MONASH UNIVERSITY
THESIS ACCEPTED IN SATISFACTION OF THE
REQUIREMENTS FOR THE DEGREE OF
DOCTOR OF PHILOSOPHY
ON................ 25 November 2003 ....

............................[redacted]........................
Sec. Research Graduate School Committee

Developing and Validating a Multidimensional Measure of Nonprofit Brand Orientation and Assessing its Impact on Organizational Performance

Julie Napoli
BBus(Hons)(Marketing),MCom(Marketing)

Thesis submitted in fulfillment of the requirements for the degree of Doctor of Philosophy

Department of Marketing
Faculty of Business and Economics
Monash University
Melbourne, Australia

July 2003

Table of Contents

Page

List of Tables v
List of Figures vi
Abstract vii
Declaration ix
Acknowledgement x

Chapter 1 Introduction 1

1.0 Chapter Overview 1
1.1 Introduction 1
1.2 Research Questions 5
1.3 Research Objectives 5
1.4 Research Scope 6
1.5 Academic Contribution 6
1.6 Chapter Summary and Plan of Study 8

Chapter 2 Theoretical Foundations 10

2.0 Chapter Overview 10
2.1 Introduction 10
2.2 Theory of Mutual Knowledge 11
2.2.1 Community Membership 13
2.2.2 Co-Presence 14
2.2.3 Reference Repairs 16
2.2.4 Audience Design Effects on Common Ground 18
2.3 Brand Management and the Theory of Mutual Knowledge 21
2.3.1 Establishing Mutual Brand Knowledge 21
2.3.1.1 Brand Communities 21
2.3.1.2 Brand Co-presence 24
2.3.1.3 Recursive Brand Communications 26
2.3.1.4 Constructing Brand Messages 26
2.3.2 Managing Mutual Brand Knowledge 28
2.4 Chapter Summary 29

Page

Chapter 3 Brand Management Practices and Philosophies . 31

3.0 Chapter Overview 31
3.1 Introduction 31
3.2 Business Orientation 32
3.2.1 Market Orientation 34
3.3 Brand Management 39
3.3.1 Definition of a Brand 39
3.3.2 Brand Functions and Benefits 41
3.3.3 Trends and Challenges 42
3.3.4 Building and Managing Brand Equity 44
3.3.5 Managing Brand Identity 48
3.3.5.1 Summary 52
3.3.6 Managing Brand Architecture 53
3.3.6.1 Brand Portfolios 54
3.3.6.2 Brand Extensions 57
3.3.6.3 Summary 58
3.3.7 Managing Brand Communications 59
3.3.7.1 Brand Names, Logos and Color 59
3.3.7.2 Distribution 62
3.3.7.3 Promotional Mix 62
3.3.7.4 Investment 64
3.3.7.5 Internal Communication 65
3.3.7.6 Summary 66
3.3.8 Managing Brand Value 67
3.3.8.1 Summary 71
3.4 An Operational Definition of Brand Orientation 72
3.5 Brand Orientation Across Contexts 73
3.6 Chapter Summary 74

Chapter 4 Marketing in the Nonprofit Sector 76

4.0 Chapter Overview 76
4.1 Introduction 76
4.2 Emerging Issues and Challenges for Nonprofit Organizations 77
4.3 Marketing in the Nonprofit Sector 79
4.4 Branding in the Nonprofit Sector 83
4.5 Chapter Summary 89

Page

Chapter 5 Research Objectives and Hypotheses 90

5.0 Chapter Overview 90
5.1 Introduction 90
5.2 Research Questions and Objectives 91
5.3 Research Hypotheses 92
5.3.1 Scale Development 92
5.3.2 NBO and Organizational Performance 97
5.4 Chapter Summary 100

Chapter 6 Research Design, Sampling and Data Collection 101

6.0 Chapter Overview 101
6.1 Introduction 101
6.2 Research Paradigm 101
6.3 Overview of the Scale Development Process 103
6.4 Theoretical Boundaries of the Nonprofit Brand Orientation Construct 105
6.5 Generation of Scale Items 107
6.6 Purification of Scale Items 110
6.6.1 Face Validity 110
6.6.2 Focus Groups 110
6.7 The NBO Research Instrument 112
6.7.1 Brand Orientation Items 113
6.7.2 Market Orientation Items 113
6.7.3 Organizational Performance 114
6.7.4 Classifactory Variables 116
6.8 Sampling 117
6.8.1 Unit of Analysis 117
6.8.2 Sampling Technique 118
6.8.3 Sample Size 121
6.9 Data Collection 122
6.10 Statistical Methods 125
6.11 Chapter Summary 126

Chapter 7 Results 128

7.0 Chapter Overview 128
7.1 Introduction 128
7.2 Preliminary Data Analysis 129
7.2.1 Data Screening 129

Page

7.2.2 Assessing Non-response Bias 129
7.2.3 Descriptive Statistics 131
7.3 Results: Scale Development 132
7.3.1 Purification and Reliability (Sample 1) 133
7.3.2 Exploratory Factor Analysis (Sample 1) 136
7.3.3 Confirmatory Factor Analysis (Sample 2) 140
7.3.4 Psychometric Properties of NBO 141
7.3.4.1 Reliability of NBO 141
7.3.4.2 Validity of NBO 142
7.3.5 Generalizability of NBO 150
7.4 Nonprofit Brand Orientation and Organizational Performance 153
7.4.1 Cluster Analysis 153
7.4.2 Logistic Regression 157
7.5 Chapter Summary 160

Chapter 8 Discussion, Implications, Limitations and Future Research Directions 161

8.0 Chapter Overview 161
8.1 Introduction 163
8.2 Discussion 163
8.2.1 Developing and Validating a Multidimensional Measure of Nonprofit Brand Orientation 165
8.2.2 Examining the Relationship Between Nonprofit Brand Orientation and Organizational Performance 170
8.3 Implications 173
8.4 Limitations 175
8.5 Directions for Future Research 177
8.6 Chapter Summary 181

References 182

Appendix I: Cover Letter, Questionnaire and Reminder Postcard 211
Appendix II: Anti-Image Correlation Matrix (NBO Items) 219
Appendix III: Agglomeration Schedule and Dendrogram (Sample 1) 220
Appendix IV: Agglomeration Schedule and Dendrogram (Sample 2) 232

List of Tables

	Page
Table 3.1 Strategic Orientations	33
Table 3.2 Brand Concept Management	46
Table 6.1 The Brand Orientation Construct	106
Table 6.2 Initial Item Pool for Nonprofit Brand Orientation	108
Table 6.3 Final Item Pool for Nonprofit Brand Orientation	111
Table 6.4 Items Measuring Market Orientation	114
Table 6.5 Nonprofit Sectors Included in Sample based on ICNPO Classification	119
Table 7.1 Comparison of Early and Late Respondents in Samples 1 and 2	130
Table 7.2 Demographic and Organizational Profile	131
Table 7.3 Reliability Analysis of 26 Brand Orientation Items	133
Table 7.4 Reliability Analysis of 23 Brand Orientation Items	135
Table 7.5 Factor Analysis on NBO Items	137
Table 7.6 Reliability of the Three NBO Dimensions	139
Table 7.7 Results of Confirmatory Factor Analysis	141
Table 7.8 Reliability and Validity Assessment for NBO	142
Table 7.9 Factor Analysis on NBO and MO Items	144
Table 7.10 Multiple Regression of NBO Components against Ability to Serve Stakeholders Better than Rivals	146
Table 7.11 Multiple Regression of NBO Components against Ability to Achieve Goals	147
Table 7.12 Multiple Regression of NBO Components against Overall Brand Management Effectiveness	148
Table 7.13 One-way ANOVA of three NBO Components and Overall Brand Management Effectiveness	149
Table 7.14 Generalizability of NBO Scale	152
Table 7.15 Change in Agglomeration Coefficient for Sample 1	154
Table 7.16 Change in Agglomeration Coefficient for Sample 2	155
Table 7.17 K-means Cluster Analysis	156
Table 7.18 Organization and Industry Characteristics of Low and High Performers	157
Table 7.19 Logistic Regression Model Results (Enter Method)	159

List of Figures

	Page
Figure 2.1 Basic Communication Process	11
Figure 2.2 Diagrammatic Representation of the Theory of Mutual Knowledge	13
Figure 3.1 Archetypal Brand Positions	47
Figure 3.2 Brand Identity Planning Process	51
Figure 3.3 Managing Brand Identity	53
Figure 3.4 Managing Brand Architecture	58
Figure 3.5 Managing Brand Communicators	67
Figure 3.6 Managing Brand Value	71
Figure 3.7 Brand Orientation	72
Figure 4.1 Positioning Nonprofit Brands	86
Figure 6.1 Scale Development Procedure	104

[1]Abstract

Operating in a progressively more competitive and turbulent environment, nonprofit organizations are beginning to recognize the need to become more 'businesslike' and of the value of marketing in achieving a competitive advantage. In this regard, the development and management of the 'nonprofit brand' has become a critical area of consideration for many practitioners. Accordingly, scholarly attention has begun to focus on brand orientation as a potentially viable business philosophy in this sector. Research in this area has focused on delineating the boundaries that frame this construct, identifying its salient components and analyzing the potential benefits of pursuing such a philosophy. However, such studies have largely been conceptual or interpretative and restricted to a single nonprofit sector. Noting these limitations, the purpose of this study is threefold: first, to develop a psychometrically robust and generalizable measure of nonprofit brand orientation (NBO); second, to examine the relationship between NBO and organizational performance; and third, to identify whether NBO can be used to distinguish between high and low performing nonprofit organizations.

In this study, Churchill's (1979) paradigm for scale development was adopted, with Keller's (2000) brand report card being used as a point of departure for the generation of scale items. This resulted in the derivation of a three factor, 12-item NBO scale, which was shown to be a reliable, valid and generalizable measure of nonprofit brand orientation. The three components of NBO were labeled orchestration, interaction and knowledge. Orchestration measures an organization's ability to utilize and coordinate the many marketing activities associated with a brand and create an internal structure to support such activities. The second component, interaction, measures an organization's ability to maintain contact with stakeholders and adapt an organization's brand offering to suit changing needs and market place conditions. Finally, knowledge measures an organization's capacity to understand what it is about a brand that stakeholders most like or dislike. Combined, these three

[1] A paper emanating from this research, entitled '*Developing and Validating a Multidimensional Nonprofit Brand Orientation Scale*', has been accepted for publication in the *Journal of Business Research*.

functions contribute positively to an organization's performance. In particular, NBO can effectively be used to distinguish between higher and lower performing nonprofit organizations, with findings indicating that successful nonprofit organizations tend to be more brand oriented than their less successful counterparts.

The development of a psychometrically robust and generalizable measure of nonprofit brand orientation and a demonstration of its relationship to organizational performance, suggests several applications for both nonprofit practitioners and marketing scholars. From a practitioner perspective the NBO scale can be used to gauge the effectiveness of an organization's brand management practices, whilst from an academic perspective, the scale can be used as a basis on which to undertake further research in this area. In particular, the antecedents to and consequences of nonprofit brand orientation can be assessed. The limitations of this study and an agenda for ongoing research in this area are presented and discussed in the final section of this thesis.

