevant to what extent BAV may contribute to brand equity. To answer this question, in section I, an assumption was made on the influence of BAV on brand equity. In short, we stated that BAV determines consumers' buying behavior, to a large degree. Of course we realize that there are several factors that may intervene in the BAV - buying behavior relationship. Examples of intervening factors are the availability of the brand and the budget restrictions of consumers. To take an extreme example: a consumer may attach a high BAV to a Porsche automobile, but show no buying behavior congruent with this disposition because of the high financial costs involved in buying and maintaining such a car. Despite the relevance of these intervening factors, we will, for the sake of simplicity, stick to the assumption that BAV is strongly related to buying behavior.

On the basis of the assumption made, one may state that, if a brand is of value to a consumer, this will have as a consequence that he or she buys the brand, and that - in case the consumption experience does not contradict the expectations that existed prior to purchase - the consumer in question will probably buy it numerous times. If more consumers show the same pattern of behavior, one may state that the level of BAV, to a large degree, determines the consumer franchise of that brand. Regarding the consumer franchise of a brand, in fact, two components can be distinguished: the size of the market share and the stability of the market share. Where *size* of market share is concerned, it should be clear that a brand with a large market share will be of more value to a producer than a brand with a small market share. Besides size of market share, the *stability* of the market share can also be of influence on the brand equity of a brand. After all, for a brand with a market share that comprises continuously different consumers, the risk of a decreasing market share is larger than in the case of a market share that comprises to a large degree the same consumers. Furthermore, it should be realized that a stable market share may reduce marketing costs, to a large degree. A practical illustration of differences in the stability of brand buying patterns can be found in McQueen, Foley and Deighton (1993). In figure 5, we have schematically displayed the BAV - brand equity relationship.

Brand-added value (BAV) (consumer-based brand value)		**Brand equity** (producer-based brand value)
Brand name awareness Extrinsic brand associations Intrinsic brand associations	→	Consumer franchise ▪ size of market share ▪ stability of market share
		Other proprietary brand assets

Figure 5: The relationship between three assets of BAV (consumer-based brand value) and two assets of brand equity (producer-based brand value).

If we elaborate further upon the relationship between BAV and brand equity, we may state, that, if a specific brand is characterized by distinguishing and to consumers appealing added values, and if we for the moment ignore factors that may intervene the BAV - brand equity relationship, that BAV should be positively correlated with both size and stability of market size. Hence, one may also conclude, that size and stability of market share should be related. After all, a brand with a low level of BAV will not only have a relatively small market share but also a relatively low level of repeat purchases. Conversely, a brand with a high level of BAV will be characterized by a relatively high market share and a relatively high level of repeat purchases. As a matter of fact, a positive relationship between size and stability of market share has been found in several consumer good markets. Surprisingly, this pattern is also found for consumers' store choice and even for television program choice. The pattern that low-market-share brands are less likely repeatedly bought by the same consumer than high-market-share brands, is referred to as the "double jeopardy" phenomenon. In other words: consumers who buy high-market-share brands purchase these brands more often than consumers who buy low-market-share brands. A comprehensive review of the double jeopardy phenomenon is given by Ehrenberg, Goodhardt and Barwise (1990) (see also: Fader and Schmittlein 1993). In terms of the BAV - brand equity relationship we may thus conclude that BAV does not only give consumers reasons to buy a brand once, but seemingly, BAV may also give consumers reasons to buy a brand repeatedly.

Remarkably, Aaker (1991) did not distinguish *size* of market share as an asset of brand equity. He did, however, distinguish *stability* of the market share as an asset of brand equity (Aaker referred to this latter asset as "brand loyalty"). In conformity with Aaker, we labeled "other proprietary brand assets" as a third asset of brand equity (referring to patents, trademarks and channel relationships). One should, however, realize that this particular class of assets is hardly dependent on consumer-based brand value. Recapitulating, we state that consumer-based brand value may determine the consumer franchise of a brand, of which size and stability of the market share may function as assets of brand equity.

Thus far we have ascertained that a brand may have value for a producer, but we have not discussed the specific benefits that may accrue from a successful brand for a producer. Below, three classes of benefits, that may stem from brand equity, are reviewed.

