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A Study of the Evolution and Future of Branding

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Key words: Branding, evolution of branding, future, brand identity hexagon, the academic life cycle

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Abstract

Branding, as any other concept, has evolved over time: from the days when sheep of one herd started to be branded to distinguish them from another herd to the current era when everything, from water and flowers to clothes and food, is branded. Throughout these times, there have been numerous theories to describe and understand the underlying nuances. This paper finds the relationships in previous literature and reveals how these theories see branding from various perspectives and how they can be integrated to form a coherent view. It is also discussed how branding and society affect each other. Based on the knowledge of how branding theories have been developed as dependent variables of each other and the society, we are able to form a better understanding of the past, the present, and the future of branding.

KEYWORDS: Branding, Evolution of Branding, Future, Brand Identity Hexagon, The Academic Life Cycle

INTRODUCTION

Brands and branding are by no means a new phenomenon, neither for academics nor the business world. It is possible to trace back the use of brands all the way to the Stone Age, when hunters used weapons of specific "brands" to succeed in the hunt (Almquist & Roberts: 10). It was during the 16th century, however, that brands similar to those we see today have started to take shape. Some of the earliest-known brands were established by the English ceramist Josiah Wedgwood and the French fashion designer Rose Bertin (Burke 1996; de Paola 1985). Since the 18th-century England and France, there has been a massive development of the knowledge, procedures, and theories within branding. Contemporary branding theories have their origin and evolutionary starting point in the mid-20th century, primarily due to the development of commercials in mass media (Farquhar 1995: 10).

This development will be the subject of this article. Specifically, this present study will scrutinize the evolution of branding from its origins in the 1950s until today. The increased importance of branding has augmented the attention to the theories behind the concept, and this has led to an abundance of branding literature. However, the current literature suffers from a lack of consensus, since there are several different streams that are contradictory to each other and have little, or nothing, that links them together. This calls for a new integrated framework to describe the current theories and explain how they are interconnected. Branding theories are often examined as isolated events where mutual influences between the concepts are neglected. The literature is surprisingly scarce when explaining the evolutionary development in branding or identifying the cause and effect in the evolution of branding theories. Nevertheless, some authors, most notably Holt (2004) and Roper and Parker (2006), have contributed to describing the evolution of branding. Their efforts have contributed to simplifying and summing up the existing theories; however, they mainly focused on classifying the theories into groups, and a limitation of their studies resulted from the representation of the development of branding as isolated events. Thus, there is a need to go beyond the current literature and explore the causal connections among the different theories, since these have not yet been investigated.

BACKGROUND: The evolution of branding

Branding before the 1970s

Branding has not always been a matter of attention, not even for companies with an understanding of the possible advantages of a strong brand. In the USA, the Robinson-Patman Act (formerly the *Clayton Act*) created a legislative obstacle for companies to price similar products differently. In other words, there was a hindrance in charging more for a branded product than for a non-branded product, and this made it less attractive for companies selling two similar products to put emphasis through branding on one of the products. Besides the legislative obstacles, there was also a strong consumer movement that opposed the use of brands.

Consequently, for a long time, an uncertainty existed as to how much companies should emphasize their brands and how much the average customer cared about those brands. Hence, it became vital for marketers to establish through research how important brands were in the purchasing process. This challenge was accepted by Marquardt et al. (1965) when they decided to investigate this issue by focusing on an everyday product. The results revealed that consumers wanted products with a well-known brand and that only 25% of the respondents did not pay attention to the brand at all, instead considering the price as the most important factor in buying the product.

Even if these results were not revealed until the 1960s, the evolution of branding theories had already begun. Smith (1956) founded the concept of *segmentation* as early as in the 1950s, and this has become an important milestone for marketing theories. When looking at a heterogeneous market, Smith explained, one could see that it consists of consumers with a diversified demand; yet, the market also contains smaller homogeneous markets. Therefore, the market segments could be established by using different variables. These variables vary, depending on what category of consumers one is aiming for.

The segmentation theories were further developed by Daniel Yankelovich, who sparked a revolution in marketing when he wrote his well-cited article, "New Criteria for Market Segmentation". Yankelovich (1964) was of the opinion that many variables have been neglected in the process of segmenting a market. The segmentation variables had earlier been limited to socio-economic variables such as consumers' working situation, income, and education, and demographic variables such as age, life cycle, and civil status. To solely use

these variables was now considered old-fashioned. The new variables that were suggested to be included were buying behavior, motive, values, consumer patterns, and aesthetic preferences (Yankelovich 1964).

Another new concept that was explored by Cunningham (1956) in the 1950s was *brand loyalty*; the concept evoked much debate and became one of the biggest controversies of that time. By that time, companies had already invested large amounts in branding; the problem was scarce empirical evidence that the efforts had had any effect. Hence, even though the idea of brand loyalty had already been introduced, there was an uncertainty whether it was something worth striving for. Through his research, Cunningham revealed that household loyalty was strong and consumers were brand loyal in more than 90% of the times while purchasing household goods.

