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Maria João Louro & Paulo Vieira Cunha

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Maria João Louro[1] and Paulo Vieira Cunha[2]

Brand Management Paradigms

Tilburg University, The Netherlands

The present article is concerned with the identification and analysis of current approaches toward brand management. Four paradigms are introduced that cluster disparate assumptions and processes of conceptualising and managing brands. An organization's dominant paradigm determines its understanding of brands, the process and content of brand strategy and, consequently, their potential contribution to competitive advantage. The increasing recognition, by both managers and academics, of the significance of brands as sources of sustained competitive advantage accentuates the importance of validating and refining the premises and models underlying organizations' brand strategies.

Introduction

A significant feature of contemporary marketing research and practice concerns the emergence of brands as key organizational assets. This recognition, reflected in the increasing centrality of brands in marketing research (Malhotra, Peterson and Kleiser 1999) and managerial practice (Aaker 1996; Murphy 1998), results from the confluence of both theoretical advances in the fields of strategic management and marketing and the redefinition of extant competitive conditions. In particular, the development of the resource-based view of the firm and brand equity research, coupled with profound transformations in market dynamics and structures, has led to a reconfiguration of managerial and academic perceptions on the role and importance of brands in strategy formation (Kapferer 1992; Mintzberg, Quinn and Ghoshal 1998). Niall Fitzgerald, co-chairman of Unilever, the Anglo-Dutch consumer products group, epitomized this shift in perspective

[1] *Correspondence*: Room # B605, Department of Marketing, Faculty of Economics and Business Administration, Warandelaan,2, Postbus 90513, 5000 LE Tilburg, The Netherlands. Tel: + 31 (0)13 4668212; Fax: + 31 (0)13 4662875; e-mail: m.j.s.louro@kub.nl
[2] Department of Economic and Social Psychology, Tilburg University

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when he stated "We're not a manufacturing company any more, we're a brand marketing group that happens to make some of its products" (Willman 2000).

If we embrace the assumption that brands constitute pivotal resources for generating and sustaining competitive advantage (Aaker 1989), it follows that brand management comprises the process and locus for capitalizing and realizing brand value, i.e. transforming it in superior market performance. Therefore, brand management constitutes a central organizational competence that must be understood, nurtured and developed.

However, the nascent nature of branding as a consistent research stream within the marketing discipline, associated with its differential adoption by organizations results in a cacophony of simultaneously competing and overlapping approaches to brand management (de Chernatony and Dall'Olmo Riley 1998a). This diversity significantly magnifies the field's complexity. Managers and researchers confront the challenge of coherently describing and managing brands among a multitude of discourses, concepts and methods. Both face the paradox of balancing the richness of diverse perspectives with the congruence of action.

In this paper we establish the foundations for integrating and differentiating current approaches to brand management. Through the identification of similarities and divergences across perspectives we cluster dominant conceptualizations around four central paradigms. Each brand management paradigm constitutes a holistic account on the meaning of brands, their strategic importance and on how they can be managed to generate value for the firm and its stakeholders. Each paradigm provides researchers and practitioners with a distinct and coherent narrative on brand management, facilitating both the combination and discrimination of concurrent theories and tools by explicating their underlying assumptions.

This article has two related goals. The first is to identify and characterize extant brand management paradigms and to describe their implicit assumptions and dimensions. The second objective is to explicate how competing and alternative theoretical frameworks have shaped the way in which brands are managed and researched.

The article is organized as follows. In the first section we explore the conceptual and contextual drivers influencing the emergence of brands as key organizational assets. We then present and describe four brand management paradigms identified in branding and strategic management literature. Each paradigm clusters a specific set of theories, premises and practices concerning the value of brands and the nature of brand management. The final section discusses the implications of these ideas for further research and managerial practice.

The Emergent Role of Brands

The managerial and academic perspectives on the potential roles and functions performed by brands, and hence on their value for organizations experienced a significant development since its inceptive stage. Dominant conceptualizations of brands and brand management evolved from unidimensional approaches, focused on role of brands as legal instruments and visual identification and differentiation devices, toward multidimensional views emphasizing holistic conceptions of brands comprising functional, emotional, relational and strategic dimensions (Low and Fullerton 1994; Ambler 1996; de Chernatony and Dall'Olmo Riley 1998a).

The configuration of extant perspectives on branding has been driven by the interaction between *push* factors associated with the evolving research in the fields of marketing and strategic management, and *pull* factors related to the increased managerial interest on brand valuation and brand management caused by transformations in competitive environments.

An important force pushing the conceptualisation of brands as strategic assets concerns the evolution of research focused on the investigation of the factors and processes underlying the development of competitive advantage by firms (Rumelt, Schendel and Teece 1994). In particular, the emergence of the resource-based view provides the conceptual foundations for linking brands and brand management to the development of sustained competitive advantage. The resource-based approach emphasizes the role of a firm's portfolio of idiosyncratic and difficult-to-imitate resources and capabilities[3] as the core determinants of firm performance (Barney 1991). Brands retain, within this perspective, a significant potential to enable the achievement and sustenance of superior performance (Hall 1993; Barney and Hesterly 1996). Strong brands conform to the criteria proposed by Barney (1991) for identifying rent-generating resources and capabilities. In particular strong brands are (1) valuable, to the extent that they enable firms to explore opportunities (e.g. brand extension) and neutralize environmental threats; (2) rare among an organization's current and potential competitors; (3) costly to imitate and (4) without close strategic substitutes.

Brand equity research, focused on exploring "the differential effect of brand knowledge on consumer response to the marketing of the brand" (Keller 1993, p. 2), has provided more specific evidence on the strategic importance of brands, and its value for firms, stockholders and consumers (Riezebos 1994). Brands perform valuable functions to firms enabling the adoption of differentiation-based positioning strategies (Ambler and Styles

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[3] We define resources as "firm-specific assets that are difficult to imitate" (Teece, Pisano and Shuen 1997, p. 516); and capabilities as "complex bundles of skills and collective learning, exercised through organizational processes, that ensure superior coordination of organizational activities (Day 1994, p. 38).