Benefits of brand equity. In discussing benefits of brand equity, we may distinguish three classes of benefits: strategic, financial and managerial benefits. Strategic benefits refer to benefits that may accrue from a strong market position of a brand. Financial benefits of a successful brand relate to the fact that - in the long run - the cash flows resulting from the product with the brand name are higher than the cash flows resulting from the product without the brand name (Shocker and Weitz 1988). Managerial benefits of a brand refer to the opportunities that a successful brand may offer for capturing a larger market share or to the opportunities that a successful brand may offer for entering other markets. Here, we chose to label this latter class of benefits as "managerial benefits", but one may also label this class of benefits as "*potential* strategic benefits".

Strategic benefits that a brand may provide, imply that a producer's position in a market is strengthened due to the fact that he or she carries (a) particular brand(s). This stronger position may refer to both (potential) competitors and retailers. With respect to (potential) competitors, one may state that a successful brand may deter potential competitive brands. In general, it is often stated that advertising - which can be viewed as one of the major instruments in branding techniques - may lead to "reputation monopolies" (Lambin 1976, p.95). Or to put it differently: advertising may generate goodwill for the advertised brand, and in so doing make it difficult for new companies to enter the market. Backman (1967, p.52) summarized this phenomenon of reputation monopolies pithily, by stating that "The company that owns the brand has a *monopoly* of its use". What is, in fact, suggested here, is that, due to successful branding, the strategic position of established companies may become stronger. As a consequence, potential entrants to a market, may face a *barrier to entry* (Karakaya and Stahl 1989).

Another strategic benefit that may accrue from a successful brand can be summarized by the term "pull effect". This term refers to the fact that a brand is appealing to consumers, and that retailers are forced to stock that brand in order to meet consumer demand. In fact, in the case of a pull effect, the manufacturer can "reach over the shoulder of the retailer direct to the consumer" (Murphy 1990, p.8 and p.67) (see also: Jones 1986, p.22). Summarizing, one may conclude that successful brands may have strategic benefits for a producer because the competitive position of that producer is strengthened due to the brand(s) in question and because successful brands move the power within a distribution channel into the direction of the producer.

Where *financial benefits* of successful brands are concerned, one should not only think of higher sales, but also of higher profit margins for the producer. With respect to higher sales, again advertising - as one of the major instruments in branding techniques - comes into focus. Various studies that focussed on the advertising-sales relationship have found a positive relationship between advertising and sales, but mostly the results also indicate that it is a weak relationship. As an example, Broadbent's study on the advertising-elasticities of 84 European brands can be mentioned (see Jones 1989). Broadbent found an average advertising-elasticity of 0.20, meaning that a 1 % increase in advertising expenditures on average leads to only a 0.2 % increase in sales. One should, however, take into consideration that mostly, in these types of studies, a number of variables which influence the advertising-sales relationship are not taken into account (for example message characteristics, the type of media vehicles used, the interaction with other advertising instruments, etc.). So, although it seems that the impact of advertising on brand sales is not particularly impressive, one may state that, when rightly executed, advertising most probably influences sales. With respect to this particular financial benefit of a successful brand, one may also state that, when consumers keep buying a brand, this brand may become a guarantee for future sales and profits for the producer.

Another aspect of financial benefits has to do with the profit margin of the producer and the price sensitivity of the retailer and the consumer. If a brand strategy leads to higher sales, this can consequently lead to economies of scale for the producer where production and distribution are concerned. Farris and Albion (1980) report that, on top of this, the producer can raise the price of the brand due to higher consumer demand. Concerning the price sensitivity of the consumer, however, various studies are not in agreement. If, for convenience sake, one assumes that the consumer price does not change due to intensive advertising, and the producer increases his price because of higher demand, this means a lower margin for the retailer (a more rapid turnover may however compensate retailers' lower margins). As a matter of fact, these conclusions reflect the findings of Steiner's dual-stage model as reviewed in Farris and Albion (1980). Here, one can conclude that, in the case of a successful brand strategy, the producer's profit margin will, in all likelihood, increase.

Besides the strategic and financial benefits discussed so far, successful brands may also yield *managerial benefits*. This means that a successful brand may be used to penetrate further into a market or that a successful brand may even be used to penetrate into other markets. When a successful brand is used to penetrate further into a market, one may think of using an existing brand name on other product varieties within the same product class (so-called "line extensions"). One may, however, also use an existing brand name on articles in other product classes than the one in which the brand name has been used so far (e.g., Mars used the brand name of its candy bar to penetrate in the ice-cream market). The use of an existing brand name on products in another product class, is usually referred to as "brand extensions". The degree to which a brand lends itself for use on other products and product varieties, determines the managerial value of that brand. Aaker (1990) labels this aspect of managerial benefits as "the good" of brand extensions. Tauber (1988) has estimated that as much as 66 % of successful new brands are line or brand extensions. In the case of brand extensions, this often appears to be an easy way to get a foothold in another product class. As mentioned under strategic benefits, brands can be "*barriers* to entry", while here, one may also speak of brands as a "*means* to entry". Another aspect of managerial benefits of brands, can be found in the ability of transnationally extending a brand.