In the early 1960s, another concept was introduced that had a major influence on marketing, namely *lifestyle*. The first person to discuss the use of lifestyles in branding and marketing was William Lazer. At that time, many companies still had mass communication and mass production as their main strategy; however, it was mainly in the 1970s that lifestyle marketing attracted much attention. Until then, mass production had worked fine for many companies. For instance, General Motors had successfully used this strategy for more than 70 years, including during economic depressions and world wars, always with a positive outcome. Yet, in the 1970s, GM suffered losses due to the ignorance of volatile consumer lifestyles, which came to symbolize this decade. Companies often used consumers' income as the only variable when segmenting the market; however, this was all to be changed as a result of the emergence of stronger consumer lifestyles (Drucker 1994: 99).

A well-known term in today's marketing is *the marketing mix*, also known as the *four P's* of marketing. The founder of the marketing mix concept was Neil H. Borden, although E. Jerome McCarthy later popularized it when he proposed the four P's (Product, Price, Place, Promotion). Neil H. Borden coined the term *marketing mix* in the 1950s and used it in his teaching to illustrate what James Culliton first declared regarding marketing decisions. Culliton argued that marketing decisions should be seen as something similar to a recipe, and the marketer uses a "mixer of ingredients" to accomplish the goals. The four P's, on the other hand, symbolize marketing tools that companies could use to achieve their goals (Kotler & Keller 2006: 19). What deserves attention is the fact that the more recent term, the four P's, has no explicit connection to branding. This was, however, not the case when Borden first

coined the term, which included branding, product planning, pricing, distribution channels, personal selling, advertising, promotions, packaging, display, servicing, physical handling, and fact-finding and analysis (Borden 1965).

Martineau (1958) lay the theoretical foundation of brand personality as early as in the 1950s when he established that in spite of the fact that two similar stores could offer the same prices, quality of products, and equally good services, the customers still often show partiality toward one of the stores and not the other. The reason for this behavior, he argued, is the personality of the store. To be able to create the desired personality, one has to use the power of the brand image. That is, consumers will always choose the store that represents their own personality and is, hence, in accordance with how they wish to be perceived. While economic factors will always be important for customers, if the product and store personality do not correspond to the consumers' personality, no campaigns or sales will be of any help. Even though Martineau put much emphasis on *store* personality, he also made it clear that what holds true for store personality applies to *brand* personality as well.

Branding in the 1970s and 1980s

As we have already discussed in the previous section, branding was a topical issue in the 1950s and 1960s. However, it was in the 1970s and 1980s that branding was further developed and more firmly established, becoming an important research area within the entire discipline of marketing (Moore & Reid 2008). Furthermore, the interest and debate on theories *behind* marketing saw a boom in the mid-1970s (Hunt & Burnett 1982).

Until the 1970s, the field of branding was primarily associated with mass production and mass communication, and companies principally used brand commercials to differentiate their products only by quality and functionality. The period between 1970 and 1990, however, came to symbolize a stronger service sector, and companies now started to communicate what immaterial value their products could offer in comparison to their competitors' products. The brands of that time were developed to become story-telling brands with the aim to create a meaning for their consumers (Roper & Parker 2006: 58).

In the 1970s, marketers started to distinguish between micromarketing and macromarketing. The former intends to describe the social responsibilities and the latter the social consequences of marketing (Shawver & Nickels 1981). Theories regarding micromarketing sought to describe how and why marketing efforts were to be performed *within* a company,

while macromarketing had the purpose of explaining the social context of micromarketing and the role of marketing in the society. In other words, the role of macromarketing was to exhibit marketing functions in a broader perspective with their effect on society, as well as the society's effect on marketing (Bartels & Jenkins 1977).

Hence, marketing could be seen as an influencing factor on society, and, at the same time, the society must be recognized as an important influence on marketing. For this reason, macromarketing became an important factor in marketing. As a result, researchers and marketers could no longer afford to focus on finding new theories alone; they were now compelled to take the society's and marketing's effects on each other into account.

Another important milestone in the evolution of branding is the theory behind the concept of positioning. The word *positioning* was coined in 1972 by Al Ries and Jack Trout in the article series "The Positioning Era" published in a business magazine *Advertising Age*. Ries and Trout (1981) later argued that positioning is not something you do with the product itself; instead, it is about the target group. The marketers' aim is to put the product into the mind of the customers. Hence, when outlaying the positioning strategy, done does not change anything about the core product but instead concentrates on the surrounding elements of the product. For instance, a company could choose to make alterations to the price strategy, product name, or the package. All these changes are external to the product and are made to ensure the desired position in the customers' mind. Following Ries and Trout's theory, positioning has soon become a strategy that gained in popularity, especially among advertising agencies. Instead of only using commercials and slogans including words "first," "best," "the most beautiful," etc., companies now tried to find other innovative ways to reach the customers by putting emphasis on better-thought-out campaigns to evoke stronger reactions.

Kotler and Zaltman (1971) also wrote in the beginning of the 1970s a well-cited article on how branding could be used by non-profit organizations. In the article, the authors introduced the reader to the concept of *social marketing*, which became a new framework for planning and implementing changes in the society. However, this approach was a natural result of the ongoing evolution of branding; the society went from focusing on sale returns only to becoming more market-oriented. Hence, social marketing showed that the boundaries of marketing are wide, and it became an important tool to influence the acceptability of new ideas. The theories behind social marketing were, however, up to much debate; for instance, they have been used to market new presidential candidates in the USA.

