"Brand Growth": Two Faces But One Soul

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As the reader is aware, topics for the forthcoming issues of the *Journal of Advertising Research* (*JAR*) through the end of 2006 were selected in early 2004. After joining the editorial team in late 2004 and seeing that I would be the editorial steward for an issue on "Drivers of Brand Growth," I immediately asked myself, "Does this mean 'the drivers of growth in sales and earnings for branded products and services' or 'drivers of growth in the health or equity of brands'"? Realizing just as quickly that the answer was, as a sophomoric logician might quip, "Yes," I decided that this would be a rare opportunity to bring these two streams of research and thought together for our readers and enable them to envision what Gerry Tellis calls "a deep, comprehensive and insightful picture of how advertising really works"—a picture resulting from a careful interlacing of "the econometric paradigm" and "the behavioral paradigm."

The reader undoubtedly noted my deliberate choice of the word "envision," as opposed to a word denoting the successful completion of such a picture. In no way have we attempted to piece together even a cursory schematic for such an inclusive, "insightful picture" of "how advertising really works." Nor have we attempted to provide a representative sampling of all the major subtopics needed for such a synthesis. This will require considerable, concerted effort from a large number of talented researchers over a significant period of time. What we have done through the portfolio of articles in this issue is simply to characterize the breadth of thought required for a holistic view of communication as both a builder of brands and a driver of business results—and, we hope, to give our readers a head start on the journey.

This issue of the *JAR* begins with Gerry Tellis's article on the current state of our knowledge about advertising effectiveness and the most urgent directions for future research. After addressing some commonly held misconceptions about advertising's effectiveness and means of influence, he offers a perspective on what insight we would need in order to generalize with conviction about the key interrelationships between advertising and consumer-thought processes, business outcomes, and the other elements of the marketing mix. His essay stresses the importance of understanding the subtle "contingent" or "interactive effects" of advertising, the criticality of validating lab-based conclusions in real-market settings, and the wisdom of understanding advertising's effect in the context of other major drivers within the enterprise, such as innovation and product quality. As the reader will see, this last notion of "thinking across the enterprise" will be one of the key topics in this issue.

From here, we advance to our four major themes for the issue:

- defining and measuring brand equity in a way that is comprehensible and consequential to the stakeholders of a business,
- recognizing the importance of strategic internal communication (to employees and key business partners), in addition to external communication (e.g., to customers), when implementing a new brand positioning or bolstering brand equity,
- understanding the communication opportunities offered and constraints posed by the underlying consumer dynamics of a market, and
- planning for communication-driven growth.

DEFINING AND MEASURING BRAND EQUITY

Two complementary approaches are presented. Calling for an equity measure that (a) encapsulates a brand's potential and its degree of insulation from incursion, (b) relates directly to profit growth, and (c) illuminates the specific marketing actions that will drive equity, Tom Reynolds and Carol Phillips present an approach that is grounded

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in the concepts of brand "resiliency" and "leverageability" and is operationalized through a compact set of simple yet thought-provoking measures. Together the measures tell a story about "sources of strength and direction for improvement," and, when combined with data on marketing activity and analyzed either "mathematically or anecdotally," they can direct one toward the specific in-market action needed to strengthen the brand.

Joel Rubinson's and Markus Pfieffer's article on "Brand KPI's" key performance indicators reflects a motivation similar to that of Reynolds and Phillips: to demystify and increase the utility of brand equity measurements in order to direct action, as well as to provide bridges between brand equity and customer loyalty and between loyalty and concrete financial measures. The authors' proposed framework emphasizes brand-positioning applications and includes a novel yet straightforward way of measuring whether or not the master brand and its subbrands are supported in a way that takes maximum advantage of any synergies inherent in the overall brand's architecture.

RECOGNIZING THE IMPORTANCE OF STRATEGIC INTERNAL COMMUNICATION

All too often the concept of marketing communication is construed as communication to only the external constituencies of a business, such as customers and independent retail outlets. While discussing examples of major brand repositionings with implications that extended far beyond customer communication, into the likes of store layouts and customer service, the next two articles note the importance of communicating the brand positioning and strategy throughout the organization so that employees can understand them and embody them in their actions and interactions. Scott Davis cites as major factors fueling the redefinition of brand building the increasing complexity and difficulty of delivering effective communication to customers and the increasing number of new entrants competing for customers' attention and wallets. He provides examples of firms like Staples and UBS, where applying an enriched definition of brand building, extending far beyond "external messaging," was vital to the success of their efforts.

Bill Merrilees uses a case study on Canadian Tire to illustrate the interpretive benefits of a new model of brand building, one that includes not only the creation of a "brand vision" but also the understanding and adoption of this vision by the full organization though "brand orientation" and the realization of the vision through "strategic brand implementation." Merrilees's discussion of "brand orientation" reveals its importance to the success of that re-branding effort.