Declaration

I, Julie Napoli, declare that this thesis contains no material which has been accepted for the award of any other degree or diploma in any university or any other institution and affirm that, to the best of my knowledge, the thesis contains no material previously published or written by another person, except where due reference is made in the text of the thesis.

Signed: ..[redacted]................. Date: ....18/7/03........................

Acknowledgement

I would like to thank firstly my supervisor, Mike Ewing, for his continued support, encouragement and professional guidance over the many years that I have known and worked with him. His enthusiasm for research has been nothing short of contagious and has been a constant source of inspiration. With his mentorship, I have accomplished what would otherwise have been a far more arduous task. Thanks Mikey!

My thanks also go to Curtin Business School for their continued support over the duration of my study.

I would also like to thank Pierre Berthon and Leyland Pitt for their advice and encouragement during this period. My thanks also extend to Julia, who did a great job in setting up my Endnote library and entering data. To my family and close friends, thanks for being exceptionally tolerant and supportive.

Last, but not least, my appreciation and heartfelt gratitude goes to Brendan, whose love, support and unfailing belief in me provided the ongoing impetus to achieve this end.

Chapter 1
Introduction

1.0 Chapter Overview

In today's dynamic market place, brands are increasingly becoming important strategic assets for many organizations. Although research in this area is vast, there are certainly a number of notable gaps in the literature. This chapter commences with an overview of the background to this present research before describing four areas where marketing information and knowledge could be expanded upon. The discussion then turns to describing the research questions and objectives to be addressed in this study and the academic contribution that will be made to the extant branding literature. The chapter concludes with an overview of the structure of this thesis, highlighting the issues to be discussed in each of the forthcoming chapters.

1.1 Introduction

Brands have long been recognized as valuable organizational assets that require careful management to build long-term success (Low and Fullerton, 1994). However, for many organizations, the process of building strong brands has become an increasingly complex and challenging task. Organizations not only need to respond to changing patterns of consumer behavior, but also there is increasing pressure to compete in a market place that is dominated by global players (Shocker, Srivastava, and Ruekert, 1994). Further, the pace of technological change, growing independence and power of retailers and mounting pressure from investors are forcing many managers to rethink their current approach to brand management (Shocker et al., 1994).

Cognizant of these issues, researchers have investigated the nature of brands (Aaker, 1991; de Chernatony and Riley, 1998a; Hanby, 1999), the functions and benefits they can provide (Ambler, 1997; Berthon, Hulbert, and Pitt, 1999; Doyle, 1990) and the processes involved in building and managing brands as long-term strategic assets

(Aaker and Joachimsthaler, 2000a; Agres and Dubitsky, 1996; Berthon, Holbrook, and Hulbert, 2003; Keller, 1998; Park, Jaworski, and MacInnis, 1986). The result is a wealth of information, developed from a multitude of viewpoints, designed to assist marketers make brand-related decisions (Shocker et al., 1994). Generally, agreement is high with respect to the importance of safeguarding the organization's most valuable asset, namely its brands.

The extant brand management literature is diverse in terms of the issues that researchers have examined. Some studies have provided an overarching brand management framework to guide managerial decision-making in this area. (Aaker, 1991; Kapferer, 2001; Keller, 1998; Macrae, 1996; Park et al., 1986). In so doing, the process by which strong brands can be created and managed has been clearly delineated. Managers of commercial organizations have at their disposal a comprehensive checklist of the activities and practices necessary to build and sustain a strong brand presence in an ever-changing market place. Other scholars have focused on specific elements of the branding process, such as creating a brand identity (Blackston, 2000; de Chernatony and Riley, 1998b; Hanby, 1999), structuring brand portfolios (Aaker and Joachimsthaler, 2000b; Dacin and Smith, 1994), managing brand communications (Keller, 1987; McKenna, 1995; Schultz and Barnes, 1999) or measuring and monitoring a brand's performance (Aaker, 1991; Faircloth, Capella, and Alford, 2001; Keller, 1993; Yoo and Donthu, 2001). These researchers have provided an in-depth analysis of the salient components of brand management and have enhanced scholarly and practitioner understanding of the activities and processes involved with each element. For the most part, researchers have uniformly reiterated the benefits and advantages that can be derived by creating strong brands. Further, such studies have stressed the relationship between brand strength and brand equity and the importance of focusing on the management of brand equity (Aaker, 1991; Keller, 1993).

Among the numerous investigations undertaken in this area, marketing scholars have used an array of research designs and methodological approaches. Some studies have made use of commercial or scanner data (Agres and Dubitsky, 1996; Chintagunta, 1994; Crimmins, 2000), whilst experimental research designs have primarily been used to understand the effects of brand extensions (Aaker and Keller, 1990; Bridges, Keller, and Sood, 2000; Broniarczyk and Alba, 1994; Buchanan, Simmons, and Bickart, 1999; Dacin and Smith, 1994; Janiszewski and Van Osselaer, 2000; Keller, 1987). Other researchers have provided qualitative insights on the brand management practices adopted within commercial enterprises (Aaker and Joachimsthaler, 1999; de Chernatony, Riley, and Harris, 1998; La Foret and Saunders, 1994). It is interesting to note, however, that by far, research in this area has predominantly been conceptual in nature (eg. Ambler, 1997; Berthon et al., 2003; Berthon et al., 1999; Keller, 1999, 2000; Park et al., 1986). Thus, in spite of the significant contributions that have been made by several notable scholars, there is a paucity of empirical investigations into the salient aspects of branding and brand management.

In more recent years, marketing scholars have been intent on examining the relevance and transferability of commercial marketing and branding principles to the nonprofit sector. Such studies have noted the strategic importance of a positive brand image for nonprofit organizations. This can influence the actions and behaviors of stakeholders, and in particular, potential donors (Bendapudi, Singh, and Bendapudi, 1996). Cognizant of this issue, several researchers have examined the processes and practices involved in building and managing strong charity brands (Saxton, 1994; Tapp, 1996). Some of these principles have been built on the branding philosophies espoused for the commercial sector, such as creating a differentiated and relevant brand identity or developing consistency in brand communications (Roberts-Wray, 1994; Tapp, 1996). Other activities, such as using internal organizational values and beliefs as the pillars on which a charity brand is built, are somewhat unique to the nonprofit sector (Saxton, 1994). The findings of these and related studies point to the fact that well-managed brands are valuable strategic assets, which can deliver many benefits to nonprofit organizations.

One of the more significant developments in the field is the proffering of brand orientation as a potentially viable business philosophy for nonprofit organizations (Hankinson, 2000). This would see the strategic direction of an organization and the attitudes and behaviors of its constituent members being guided by what is best for a brand. Although flagged initially as an emerging philosophy in the commercial sector (Simoes and Dibb, 2001; Urde, 1994, 1999), the development of the brand orientation construct has progressed more rapidly in a nonprofit context. This is largely due to the work of Hankinson (2000, 2001b, 2002), who has provided some qualitative and quantitative insights into the nature of this philosophy from the perspective of charity organizations. These studies provide some evidence of positive performance outcomes for brand-oriented organizations. Whilst pursuing a brand orientation seems intuitively logical, there are also strong theoretical grounds by which such an approach can be justified. In this study, the significance of brand orientation is explained by drawing on Clark and Marshall's (1981) theory of mutual knowledge.

In all, researchers have made several significant steps toward developing a better understanding of branding in the nonprofit sector. However, it still remains a vastly under-researched subject. Based on the preceding discussion, several knowledge gaps can be identified.

First, the extant brand management literature is dominated by conceptual, exploratory or qualitative studies. Empirical examinations of branding in either the commercial or nonprofit sectors are limited, at best.

Second, nonprofit branding researchers have predominantly focused on and examined the practices of charity organizations. Other institutions that also comprise the nonprofit sector, such as educational, religious, health care or environmental organizations, have largely been overlooked. As such, some information exists regarding how charity organizations manage their brands but little is known how widespread such practices are across the nonprofit sector as a whole.

Third, brand orientation has been identified as a potentially viable business philosophy for charity organizations. However, its conceptual and empirical development remains in a relative state of infancy. Further, the broadening of this concept to a wider spectrum of nonprofit organizations has yet to be examined. As such, there is an opportunity to develop a psychometrically robust and generalizable measure of nonprofit brand orientation.

Finally, although there is some evidence to suggest that brand orientation is related to organizational performance, researchers have yet to fully examine the nature of this association. This can, in part, be attributed to the fact that there is yet no adequate measure of nonprofit brand orientation.

This study seeks to redress some of the issues. In so doing, a multidimensional measure of nonprofit brand orientation will be developed and its impact on organizational performance empirically examined.

1.2 Research Questions

Based on the preceding discussion, brand orientation is considered a potentially viable business philosophy for nonprofit organizations to pursue. However, given the current knowledge gaps in the literature, further research is necessary. As such, this study sets out to address the following research questions:

- *What are the salient dimensions of nonprofit brand orientation and how can the construct be measured?*
- *Are successful nonprofit organizations more brand oriented than their less successful counterparts?*

1.3 Research Objectives

The main purpose of this study is to empirically examine the branding practices evident in nonprofit organizations and to develop a multidimensional measure of nonprofit brand orientation. In so doing, the relationship between this construct and organizational performance will be examined in more depth. On this basis, the objectives of this research are as follows:

1. To develop a psychometrically robust and generalizable measure of nonprofit brand orientation (hereafter called the NBO scale).
2. To examine the relationship between nonprofit brand orientation and organizational performance.
3. To identify the items and dimensions of NBO that distinguish between higher and lower performing nonprofit organizations.

1.4 Research Scope

This study is primarily concerned with the development and validation of a nonprofit brand orientation (NBO) scale and an empirical examination of the relationship between this construct and organizational performance. In undertaking this research, information will be obtained from senior managers in nonprofit organizations with respect to the brand management practices and philosophies adopted within their respective organizations.

Given that the objective of this study is to develop and validate a psychometrically robust and generalizable measure of NBO, it will be necessary to ensure that a broad cross-section of nonprofit organizations is represented in the sample. As such, the specific nonprofit sectors to be included in this study will be nominated based on the International Classification of Nonprofit Organizations (ICNPO) and will encapsulate amongst others, nonprofit professional associations, educational institutions, health care organizations, environmental groups and social service organizations (Sargeant, 1999). By not limiting the scope of this study to just one particular type of nonprofit organization, a generalizable measure of brand orientation can be developed, which has wide application across this sector.

Once the psychometric properties of the NBO scale have been established, various statistical tests will be applied to assess the relationship between nonprofit brand orientation and organizational performance. In so doing, the NBO components and items that distinguish between higher and lower performing organizations can be identified. An assessment can then be made with respect to the relationship between nonprofit brand orientation and organizational performance.