1995), increasing the efficiency of its marketing activities through economies of scale (Demsetz 1973) and scope (Wernerfelt 1988), creating shareholder value (Kerin and Sethuraman 1998), protecting its market position by increasing barriers to entry (Karakaya and Stahl 1989) and acting as isolating mechanisms (Besanko, Dranove and Shanley 1996), and by supporting growth (Broniarczyk and Alba 1994) and innovation (de Chernatony and Dall'Olmo Riley 1998b).

Brands also create value for consumers by facilitating decision-making (Jacoby and Kyner 1973), attenuating search costs (Jacoby, Szybillo and Busato-Schach 1977), reducing the risks inherent to product acquisition (Murphy 1998), enabling the attribution of responsibility to the producer or distributor (Keller 1998); and by providing emotional, hedonic and symbolic benefits (Srinivasan 1987).

The growing recognition of the strategic value of brands, as reflected in branding research, has been pushed by the convergence of multiple trends associated with the gradual configuration of a branding landscape (Biel 1993; Keller 1998). In particular, brand and product proliferation (Biel 1993; Lambin 1995) and its consequences for the decreasing product divergence, price competition (Park and Srinivasan 1994) and raising media costs (Leeflang and Raaij 1995; Urde 1994, 1999); evolving needs (Shocker, Srivastava and Ruekert 1994), increasing price sensitivity and consciousness (Leeflang and Raaij 1995) on the part of a growing number of consumers reflected on segmentation and customization trends (Lannon 1993); and the increasing power and independence of retailers (Park and Srinivasan 1994) which results in high levels of growth for private labels (Leeflang and Raaij 1995) coupled with the opening and integration of markets (Urde 1994), the emergence of "hypercompetitive" environments (D'Aveni 1994) the high rates of new product failures (Park and Srinivasan 1994) and shorter product life cycles (Shocker, Srivastava and Ruekert 1994) have posed significant challenges for brand managers. The increased interest in branding among practitioners has generated demand for research and experimentation focused on providing managers the adequate tools for effective brand valuation and management (Aaker 1991).

A Typology of Brand Management Paradigms

Previous analyses of the evolution of branding research and practice have identified the gradual proliferation of heterogeneous approaches to brand valuation and management (Low and Fullerton 1994; Ambler 1996; de Chernatony and Dall'Olmo Riley 1998a). This process parallels the lexical and conceptual evolution of various fields within marketing research (Zinkhan and Hirshheim 1992) and has been suggested to generate confusion and to impede accumulation, comparison and integration of findings (Kollat, Engel and Blackwell 1970).

In this article, we confront this issue by proposing a classification of extant approaches to brand management. In particular, we adopt paradigm thinking (Burrel 1996; Kuhn 1996) to identify, characterize and differentiate four core perspectives on brand management. Paradigms, defined as "entire constellation[s] of beliefs, values, techniques and so on, shared by the members of a given community" (Kuhn 1996, p. 175), and paradigm thinking have been explored in diverse fields including services management (Wright 1998) and organization studies (Burrel and Morgan 1979; Burrel 1996).

In the context of this paper a brand management paradigm is defined as *a deep-seated way of seeing and managing brands and their value, shared by the members of an organizational community marked by a common culture*. In this sense brand management paradigms constitute an organization's portfolio of implicit assumptions, collective beliefs, values and techniques concerning the *why* (the objectives and performance measures of brand management), the *what* (the concept of brands), the *who* (the organizational structure of brand management) and the *how* of branding (the variables of brand management). Brand management paradigms act as perceptual systems (Putnam, Phillips and Chapman 1996) that resonate a firm's dominant logic, i.e. "the way in which managers [in a firm] conceptualize the business and make critical resource allocation decisions" (Bettis and Prahalad 1995, p. 7). The structure and content of brand management paradigms shape how members of an organization see and manage brands by orienting their perceptions, interpretations and decisions (Weick 1979). Brand paradigms, as shared mental models, legitimate actions and critically influence, govern and constrain a firm's brand-building activities influencing diverse aspects of its operations (Hatch 1993), performance (Sutcliffe and Huber 1998) and organizational alignment (Burkhardt 1991). Furthermore, by influencing the configuration of a firm's performance criteria, brand paradigms strongly affect the behavior of managers and employees (Kaplan and Norton 1992; Ambler and Kokkinaki 1997; de Chernatony, Dall'Olmo Riley and Harris 1998)[4].

Organization-specific brand management paradigms tend to emerge as a result of (1) each firm's unique learning experience that becomes embedded in organizational routines (Nelson and Winter 1982; Pentland and Rueter 1994); (2) processes of socialization and selection that affect and constrain

[4] In the present paper, discussion of organizational performance is framed within the goal approach (Etzioni, 1964). Therefore, we adopt the assumption that organizational behavior is goal-oriented and that "success" reflects the extent to which goals are achieved. Goals can be consciously or unconsciously pursued and set either by the focal firm or by external actors (Ambler and Kokkinaki, 1997).

variety of perceptions held across the members of top management teams (Sutcliffe and Huber 1998); and (3) social information processing that generates homogenisation of beliefs (Sutcliffe and Huber 1998). The existence of a collective frame of reference and a shared language concerning brands and brand management facilitates knowledge exchange, fosters coordination, and permits effective communication across individuals (Cohen and Levinthal 1990; Shulman 1996). However, research suggests the existence of a trade-off between the efficiency of internal communication and the capacity to assimilate contradictory information and explore alternative points of view (Cohen and Levinthal 1990; Kuhn 1996). Too much similarity of views among organizational members can reduce willingness to disagree and originate premature closure (Shulman 1996), such as in the phenomenon of groupthink (Janis 1982).