In this part, the value of a brand for consumers was linked with the value of a brand for producers. On the basis of this, two assets of brand equity were discussed: the size and the stability of the market share. Furthermore, three classes of benefits, that may accrue from brand equity, were reviewed. These three classes of benefits, and the specific values they may provide, are summarized in figure 6.

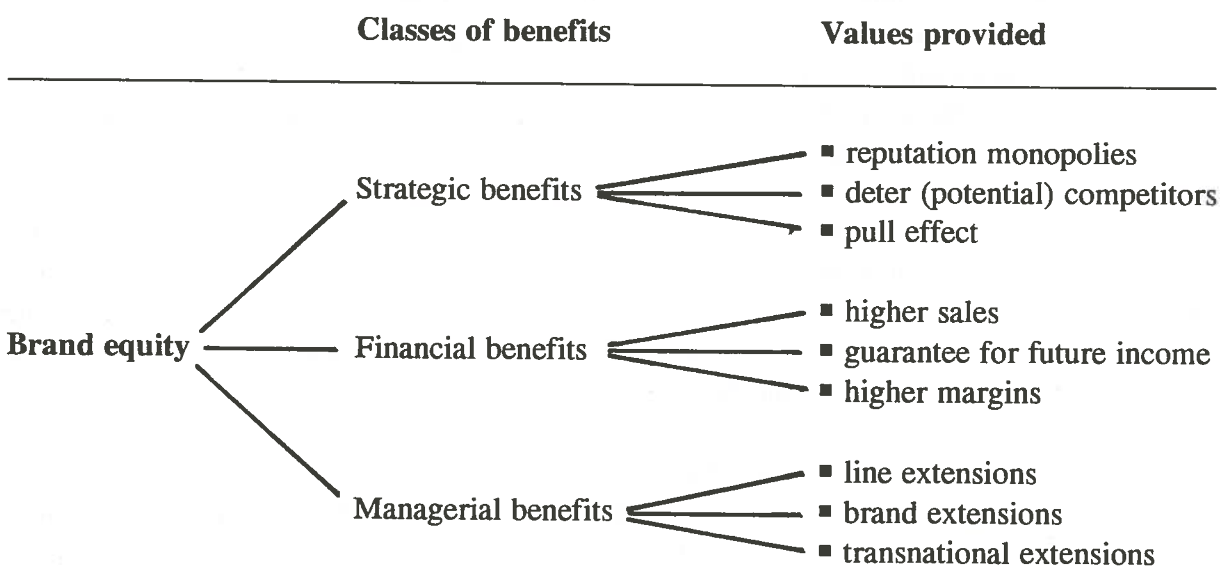

Figure 6: Three classes of benefits that relate to brand equity, and the specific values that these benefits may provide.

So far, we have discussed, what may be called "a general model of brand-added value", and we have examined the relationship of this model with brand equity. However, as can be noticed in most markets, differences exist between brands. Not only may brands differ with respect to BAV, but brands may also differ with respect to their level of brand equity. In the remaining part of this article, we will differentiate this general model of BAV. In order to get a hold on these differentiations in BAV, we have to make an excursion to the topic of "brand portfolios". Subsequently, in the last part of this article, the general model of BAV will be differentiated, taking into account the findings of the discussion on brand portfolios.

A diagram of brand portfolio

As is the case with many large manufacturers, one producer usually exploits several brands in one and the same product class (Procter & Gamble, for example, sells different brands of shampoo). Some of these brands may have a large market share, while other brands have a small market share. Clearly, brands may take advantage of different needs and desires of consumers. Another aspect that seems to be important in positioning a brand, is the relative price. Again, differences may exist between brands. Based on the dimensions "different needs and desires" (which can be briefly labeled as "differentiation") and "relative price", one may represent a brand portfolio in diagram form. In figure 7, a diagram of a brand portfolio is depicted in which four different types of brands are distinguished: (1) bastion brands, (2) flanker brands, (3) fighter brands and (4) prestige brands.