Relationship marketing became a new buzzword in the 1980s' and 1990s' academic literature. According to several authors, a new paradigm shift from the four P's of marketing to relationship marketing had already begun (Grönroos 1989, 1994; Gummesson 1993). Grönroos (1989) described the concept in this way: "Marketing is to establish, maintain, and enhance relationships with customers and other partners, at a profit, so that the objectives of the parties are met. This is achieved by a mutual exchange and fulfillment of promises." The relationships between the company and customers are often, but not necessarily, long-term relationships. To be able to establish a relationship, the company first has to attract the customer and then build the relationship in a manner that profits both parties (Grönroos 1989).

Relationship marketing has primarily been developed within service marketing and industrial marketing. However, at the time, no one had yet elaborated or explained in an in-depth manner the connection between relationship marketing and branding. All this was to change in the late 1990s and 21st century, as we will explore later on.

In the early 1980s, a new concept was coined that became one of the most researched areas within the field of marketing: namely, brand equity. This concept embraces the single most important aspect of marketing as of today, that is, how to measure the value of a brand. The foundation of brand equity was laid by American PR businesses to prevent companies from acting shortsightedly by reducing investment in branding. Hence, to be able to convince CEOs and managers of the long-term benefits of branding investments, they had to find a financial measurement to determine the return on such an investment. The literature was in a big need of a framework describing brand equity; that being so, in the late 1980s, the Marketing Science Institute (MSI) listed brand equity as a priority area for research. In the years to come, this resulted in a large number of publications and significant interest in the concept (Brodie, Glynn, & Van Durme 2002: 6).

Due to the large volume of publications in the field, a number of different definitions of brand equity have been offered. Brand equity has been considered in many contexts, but according to Kim, Kim & An (2003), there has been mainly three different viewpoints for considering brand equity: (1) the financial perspective, (2) the consumer-based perspective, and (3) the combined perspective.

Branding in the 1990s and 21st century

The *financial perspective* focuses on the total value of the brand and answers the question of how well the company performs in the market. Thus, the financial perspective allows companies to extract the financial brand value from the total value of the company. Simon and Sullivan (1993) were among the first authors to present a way to mathematically calculate brand equity. They used the financial market value of a company as a basis for evaluating brand equity and, by calculating the Tobin's Q, found that it was possible to distinguish between the brand value and the value of all other assets of the company. If the results showed a Q-value above 1, the company had immaterial assets. The reason for using financial market value as the basis is that this value represents an unbiased view on the future revenues of the company. Hence, the result reveals brand equity based on the market expectation of the future cash flow. According to Simon and Sullivan (1993), this methodology has three important features: (1) Brand equity is treated as an asset of the firm and is consequently separated from other assets of the firm; (2) brand equity is calculated with a forward-looking perspective; and (3) the value of the company changes when new information reaches the market.

In contrast to the financial perspective of brand equity, a more consumer-oriented approach blossomed as an alternative. The aim of the *consumer-based perspective* is to measure how consumers react to a brand (Keller 1993; Shocker, Srivastava, & Ruekert 1994). Within this perspective, brand equity has been defined as the differential effect of brand knowledge on consumer response to the marketing of the brand (Lassar, Mittal, & Sharma 1995). Hence, the consumer-based perspective derives individually for every single consumer, and consumer-based brand equity arises when a consumer considers a brand to be well-known by means of positive, strong, and unique brand associations.

To be able to understand the foundations of the consumer-based perspective, there are five considerations that have to be taken into account. First, brand equity refers to consumer perceptions, rather than any objective gauges. Second, the value associated with a brand refers to the global value. Third, the global value associated with the brand derives also from the brand name, and not only from physical aspects. Fourth, brand equity is not absolute, but relative to the current competition in the market. Finally, brand equity positively influences financial performance (Lassar et al. 1995).

In addition to the perspectives discussed above, a *combined perspective* has also been presented. Motameni and Shahrokhi (1998) argue that the financial and consumer-based perspectives do not account for the overall picture, and to illustrate the advantages of using a combined perspective, the authors develop the Global Brand Equity Valuation model (GBEV). The model synthesizes various models and demonstrates how the global brand equity could be calculated by using three brand multiples describing the brand strength: customer-base potency, competitive potency, and global potency. The brand multiples are then applied to the brand's net earnings. The customer-base potency derives from the brand image and customer loyalty, which according to Motameni and Shahrokhi (1998) are a core dimension of brand equity. This demonstrates that a positive brand image plays a significant role in creating brand loyalty. The competitive potency refers to brand trend, brand support, and brand protection. Finally, the global potency is calculated by determining all the global differences between the local and global market. As already mentioned, when relationship marketing was first introduced, it lacked in describing the crucial role of brands in relationships. However, this has changed in the 1990s and 21st century when the role of branding was also included in relationship theories. This new integrated framework was coined as *relational branding* (Brodie et al. 2002).

Gummesson (2002) explains that there is a common belief that relationships are something that explicitly occurs between human beings. This is, however, not entirely true since there could be relationships that involve objects, symbols, and other immaterial phenomena. This kind of branding, which pays attention to the importance of relationships, is called parasocial relationships. The existing relationships between customers and the company, including their products and services, are often impersonal but nevertheless important in branding since such relationships affect the image of a company. This image is created by such factors as the company name, brands, famous company personalities, and other persons who symbolize the attitudes of the company.