We content analysed normative and descriptive literature in the fields of branding and strategic management to identify and categorize extant perspectives on the why, what, who and how of brand management. As a result, we identified four brand management paradigms that can be differentiated along two analytical dimensions. One is concerned with the extent to which brands constitute the core elements guiding and configuring a firm's strategy, the other with the nature of consumer involvement in the process of value (co)-creation. They may be termed the dimension of *brand centrality* and the dimension of *customer centrality*. These dimensions reflect central themes present in the branding literature concerning the strategic importance of brands and the differential degree of customer and firm participation in defining brand meaning and value (Kapferer 1992; Aaker 1996; de Chernatony 1993; de Chernatony and Dall'Olmo Riley 1998a). The focal brand management paradigms are classified in Figure 1.

The Brand Centrality Dimension

The brand centrality dimension reflects the extent to which a firm's brand portfolio provides the underlying *leitmotif* for strategic formation and the development of marketing activities. This dimension runs from a *tactical orientation* (Kapferer 1992; Aaker 1996), where brands are conceptualized and managed as tactical (legal and visual) instruments appended to a product, to a *brand orientation* "in which the processes of the organization revolve around the creation, development and protection of brand identity… with the aim of achieving lasting competitive advantages in the form of brands" (Urde 1999, pp. 117-118). Tactical-oriented approaches to brand management reflect unidimensional brand definitions focused on the identification and legal value of brands (Ambler and Styles 1994; Crainer 1995). Branding emerges, within this perspective, as a residual decision in the definition of an organization's marketing strategy, and is primarily associated with the communication and advertising of products (Kapferer 1992; Ambler 1996).

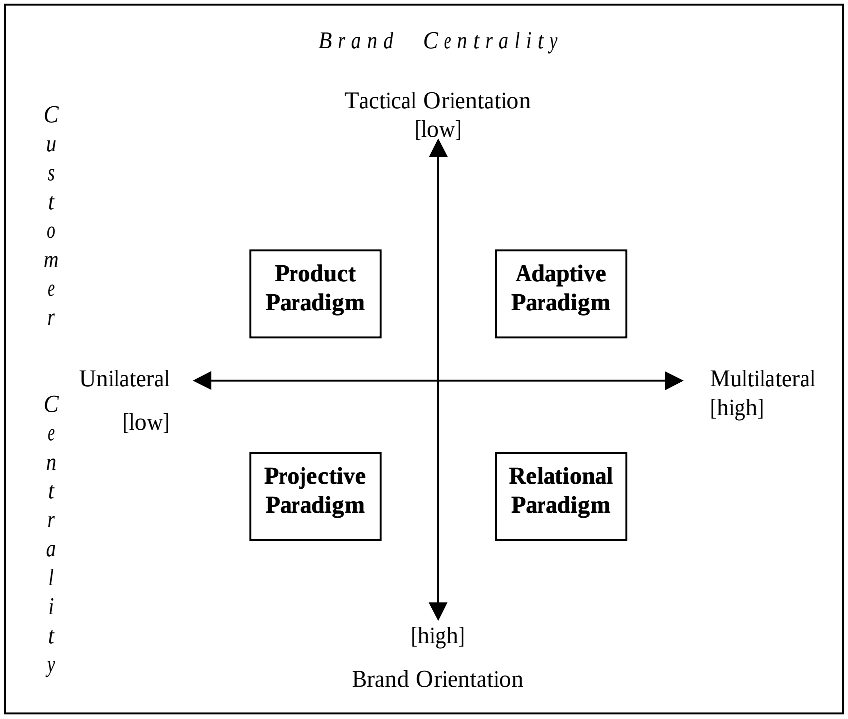

Figure 1. Brand Management Paradigms

Brand-oriented perspectives propose a diametrically opposite perspective on the role of brands in strategy formation. Brand orientation emphasizes multidimensional brand concepts focused on the complexity and value of brands to both firms and consumers (Kapferer 1992; de Chernatony and Dall'Olmo Riley 1998a). Brands are managed as central platforms, in the form of guiding vision and values, and core expressions, in the form of particular marketing mix configurations, of an organization's strategic intent (Kapferer 1992).

The Customer Centrality Dimension

The customer centrality dimension refers to the shared beliefs among a firm's top managers about the nature of consumer involvement in the process of value creation. This dimension runs from *unilateral* approaches in which consumers are perceived as passive recipients of value created within the organization (Hooley, Lynch and Shepherd 1990; Kotler 1991) to *multilateral* perspectives where consumers are viewed as active contributors to value creation (Rindova and Fombrun 1999; Prahalad and Ramaswamy 2000).

Unilateral approaches focus on the internal characteristics and actions of the organization as the central determinants of value creation (Kotler 1991;

Hoskisson, Hitt, Wan and Yiu 1999). Customers are conceptualized as a passive audience enacting a predetermined role in consumption (Prahalad and Ramaswamy 2000). Competitive advantage is constructed inside the organization through three interrelated processes (Rindova and Fombrun 1999): (1) strategic investments to create value for consumers and improve a firm's portfolio of resources and capabilities; (2) communication to generate positive interpretations of the organization and influence the actions of consumers; and (3) development of a strategic plot to ensure consistency between an organization's culture, resources, investments and communication.

Multilateral perspectives emphasize the interdependent nature of value creation. Customers are construed as sources of competence and co-developers of personalized experiences (Prahalad and Ramaswamy 2000). Brand value and meaning is continuously co-created, co-sustained and co-transformed through organization-consumer interactions (Rindova and Fombrun 1999; Prahalad and Ramaswamy 2000). Competitive advantage emerges as a systemic outcome resulting from the cyclical actions initiated by both firms and consumers and the reciprocal responses to those actions, "firms and constituents jointly construct the competitive reality that they come to inhabit" (Rindova and Fombrun 1999, p. 703).