1.5 Academic Contribution

This study contributes to the current knowledge on branding in several ways. Firstly, it provides a new theoretical paradigm by which to understand the nature and importance of brand orientation. Traditionally, researchers have drawn on theories from psychology, sociology and economics to examine the nature, function and importance of brands to consumers and organizations. However, linguistic theories also have much potential for application in the field of branding, specifically, and marketing, more generally. This study explores how one theory, namely Clark and Marshall's (1981) theory of mutual knowledge, can be applied in a branding context. It provides a basis for understanding the importance of brand orientation as an emerging business philosophy. As will be discussed in Chapter 2, brand orientation enables an organization to focus its effort toward the establishment of mutual brand knowledge with key stakeholders, which is an essential element in creating strong, successful brands.

Second, prior research in this area has largely been conceptual, with scholars delineating the processes, practices and philosophies necessary in building strong brands in today's dynamic market place. This study extends current knowledge by offering an empirical framework by which to measure and better understand the nature of nonprofit brand orientation. In so doing, a psychometrically robust and generalizable measure of nonprofit brand orientation will be developed, which has widespread applications for both practitioners and marketing scholars. The establishment of the scale's psychometric properties will confirm that the NBO scale measures what it is purported to measure, namely nonprofit brand orientation. Likewise, the generalizability of the scale will ensure that managers from a broad cross section of nonprofit sectors can use the scale with confidence to assess the effectiveness of their current brand management practices and philosophies, as well as benchmark their activities against rival organizations. This study will also mark one of the first attempts to provide a robust brand management checklist for nonprofit organizations by which they can assess the effectiveness of their current brand management approach. From an academic perspective, a valid and reliable measure of nonprofit brand orientation will provide an avenue by which researchers can examine the antecedents to and consequences of pursuing such a philosophy. Without an adequate measure of this construct, future studies may be limited to providing conceptual and qualitative insights into such issues.

Third, this study provides empirical evidence of the extent to which commercial branding practices are relevant and transferable to the nonprofit sector. The NBO scale will be constructed based on statements drawn from the extant brand management literature, which largely focuses on the branding practices of commercial organizations. Following purification and validation of the scale items, it will be possible to identify the commercial brand management practices that are immediately transferable and those that have yet to gain marked acceptance within the nonprofit sector. Thus, a deeper understanding of how nonprofit organizations manage their brands, and the extent to which they adopt certain practices, can be obtained.

Finally, this study is the first detailed, empirical examination of the relationship between nonprofit brand orientation and organizational performance. This study will test the strength of this relationship and also determine whether successful nonprofit organizations are more brand oriented than their less successful counterparts. In so doing, empirical evidence of theoretically established relationships will be provided. Further, deeper insight into the dimensions of brand orientation that set high performing nonprofit organizations apart from lower performers will be offered. Such an analysis has not previously been undertaken.

1.6 Chapter Summary and Plan of the Study

Although marketing scholars have long recognized the importance and value of brands as strategic organizational assets for commercial enterprises, a limited number of studies have examined branding within a nonprofit context. As such, research in this area is still in a relative state of infancy. This chapter began with an overview of the background to this research. The gaps in current knowledge were then identified, which led to the delineation of the research questions and objectives to be addressed in this study. The primary objective of this study is to develop a psychometrically robust and generalizable measure of nonprofit brand orientation and examine the relationship between this construct and various facets of organizational performance. The chapter concludes with a description of the contributions the study will make to the academic literature.

The plan and organization of the forthcoming chapters in this thesis is as follows. Chapter 2 provides an overview of the theoretical foundations on which this research is based. It elucidates the key dimensions of Clark and Marshall's (1981) theory of mutual knowledge and its application to branding. In Chapters 3 the extant brand management literature is reviewed, while Chapter 4 provides an overview of the current developments and research directions in the nonprofit marketing and branding literature. On this basis, a conceptual definition of brand orientation and the salient dimensions of the construct is proposed. Chapter 5 details the research objectives and hypotheses, with supporting rationale, to be addressed in this study. The research design and sampling methodology is then described in Chapter 6, with the results presented in Chapter 7. Finally, Chapter 8 discusses the research findings and the implications for practitioners and marketing scholars. The chapter concludes with an overview of the study's limitations and directions for ongoing research in this field.

Chapter 2
Theoretical Foundations

2.0 Chapter Overview

Marketing scholars and practitioners have long been cognizant of the important functions that brands perform for both consumers and organizations. Scholarly research in this domain, however, has largely focused on the issues confronting commercial enterprises. Branding in a nonprofit context has received only scant attention. In Chapter 1, several gaps in the extant literature were identified, which led to the delineation of the research questions and objectives to be addressed in this study. The central focus of the research is the development of a psychometrically robust measure of nonprofit brand orientation and an assessment of its impact on organizational performance.

In this chapter, the theoretical foundations of the study are presented. Drawing on Clark and Marshall's (1981) theory of mutual knowledge, this chapter examines the process by which mutual brand knowledge can be established and the function of brand management in assessing this outcome. From this perspective, it is argued that brand orientation may be an emerging business philosophy, which can assist an organization in establishing mutual brand knowledge. This chapter begins with an overview of the theory of mutual knowledge (Clark and Marshall, 1981) and its relevance to branding. It concludes with a theoretical framework for the creation and management of mutual brand knowledge.

2.1 Introduction

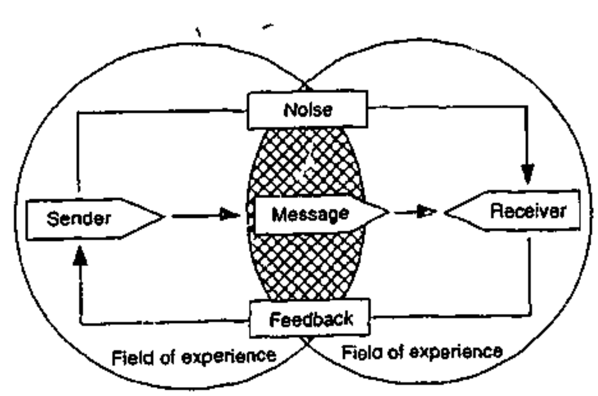
The extant branding literature succinctly delineates the functions of a brand, the benefits it can provide and the process of managing brand equity (Aaker, 1991; Ambler, 1997; Berthon et al., 1999; Keller, 2000). In particular, marketing scholars have advocated the importance of brand identity, architecture, communication and value, inferring that organizations that manage brands effectively will reap rewards

(Aaker and Joachimsthaler, 2000a; de Chernatony and Riley, 1998a; Keller, 1987; Schultz and Barnes, 1999; Yoo and Donthu, 2001). Whilst the value of effective brand management is not being questioned, there is currently no theoretical explanation as to *why* it is important. This research draws on Clark and Marshall's (1981) theory of mutual knowledge as a basis for investigating the underlying rationale of brand management.

2.2 Theory of Mutual Knowledge

Communication theorists have long stressed the importance of creating a shared sense of meaning between parties involved in communicative acts (Clark, 1976; Grice, 1957; Schramm and Roberts, 1971). This requires that a message sender selects the appropriate words, phrases and symbols that adequately conveys his/her ideas to, and be readily understood by, an intended message recipient. Upon transmission, the receiver assigns meaning to the symbols and language that comprise the message (Schramm and Roberts, 1971). When both a sender and receiver share common experiences or knowledge with respect to the intended meaning of a message, comprehension prevails and the communication is deemed successful (Chwe, 1998) (see Figure 2.1). Establishing mutual knowledge, then, is an essential ingredient of meaning and language (Clark and Marshall, 1981) and critical to effective communications (Clark and Wilkes-Gibbs, 1986; Fussell and Krauss, 1991; Wilkes-Gibbs and Clark, 1992).

Figure 2.1 Basic Communication Process



Source: Schramm, Wilber and Donald Roberts (1971). *The Process and Effects of Mass Communication*, Urbana, Ill: University of Illinois Press

The question of how mutual knowledge is established has been one that has intrigued and at times, confounded philosophers, psychologists and linguists alike. Lewis (1969) and Schiffer (1972), two early contributors to the mutual knowledge debate, both attempted to formalize the process by which individuals establish shared meaning of a concept. Schiffer (1972) for instance, suggested that in order for mutual knowledge to be established, a proposition *p*, would have to be known by individuals A and B. This would mean that for *p* to be mutually known by A and B, the following conditions would be necessary:

(1) A knows that *p*

(1') B knows that *p*

(2) A knows that B knows that *p*

(2') B knows that A knows that *p*

(3) A knows that B knows that A knows that *p*

(3') B knows that A knows that B knows that *p*

... to an infinite regression of statements.

However, such explanations give rise to what is known as the mutual knowledge paradox – that is, how can an infinite regression of knowledge be processed in a finite amount of time (Lee, 2001)? The use of truncation heuristics has been proposed as one method by which this problem is circumvented (Bach and Harnish, 1979; Harder and Kock, 1976). From this perspective, individuals need only check several of the above statements to secure their belief that mutual knowledge has been established. Clark and Marshall (1981), however, note two limitations of this explanation: first, it is difficult for individuals to comprehend the meaning of reciprocal statements beyond the most basic of levels; and second, in truncating reciprocal statements, full mutual knowledge of a referent can never truly be established. They argue that co-presence heuristics solve the mutual knowledge paradox and provide the means by which individuals are able to establish common ground with others.

Clark and Marshall's (1981) theory explains how an individual can come to believe with great certainty that he/she shares the same knowledge with another. The basic premise of the theory is that mutual knowledge is determined by the interaction of *evidence*, *assumptions* and *induction schema* (see Figure 2.2). Evidence is the grounds on which a speaker and listener believe they both understand some matter in the same way. Such evidence can be acquired through community membership, physical co-presence or linguistic co-presence. Assumptions are the criteria that must be satisfied before accepting the evidence and induction schema is the mechanism for inferring mutual knowledge based on the interaction of evidence and assumptions. The theory further suggests that individuals do not need to satisfy an infinite number of conditions to establish mutual knowledge. Rather, they need only be satisfied and confident that they have proper grounds to infer mutual knowledge. Thus, mutual knowledge can be treated as a single mental entity (Clark and Marshall, 1981).

Figure 2.2 Diagrammatic Representation of the Theory of Mutual Knowledge

Evidence	**+ Assumptions**	**+ Induction Schema**	**= Mutual Knowledge**
Co-presence Heuristics 1. Community membership 2. Physical co-presence 3. Linguistic co-presence	1. Simultaneity 2. Attention 3. Rationality 4. Locatability 5. Recallability 6. Understandability	A mechanism for inferring Mutual knowledge based on G	

Ground *(G)*

Source: Clark, H.H. (1992). Arenas for Language Use. Chicago, Il: The University of Chicago Press and Center for the Study of Language and Information.