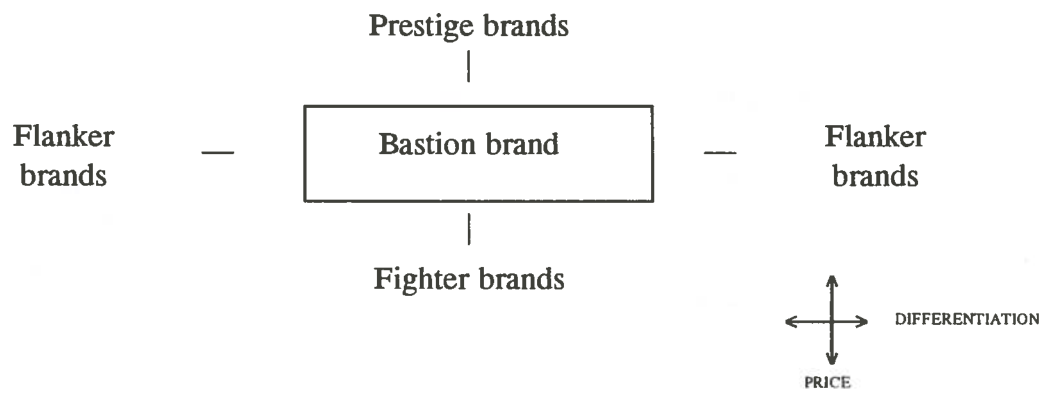

Figure 7: A diagram of brand portfolio with four different types of brands.

Within a producer's brand portfolio, usually only one brand can be classified as the *bastion brand* (please note: here we apply the concept of brand portfolio to only *one* product class). The bastion brand is usually the brand with the largest market share within a manufacturer's brand portfolio and this brand usually generates the highest turnover. A bastion brand should be clearly differentiated in consumers' minds, which means that large advertising expenditures are needed. Regarding bastion brands, we may state that these brands may yield large strategic, large financial and large managerial benefits. Strategically, a bastion brand may deter potential competitors and it may strengthen the manufacturer's position towards retailers. Financially seen, the bastion brand may generate a high income and it may be a producer's best guarantee for future income. From the managerial perspective, this type of brand lends itself best for line and brand extensions.

Besides a bastion brand, a producer may have several *flanker brands*. Flanker brands are normally aimed at fulfilling other consumer needs and desires than bastion brands do, and the consumer franchise of flanker brands is usually smaller than the consumer franchise of the bastion brand. Flanker brands, however, have about the same price - value relationship as the bastion brand. The strategic benefits that flanker brands may provide, are usually high; flanker brands may, after all, prevent potential competitors from getting a foothold in the product class. There is usually, however, a price to be paid for this; positioning flanker brands in very small niches in the market, may even lead to losses for that specific brand.

Besides having low to moderate financial benefits, flanker brands also yield moderate to low managerial benefits (that is to say, extensions are often not realistic options here).

Both fighter and prestige brands differ from bastion and fighter brands on the price - value dimension. *Fighter brands* are aimed at consumers to whom price is a relatively strong criterion for deciding which brand to buy. Fighter brands are normally less differentiated than the other types of brands. Perhaps one could say that fighter brands are aimed at large "amorphous" groups of consumers. For fighter brands, the strategic aspect of brand equity seems to be most important; after all, fighter brands serve to deter discount brands and private label brands. The role of advertising is less prominent here than in the case of bastion and flanker brands. One might even state that fighter brands should - unlike bastion and flanker brands - not be differentiated and that they should even be tuned to a bastion brand (a so-called "copy-cat" is, to a large extent, similar to another brand). In general, the financial benefits of a fighter brand are low; the manufacturer's margin for a fighter brand will, after all, be lower here than for a bastion brand. The managerial benefits of fighter brands are also low; normally these brands are not suitable for extensions.

The fourth type of brand distinguished, is the *prestige brand.* Regarding prestige brands, one can state that they are aimed at a very small group of consumers with very specific needs and desires, who are willing to pay a relatively high price (e.g., the make of car Lexus, the luxury division of Toyota). Prestige brands normally do not have high strategic benefits; after all, in most cases, competition is feared to a much greater extent from lower priced brands. The financial benefits for prestige brands are usually high. The managerial benefits for prestige brands are also moderate.