Product Paradigm

The *product* paradigm reflects a tactical approach to brand management centered on the product as the locus of value creation (see Table 1). Brands are construed as logos and legal instruments that perform firm-centred brand roles (de Chernatony and Dall'Olmo Riley 1998a; 1998b). In particular organizations use brands to designate legal ownership, protect against imitation and support product communication and visual differentiation. This view is best typified by the American Marketing Association's (1960) definition of a brand as a "name, term, symbol or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors" (p. 8)

Within this perspective marketing management is focused on the marketing mix, with the product emerging as its core dimension (Kotler 1991). Brands are managed as a cluster of loosely coupled elements (Kapferer 1992) – brand name, logo, symbol, character, packaging and slogan (Keller 1998) – configured to support an organization's product strategy (Kotler 1991). The *silence* metaphor illustrates the peripheral role of branding in mediating firm-consumer interaction and communication.

Table 1. Brand Management Paradigms: Structure and Content

		Product	Projective	Adaptive	Relational
Metaphor		Silence	Monologue	Listening	Conversation
Marketing Focus		Product orientation	Brand logic	Customer orientation	Relational orientation
Brand Management	BRAND MANAGEMENT FOCUS	Marketing Mix	Brand Identity	Brand Image	Relationship
	BRAND DEFINITIONS [de Chernatony & Riley 1998a]	Logo, legal instrument	Identity system, company	Image, shorthand device, risk reducer, adding value, value system	Relationship, personality, evolving entity
	BRAND ROLES	Product-centred roles supporting communication, advertising and legal protection.	Firm-centred roles associated with the unilateral creation and sustenance of competitive advantage through differentiation and/or efficiency (cost-leadership)	Consumer-centred roles facilitating decision-making, reducing risks inherent to product acquisition and providing emotional value	Symbolic partner co-configuring the relational domain for firm-customer interaction
	DIMENSIONS OF BRAND MANAGEMENT	Marketing program, brand elements as residual decisions	Organizational Strategy, Brand Identity Charter, Brand Elements, Marketing Program	Brand Image, Brand Elements, Marketing Program	Organizational Strategy, Brand Identity Charter, Brand Image, Brand History, Brand Elements, Marketing Program
	PERFORMANCE METRICS [Kaplan & Norton 1992]	Product-based [Financial Perspective]	Brand-based [Internal Perspective]	Consumer-based [Customer Perspective]	Process-based [Balanced Scorecard]
	BRAND MANAGEMENT STRUCTURE	Functional, Product/ brand management Product/ Market	Functional, Product/ brand management Product/ Market	Functional, Market management Product/ Market	Customer management, *Entrepreneurial* brand management
Core Capabilities [Day 1994]		Inside-out capabilities	Inside-out capabilities	Outside-in and spanning capabilities	Inside-outside, spanning and co-opting capabilities
Strategy Formation	STRATEGIC ORIENTATION [Hoskisson et al. 1999]	Internal	Internal	External	Internal/ external
	STRATEGIC FOCUS	Products and Positions	Resources and Capabilities	Contexts and Consumers	Integration and Interactions
	STRATEGIC PROCESS [Mintzberg & Waters 1985]	Planned Strategy	Planned/ Ideological Strategy	Imposed Strategy	Umbrella/ Process Strategy

The product paradigm emphasizes financial, business and product-based criteria as the focal measures of brand performance (de Chernatony, Dall'Olmo Riley and Harris 1998). Accordingly, input measures related to efficiency control (e.g. efficiency of advertising), and output measures of annual control (e.g. sales and market share) and profitability control (e.g. product profitability) are defined, analyzed for individual products and compared across a firm's product portfolio (Kotler 1991; Kaplan and Norton 1992; Ambler 1996; de Chernatony, Dall'Olmo Riley and Harris 1998).

Research suggest the existence of interaction effects between an organization's structure, strategy, managerial perceptions and the distribution of power (Noorderhaven 1995). Accordingly, an organization's brand management structure influences and reflects its underlying brand management paradigm. Therefore, product-oriented firms tend to adopt functional, product or product/market management organizational structures (Low and Fullerton 1994; Kotler 1991). Functional brand management emerged in the beginning of the 20th century in line with fundamental transformations in firm management (Low and Fullerton 1994) and remains the most common form of marketing organization (Kotler 1991). This organizational structure consists of functionally specialized managers reporting to a marketing coordinator (Hooley and Saunders 1993). Although administratively simple this configuration tends to lose effectiveness as complexity (in terms of size, number of products or markets served) increases due to the dilution of product responsibility and competition over scarce resources (Kotler 1991). Product brand management, established in 1931 by Procter and Gamble (Low and Fullerton 1994), coexists and complements functional management by concentrating in individual managers the strategic and tactical responsibility for a particular product (Aaker 1996). The product/market organization has been increasingly adopted by multi-product, multi-market organizations (Hooley and Saunders 1993). Within this organizational structure managers are responsible either for managing a diverse product portfolio in a single market, or for managing a single product across diverse markets (Kotler 1991; Hooley and Saunders 1993). Some companies combine product managers with brand managers across diverse markets and multiple product lines forming matrix organizations (Kotler 1991).

In the product paradigm strategy formation focuses on generating superior performance through the identification, creation and protection of favourable *product* market *positions* (Porter 1980). In particular, effective positioning derives from the fit between a firm's generic [marketing] strategy (cost leadership, differentiation, and focus) and industry conditions [external perspective] (Porter 1980, 1985; Hoskisson, Hitt, Wan and Yiu 1999). Within this perspective, product strategy formation follows a formal and elaborated goal-oriented process, i.e. strategy is *planned* and highly deliberate (Mintzberg and Waters 1985; Noorderhaven 1995). Strategy is developed sequentially through goal formulation, implementation and control in a controllable or predictable context (Mintzberg and Waters 1985; Van de Ven and Poole 1995).