It has been shown that consumers define the brand relationship from their own individual perspectives and the brand relationship and relational value are very much personalized in the minds of consumers. Customers generate individual relationships based on their individual perception of brand value, brand meaning and their experiences. That is, customers seem to personally create the brand through their communications across multiple contexts. (Lindberg-Repo, Kirsti, 2001:233)

8

Fournier (1998) argues that brands could be seen as a relationship partner, and a way to legitimize the brand-as-partner view is to highlight ways in which brands are animated, humanized, and personalized. Fournier reveals in her research that consumers are of the opinion that they have several relationships with different brands. Consumers feel that such relationships add value and purpose to their existence, and these extra values could be both functional and emotional by nature.

Kapferer (2008) also acknowledges the importance of relationships within branding and argues that a brand is above all a relationship, which involves deep emotional contacts and loyalty.

The concept of *brand identity* has received much attention, and today the majority of marketing companies have specified their brand identity in corporate documents. Brand identity has grown to become a wide concept, now encompassing many of the earlier discussed theories, e.g. positioning, relationship, and brand personality. According to Kapferer (2008) the brand identity gives guidelines to what parts of the brand should be kept the same and what elements can be modified, allowing brands to evolve in time.

De Chernatony (1999) has designed an identity model that conceptualizes the brand's identity in terms of its vision and culture. These affect the desired positioning, personality, and the relationships, all of which are then presented to reflect stakeholders' actual and desired self-images. In this sense, the vision and culture of the employees affect the brand-building process; hence, these are very important to acknowledge and should not be neglected. De Chernatony (1999) argues that a company has to put more emphasis on a company's internal role as a brand builder and focus on developing attitudes and behavior of the staff and employees. It is also important to measure and control where the employees consider the company to be positioned; otherwise it is impossible to educate and inform the staff what they should strive for and how to achieve the brand's desired positioning. It is important, especially in case of an emotional brand, that the company's and the staff's attitudes correspond to each other and that the desired image and personality is communicated. Hence, the company has to prevent a possible discrepancy between the desired values and the values of the employees. Finally, it is also important to monitor external elements to ensure that the desired brand identity corresponds to the perceived brand image among customers.

Country-of-Origin (COO), Corporate Social Responsibility (CSR), and subcultures of consumptions

In addition to the 12 milestones of branding that have already been discussed above, there are three more concepts that should not be neglected: Country-of-Origin (COO), Corporate Social Responsibility (CSR), and Subcultures of consumptions. These concepts are presented in a separate chapter since, when first introduced, they were distinct theories not embraced by branding theories. However, more recently, these concepts have become an important part of marketing and branding.

Several researchers have investigated the possibility to use *COO* and its importance as a branding strategy; in fact this topic has been one of the most investigated aspects of branding for the past decade (Peterson & Jolibert 1995). Research reveals that due to the ever-increasing competition from international brands, the sensitivity to COO in the minds of the customers has become an important issue for companies. The possible advantages of branding the COO do not come forth in all product categories, e.g. research reveals that companies do not brand the COO when it comes to everyday products. The advantages of COO primarily appear when it comes to products that are more dependent on the brand image, such as the more expensive wines or perfumes. In these cases, the origin, price, and brand name to a greater extent serve as a guarantee of quality (Agrawal & Kamakura 1999).

The idea of *brand communities* is another concept found in the literature that has become relevant for branding. Muniz and O'Guinn (2001) have defined the concept of brand communities as a "specialized, non-geographically bound community, based on a structured set of social relations among admirers of a brand." A similar concept is *subcultures of consumption*, which also describes the phenomenon when people jointly form a smaller group within the society, often with the common denominator of one or several brands. McAlexander, Schouten, and Koenig (2002) argue that the relationships within these groups are very strong, and since the members often favor a few brands, these groups become profitable targets for companies. Hence, brands become social objects with an effect on the brand equity. Theories regarding brand communities and subcultures of consumption put forward an additional contribution to the theories found in the relationship marketing literature. Specifically, they support the building of a framework describing the complex relationship between humans and brands (Muniz & O'Guinn 2001).

In the beginning of the 21st century, one could witness how two different concepts were united into one, namely branding and CSR. CSR is, in reality, not a new concept; it was first introduced in the literature in the 1930s. However, it is more recently that the concept has gained in popularity in branding. One of the reasons CSR is so complex is that it is unique not only for all lines of businesses but also for all companies (Kitchin 2003). CSR became a hot topic due to the understanding of the connection between a company's reputation and its brand equity. Another reason for the huge interest of CSR is that research in the USA reveals that customers and employees disapprove of the way large corporations treat their customers and employees. One study showed that 88% of all respondents were of the opinion that companies must increase their responsibility to the society and urban districts. About 82% thought the top management favor their own interest above the employees, and 81% were of the opinion that companies consider it more important to make profit than to ensure safe and reliable products (Dobson 2003).

The main idea behind CSR is that all activities undertaken by a company affect the way consumers perceive that company. Although all activities affect the reputation, the company must acknowledge that all activities deliberately undertaken to influence the brand must be accomplished in the name of the brand. Principally, there are four reasons to adopt CSR theories in companies: (1) to understand the brand promise, (2) to maintain customer loyalty, (3) to maximize the effect of investments that were to be directed toward CSR regardless of the brand, and (4) to avoid conflicts with stakeholders (Blumenthal & Bergstrom 2003).