2.2.1 Community Membership

A community can be defined as '...a network of social relations marked by mutuality and emotional bonds' (Bender, 1978). They can be identified on the basis of commonality or identification among members (McAlexander, Schouten, and Koenig, 2002), where members feel, think and behave in similar and predictable ways, as corresponds to their belonging to the community (Wiesenfeld, 1996). Three fundamental components of a community can be identified. First, there is a consciousness of kind or a shared sense of belonging amongst members, such that members feel an intrinsic connection toward one another but a collective sense of difference from others not in the community. Second, there is a presence of shared rituals and traditions that perpetuate a community's shared history, culture and consciousness. Third, there is a sense of moral responsibility to the community as a whole or its individual members, which produces collective action in times of threat (Muniz and O'Guinn, 2001).

Individuals belong to a multitude of communities. Within each community they share with others essential cognitive, emotional and material resources and more importantly, the creation and negotiation of meaning (McAlexander et al., 2002). According to Clark and Marshall (1981), communities impart to members both general and specific knowledge relevant to that community. This implies there are certain concepts that all community members have knowledge of. For instance, members of the broad Australian community are aware that cars drive on the left-hand side of the road, kangaroos and koalas are native to the country and so forth. Thus, when an individual belongs to a community and he/she is aware that another is also a member, it can be assumed that both individuals mutually know all things related to that community. That is, individuals will have sufficient grounds to assume that mutual knowledge has been established on the basis of community membership if and when the two assumptions of *community co-membership* and *universality of knowledge* have been satisfied (Clark and Marshall, 1981). However, modern day communities cannot always be so readily defined, nor can community co-membership be immediately recognizable. The strength of these two assumptions will therefore affect the degree of certainty that an individual has in his/her belief that mutual knowledge with another has been established. Once mutual knowledge has been confirmed, however, it is generally preserved over longer periods of time (Clark and Marshall, 1981).

2.2.2 Co-Presence

Evidence of mutual knowledge can also be acquired on the basis of either *physical* or *linguistic co-presence*. Co-presence implies that communicative partners and an object under reference must be 'openly present', either physically or verbally, with one another for mutual knowledge to be established (Clark and Marshall, 1981). When either physical or linguistic co-presence prevails, an exchange of information/knowledge between parties may transpire. In such situations, each individual interprets incoming information and new knowledge or experience emanating from the interaction is stored in memory. During subsequent encounters, individuals search and retrieve from memory, knowledge they hold in common with another (Alba, Hutchinson, and Lynch, 1991; Clark and Marshall, 1981; Lawson, Tidwell, Rainbird, Loudon, and Della Britta, 1996; Supphellen, 2000). When such evidence is at hand and both individuals are able to recall having shared a particular experience or piece of information with another, mutual knowledge is established (Clark and Marshall, 1981).

Physical co-presence provides the strongest and most durable evidence of mutual knowledge as interlocutors (ie. parties in conversation) occupy the same physical space at the time at which reference to an object is made (Clark and Marshall, 1981). Three forms of physical co-presence can be identified – immediate, potential and prior – which require the satisfaction of several assumptions for mutual knowledge to be inferred. *Immediate physical co-presence* occurs when communicative partners are able to simultaneously observe each other attending to an object under discussion. When the assumptions of *simultaneity* (of observation), *attention* (to an object) and *rationality* (of subjects) are satisfied, mutual knowledge between parties can be inferred (Clark and Marshall, 1981). *Potential physical co-presence* results when a speaker, whose attention is focused on an object, is able to draw a listener's attention to the same object at the point at which reference to the object is made. For mutual knowledge to be inferred in this instance, the additional assumption of *locatability* must be fulfilled – that is, interlocutors must be able to identify the object under discussion at the time at which it becomes the point of reference (Clark and Marshall, 1981). *Prior physical co-presence* implies that interlocutors have previously attended to the object under discussion and, at the point at which reference to the object is made, can recall having done so. This requires the satisfaction of the additional assumption of *recallability* in order for mutual knowledge to be established (Clark and Marshall, 1981).

Linguistic co-presence, on the other hand, implies that individuals are able to share common experiences based on verbal communications that have previously transpired between them. When reference to a concept has been made in a previous discussion and it is then referred to in a subsequent conversation, mutual knowledge will be established provided that: (i) individuals are able to *recall from memory* not only the concept itself, but references that have previously been made to the concept; and (ii) they are able to *understand* the connection being made to the current reference (Clark and Marshall, 1981). Subjects must therefore have the cognitive ability to comprehend and understand concepts that are not visually available to them and also be able to retrieve the relevant information from memory. As such, it becomes more difficult to ascertain mutual knowledge on this basis (Clark and Marshall, 1981).

In summary, when individuals are engaged in a dialogue, they exchange experiences, knowledge or information, some of which may be stored in memory. During subsequent interactions, individuals will search their memory to locate the experiences they hold in common with another. When such evidence is available, mutual knowledge can be established (Clark and Marshall, 1981). From a branding perspective, individuals acquire brand knowledge through interactions with the brand itself, brand owner, brand users or other stakeholders. This is discussed further in Section 2.3.1.2.

2.2.3 Reference Repairs

During acts of communication, individuals may find it necessary to clarify statements or comments prior to proceeding with further dialogue in order to establish common ground. This process, known as reference repair, sees speakers tacitly reassess evidence of mutual knowledge and where necessary, provide further evidence that supports, strengthens or confirms such evidence (Clark and Marshall, 1981). By way of example, when engaged in conversation, a speaker will use a listener's verbal expressions and body language as an indication of whether his/her message has been understood and interpreted correctly. On this basis, a speaker may need to provide additional information or rephrase a sentence to aid a listener's understanding and ensure that mutual knowledge is established.

Speakers will either provide additional information to the original statement to enhance its clarity (horizontal repairs) or attempt to advance to a higher level of co-presence that has fewer assumptions to be fulfilled (vertical repair). Horizontal repairs allow speakers to provide more precise information about a referent, without changing the basis on which mutual knowledge has been established, but at the same time, allowing this basis to be strengthened. For example, assume that two individuals are discussing their favorite television programs. One individual mentions a program not by name, but by the timeslot and day in which it is shown. This subsequently results in some confusion arising between the parties in terms of which program it in fact is. In this situation, additional information may be provided, such as specifying the names of the TV characters, actors and/or plot, to clarify communication and enhance understanding. This may continue until both individuals have acquired sufficient evidence to confirm their belief that mutual knowledge has been established.

In contrast, vertical repairs usually replace one form of co-presence with another that has fewer assumptions or provides stronger evidence of mutual knowledge. This may involve, for instance, a physical display or demonstration of the object in question (Clark and Marshall, 1981). For instance, a marketer may wish to elicit information from a consumer regarding a brand's advertising by having the consumer retrieve from memory a particular advertisement and its associated content. In this situation, mutual knowledge will be established if the assumptions associated with linguistic co-presence can be fulfilled. However, if the consumer has no recollection of the advertisement, it may be necessary for the advertisement to be shown to the consumer in order to establish mutual knowledge. This type of reference repair would see the basis on which mutual knowledge is established be moved to a level that requires fewer assumptions to be satisfied, in this case that of immediate physical co-presence.

Thus, an individual will continually reassess his/her evidence that mutual knowledge with another exists and will 'repair' statements to strengthen that evidence or confirm mutual knowledge. Recursive communications between individuals then, is an important element in establishing and maintaining mutual knowledge.

2.2.4 Audience Design Effects on Common Ground

One of the fundamental premises of effective communication is that the nature of an audience is a critical consideration in the design and delivery of a message. Several studies have investigated the influence of knowledge estimation on message formulation. This has seen two competing schools of thought emerge. The first suggests that speakers rely on common ground in the construction of utterances (Clark and Murphy, 1982; Fussell and Krauss, 1989, 1991, 1992; Krauss and Fussell, 1991; Richter and Kruglanski, 1999). The second, however, suggests that speakers monitor speech patterns and adjust utterances that appear not to be fully comprehended by a listener (Barr and Keysar, 2002; Horton and Keysar, 1996; Keysar, Barr, Balin, and Paek, 1998; Robnagel, 2000).

Proponents of the first school of thought argue that when a speaker constructs a message, he/she will estimate the amount of knowledge he/she shares with a listener concerning a topic and only incorporate the information held in common in any communications that transpire. The extent to which speech patterns are tailored to a listener's perspective has been demonstrated in a number of studies. For instance, variations in communication styles have been observed based on whether a message is intended for another individual or for one's own consumption (Fussell and Krauss, 1991; Krauss and Fussell, 1991). In the latter form (ie. non-social conditions), subjects make greater use of idiosyncratic referents, such as abbreviations, which may not always be understood by a broader audience. However, when a message is intended for another (ie. social conditions), individuals have a greater propensity to use more literal language that draws on referents that are likely to be shared more generally (Krauss, Vivekananthan, and Weinheimer, 1968). Similarly, under social conditions, individuals tend to create lengthier and more literal descriptions of an object, compared to those people under non-social conditions (Fussell and Krauss, 1989).

More recently, Richter and Kruglanski (1999) explored whether messages were adjusted based on a communicator's need for cognitive closure. Cognitive closure can best be described as an individual's desire to obtain an answer on a given topic, whether it be correct or incorrect, rather than be in a state of confusion or ambiguity. Communicators with a high need for closure tend to produce significantly briefer and more figurative descriptions of an object compared to those with a low need for closure (Richter and Kruglanski, 1999). Further, like the findings of Fussell and Krauss (1989), differences have been observed between social and non-social communicators.

Other studies have found that an individual's estimation of another's knowledge is often biased in the direction of his/her own knowledge (Fussell and Krauss, 1992). Interestingly, an individual's ability to develop more shared knowledge and produce more accurate estimates of what is held in common with another increases as the duration of an interaction increases (Nohara-LeClair, 2001). Thus, time plays a critical role in developing a shared sense of meaning and understanding with others as well as in the construction of effective communications (Nohara-LeClair, 2001).

The second school of thought presumes that the cognitive availability of a speaker, rather than a listener's information needs, determines what information is integrated into a speech plan. In testing this model, Horton and Keysar (1996) had participants solve a referential communication task under speed conditions, which sought to reduce their ability to monitor and adjust references. When placed under time pressures, speakers did not rely on common ground in constructing utterances, rather they monitored speech plans for violations of common ground. Similar conditions were observed when speakers were required to recall large amounts of information from memory or were 'mentally' preoccupied (Robnagel, 2000).

Analogous to the role of mutual knowledge in message construction is its role in message comprehension. Clark and his colleagues argue that listeners restrict their search for meaning to common ground referents - that is they search only for those concepts that are mutually known to both the speaker and themselves. Keysar et al. (1998) however, propose that comprehension is independent of common ground. Much like Horton and Keysar's (1996) model, they suggest that a listener will attempt to detect violations of common ground and adjust their interpretations accordingly. From this perspective, the role of mutual knowledge is only to correct interpretation errors (Keysar et al., 1998).