The effectiveness of a firm's positioning strategy in creating and sustaining competitive advantage is influenced by its capacity to align its portfolio of core resources and inside-out capabilities (Day 1994) with its specific value proposition (Porter 1985). Accordingly, each generic strategy (cost leadership, differentiation, and focus) reflects a specific resource and capability profile (for a detailed discussion see Porter 1980, 1985; Hooley and Saunders 1993; Besanko, Dranove and Shanley 1996). However, from this perspective the process of identifying and developing the requisite resource-capabilities portfolio is seen as relatively unproblematic (Teece, Pisano and Shuen 1997).

Research suggests that the product paradigm constitutes the single most pervasive perspective guiding contemporary brand management (Davis 1995). "At present, the tendency is to manage products that happen to have a name. Management is still in the age of the product…" (Kapferer 1992, p. 3). Managerial practice seems to remain relatively unaffected by the "brand revolution" (Kapferer 1992) driving marketing research in the nineties (Malhotra, Peterson and Kleiser 1999). Paradoxically, one of the most disseminated approaches to brand management is, at the same time, one of the few topics where consensus (about its inadequacy) exists among researchers (Kapferer 1992; Aaker 1996; de Chernatony and Dall'Olmo Riley 1998a; Keller 1998). In particular, product-attribute-based management suffers from consequential limitations (Aaker 1996). Product attributes (1) may fail to differentiate a firm's value proposition; (2) are susceptible to imitation; (3) assume customer rationality; (4) constrain brand extension strategies; (5) reflect itemized perspectives that limit the development of a multidimensional brand identity; and (6) decrease strategic flexibility (Aaker 1996).

Projective Paradigm

The *projective* paradigm complements and amplifies the product paradigm by highlighting the strategic dimension of branding (see Table 1). The convergence of a particular set of events in the year of 1985 marked the outset of a "Copernican revolution" in the conceptualization and management of brands (Kapferer 1994, p.7). In particular, a wave of mergers and acquisitions raised the proportion between a company's earnings and its acquisition value from an average multiple of seven to eight to multiples in a scale of twenty to thirty (Kapferer 1992). According to various researchers

(Kapferer 1992; Riezebos 1994) the magnitude of this difference echoes the value of the target firm's unlisted brand portfolio. Nestlé's acquisition of Rowntree for 26 times its earnings provides a representative example of the economic value of brands (Kapferer 1992; Riezebos 1994).

The resulting increase in awareness among managers and academics regarding the tangible value of brands laid the foundations for the development of a strategic approach to brand management (Kapferer 1992). Research on branding generated a multitude of brand definitions, brand valuation methods, and brand management models that supported the gradual consolidation of the projective paradigm among managers and researchers.

Within this perspective brands are conceptualized as focal platforms for articulating and implementing an organization's strategic intent. Brand strategies are configured in consonance with the specific brand concept shared among a firm's managers. Accordingly brands can be managed as companies or identity systems (de Chernatony and Dall'Olmo Riley 1998a). Each concept represents a variation of an underlying approach centered on the holistic nature of brands. Brands are defined as *gestalts* larger than the sum of its constituting elements (Kapferer 1992). Within this perspective brand management is focused on reinforcing and developing brand positioning and meaning by achieving a coherent focus across the brand portfolio and projecting a consistent message to all stakeholders (de Chernatony and Dall'Olmo Riley 1998a). The *monologue* metaphor captures the projective paradigm's emphasis on the role of an organization's input activities as the primary generators of brand meaning (Diefenbach 1992; Plummer 1995; de Chernatony and Dall'Olmo Riley 1998a).

A cluster of economic, strategic and marketing motivations drive the adoption of organization-wide brand logic (de Chernatony and Dall'Olmo Riley 1998b). Brands are expected to perform firm-centred roles associated with the unilateral creation (Aaker 1989; Hamel and Prahalad 1994) and sustenance (Karakaya and Stahl 1989; Porter 1980) of competitive advantage through differentiation (Porter 1976) and/or efficiency (Demsetz 1973; Wenerfelt 1988).

Within the projective paradigm brand management is enacted through the creation, development and communication of a coherent brand identity (Kapferer 1992; Aaker 1996). Brand identity as " a unique set of brand associations that the brand strategist aspires to create or maintain" (Aaker 1996, p. 68) reflects the particular "ethos, aims and values that present a sense of individuality differentiating the brand" (de Chernatony 1999, p. 165). Brand identity management highlights the role of an organization's vision, mission values and culture in configuring brand meaning (Kapferer 1992; de Chernatony and Dall'Olmo Riley 1998c).

A brand's identity charter provides a coherent profile of its vision, values, mission, target segments, core benefits, style and anchoring products (Kapferer 1992). Furthermore, it conveys depth and texture to brand meaning by reflecting the multifaceted nature of brands as products, organizations, persons and symbols (Aaker 1996). Brand identity charters guide brand positioning, the articulation of a specific cluster of brand elements and the supporting marketing programs (Kapferer 1992; Aaker 1996).

Effective performance, within the projective paradigm, reflects the extent to which enacted brand strategies generate financial value for the firm. Brand performance evaluation, within this approach, tends to emphasize brand-based internal criteria (Faulkner and Bowman 1992; Kaplan and Norton 1992; de Chernatony, Dall'Olmo Riley and Harris 1998) and brand valuation metrics (Hart and Murphy 1998; Ambler 1996; Batchelor 1998). The internal perspective (Kaplan and Norton 1992) focuses on the central business processes underlying the implementation of the specified brand identity. Performance analysis based on external (consumer-based) criteria occurs when significant gaps between expected and actual results are identified (Aaker 1996; Ambler and Kokkinaki 1997). Empirical research in the area of performance measurement suggests that financial-based internal criteria play a significant role in monitoring performance (Kald and Nilsson 2000). However, the link between strategic planning and performance measurement is relatively weak and needs to be reinforced, in both the US and the UK (Bromwich and Bhimani 1994; Kald and Nilsson 2000).