Finally, companies that are perceived responsibility would be able to use ethicality as one of the brand benefits, allowing consumers to feel satisfied due to the linkage of responsible behavior of the brand in its relationship with society. (Kapferer 2008:22)

Evolution of branding theories: A snapshot

Table 1 offers a summary of the 15 most important milestones of branding during the 1900s and early 2000s. The table seeks not only to illustrate the development, but also to demonstrate when, and by whom, important concepts were created. Hence, the table does not elaborate on the connections between the concepts.

Brands and branding have existed for thousands of years in one form or another; however, it was in the mid-1900s that research of branding started to spread. Even though many

companies acknowledged the advantages of branding, it was nevertheless a controversial area because of the legislative restrictions specified in the Robinson-Patman Act. During the 1950s and 1960s, there was a lively debate on the pros and cons of branding, and there existed a strong consumer movement that was of the opinion that products should only be labeled according to the content and product characteristics.

Period	Concept/Research area	Pioneer/Author and Year
< 1970s	Establishment of the importance of branding	Marquardt et al.: 1965
	Segmentation	Smith: 1956 Yankelovich: 1964 Mainer & Slater: 1964 Sheth: 1967
	Loyalty	Cunningham: 1956
	Lifestyle	Lazer: 1963
	Marketing mix	Neil H. Borden: 1950th
	Personality	Martineau: 1958
1970s and 1980s	Positioning	Ries & Trout: early 1970s
	Social marketing	Kotler & Zaltman: 1971
	Relationship marketing	Grönroos: 1989, 1994 Gummesson: 1993
	Brand equity	Farquhar: 1990 Aaker: 1991 Keller: 1993 Simon & Sullivan: 1993 Srivastava: 1998, among others
1990s and 21st century	Relational branding	Fournier: 1998 Brodie et al.: 2002 Gummesson: 2002 Grönroos: 2000
	Identity	Kapferer: early 1990s De Chernatony: 1999
	COO	Peterson & Jolibert: 1995 Agrawal & Kamakura: 1999 Thakor & Lavack: 2003
	Brand communities and Subcultures of consumption	Muniz & O'Guinn: 2001 McAlexander et al.: 2002
	CSR	Willmott: 2003 Dobson: 2003 Blumenthal & Bergstrom: 2003

Table 1. The evolution of branding concepts

Consequently, it became very important for companies and marketing researchers to prove that customers had a need for branded products and that a brand added an extra value to the product. During the 1960s, it was proved through research that consumers considered brands as an important factor in their purchase decision, even in the case of everyday products. Without empirical evidence demonstrating that the majority of customers appreciated branded products, the research on other concepts during this time would not have been acknowledged to the same degree.

During the 1970s and 1980s, brands became a more important part of marketing, and now this research area affected the entire marketing discipline. Many new concepts, which proved to be crucial for the future development of branding theories, were introduced during this time. At the end of the 1980s, MSI listed brand equity as a priority research area, which created an abundance of research articles in this field, especially during the 1990s and at the onset of the 21st century. This resulted in three different perspectives on brand equity, all of which have received a lot of attention. Moreover, during this period many old concepts were further developed and modernized. For instance, relational branding has emerged from relationship marketing to increase the knowledge and compensate for the gap in the understanding of how brands impact the relationship between companies and customers. Last but not least, we discussed the concepts of COO, CSR, as well as brand communities and subcultures of consumption, which all have become important parts of today's marketing and branding.