As with the two factors that may influence BAV (i.e., product type and type of positioning), we may also differentiate the terminology used in the above described typology of brands. First of all, one should be aware that what appears to be a bastion brand for one producer, may serve as a flanker brand for another producer. For example: if a small producer has a profit making bastion brand with "only" 5 % market share, this same brand might serve as a flanker brand for a large producer who has a bastion brand with 20 % market share. The value of a brand to a producer may thus be dependent on the value of the other brands held in the brand portfolio of that producer. Another point to be stipulated here, is that it may not always be that simple to classify a brand as either a bastion, flanker, fighter or prestige brand. It may, for example, be possible that a producer has more than one brand in his or her portfolio that is cheaper than the bastion brand. The essence of the diagram of brand portfolio, however, is that brands may differ on the dimensions of degree of differentiation and price, and that, on the basis of these dimensions, brands may differ on the benefits they may provide for a producer. In figure 8, a summary is given of the benefits that each type of brand may provide.

Type of brand	Benefits provided *Strategic*	*Financial*	*Managerial*
Bastion brand	high	high	high
Flanker brand	high	low	moderate
Fighter brand	high	moderate	low
Prestige brand	moderate	high	moderate

Figure 8: A summary of benefits provided for the producer by four different types of brands.

So far, we have elaborated in great detail upon consumer- and producer-based brand value. We have, however, not yet differentiated the findings on consumer-based brand value for the four different types of brands just reviewed. In the final part of this article, we will differentiate on what we have called "a general model of brand-added value" and we will formulate managerial implications with respect to brand value.

Part IV: Conclusions and implications

In this last part, we will once again elaborate upon the BAV - brand equity relationship. What we have called the "general model of BAV" will in this part be differentiated for different types of brands. Furthermore, implications with respect to brand value will be formulated.

The BAV - brand equity relationship revisited

In figure 4 of this article, we listed three assets that may contribute to BAV, namely: intrinsic and extrinsic brand associations and the level of brand name awareness. In general, all three assets may contribute to brand-added value. It should, however, be noted that, depending on the type of brand, some assets may more strongly contribute to BAV than other assets. For example, for a *bastion brand* that is heavily advertised, besides brand name awareness, usually either the intrinsic or extrinsic associations contribute to BAV (depending on the type of positioning). One may classify the resulting level of BAV for a bastion brand as high. For *flanker brands*, however, the accentuation of either intrinsic or extrinsic brand associations will be stronger than for bastion brands. Due to a relatively small market share, the level of advertising for flanker brands will be lower, resulting in a lower brand name awareness compared to bastion brands. To conclude on flanker brands, one may state that the level of BAV will be lower for these brands than for bastion brands.

With respect to *fighter brands*, one may conclude that these brands normally do not invoke distinguishing intrinsic brand associations (e.g., the perceived quality is usually moderate), and for this type of brand, extrinsic brand associations have little or no importance at all (the favorable price - quality trade-off is usually the only appealing aspect to consumers). In case a fighter brand is being advertised, the function of advertising is merely limited to inform consumers about the existence of the brand. Hence, the level of brand name awareness will at best be moderate. But, if, as mentioned before, brand name awareness has a strengthening effect on the direction of BAV as determined by the brand associations, the level of BAV for a fighter brand will remain low (because here, the accentuation of brand associations is very low).

Type of brand	*Intrinsic brand associations*	*Extrinsic brand associations*	*Brand name awareness*	*Magnitude of BAV*
Bastion brand	high	high	high	high
Flanker brand	high / low	high / low	moderate	moderate
Fighter brand	low	low	moderate	low
Prestige brand	very high	very high	high	very high

Figure 9: A summary stating to what degree different types of brands relate to the three assets of BAV and to what degree different types of brands relate to the level of BAV itself.

For *prestige brands*, both intrinsic and extrinsic brand associations will be very high. Not only will consumers ascribe a high quality to these brands and will these brands offer specific attributes, but consumers may also use these brands as a symbol of communication to others. The resulting level of BAV of a prestige brand will be high to very high, thereby probably exceeding the value of BAV for a bastion brand. The degree to which each asset of BAV may contribute to BAV for each type of brand, is summarized in figure 9.