In summary, research in this area has generally demonstrated that speakers tailor or adjust a message to suit an audience (Clark and Murphy, 1982; Horton and Keysar, 1996; Richter and Kruglanski, 1999). Utterances are constructed on the basis of a speaker's beliefs regarding what they and their audience mutually know or understand (Clark and Murphy, 1982). However, if confronted with time pressures or high cognitive load, they will frequently monitor and adjust references when violations of common ground are detected (Barr and Keysar, 2002; Horton and Keysar, 1996; Robnagel, 2000). By taking the audience perspective into consideration, effective communications can be constructed that not only reach an audience but are also interpreted accurately (Richter and Kruglanski, 1999). Similarly, by monitoring speech patterns, an individual is able to make the necessary adjustments to establish, strengthen or reaffirm common ground with a listener and vice versa (Horton and Keysar, 1996; Keysar et al., 1998).

The preceding discussion has described the fundamental principles of Clark and Marshall's (1981) theory of mutual knowledge. In the following section, the application and relevance of the theory to brand management is demonstrated by describing the process by which organizations can establish and manage mutual brand knowledge. This involves either establishing brand communities (see Section 2.3.1.1) or ensuring that common brand experiences/knowledge are shared between an organization and its stakeholders (see Section 2.3.1.2). The latter requires that the assumptions associated with co-presence, namely simultaneity of observation, attention to and locatability of an object/brand, rationality of subjects and recallability and understandability of brand information, are satisfied. From this perspective, it is argued that the primary function of brand management is to ensure that there is consistency between an organization's brand vision and stakeholders' brand perceptions (see Section 2.3.2). Further, brand orientation is proffered as a guiding business philosophy for managing mutual brand knowledge between an organization and its stakeholders.

2.3 Brand Management and the Theory of Mutual Knowledge

Predominantly used in the linguistics field, the theory of mutual knowledge has gone some way in providing a better explanation of the nature of message construction and comprehension (Horton and Keysar, 1996; Lau, Chiu, and Hong, 2001; Lee, 1998). However, its application in marketing has certainly been limited – there has been only one recent publication that has made a cursory mention of the theory (see Madhaven and Grover, 1998). Given that mutual knowledge forms the basis of effective communication and brands are created primarily through different forms of communication (Schultz and Barnes, 1999), the theory offers a plausible explanation as to how brand management in fact works. It explains how an organization and its stakeholders come to share a common understanding of what a brand represents and provides new insights into the brand management-performance relationship.

2.3.1 Establishing Mutual Brand Knowledge

Based on Clark and Marshall' (1981) rationale, mutual brand knowledge can be inferred when an organization and its stakeholders are members of the same brand community or have had prior interactions that have resulted in the acquisition of brand knowledge. Further, through continual dialogue, all parties are able to gauge whether mutual brand knowledge has been established and adjust communications when and if, necessary.

2.3.1.1 Brand Communities

Early sociologists predicted the demise of social communities due to pressures of modernization and the industrial revolution (Muniz and O'Guinn, 2001). However, they have since recognized that modern-day communities are no longer restricted by geographic boundaries and can be formed on the basis of occupations, leisure pursuits or devotion to brands (McAlexander et al., 2002). Brand communities are not uncommon. Some notable examples include the Harley Davidson owners group (HOG), Manchester United fan club, Apple Mac users group and MG enthusiasts.

Like social communities, brand communities exhibit a consciousness of kind, presence of shared rituals and a sense of moral responsibility (McAlexander et al., 2002; Muniz and O'Guinn, 2001). Further, members of these communities possess a well-developed understanding of their feelings toward the brand and their connection to other users. Of ultimate importance to community members is the preservation of what a brand is and what it represents. Membership to a brand community, then, results from 'really knowing' a brand and understanding its true nature, meaning and identity (Muniz and O'Guinn, 2001). As such, brand communities tend to be comprised of brand loyal consumers who are more forgiving of lapses in product or service quality and less likely to switch to other brands (Kates, 2003; McAlexander et al., 2002).

Brand communities also provide a forum for the exchange of common interests. They instill a sense of place with codes of behavior, they promote dialogue and relationships and encourage active participation of all community members (McWilliam, 2000). Members not only include customers or users of a brand, but also the marketers who create the context for interactions to occur and establish the rituals, meanings and traditions that foster a shared sense of awareness amongst community members (McAlexander et al., 2002). Such rituals may include perpetuating or celebrating a brand's heritage or sharing stories and vignettes. Often brand stories emanate from a commercial context, are imbued within a brand name, logo and personality and communicated to an audience via advertising, marketing publicity, sales promotion and other related activities (Muniz and O'Guinn, 2001). Similarly, community members themselves will act as 'brand missionaries' and carry a brand's marketing message to other individuals and communities (McAlexander et al., 2002).

When brand community members are able to share meaningful consumption experiences, it strengthens their interpersonal ties and enhances mutual appreciation for a product, brand and facilitating marketers (McAlexander et al., 2002). The existence and meaningfulness of a brand community, then, resides largely in customers' experiences rather than the physical brand around which that experience revolves (McAlexander et al., 2002). From this perspective, it is important to look beyond the customer-brand-customer relationship and examine other relationships that contribute to that experience, such as the relationship between customers and a firm, customers and other customers or customers and the products in use (McAlexander et al., 2002). Schouten and McAlexander's (1995) study of Harley Davidson motorcycle riders illustrate this point when they demonstrate that participants derive an important part of their understanding of the brand from the connection they share with others. Likewise, members of the Star Wars fan community were readily able to exchange their views, opinions and interpretations of the movie prequels, Star Wars: Episodes I and II, via internet news groups. Through this medium, consumers became co-creators of the brand meaning by carefully reading and interpreting brand-related communications, adding their own personal histories and continually delving into definitions of the brand's authenticity (Brown, Kozinets and Sherry 2003).

Brand communities, then, perform important functions for a brand – they provide an avenue by which members can share information, they help perpetuate a brand's history and identity and they enable vital links to be established between an organization and its stakeholders (Muniz and O'Guinn, 2001). Drawing on Clark and Marshall's (1981) propositions, it can be surmised that when an organization and its stakeholders are co-members of a brand community, they will share the same knowledge regarding the brand, its meaning and identity. Thus, mutual brand knowledge can be inferred amongst members of a brand community.

It is important to note that whilst the Internet has facilitated the establishment of on-line communities, the creation of brand communities, per se, presents many challenges to marketers. With a definition and description that suggests a high level of brand loyalty and commitment, achievement of this status can be exceptionally difficult for many organizations to attain (McWilliam, 2000). Thus, co-membership of a brand community may explain how *some* organizations and stakeholders come to share a mutual understanding of a brand, but it does not explain how the vast majority of organizations are able to do so. Companies such as Coca-Cola, McDonalds and IBM do not have particularly strong brand communities, yet most consumers understand what each of these brands represents. In cases such as these, mutual knowledge is established on the basis of physical and/or linguistic co-presence.

2.3.1.2 Brand Co-Presence

Based on the principles of co-presence, interactions between a stakeholder (eg. consumer), an organization and/or its brands will result in an exchange of information or knowledge. Brand knowledge can be defined in terms of the personal meaning about a brand that is stored in stakeholder memory (Keller, 2003). This information may relate to a brand's intrinsic and extrinsic attributes, the benefits derived from the purchase or consumption of a brand, the brand image, an individual's cognitive and affective response to brand related information or their overall brand experience (Keller, 2003). Understanding the brand information captured in consumer memory requires taking an holistic perspective that synthesizes the multidimensionality of brand knowledge (Keller, 2003).

Stakeholders acquire brand knowledge either through direct experience or contact with a brand and/or organization or through indirect experiences, such as exposure to an advertisement or word of mouth communications (J. L. Aaker, 1997). In fact, all types of organizational activities have an effect on brand knowledge (Keller, 1993). An organization's traditional product marketing program, however, is not the only means by which brand knowledge can be created or transferred to consumers. Secondary sources, such as associating a brand with other people, places, things or brands, are commonly being used by marketers to build brand knowledge (Keller, 2003). This either creates new brand knowledge or affects existing knowledge structures (Keller, 2003). For example, using celebrity endorsers is a strategy sometimes adopted by an organization to enhance or change a brand's image. Such endorsers bring with them many images and meanings, which can potentially be transferred to the brands they are endorsing (McCracken 1989). Notable examples include Michael Jordan's endorsement of Nike, Bill Cosby and Jell-O and the use of Brittany Spears by Pepsi. Similarly, BMW was able to create a new brand positioning for the Z3 Roadster by associating the vehicle with the fictitious James Bond character (Fournier and Dolan 2002).

When an individual uses a brand or comes into contact with an advertising message about a brand, certain beliefs and attitudes regarding a brand's quality, its attributes, personality, user imagery and so forth, are formed and stored in memory (Schultz and Barnes, 1999). Further, any encounter a consumer has with the secondary sources linked to a brand may also result in a change in the mental representation of a brand in consumer memory (Keller, 2003). For example, through its association with various geographic locations and national emblems around the world, the Absolut brand has become a cultural icon that is current, urban, sophisticated, dynamic, gritty and streetwise (McCracken 2000). The brand has successfully claimed the stylistic high ground, as well as the volume high ground (McCracken 2000). As such, direct and indirect interactions between an organization, its brands and key stakeholders, leads to an exchange of brand information, which may potentially be retained in memory. When such information becomes part of consumer memory, it may affect how an individual responds to an organization's subsequent and future marketing activities, which in turn, affects brand knowledge (Keller, 2003). The various marketing activities of an organization must therefore be carefully integrated to ensure that the right brand knowledge structures are assembled in consumer memory (Keller, 2003).

It is important, then, for organizations to ascertain what brand information has been consigned to stakeholder memory (Franzen and Bouwman, 2001) and determine whether a common understanding of brand meaning has been established. Tapping into brand associations locked in memory and assessing whether they are the 'right' associations for a brand, however, can be a particularly challenging task (Supphellen, 2000). Direct interactions between an organization and stakeholder, which may take the form of any face-to-face contact, can result in immediate feedback in relation to the type of brand knowledge held in common by both parties. In such situations, organizations can assess whether mutual knowledge of a brand has been established by satisfying the assumptions associated with physical or linguistic co-presence. For instance, if a marketer and customer are simultaneously attending to a brand and can recall the *same information* about the brand, then mutual knowledge of that brand can be inferred. Likewise, the same conclusions can also be drawn if two employees of an organization find themselves in a similar situation. However, when stakeholders have acquired brand information through indirect sources of communication (eg. publicity, word of mouth, word of web), it becomes more difficult to infer mutual brand knowledge. In such situations, market research will be necessary to gauge stakeholders' attitudes, beliefs and perceptions toward a brand

and to determine whether mutual brand knowledge has in fact been established. Such information can help drive future marketing strategies for a brand (Franzen and Bouwman, 2001).

It is imperative then, that an organization determines whether mutual brand knowledge has been established with key stakeholders and where necessary, make an adjustment to a brand's marketing program to reaffirm or modify prevailing attitudes. Failure to detect inappropriate brand perceptions is likely to impede the effectiveness of future strategies (Supphellen, 2000).