FINDINGS: Causal relationships among the theories

There are several reasons why it is important to elaborate on the evolution of branding theories. First, it has not yet been shown in the literature how concepts have an effect on each other, i.e. their causal connections. Hence, since the causes and effects in the evolution of branding theories have not yet been scrutinized, it has been hard to map out which concepts have led to other concepts and which concepts stand alone. Due to the lack of understanding of the cause and effect and the causal connections among the theories, the future of branding has earlier been impossible to envisage. In Figure 1, we present an evolutionary map of all the causal connections among the 15 branding concepts presented earlier. Due to their importance and vital contribution to the evolution of branding, we name them the 15 milestones of branding.
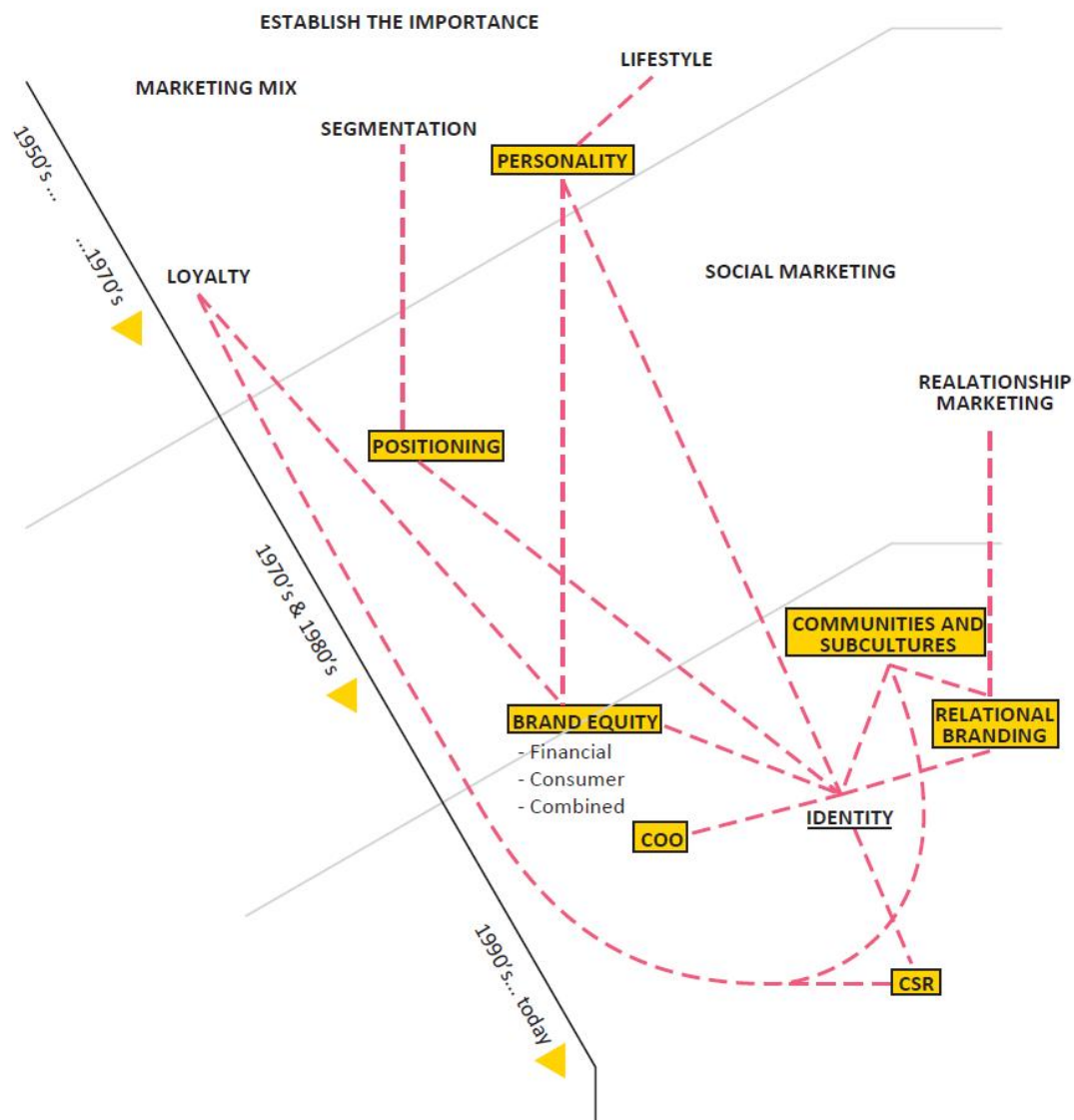
Figure 1. The evolution of branding theory

In contrast to Table 1, this model reveals interactions among the concepts and, consequently, it is a more applicable and descriptive model illustrating the theoretical evolution of branding. The three different spaces of time (i.e. 1950s to 1970s, 1970s and 1980s, and 1990s until today) and the individual concepts should not be seen as isolated events; instead, the arrows illustrate the influences and causal connections among the time periods and brand concepts. As the first milestone, we have chosen *establish the importance of branding*. That is, if it had not been proved through research that customers appreciated branded products, the coming evolution in branding would not have been possible. Hence, this milestone has affected the entire subsequent development of marketing theories.

Segmentation theories became, and still are, an important tool for marketers when breaking the market down into smaller divisions to reach out more effectively to the desired target group. Segmentation should be seen as an internal strategic tool, and the outcome of a segmentation process will help the company to outlay its external position.

In other words, if a company in its segmentation process finds a segment it wants to approach, it has to outlay a *positioning* strategy. Hence, segmentation and positioning are interconnected and a causal connection exists between them. Furthermore, a company's positioning influences another contemporary concept, brand identity, which is illustrated in many brand identity models, and the brand identity will consequently change with a new positioning strategy. Hence, it is very important to establish where the employees consider the brand to be positioned. If the employees, who are the representatives for the company's identity, consider the brand to be positioned in an undesired position, there is a great risk that they will present the company's identity in an unwanted fashion.

The next milestone, *brand loyalty*, was presented in the 1950s and still plays a central role in branding. It is, however, a somewhat controversial concept due to its restrictions. That is, brand loyalty should only be a company's goal with a reservation; it needs to be profitable to have loyal customers. Most companies could attain loyal customers by introducing a good product or service, sell it underpriced, and market it heavily. In this scenario, the company would get loyal customers, but with no profit. Therefore, companies trying to attain loyal customers must also consider a second variable, profitability. This being so, there is a connection between loyalty and brand equity.

15

To reach and retain profitable and loyal customers, modern companies often become environmentally friendly and focus on social responsibility. Thus, the concepts of brand loyalty and CSR are interconnected. Brand loyalty is also connected to brand communities and subcultures of consumption, which will be discussed later in detail.