UNDERSTANDING COMMUNICATIONS OPPORTUNITIES AND CONSTRAINTS RESULTING FROM CONSUMER DYNAMICS IN THE MARKET

The next theme involves three consumer phenomena, all of which relate to the concept of brand loyalty and all of which should be understood before developing the marketing and communication plans for a market. The first involves the familiar concept of "double jeopardy" (DJ). Zhilin Yang, Zili Bi, and Nan Zhou test and confirm three hypotheses in four urban Chinese markets and two highly competitive categories. The first two hypotheses establish the presence of DJ in the chosen categories and find that advertising's effect on brand loyalty is completely dependent on the role of a mediating variable, brand penetration. Clearly, then, a new entrant to the market would need to understand the existing consumer landscape, particularly in terms of penetration and loyalty for existing brands, before determining how much to spend on advertising or whether or not they should even pursue entry into the market.

A more attitudinally based but no less strategic concept is that of "perceived brand parity." Here Rajesh Iyer and James Muncy advance the idea that the ability to build loyalty through customer satisfaction and perceived quality is mediated by whether customers perceive brands in the category to be differentiated or undifferentiated. The answer to this has profound ramifications for advertising and product- or service-quality decisions. If real differences do not exist, one must face the daunting task of creating real advantages and then trying through communication to build awareness and motivation to purchase. And, while doing so, one must be watchful of low-cost entrants, who, the authors contend, have an incentive to maintain high-parity perceptions in a category.

Finally, Arch Woodside and Mark Uncles present the notion of a "behavioral primacy effect": the loyalty to a brand that occurs when it provides the consumer's first category experience in a new "purchase environment" (e.g., moving to a new city, experiencing a completely new retail format or the launch of a new subcategory in an established category, or entering a new lifestage). After confirming the existence of a primacy effect among three categories, they characterize primacy as limited-time opportunity for marketers, one that must be quickly identified in the market through customer segmentation on the basis of impending or recently experienced, new "purchase environments." While providing a qualitatively different type of consumer dynamic than those described above, "behavioral primacy" is clearly worthy of consideration by marketers when, for instance, they are planning a product innovation in an existing category or campaigns to recruit new users.

PLANNING FOR COMMUNICATION-DRIVEN GROWTH

The articles under this thematic heading all deal with the assessment of specific messages and communication channels through diverse yet rigorous methodologies. As such, they offer what are, in effect, planning tools for Merrilees's "strategic brand implementation." The article by Demetrios Vakratsas discussing the long-term effectiveness of various traditional forms of media applies persistence modeling to brand-level sales and advertising expenditures for individual media in the U.S. SUV market. By evaluating long-term primary effects and cross effects for each medium on each brand, the author asserts that one can develop an economically superior, media-specific advertising plan, because the full effect of advertising (including temporal effects and competitive cross effects) is captured, as well as differences among the various brand and media combinations.

Nigel Hollis's article reveals a case for online advertising as a mechanism for bona fide brand building (even if it does not result in a "click through," the traditional measure of "success" for online advertising). He supports this notion with a conceptual model of the online customer (or latent customer, as the case might be) that integrates conditions such as readiness to make a category decision, attitudinal predisposition to a given brand, and the implied mindset of the online prospect when faced with advertising for the category. His study suggests that using the metric of "click through" to evaluate the effectiveness of and develop plans for online advertising can significantly understate the true effectiveness of the medium, especially its ability to build brands.

The last article under this topic deals not with the effectiveness of communication channels, but rather with the effectiveness of copy and the measurement of that effectiveness. Many of the articles above deal with building brand equity, as well as approaches for measuring the resulting progress in both customer-related and financial terms. Robert Heath's article, "Measuring Affective Advertising," deals with how we should evaluate the creative executions that are likely to result from these strategies. By drawing on current knowledge about implicit learning and implicit memory, he builds, tests, and confirms a hypothesis that "recognition," which uses "implicit" as well as "explicit" processes, has a stronger relationship to future brand choice (actually, a proxy thereof) than "claimed advertising recall," which relies primarily on the less robust "explicit" memory. His analysis demonstrates this for advertising that is "affectively" oriented, as opposed to "news-oriented" or "direct-response" advertising.

Our issue concludes with a review by Tony Adams of Douglas Holt's *How Brands Become Icons: The Principles of Cultural Branding*. Adams anticipates that the thinking presented in Holt's book could, in effect, lengthen the playing field for brand builders by demanding deeper thinking and greater endurance than they might originally have thought necessary for the building of iconic brands. This review provides, I believe, an appropriate conclusion to an issue about envisioning Tellis's "deep, comprehensive, and insightful picture of how advertising really works." As the picture in our minds starts to take shape, we will be reminded that new discoveries and thinking will endlessly cause that picture to disintegrate and reform once again, each time a bit more vividly than before. Advertising (and for that matter, commercial communication) is, indeed, in Tellis's words, "unfathomably rich."

Thanks to all who contributed to this issue. Special thanks to Gerry Tellis, Joel Rubinson, Scott Davis, and Tony Adams for their enthusiastic responses to our invitations for their articles. JAR