2.3.1.3 Recursive Brand Communications

Open communication channels between a firm and target audience enables an organization to firstly determine stakeholders' brand perceptions and secondly, provide additional (or new) information to reaffirm a brand's meaning. Haynes, Lackman and Guskey (1999) suggest that consumer research departments play a critical role in this process in that they can relay information about customers' expectations and beliefs back to an organization. Adjustments can then be made to a brand's marketing program and communicated back to a target audience. Stakeholders are able to assess any new or additional evidence and either adjust their brand beliefs to take into account new information or use this to simply reaffirm their current attitudes (Haynes et al., 1999). Communication and feedback loops essentially allow an organization to confirm that their understanding of a brand is the same as that of a stakeholder and vice versa. As such, recursive communications are essential in establishing, maintaining and confirming that mutual brand knowledge exists between an organization and its stakeholders.

2.3.1.4 Constructing Brand Messages

As previously described, there are two competing models relating to the extent to which common ground influences the construction of messages (see Section 2.2.4). From a brand management perspective, it would suggest that marketers estimate the amount of brand knowledge they believe they share with their stakeholders and use only this in constructing brand messages. The alternative view suggests that marketers will adjust brand messages when violations of common ground are detected. Both situations are likely to prevail in a marketing environment. However, it may be that the type of communication undertaken with stakeholders, whether it is direct or indirect, influences the extent to which an organization relies on common ground in the construction of its brand messages. For instance, direct communications with stakeholders, such as is experienced in a personal selling situation, will more readily allow marketers to identify violations of common ground, compared to indirect forms of communication. In this situation, marketers may adopt a monitoring and adjustment model, as defined by Horton and Keysar (1996), in constructing brand messages. That is, marketers will adjust their communications to establish or reaffirm mutual understanding of a brand. Thus, when face-to-face communications transpire between an organization and its stakeholders, an organization is more likely to monitor communications for violations of mutual brand knowledge and adjust brand messages accordingly.

Likewise, if indirect forms of communications are being employed, such as mass media advertising, word of mouth communications or sales promotions, an organization may rely more on mutual knowledge estimation as a basis for constructing appropriate brand messages. That is, an organization is more likely to construct brand messages based on the brand knowledge they believe they hold in common with an audience. However, as noted by Fussell and Krauss (1992), this is likely to be skewed in the direction of an organization's own brand knowledge, which suggests that adjustments to brand messages may still be required to reaffirm mutual brand knowledge.

Whether using direct or indirect forms of communication, it is necessary that an organization sustains such efforts over a longer time period. This will result in a greater level and more accurate estimation of shared brand knowledge between an organization and its stakeholders (Nohara-LeClair, 2001). As such, sustained brand communications will lead to a greater amount of shared brand knowledge between an organization and its stakeholders. Further, it will enable an organization to produce more accurate estimates of the type of brand knowledge shared with stakeholders and subsequently, produce more effective communications.

Based on the preceding discussion, mutual brand knowledge between an organization and its stakeholders can be established by creating brand communities or sharing common experiences through direct and indirect interactions. Recursive dialogue between an organization and its stakeholders enables brand perceptions to be monitored and adjustments made to a brand's marketing program. Such processes help ensure that the 'same' brand information is retained in organizational and stakeholder memory and a common understanding of what a brand represents is shared by all parties.

2.3.2 Managing Mutual Brand Knowledge

According to Schultz and Barnes (1999), brands are created primarily through various forms of communication. Communication in this context is used in a very broad sense in that it relates to anything that helps transfer meaning from one person to another or from a product to consumer. When exposed to brand-related information, stakeholders formulate beliefs about what a brand represents and the benefits that can be derived through its consumption (Fournier, 1998; Gordon, Calantone, and Di Benedetto, 1993; Keller, 1993, 1998, 2003). This is influenced by an individual's personal background, social variables and the frames of reference used (Kates, 2003). The learning process is facilitated when all communications surrounding a brand deliver a clear and consistent message regarding its identity and meaning (Urde, 1994). This includes messages that are controlled by a sponsor as well as those that are not. Brands that tend to be successful are those where an audience's perception of a brand is identical to a firm's view of the brand concept and both are identical to a stakeholder's original specification (Haynes et al., 1999). This suggests that brand success is a function of mutual knowledge. As such, effective brand management arises when organizations successfully establish mutual brand knowledge with stakeholders.

From this perspective, brand management can be viewed as the process of creating, coordinating and monitoring interactions that occur between an organization and its stakeholders (Schultz and Barnes, 1999), such that there is consistency between the organization's vision and stakeholders' beliefs about a brand. This entails managing brand identity, architecture, communications and value to deliver a brand that is truly understood by and resonates with stakeholders (Aaker and Joachimsthaler, 2000a; de Chernatony and Riley, 1998a; Keller, 1987; Schultz and Barnes, 1999; Yoo and Donthu, 2001). When differences in perspective are identified, it may be necessary for an organization to adjust its branding strategies in order to reposition the brand in the minds of its stakeholders. This suggests that an organization's efforts should be focused toward implementing effective brand management practices and philosophies to ensure that their view of the brand concept is married to the perceptions of its key stakeholders. Such a philosophy entails the creation and communication of a desirable brand identity to stakeholders, monitoring brand perceptions and adjusting a brand's marketing program to enhance long-term value. In this study, this philosophy is described as a brand orientation. Organizations that pursue such a philosophy are better able to firstly, assess whether they and their stakeholders share a mutual understanding of what a brand represents and second, generate and sustain a shared sense of brand meaning with its stakeholders. As such, brand oriented organizations are likely to be more adept at establishing mutual brand knowledge and be better equipped to deliver superior value to stakeholders. This, in turn, facilitates the achievement of superior performance outcomes for the firm itself (Aaker and Jacobson, 1994).

The preceding discussion highlights the process by which mutual brand knowledge can be established and describes brand orientation as the guiding philosophy for managing mutual brand knowledge between an organization and its stakeholders. In Chapter 3, a detailed review of the extant brand management literature is presented, leading to the delineation of the core components of the brand orientation construct.

2.4 Chapter Summary

Central to any form of communication is the need to create shared meaning or mutual knowledge of concepts, ideas and utterances. Clark and Marshall's (1981) theory of mutual knowledge explains how common ground can be established between interlocutors. This theory is regarded as an important contribution in the field of linguistics and communication as it provides a robust explanation of how the mutual knowledge paradox is overcome and common ground established.

In this chapter, a framework by which organizations can establish mutual brand knowledge with stakeholders is presented. Mutual brand knowledge can be established either by creating brand communities, whereby members perpetuate the history and meaning of a brand, or by generating brand knowledge through positive interactions with stakeholders. Mutual knowledge can be managed by monitoring stakeholders' brand perceptions and adjusting the marketing program to realign or reaffirm such beliefs. In this chapter, it is argued that brand orientation enables a firm to generate and sustain a shared sense of brand meaning with stakeholders and enhance organizational performance.

Chapter 3
Brand Management Practices and Philosophies

3.0 Chapter Overview

In the preceding chapter, the underlying rationale of brand management was explained by drawing on Clark and Marshall's (1981) theory of mutual knowledge. It was suggested that, as a guiding business philosophy, brand orientation provides the mechanism by which an organization can sustain a shared sense of brand meaning with stakeholders, which leads to improvements in organizational performance. From this perspective, it suggests that organizations should focus their activities toward building, managing and measuring the success of their brands in the market place.

In this chapter, the extant literature on business orientations is reviewed and the key philosophies that have been widely discussed and debated within the academic community, highlighted. The discussion then turns to defining *brand orientation* and delineating its salient components by drawing on the fundamental brand management practices and philosophies prescribed in the literature. Given the gaps in the literature, the discussion concludes by highlighting the need for further empirical research on branding within a nonprofit context.

3.1 Introduction

The value of a strong brand has long been recognized by marketing practitioners and scholars alike (Aaker, 1996; Dutt, 1998; Keller, 1993). This is evidenced by the wealth of literature pertaining to brand management and its effects on brand equity. More recently, marketing scholars have turned their attention toward examining the relationship between organizational performance and brand equity (Aaker and Jacobson, 1994), illustrating the value of becoming brand focused (Noble, Sinha, and Kumar, 2002). This may point to the emergence of a new business philosophy, namely brand orientation, which may become the underlying driver of an organization's activities and the behaviors of its constituent members. A conceptual definition of brand orientation and the delineation of its core components is developed by drawing on the extant literature pertaining to business orientations, in general, and brand management, more specifically. This is discussed in the following section.

3.2 Business Orientation

A business orientation can be conceptualized as the underlying philosophy of an organization that guides its strategic and tactical decisions (Borch, 1947; Kotler, 1994; Miles, Russell, and Arnold, 1995). Embedded in the way in which an organization conducts its business (Olden, Roggenkamp, and Luke, 2002), it can direct the behaviors of individual organizational members as well as the collective action of the firm itself (Foxall, 1984). Some marketing scholars have questioned whether business orientation is in fact a distinct or related concept to organizational culture. Organizational culture has been defined as the '...pattern of shared values and beliefs that help individuals understand organizational functioning and thus provide them norms for behavior in the organization' (Deshpande and Webster, 1989:4). This definition highlights the fact that the two concepts are closely intertwined and why drawing a clear distinction between the two has proven difficult in the past.

In the attempts to do so, two schools of thought have emerged: one treats business orientation as a sub-dimension of organizational culture (Deshpande and Webster, 1989; Noble et al., 2002) and the other views it as a managerial choice or an elected pattern of organizational behavior (Gatignon and Xuereb, 1997). The former would see organizational philosophies sustained over longer periods of time and, much like national culture, subject to a slower rate of change (Noble et al., 2002). In contrast, the latter perspective would see an organization's guiding orientation modified with relative ease and within a short time span (Noble et al., 2002). Other scholars suggest that organizational culture relates more to the intra-relationships within an organization, whilst a business orientation defines how an organization relates to its external, internal and competitive environments (Miles et al., 1995). Although the debate concerning such distinctions continues, there is growing support for the notion that business orientations should be viewed from both a strategic and cultural perspective (Deshpande, 1999).

Marketing scholars have been intent on identifying the types of business philosophies that lead to improvements in organizational performance. This has resulted in an examination of a diverse number of orientations, ranging from such issues as a quality-of-life orientation (Lee and Sirgy, 1999), to more commonly, that of a market orientation (Kohli, Jaworski, and Kumar, 1993; Narver and Slater, 1990). Whilst not an exhaustive list, Table 3.1 summarizes the key business philosophies that have been discussed in the marketing literature in more recent years. Aside from those listed, organizations can also pursue a research and development, manufacturing, financial, eco-, or new product development orientation (Balakrishnan, 1997; Beatty, Gup, and Hesse, 1993; Enright and McDonald, 1997; Miles and Munilla, 1993). However, such philosophies may simply be enhancements, extensions or components of other business orientations or have yet to enjoy widespread acceptance amongst researchers or practitioners (Miles et al., 1995).