Many companies have successfully associated their brands with a certain *lifestyle*, i.e. Nike, Levi's, and Abercrombie & Fitch, and the brand lifestyle that the product represents should reflect the desired lifestyle of the consumers. However, not all companies could achieve whatever brand lifestyle they want, as it has to be convincing and trustworthy in the eyes of the customers. As a result, the lifestyle that the company tries to target is dependent on the personality of the company, and hence, the personality of the company and the brand must fit in with the desired lifestyle. If a company has a more mature and conservative personality and is perceived to have an older clientele, it is hard to achieve a young and sporty lifestyle. Hence, the lifestyle that brands want to attain is interconnected with their personality. The latter has also two more causal connections: those with brand equity and brand identity. As already discussed, brand personality affects brand equity, and especially consumer-based brand equity. Brand equity consists of several influencing variables, which, together, constitute the concept of brand equity, and one of these variables is brand personality. Brand identity is also interconnected with brand personality since it depicts the human characteristics associated with a brand; hence, the perceived personality and its human elements affect the brand identity.

The *marketing mix* concept had played an important role in the development of marketing and branding for a long period. However, today that concept lost its academic research value and is best suited as a simple theory describing the basic thinking in marketing, for instance, in undergraduate studies. Another concept that also lacks direct causal connections is *social marketing*. However, this concept is a very important one due to its originality. Social marketing is a framework describing how marketing could be applied outside its normal boundaries. Today, it is an important concept explaining how a company, government, or non-profit organization could work to influence the acceptability of new ideas in the society.

Relationship marketing was introduced during the 1980s and 1990s and offered a new framework for describing how companies and customers could both gain from healthy long-term relationships. However, one important aspect was missing to connect relationship marketing and branding, namely an elaboration on how the brand and the customers affect

each other and how this relationship could be used in branding. This was all to change in the late 1990s, when researchers included branding in relationships marketing theories; thus a new concept, relational branding, was coined. This, latter, concept was a product of relationship marketing and the two are, hence, interconnected.

Brand equity plays a central role in branding because it offers a way to measure the long-term effect of branding efforts. Depending on which of the three perspectives one chooses to embrace, brand equity can be influenced by most of the concepts. However, as we have already discussed, brand equity and brand personality are interconnected; furthermore, brand equity has a causal connection to brand loyalty. Aaker and Joachimsthaler (2000) established that brand loyalty is closely related to brand equity, and hence, if a company possesses a large number of loyal customers, the company has high consumer-based brand equity.

As already established, relationship between marketing and *relational branding* is a close one, whereby the latter has evolved from the former. Furthermore, relational marketing and brand identity are interconnected. Several variables together build up the identity, and by changing some of the variables, e.g. brand name, famous people connected to the firm, or other people reflecting the company's opinion, the identity could be revised. Hence, since relational branding and brand identity have a causal connection, it is very important to avoid a discrepancy between a company's relational branding and brand identity; in other words, the two should correspond to each other.

Due to the understanding of how important a good reputation is, *CSR* has become a key concept in branding. The reputation of a company reflects not only in the planned communication, but also in all activities undertaken by the company. As already discussed, CSR and loyal customers are interconnected; furthermore, CSR also affects brand identity. If a company is perceived as a true citizen brand that pays attention to CSR, this will affect its brand identity. Hence, customers will get the perception that they care for the society, the environment, and take responsibility for the actions undertaken by the company, and this will influence the brand identity. As a result, companies could earn money by changing their identity in the minds of the customers to a brand that encompasses CSR.

In a world that is becoming more and more globalized, and with products crossing the planet with an ever-increasing tempo, *COO* has become an important research area in branding. Research reveals that COO is not an important issue when it comes to everyday products;

however, COO plays a significant role for products that are more dependent on the brand image. It is often more important to emphasize on the COO when selling luxury goods, e.g. Italian fashion designer clothes and Swiss watches. If a company succeeds to associate a brand to a specific country or district, e.g. Champagne, it can thereby attain an identity that is hard to imitate or gain in any other way. Hence, COO and brand identity are interconnected, and companies could consequently use their country of origin in their branding to establish their identity.

Brand communities and *subcultures of consumption* are two other important concepts in branding. The reason why these groups have become interesting for branding is the strong affiliations that arise among the group members to specific brands chosen by the group. Group members tend to be very loyal to some chosen brands, which makes them a target group for many marketers; hence a causal connection exists between brand identity and brand communities and subcultures of consumption. Another causal connection is the one to relational branding; branding strategies used to reach these groups obviously try to create a framework to explain how to control the relationship between the brand and its customers. In addition to the connections mentioned above, the concept is also interconnected with brand identity. When branding to smaller subcultures, the brand identity must correspond to the identity the group wishes to attain; otherwise, the brand will not attract the group since they seek the same identity in the brand as the identity they try to achieve.

Brand identity is a concept that is relatively new, coined in the early 1990s, but its components are much older. When the concept of brand identity was shaped, it embraced many old concepts to create a new one. Brand identity has, as Figure 1 reveals, seven causal connections to other concepts: personality, positioning, brand equity, COO, brand communities and subcultures, relational branding, and CSR. Hence, no other concept could compare to brand identity when it comes to the causal connections with other concepts.