Organizations face the challenge of creating and sustaining brand identity by developing coordinated marketing strategies across organizational units, diverse media options and multiple markets (Aaker 1996). Firms enacting the projective approach tend to adopt a functional, brand management or product/market organizational form (Low and Fullerton 1994; Aaker 1996). The brand management system in particular has been historically associated with the gradual emergence of brands as key organizational assets and the rising complexity of marketing activities (Low and Fullerton 1994). Brand management structures are characterised by allocating to individual managers the overall responsibility for developing and implementing a brand's identity and positioning (Aaker 1996).

This organizational form (1) facilitates the specification and coordination of a cost-effective marketing mix for the brand; (2) enables rapid reaction to environmental changes; (3) distributes managerial attention across a firm's entire brand portfolio; and (4) promotes management development (Kotler 1991). The core disadvantages of the brand management organization refer to: (1) the apportion of responsibility and authority, i.e. product managers are not given sufficient authority to achieve their responsibilities; (2) its short term focus; (3) its internal orientation as short-term profit accountability supplants long-term strategic orientation; (4) its focus on individual brands, overlooking brand interdependence; and (5) the short tenures of brand managers (Kotler 1991; Hooley and Saunders 1993; Low and Fullerton 1994). Recognition of these drawbacks led organizations to adapt the brand management system to their specific characteristics (e.g. culture) and goals (Low and Fullerton 1994). Therefore, diverse organizations have been designing customized brand management structures to better support and enable the effective adoption of an identity-based approach to brand management (Aaker 1996).

Three approaches[5] illustrate the nature of requisite transformations in organizational structure necessary to advance projective brand management (Aaker 1996). Each configuration constitutes a specific adaptation of the brand equity manager role. The first experience involves the separation of brand strategy formulation from implementation through the creation of a Brand Equity Manager responsible for defining and sustaining brand identity and coordinating it across products and markets. The second organizational structure extends the brand equity manager role to global operations. Global Brand Managers are responsible for creating and supporting a global brand identity. A final solution concerns the creation of the Brand Champion role, whereby senior executives assume responsibilities for brand equity management.

Drawn from the resource-based view and the dynamic-capabilities approach, the projective paradigm focuses on the firm's idiosyncratic and difficult-to-imitate *resources* and inside-out *capabilities* as the central determinants of competitive advantage [internal perspective] (Day 1994; Teece, Pisano and Shuen 1997; Hoskisson, Hitt, Wan and Yiu 1999). In particular, brands as scarce firm-specific assets constitute powerful sources for achieving superior competitive positions (Keller 1998). Identity-based management reflects, in its essence, the adoption of *planned* or *ideological* strategies oriented towards aligning a firm's brand assets with its core inside-out capabilities (capabilities deployed from within the firm) (Mintzberg and Waters 1985; Burkhardt 1991; Day 1994). Planned strategies reflect the enactment of top-down, formalized and sequential processes of brand strategy formation in which strategy formulation is separated from strategy implementation (Noorderhaven 1995). In ideological strategies, intentions expressing the collective vision (brand identity) of all the members of an organization and controlled through explicit (brand identity charter) and/or implicit (brand management paradigm) shared norms guide proactive strategy formation (Mintzberg and Waters 1985).

[5] The Global Brand Manager approach was adopted by UDV, the spirits business of Grand Metropolitan, and the Brand Champion approach was implemented by Nestlé (Aaker, 1996).

Researchers have identified several limitations inherent to the projective paradigm (Kapferer 1992; de Chernatony and Dall'Olmo Riley 1998a). In the first place, this approach conceptualizes firms' brand marketing activities (brand identity) as the exclusive determinants of brand meaning, while ignoring the role of consumers as active (vs. passive) co-creators of brand significance (brand image). "Branding is not something done to consumers, but rather, something they do things with" (de Chernatony and Dall'Olmo Riley 1998a, p. 419). Secondly, identity-based approaches tend to crystallize around successful brand strategies of the past losing their capacity to adapt to changing environments (Kapferer 1992). Research suggests that success tends to generate complacency, restricted search and attention, risk aversion and cultural homogeneity inhibiting organizational learning and adaptation (Sitkin 1996).

Adaptive Paradigm

The *adaptive* paradigm posits a diametrical approach to brand management stressing the role of consumers as central constructors of brand meaning (see Table 1). This approach resonates a spectrum of consumer-centered brand definitions ranging from brands as shorthand devices to brands as images (de Chernatony and Dall'Olmo Riley 1998a). In particular, the latter concept achieves the highest level of abstraction among this group of definitions emerging as an integrating conceptualization of brands from an "output" perspective (de Chernatony and Dall'Olmo Riley 1998a; Keller 1993). The conceptual specification of brand image has remained elusive resulting in the absence of a consensual definition among researchers (Poiesz 1989). In the context of the present article brand image is defined as "consumer perceptions of a brand as reflected by the brand associations held in consumers' memory (Keller 1998, p. 49)

Brands, in this paradigm, are construed as performing essentially consumer-centred roles (de Chernatony and Dall'Olmo Riley 1998a) facilitating decision-making, reducing risks (Keller 1998) and search costs (Jacoby, Szybillo and Busato-Schach 1977), inherent to product acquisition, signalling quality (Shocker and Chay 1992) and providing symbolic value (Fournier 1998).