Table 3.1 Strategic Orientations

Orientation	Conceptualization	Key Contributors
Entrepreneurial	The processes, practices and decision-making activities that lead to new entry. It includes a propensity to act autonomously, a willingness to innovate and take risks and a tendency to be aggressive toward competitors and proactive relative to marketplace opportunities (Lumpkin and Dess 1996:136-137)	(Cahill, 1996; Covin and Slevin, 1989; Knight, 1997; Lee and Peterson, 2000; Lumpkin and Dess, 1996; Lyon, Lumpkin, and Dess, 2000; Miles and Arnold, 1991; Miles, Thompson, and Arnold, 1992; Smart and Conant, 1994)
Export	Describes the degree to which various activities are undertaken as well as the degree to which various motivations underlie export behavior. Three types of firm level activities are identified: sales-seeking activities, market research and information and motivations for pursuing export sales (Francis and Collins-Dood 2000)	(Cadogan, Diamantopolis, and Pahud de Mortanges, 1999; Francis and Collins-Dodd, 2000)
Product	Organizations strive to produce goods or services that have high levels of quality and focus on making continual improvements to their products and production processes to achieve this end. Further, product design decisions are based on internal generation of ideas rather than seeking input from customers.	(Kotler, 1994; Shoham, 2000)

Cont...

Table 3.1 Strategic Orientations (cont.)

Orientation	Conceptualization	Key Contributors
Market	Relates to implementation of the marketing concept. It involves the organization-wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments and organization-wide responsiveness to it (Kohli and Jaworski 1990: 6)	(Gatignon and Xuereb, 1997; Grewel and Tansuhaj, 2001; Han, Kim, and Srivastava, 1998; Jaworski and Kohli, 1993; Kohli and Jaworski, 1990; Kohli et al., 1993; Matsuno and Mentzer, 2000; Matsuno, Mentzer, and O., 2000; Narver and Slater, 1990; Noble et al., 2002; Slater and Narver, 1994, 1995; Voss and Voss, 2000)
Production	Organizations assume that consumers favor low-cost widely available products, hence strive for high levels of efficiency in production and a wide coverage in distribution.	(Kotler, 1994)
Quality	A philosophical commitment to developing and maintaining a competitive advantage based upon a quality focus (Miles, Russell and Arnold 1995)	(Miles et al., 1995))
Quality-of-life	Marketers' disposition to enhance consumers' well being in a manner not adversely affecting other stakeholder groups (Lee and Sirgy 1999)	(Lee and Sirgy, 1999)
Sales	A sales oriented firm is one in which actions are consistent with the development and maintenance of a sales program adequate for its needs. A firm creates, through its policies, strategy and resource allocation, an environment conducive to salespersons' goal attainment (Sumrall and Sebastianelli 1999: 72).	(Shoham, 2000; Sumrall, Eyuboglu, and Ahlaway, 1991; Sumrall and Sebastianelli, 1999; Thomas, Soutar, and Ryan, 2001)
Societal-marketing	Firms adopt and implement marketing approaches that maintain and improve the well-being of consumers and society as a whole.	(Kotler, 1994; Liao, Foreman, and Sargeant, 2001)
Stakeholder	Describes the way in which managers view their relationships with individuals and groups in a society and the extent to which this influences corporate behavior (Logsdon and Yuthas 1997)	(Greenley and Foxall, 1998; Logsdon and Yuthas, 1997))

3.2.1 Market Orientation

Undoubtedly, one of the most widely debated and researched philosophies is that of market orientation, which is used to describe organizational actions and behaviors consistent with the marketing concept (Kohli and Jaworski, 1990). Although emerging in the 1950s, where leading practitioners and scholars began to espouse the benefits of maintaining a customer focus, it remained a largely under-researched area up until the latter part of the 1980s (Jaworski and Kohli, 1993). Since that time, there has been a resurgence of interest in the market orientation construct, particularly in relation to its definition and measurement (Deshpande and Farley, 1996, 1998; Kohli and Jaworski, 1990; Kohli et al., 1993; Narver and Slater, 1990), antecedents and consequences (Gatignon and Xuereb, 1997; Grewel and Tansuhaj, 2001; Jaworski and Kohli, 1993; Slater and Narver, 1994) and application across different business contexts (Balabanis, Stables, and Phillips, 1997; Caruana, Ramaseshan, and Ewing, 1998; Hooley et al., 2000). Contributors to the market orientation debate have provided substantial empirical evidence of the benefits that can be derived from adopting such a business philosophy.

Two significant approaches to the measurement of market orientation were proposed in the 1990s. Narver and Slater (1990) conceptualized market orientation as an endeavor to collect information about customers' needs and competitors' capabilities, using this information to create superior customer value. Three underlying dimensions were identified, which they labeled customer orientation, competitor orientation and inter-functional co-ordination. In operationalizing the marketing concept, Narver and Slater's (1990) work is consistent with Deshpande and Farley's (1998) view that market orientation is closely aligned, if not embedded, within an organization's culture (Gainer and Padanyi, 2002).

The second approach developed by Kohli and Jaworski (1990), sees market orientation defined as the process of generating, disseminating and responding to market intelligence pertaining to the current and future needs of customers. The MARKOR scale was developed following a series of qualitative interviews with senior executives across a number of industry sectors and rigorous empirical testing. The scale consists of 20-items measuring the three dimensions of intelligence generation, dissemination and responsiveness (Kohli et al., 1993). Whilst there are some similarities with the work of Narver and Slater (1990), this approach tends to focus more on the implementation of the marketing concept and on the specific activities necessary to remain responsive to changing customer needs (Balabanis et al., 1997; Gainer and Padanyi, 2002). As a point of departure, Wrenn (1997) refers to this as a *marketing*, rather than market orientation.

A number of drawbacks associated with the MARKOR scale have been identified. It has been noted, for instance, that the scale and its items are limited to only a number of stakeholder domains, namely customers and competitors (Matsuno et al., 2000). As such, it has been suggested that its definition and conceptualization could be expanded to include a broader set of market factors and stakeholders beyond these two groups (Jaworski and Kohli, 1993). Further, Matsuno et al. (2000) raise concerns regarding the psychometric properties and empirical stability of MARKOR and offer an improved 22-item model in its place. In addition, several other researchers have proposed alternate measures of market orientation. Deshpande and Farley (1996) offer a reduced scale that focuses predominantly on customer-related activities, whilst Gatignon and Xuereb (1997) develop a multidimensional measure that incorporates a customer, competitor and technology orientation.

The development of several psychometrically robust measures of market orientation has enabled marketing scholars to explore the key antecedents to and consequences of adopting such a philosophy. In particular the relationship between market orientation and organizational performance has drawn much attention. Results, however, have been mixed. Some researchers have found a positive relationship between market orientation and return on assets (Narver and Slater, 1990), return on investment (Hooley et al., 2000), sales growth and new product success (Slater and Narver, 1994), profitability (Ruekert, 1992), employee commitment (Jaworski and Kohli, 1993), ability to attract resources (Balabanis et al., 1997; Caruana et al., 1998; Chan and Chau, 1998; Gainer and Padanyi, 2002) and level of customer satisfaction (Gainer and Padanyi, 2002). Further, market orientated organizations tend to be more adept at scanning the environment for opportunities or threats, focusing on longer-term issues and becoming generative learners (Baker and Sinkula, 1999; Narver and Slater, 1990; Slater and Narver, 1995).

Other researchers, however, have suggested that the market orientation-performance relationship is contingent upon the nature of the environment in which a firm operates. For instance, in highly turbulent markets, organizations should be more consumer- and technology- orientated to achieve a superior level of performance (Gatignon and Xuereb, 1997). This enables firms to more effectively manage the uncertainty that may prevail in consumer demand and technology (Grewel and Tansuhaj, 2001). In contrast, Jaworski and Kohli (1993) found no such relationship between these variables, suggesting that the linkage between market orientation and performance is robust across varying levels of market and technological turbulence and competitive intensity. Similarly, Slater and Narver (1994) determined that these factors had only a limited effect. Another variable that is believed to have a mediating effect on the market orientation-performance relationship is that of organizational innovativeness. There is some empirical evidence to suggest that market orientation facilitates organizational innovativeness, which in turn, positively affects performance (Han et al., 1998).

Researchers have also focused on identifying the key antecedents to market orientation, attributing top management commitment and belief in market orientation as the key driving forces to its implementation (Jaworski and Kohli, 1993). Further, a high degree of risk aversion amongst managers has a negative effect on an organization's ability to respond to changes in the market and customer needs, whilst interdepartmental conflict adversely affects an organization's ability to disseminate and remain responsive to market intelligence (Jaworski and Kohli, 1993).

Given the breadth and diversity of the extant market orientation literature, it can be seen that this philosophy has certainly come to the fore in the last 15 years. Not only have two psychometrically robust measures of market orientation been derived, but both scales have been ubiquitously applied across diverse business contexts and cultures (Balabanis et al., 1997; Caruana, Ramaseshan, and Ewing, 1997; Caruana et al., 1998; Chan and Chau, 1998; Gainer and Padanyi, 2002; Hooley et al., 2000; Ignacio, Gonzalez, Vijande, and Casielles, 2002; Liao et al., 2001; Siu, 2000; Voss and Voss, 2000). Attention now, however, seems to be turning to alternate business philosophies that may also be key contributors to organizational performance. In particular, there is a growing realization amongst marketing scholars that focusing predominantly on the needs and wants of customers may not always elicit desirable results for every type of organization (Christensen and Bower, 1996; Frosch, 1996; Hamel and Prahalad, 1994; MacDonald, 1995; Voss and Voss, 2000). In fact, the underlying rationale of statements such as 'the customer is always right' and 'everything for the customer' is being called into question (Urde, 1999). Rather, it has been proposed that organizations should focus on the creation of unique brands, which deliver value and satisfaction to all stakeholders (Urde, 1999).

In light of this, Noble et al. (2002) investigated the impact of alternate strategic orientations on long-term performance and found that organizations that focused on their brands were more likely to experience positive gains in performance. Within this context, *brand focus* reflects an organization's emphasis on the development, acquisition and leveraging of branded products and services in the pursuit of competitive advantage (Noble et al., 2002; Urde, 1994, 1999).

Several marketing scholars have alluded to this principle in the past, referring to it as a *brand orientation* (Hankinson, 2000; Simoes and Dibb, 2001; Urde, 1994, 1999). Urde (1994) describes brand oriented organization as those that are able to effectively communicate a brand vision to a target audience. The brand vision represents the essence of an organization's branding strategy and acts as the guiding principle for its brand building activities. The vision is communicated to an audience via the corporate name, corporate identity, product, trademarks and positioning, which must be in unison to avoid the transmission of conflicting or confusing brand messages. The result is the creation of a truly unique brand that is valued by a target audience (Urde, 1994). Within this context, brand orientation is defined in terms of the organizational processes that '...revolve around the creation, development and protection of brand identity in an ongoing interaction with target consumers with the aim of achieving lasting competitive advantages in the form of brands' (Urde, 1999: 117-118).