DISCUSSION: The future of branding

A theory is meant to describe reality; hence, there will always be a need for new theories since the society and reality perpetually change. The branding theories we have today originate in the need to understand the processes and phenomena present in the society. For instance, at the end of the 1980s, many relationship marketing theories were developed, and this was due to the fact that there was a need to understand how relationships could benefit both a company and its customers. Several researchers investigated this topic, and new theories and models were designed, which were then compared and compiled. If existing theories are insufficient, they can be used to bring out new modified theories through academic studies; otherwise the theories are implemented and tested in the society. Once the theories have been implemented, researchers get feedback, and, depending on the success, they could use the results to carry out new research studies. In our example above, this was what happened to relationship marketing when the existing theory was used to develop a new theory in relational branding, which, in turn, enabled researchers to pay more attention to the role of brands in relationships. This phenomenon is illustrated in Figure 2, which we chose to name *The academic life cycle*.


Figure 2. The academic life cycle

As future theories will also have to follow this life cycle, it is vital to only conduct new research when a true need to understand the market arises. Therefore, it is of great importance that the academic world and business world could reach a sound cooperation.

In the literature review, it was shown that the development of the society influences the development of marketing. Hence, to predict the future of branding, we have to look into the projected development of the society. A distinct development in most western societies is the emergence of even stronger consumer and civil right movements, greater supervision of company's commitments, and a faster information flow. There are no indications that this development will slow down, and it will be of great magnitude for companies to consider

19

their influence on society and environment. In other words, CSR will be a concept that all companies will try to be associated with. Future brands will not be able to enjoy the full advantage of their products if they neglect the importance of CSR. Theories developed during the past decades have primarily emphasized the emotional component of the relationship between brand and consumer. The development in the society goes in the same direction with powerful consumers willing to remind corporations of their struggle to achieve a fair business world. Due to the present economic meltdown, the consumer movement will become even stronger and more conscious, and suspicious-looking companies will get noticed by both media and consumers. Alert companies will try to achieve a citizen brand status by emphasizing CSR theories and then communicate their own willingness to aid the society. In doing so, the aim is to achieve the desired brand identity to become sustainably competitive. However, it is not all about becoming a citizen brand; companies have to be able to produce products that enable an increased quality of life. No one said it was going to be easy, but, in a competitive world, companies can afford to neglect neither the consumers nor the society.

Companies must, therefore, acknowledge the difficulties and embrace a holistic thinking about the variables that affect brand identity. Every single aspect that builds up the brand identity is important, but working well together, they become a competitive advantage that is hard to duplicate. Due to its many variables, brand identity is a very difficult and time-consuming concept to influence; yet, to be able to compete, future brands should spare no pains in attaining their desired identity.
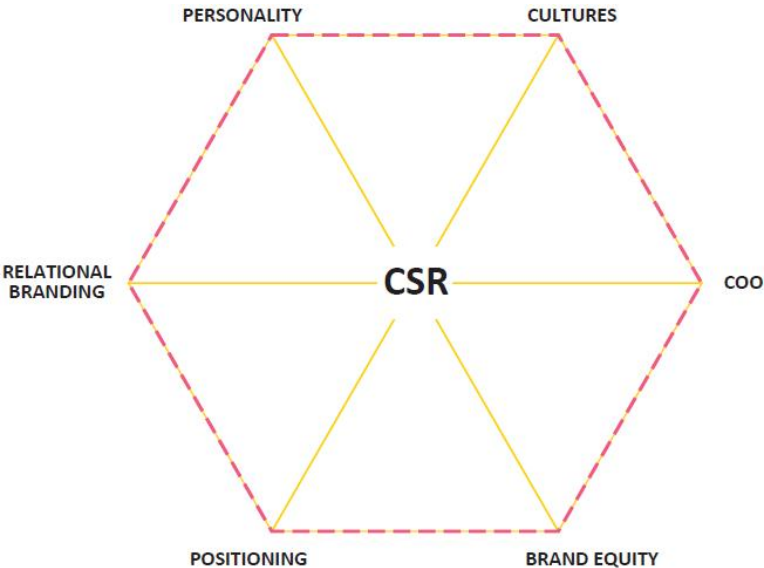
Figure 2. Brand Identity Hexagon

20

In Figure 4, *the brand identify hexagon* illustrates what the future will demand from companies trying to build a strong brand identity. As already discussed, brand identity had seven causal connections, and these are the contents of the brand identity hexagon. CSR is located in the middle due to its predicted central role in the future. In times when public opinion is more important than ever, all companies will be forced to design their own CSR strategy, and the concept of brand identity will play a central role in the future of branding.

3.1 Managerial implications and further research

This article has several managerial implications that could be used by both academics and practitioners. The literature review holds its own academic value due to its originality in presenting the origin of the 15 milestones in branding. Furthermore, we reveal how these concepts are interconnected and together build the foundation that branding stands on today. Due to the lack of similar studies in the current literature, it was important to elaborate on the evolution of branding to find the cause and effect in that process, as well as discuss what the future of branding will look like. The conclusions from this study could be used in future research, and by introducing the academic life cycle, we have explained how further research projects should be implemented.

The business implications derived from this study are chiefly the explanation and the understanding of the complex construction of branding. We have illustrated that the majority of the concepts are interconnected. Hence, when changing the strategy for one concept, often another concept is influenced. The brand identity hexagon gives marketers an important tool to pay attention to when working with a company's or a brand's identity.

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