Brand management is enacted as a tactical process of cyclical adaptation to consumers' representations of the focal brand whereby brand image gradually supplants brand identity (Aaker 1996). Within the adaptive view, brand image becomes the core theme underlying strategic formation and frames the specification of a brand's elements and its supporting marketing program (Kapferer 1992). The *listening* metaphor depicts the implicit orientation underlying this perspective. However, the adoption of the adaptive paradigm is contingent upon the positive or negative nature of brand image, i.e. adherence to negative or inappropriate brand images does not tend to occur (Aaker 1996).

The adaptive paradigm emphasizes consumer responses as the central determinants of firm performance. Accordingly, brand management performance is monitored through a combination of long-term customer-based measures (core) and short-term business-based criteria (peripheral) (de Chernatony, Dall'Olmo Riley and Harris 1998). Within this approach direct customer-based measures (Kaplan and Norton 1992; Ambler 1996) such as added value (de Chernatony and McDonald 1994) and consumer-based brand equity (Keller 1993) are analyzed for individual brands comprising an organization's brand portfolio. Financial performance emerges as a peripheral decision-making criterion to the extent that it is conceptualized as a short-term reflection of a firm's sustained capacity to generate consumer value (de Chernatony, Dall'Olmo Riley and Harris 1998). Empirical research on performance measurement suggests a gradual shift towards the adoption of consumer-based performance metrics (Fitzgerald, Johnston, Brignall, Silvestro and Voss 1992).

Adaptive approaches to brand management are consistent with the establishment of functional or market-centred organizational forms - geographic organization, market management or product/market organization (Hanan 1974; Kotler 1991). Specifically, the market management design echoes this paradigm's implicit customer focus. Market management organizations are particularly adjusted to heterogeneous markets marked by customer divergence in terms of buying preferences and practices and to meet the needs of differing consumer groups (Kotler 1991).

In the adaptive paradigm competitive advantage is conceptualized as the result of a firm's capacity to generate *customer* satisfaction [external perspective], within a particular competitive *context* (Kotler 1991; Hoskisson, Hitt, Wan and Yiu 1999). Accordingly, brand strategy is *imposed*, i.e. action patterns originate from the focal firm's external environment (e.g. customers), either through direct demand or through implicitly pre-empting or limiting organizational choice (Mintzberg and Waters 1985).

Effective customer-driven management requires firms to possess superior *outside-in* capabilities (Day 1994). In particular market sensing, defined as "the ability of the firm to learn about customers, competitors and channel members in order to continuously sense and act on events and trends in present and prospective markets" (Day 1994, p. 43), and role spanning, defined as the capacity to create value through externally oriented inside-out processes, constitute the core capabilities driving successful enactment of the adaptive approach (Kohli and Jaworski 1990).

The central limitation of the adaptive paradigm pertains to its focus on an organization's actual and potential customer base as the sole determinants of the process and content of its brand strategy, while ignoring the critical role of an organization's mission, strategic intent, internal characteristics and resources in strategy formation (Kapferer 1992; Aaker 1996). Additionally, image-based brand management tends to generate fragmented brands as a consequence of customer diversity across segments and cultures (Kapferer 1992). Furthermore, recursive reconfiguration of a brand's identity in response to incremental changes in consumer's expectations dilutes brand meaning. Successful brand management involves balancing consumers' expressed desires with a brand's essence, vision and permanent qualities (Aaker 1996).

Relational Paradigm

A significant critique of the projective paradigm is its failure to account for the active role of consumers in the (co)-creation of brand meaning (see Table 1). The adaptive paradigm focuses on consumers' evaluative processes, but fails to demonstrate how firms configure brand value. The *relational* paradigm provides alternatives that confront the weaknesses in both the projective and the adaptive paradigm.

Relational perspectives conceptualize brand management as an ongoing dynamic process, without a clear beginning and ending, in which brand value and meaning is co-created through interlocking behaviours, collaboration and competition between organizations and consumers (Putnam, Phillips and Chapman 1996).

Within the relational perspective, brands are construed as personalities that evolve in the context of consumer-brand relationships (Aaker 1997; de Chernatony and Dall'Olmo Riley 1998a; Fournier 1998). Relationships (1) "involve reciprocal exchange between *active* and *interdependent* relationship partners; (2) relationships are *purposive*, involving at their core the provision of meanings to the person who engage them; (3) relationships are multiplex phenomena: they range across several dimensions and take many forms, providing a *range of possible benefits* for their participants; and (4) relationships are *process phenomena*: they evolve and change over a series of interactions and in response to fluctuations in the contextual environment" (Fournier 1998, p. 344, *emphasis added*). Brands emerge, within this approach, as active symbolic partners that co-define the relational space, i.e. firm-consumer relationships are brand-mediated. For consumers brands "serve as purposeful repositories of meaning purposefully and differentially employed in the substantiation, creation, and (re)production of concepts of self in the marketing age" (Fournier 1998, p. 365). Accordingly, brands perform multidimensional roles for both consumers and firms (Keller 1998).

Brand management, in the relational perspective, entails the recognition of consumers' active role in co-developing brand meaning and value (Fournier

1998; Prahalad and Ramaswamy 2000). Brand management is enacted through (1) the specification and communication of a brand identity that reflects the focal firm's strategy and its portfolio of resources and capabilities; (2) its projection, through the definition of brand elements and marketing programs; and (3) its dynamic (re)construction and co-development in the context of path-dependent consumer-brand relationships by encouraging active dialogue, mobilizing customer communities, managing customer diversity and co-creating personalized experiences (Fournier 1998, Prahalad and Ramaswamy 2000). Brand management emerges as a dialectical process, in which multiple entities (consumers and firms) espousing opposing thesis (brand image and brand identity) co-construct brand value and meaning (synthesis) (Van de Ven and Poole 1995).