Implications with respect to brand value

In part I of this article, we cited King (1973) who more or less stated that successful brands can be regarded as one of the critical success factors of a company. On the basis of this proposition, one may argue that it is of extreme importance for managers to continually determine the value of their brand(s). The question is then, which aspects of brand value should managers keep under watch and ward. The three assets of BAV, and the two assets of brand equity, as summarized in figure 5, cover the most important aspects to be considered by what one might call a "brand monitor". By monitoring brand name awareness, intrinsic and extrinsic brand associations, and the size and the stability of the market share for a number of competing brands, managers may be alerted if things are going wrong in the egg. In short, one can say that a brand monitor can serve as a management information benefit. Not only can a brand-monitor provide insight into the effect of one's own brand strategy, but a brand-monitor may also provide insight into the effect of competitors' brand strategies. As a matter of fact, one could say that a brand-monitor can provide understanding of the *relative* success of one's own brand strategy. Besides providing insight into the effect of managerial decisions, a brand-monitor may also provide insight into the effect of external factors on brand value. For example: negative publicity about a brand may decrease the value of that brand (to both consumers and producers). In such a case, a brand-monitor cannot only give insight into the degree of damage caused by negative publicity about a brand, but a brand-monitor can also indicate when a damaged brand has fully recovered. Recapitulating, we can state that a brand-monitor may indicate the degree to which the value of a brand is increasing or decreasing, and hence one might conclude that such a monitor can function as a sort of "barometer".

Besides using a brand-monitor as a barometer, one can also use such a monitor as a guide-line in decision making. For example, a brand-monitor can help management allocate scarce marketing resources (like advertising) in a responsible way. So, a brand-monitor can shed light on which brand(s) in the brand portfolio offer(s) the best opportunities for enlarging the company's competitive power. Consequently, one can decide whether or not a brand needs extra (financial) support. Besides a brand-monitor having benefits for the brands held in one's own portfolio, such a monitor may also be useful when competitor-owned brands are considered for acquisition (after all, competitor-owned brands may improve a firm's competitive position). In the quest for acquiring brands, a brand-monitor may indicate which brands should be considered for acquisition. Furthermore, a brand-monitor can provide insight into all kinds of practical situations in which information on the various aspects of brand value may be a crucial factor in the managerial decision-making process. For example: on the basis of a brand-monitor it is possible to decide whether a brand is strong enough to be used for trans-category or transnational extensions.

Epilogue

In this article, the focus was placed on unravelling brand value. In discussing general notions on the concept of brand value, we reviewed findings on the constructs of added value and brand equity, and we made a distinction between consumer-based brand value and producer-based brand value. In elaborating upon consumer-based brand value, the line was taken that brand related information may contribute to brand-added value on the basis of complementarity. By crossing type of positioning with type of product, it was argued that brand-added value will more strongly occur for extrinsically positioned search products than for intrinsically positioned search products. Furthermore, it was argued that, for experience products, brand-added value will more strongly occur for intrinsically positioned brands when consumers' purchase motivations are negative for that brand, and that brand-added value will more strongly occur for extrinsically positioned brands when consumers' purchase motivations are positive for the brand in question. By distinguishing three assets of brand-added value (intrinsic and extrinsic brand associations and brand name awareness), the type of product - type of positioning matrix was filled in. Subsequently, brand-added value was linked to brand equity, and three assets of brand equity were distinguished: size and stability of the market share and other proprietary brand assets. Thereupon, three classes of benefits of brand equity were reviewed: strategic, financial and managerial benefits. An overview of both constructs of brand value, the assets that may contribute to both types of brand value, the classes of benefits and the specific values that brands may provide for both consumers and producers, are summarized in figure 10. Hopefully, this article will contribute to a more univocal picture of the concept of brand value, and perhaps it will be used as a basis for future research.

Value concept	Assets	Class of benefits	Values provided
Brand-added value (BAV) (consumer-based brand value)	Brand name awareness Extrinsic brand associations Intrinsic brand associations	Functional benefits Expressive benefits	■ enhance processing of information ■ enhance confidence purchase decision ■ enhance use satisfaction
		Strategic benefits	■ reputation monopolies ■ deter (potential) competitors ■ pull effect
Brand equity (producer-based brand value)	Size of consumer franchise Stability of consumer franchise Other proprietary assets	Financial benefits	■ higher sales ■ guarantee for future income ■ higher margins
		Managerial benefits	■ line extensions ■ brand extensions ■ transnational extensions

Figure 10: An overview of both constructs of brand value, the assets that may contribute to both types of brand value, the classes of benefits and the specific values that brands may provide for both consumers and producers.

Footnotes

1: Here, the reader's attention is drawn to the fact that Rossiter and Percy (1987 p.188 note 15) apply the terms "informational" and "transformational" to negative and positive *brand purchase motivations*, respectively. Puto and Wells (1983) and Aaker (1991) apply the terms to *advertising types*, in the same way as we do in the present article.

2: Classes of negative purchase motivations are problem removal, problem avoidance, incomplete satisfaction, normal depletion and mixed approach - avoidance. Classes of positive purchase motivations are sensory gratification, intellectual stimulation and social approval (these classes of purchase motivations are based on Rossiter and Percy 1987).

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