Competitive advantage, within the relational perspective, emerges as the outcome of a continuous process of firm-consumers interaction whereby a complex web of actions-reactions determines firms' differential performance (Rindova and Fombrun 1999). "Along the way, therefore, firms and consumers jointly construct the competitive reality that they come to inhabit" (Rindova and Fombrun 1999, p. 703). Accordingly, competitive advantage is developed through an *interactive* process of social influence (Rindova and Fombrun 1999). The *dialogue* metaphor illustrates the nature of relationship-based brand management. Strategy formation follows a deliberately emergent pattern whereby leadership (a) defines strategic objectives and/or boundaries within which others must act - *umbrella strategy* – or (b) controls the process dimension of strategy leaving the specific content to others – *process strategy* -(Mintzberg and Waters 1985).

A firm's capacity to sustain a dyadic relationship with consumers (customer linking) involves the activation of core inside-outside and spanning capabilities. In particular, a firm's proficiency at *integrating* through spanning processes outside-in competencies (e.g. market sensing) with inside-out capabilities and to *co-opt* consumer competence significantly influences its capacity to develop and manage close brand-consumer relationships (Day 1994; Prahalad and Ramaswamy 2000).

Monitoring performance, within the relational paradigm, involves the development and implementation of multidimensional process-based measurement systems. Process based measures focus on the nature of the relational process, rather than on the quantity of the asset (brand value). Accordingly, focal dimensions of brand management performance include (1) measures of consumer-brand relationship strength (Fournier 1998); (2) measures of innovation and learning; (3) measures of customer perception; (4) internal measures; and (5) financial measures (Kaplan and Norton 1992; de Chernatony, Dall'Olmo Riley and Harris 1998; Keller 1998 2000). Fournier (1998) developed a preliminary six-faceted model of brand relationship quality (BRQ) comprising affective and socio-emotive attachments (love/passion and self-connection), behavioural ties (interdependence and commitment) and supporting cognitive beliefs (intimacy and brand partner quality). Kaplan and Norton's (1992) balanced scorecard framework provides an integrative approach to performance monitoring adapted to the complex and dynamic nature of brand management. Keller (1998 2000) and de Chernatony (1999) highlight the importance of developing dynamic measurement systems that facilitate real-time strategic action and reaction and propose specific frameworks for developing and implementing such systems. Empirical research (Euske, Lebas and McNair 1993; Kald and Nilsson 2000) identified a trend towards the gradual transformation of extant performance measurement practices and the adoption of multidimensional measurement systems.

Brand management in the relational paradigm requires a transformation in firms' organizational structures (Prahalad and Ramaswami 2000). In particular, traditional brand management structures need to be significantly modified (Low and Fullerton 1994) or completely reconfigured (Berthon, Hulbert and Pitt 1999), particularly in multi-market multi-product firms, to support flexibility, enable creativity and sustain relationship-based management (Prahalad and Ramaswamy 2000). Low and Fullerton (1994) advance several modifications in the brand management system: (1) allocation of brand management responsibility to more experienced people for longer periods and involving more external contact and (2) frequent communication with external constituents; (3) the development of periodic product/brand management audits; and above all (4) realizing this position's entrepreneurial potentiality by increasing brand managers' autonomy, responsibility and authority. Berthon, Hulbert and Pitt (1999) propose the adoption of a *customer-management structure*, whereby customer-portfolio managers would be responsible for managing relationships with individual customers and brand/product managers would perform a supporting role as brand experts aiding the maximization of customers' lifetime value through product/brand development.

Summary and Conclusions

This article sets forth four brand management paradigms – product, projective, adaptive and relational – drawn from academic and normative literature in the fields of branding and strategic management. Through the examination and characterization of extant approaches to brand management, this article responds to Barwise's (1991) appeal for research on the brand management process.

The paradigms presented in this article reflect different alternatives for conceptualizing and configuring brand management. Each paradigm represents a particular view of the role of consumers and brands in the process of value creation. Paradigms reflect coherent clusters of assumptions, values and techniques regarding (1) the nature of brands; (2) their roles for organizations and consumer; (3) the dimensions of brand management; (4) the criteria for assessing performance; and (5) the organizational infrastructure. Furthermore, each paradigm entails the activation of specific capabilities, and configures the process underlying strategic formation (see Table 1 for a summary).

Paradigms presented in this article constitute "ideal-types" to the extent that they represent *aligned* brand management practices. However, research and experience suggest that organizations and strategic planning often resemble loosely coupled combinations of systems, structures and decisions (Mintzberg and Waters 1985; Noorderhaven 1995).

The framework outlined in this article contributes to brand management research in three respects: (1) it offers a parsimonious characterization of a wide variety of normative and academic approaches to brand management; (2) it identifies relatively uninvestigated explanations of the determinants of brand management decisions at the level of resource allocation and priority setting (Barwise 1991); and finally (3) it provides an heuristic for critique and reformulation.

The focus of the present article is theoretical rather than theory testing. Research in branding focuses on brands as assets as opposed to brand management as an organizational capability. Present knowledge about how companies enact brand management processes is limited (Barwise 1991). Accordingly, significant empirical effort remains to be developed to improve understanding of brand management processes. The relational paradigm constitutes a particularly promising direction for future investigation as research on this domain is still in its inceptive stage (Fournier 1998). In particular, the processes through which firms create and sustain relationships and balance brand identity with brand image (de Chernatony 1999; Prahalad and Ramaswamy) warrant further exploration.

The present article also informs brand management practice. The increasing recognition, by both managers and academics, of the significance of brands as sources of sustained competitive advantage accentuates the importance of validating and refining the assumptions and models underlying organizations' brand strategies. In particular, the proposed framework can be used to initiate and guide a systematic multidimensional evaluation and (re)configuration of a firm's brand management system.

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About the Authors

Maria João Soares Louro is a PhD candidate in Marketing at Tilburg University, The Netherlands. Her research interests include branding, emotions and consumption.

Paulo Vieira da Cunha is a PhD candidate in Economic and Social Psychology at Tilburg University, The Netherlands. His research interests focus on organizational learning and competitive advantage.