Other writers have since reinforced the importance of adopting such a philosophy. Simoes and Dibb (2001) for instance, use three short case studies to illustrate the power of brand orientation in creating and sustaining long-term shareholder value. They suggest that organizations need to develop an understanding of a brand's tangible and intangible benefits, encourage active participation amongst employees in the creation and communication of the brand vision and work towards building a strong corporate identity. Hankinson (2000, 2001a, 2001b, 2002), on the other hand, has examined the nature of brand orientation within the charity sector. Within this context, brand orientation has been defined as the extent to which a charity organization regards itself as a brand (Hankinson, 2000). This involves developing an understanding of what a brand does and the values it represents, communicating the charity brand to both internal and external stakeholders, using the brand as a strategic resource and managing the brand actively and deliberately (Hankinson, 2001a).

These studies provide an important step forward in the conceptualization of brand orientation and the underlying rationale of its importance and value in the modern-day economy. However, given that consensus regarding its definition and salient components has yet to be reached and empirical research is limited, there are several avenues for further research in this area. In the following section, the extant brand management literature is reviewed, leading to the delineation of the conceptual boundaries which frame the brand orientation construct.

3.3 Brand Management

With brands becoming increasingly important for organizations operating in the dynamic, modern-day market place, it is apparent why a shift from a market- to a brand- focus may be desirable. Many authors have been quick to highlight the fact that the future success of any organization lies predominantly in its ability to develop strong brands, which deliver value to key stakeholders (Aaker, 1991; Berthon et al., 1999; Keller, 1993). As such, the brand management literature is replete with articles pertaining to the processes and practices by which such a goal can be accomplished. Research efforts have primarily focused on three areas: i) definition of the brand concept; (Aaker, 1991; de Chernatony and Riley, 1998b; Hanby, 1999); ii) brand functions and benefits (Ambler, 1997; Berthon et al., 1999; Doyle, 1990); and iii) building and managing brand equity (Aaker and Joachimsthaler, 2000a; Agres and Dubitsky, 1996; Keller, 1993, 1998; Park et al., 1986).

3.3.1 Definition of a Brand

The process of building and managing brands in the uncertainty of the global market place is widely recognized as being a complex, if not difficult, task. This is all the more evident given the debate that continues to surround how best to define a brand. Some writers still refer to the definition proposed by the American Marketing Association (AMA) in 1960. Here a brand is defined as: '...a distinguishing name and/or symbol such as a logo, trademark or package design, intended to identify the goods or services of either one seller or a group of sellers and to differentiate those goods or services from those of competitors' (Kotler and Armstrong, 2001:301). More recently, however, several researchers have begun to question its suitability, suggesting that it is too mechanical (Arnold, 1992) and fails to take into consideration the intangible features associated with a product (Crainer, 1995; Hanby, 1999; Wood, 2000). Further, it is argued that the AMA definition is too owner-oriented, reductionist and grounded in economics, which assumes that individuals behave in a rational manner (Hanby, 1999).

As a result, alternate perspectives of what a brand in fact is have emerged. For instance, a brand can be considered a legal instrument, logo, company, risk reducer, identity system, value system or even a relationship (de Chernatony and Riley, 1998a). A brand can also be viewed as a bundle of attributes delivered to consumers, which provide satisfaction at both a rational and emotional level. These attributes may be '...real or illusory, rational or emotional, tangible or invisible' (Ambler, 1992). This perspective takes into consideration the abstract, intangible and emotional brand characteristics, which give life to a brand and extend it beyond a simple representation of its physical features and attributes (Aaker and Joachimsthaler, 2000a; J. L. Aaker, 1997; Alt and Griggs, 1988; Ambler, 1992; Wood, 2000).

Although brands reside in the minds of consumers (Blackston, 2000; Keller, 1993; Pitcher, 1985), their creation and management rests with the organization itself. Consumers will select the brands they feel most closely fits their ideal or actual self-image or the personality they wish to project (Zinkhan, Haytko, and Ward, 1996). As such, it is necessary that organizations endeavor to match the functional and emotional values they devise for a brand, with the performance and psychological benefits sought by consumers (de Chernatony and Riley, 1998a). A close alignment between the two will result in a brand that is more successful (de Chernatony and Riley, 1998a). It is necessary, then, to ensure that the feelings a brand evokes amongst stakeholders and the beliefs and attitudes that arise, are well understood by those responsible for managing the brand (Schultz and Barnes, 1999). Such an understanding should be reflected in the types of brand strategies and tactics employed, which should either reinforce stakeholder attitudes or, if such beliefs are inconsistent with an organization's brand vision, modify perceptions. In effect, the combination of a brand's name, symbols, imagery and/or its design should provide an organization with a sustainable differential advantage that cannot easily be replicated by competitors (Doyle, 1990).

3.3.2 Brand Functions and Benefits

Brands perform a variety of functions and deliver benefits to both consumers and organizations (Aaker, 1991). An understanding of these issues provides insight into the academic and practitioner interest in, and devotion to, the process of building and managing brands. Brands work by facilitating and making more effective the customer's choice process (Doyle, 1990). For buyers, they perform the function of reduction – that is, they reduce a consumer's search costs and the perceived risk associated with consuming the 'wrong' brand and provide economic, functional and psychological rewards (Ambler, 1997; Berthon et al., 1999; Kapferer, 2001). Economic benefits pertain to whether a brand delivers value for money relative to competitors' offering. Functional benefits are derived from perceptions of product quality and a brand's ability to meet consumer expectations, while psychological benefits are the intangible feelings of satisfaction derived from consumption (Ambler, 1997). Brands also facilitate either approaching or avoiding behavior amongst buyers in that they either attract or repel potential users (Capon, Berthon, Hulbert, and Pitt, 2001). Consumers are more likely to exhibit approaching behavior when they expect to receive certain benefits from a brand and following consumption, those expectations are fulfilled (Capon et al., 2001). As a result, an organization's marketing efforts should be directed toward creating strong brands that deliver value to consumers and encourage approaching behavior. In so doing, rewards and benefits for an organization will eventuate.

For an organization, a strong brand can facilitate the introduction of new products. Positive brand associations can often be transferred from an existing to a new product (Aaker and Keller, 1990; Berthon et al., 1999; Farquhar, 1989). A strong brand also has the resilience to endure crisis situations, such as economic downturns and competitive attacks (Aaker and Joachimsthaler, 2000b; Farquhar, 1989). Further, brands that hold a clearly differentiated position in the market place and offer superior value to consumers are able to command a premium price positioning (Aaker, 1991; Berthon et al., 1999; Doyle, 1990). When a brand inspires positive, unique and accessible associations amongst consumers, an organization potentially has a greater capacity to alter its marketing actions without triggering a negative outcome for equity (Keller, 1993). That said, the value of a brand may still rise and fall as a result of an organization's actions (Macrae and Uncles, 1997). Thus, it is necessary that organizations understand which elements of a brand and its marketing program can be altered and which must be maintained to sustain a desired market position (Keller, 1993).

There is little disagreement amongst marketing scholars regarding the value a strong brand can deliver to both consumers and an organization itself. One of the challenges facing organizations is the establishment and implementation of an appropriate brand management system that will see brand equity be enhanced. This entails adopting a strategic perspective and designating an appropriate level of investment in the process of building and managing brand equity (Hamel and Prahalad, 1994; Schultz, 1998).

3.3.3 Trends and Challenges

Brand management has evolved and undergone significant transformation since its inception in the latter part of the 19th century (Low and Fullerton, 1994). The shift has been gradual, rather than catastrophic and has occurred largely in response to changes in the external environment and behavior of consumers (Kapferer, 2001; Low and Fullerton, 1994). According to Agres and Dubitsky (1996), the early stages of the branding revolution were characterized by a demand-dominated economy, where virtually any new product or service gained rapid market acceptance. However, in the modern-day market place, manufacturers face fewer constraints in distribution – geographic boundaries are not as clearly defined as they once were, allowing organizations to cross markets and borders more readily (Kapferer, 2001). This has resulted in the gradual ascendance of a supply-dominated economy, where supply outstrips consumer demand and consumer choice offering has expanded (Agres and Dubitsky, 1996). Consumers now have many attractive products/services available to them from which to choose, suggesting they no longer have to accept all that a company has to offer.

The challenges facing organizations in developing successful brands is further exacerbated by other changes evident in the external environment. Brand proliferation (Berthon et al., 1999; Keller, 1998; Richards, Foster, and Morgan, 1998), media fragmentation (Keller, 1998), influx of information technology (Agres and Dubitsky, 1996; Berthon et al., 1999), increased competition, costs and retailer power and changing consumer values (Berthon et al., 1999; Davis, 1995; Harvey, Roth, and Lucas, 1998; Keller, 1998; Richards et al., 1998) have all contributed to the mounting pressure placed on brands and the brand management system. Organizations must not only respond to the evolving needs of buyers, but also try to secure a distinct competitive advantage in a market that is becoming populated by global competitors and dominant retailers (Shocker et al., 1994). Such pressures are manifest in the changing consumer market, which sees product choice expanded for buyers and the formation of splinter consumer groups. Brand management must be geared toward understanding and monitoring evolving consumer needs and measuring the effectiveness of past actions (Shocker et al., 1994).

Globalization of the world economy is another factor impacting on brand management. In the future, organizations may find it necessary to focus more on forming strategic alliances and collaborative partnerships with foreign competitors (Shocker et al., 1994). This will allow partners to share the costs, risks and rewards of any new joint venture. Likewise, with the growing power of retailers, cooperation may also be the key to the future success and performance of brands. As a result, brand custodians will need to coordinate an organization's brand management activities with their external counterparts as well as the traditional contacts within the organization itself (Shocker et al., 1994). Within this context, brand custodians may become the central transmitters of information about a brand, given their informal communication links with other individuals both inside and outside the firm (Lysonski, 1985).

Other changes that are impacting upon brand management include the pace of technological change (Shocker et al., 1994). Technological change can be viewed by brand managers as an opportunity or threat, whereby they either embrace the challenges and new market opportunities it can bring or try to resist the pressure to change. Advances in technology not only provides organizations with an opportunity to access a vast amount of information about their brands and customers, but can also lead to new solutions to old problems and stave off competitors through product innovations (Shocker et al., 1994).

It seems then, that faced with the changing market, organizations need to become more proactive in terms of monitoring such changes and adapting their brand management practices to accommodate emerging challenges, opportunities and threats. This has seen some practitioners and scholars question the effectiveness of their existing brand management practices and strategies (Macrae and Uncles, 1997). Brand management in the new-world economy may be strikingly different from days gone by, yet only with the passing of time will new practices and philosophies become evident.

3.3.4 Building and Managing Brand Equity

Brand managers have traditionally relied on intuition or experience to guide branding decisions. This, however, has often resulted in the utilization of considerable energy and resources whilst providing limited insight into the nature of the market (Desmet et al., 1998). Given that there is a real potential for harming stakeholder value through inappropriate brand management practices, the development of an integrative framework has been high on the research agenda of marketing scholars. Some scholars have argued for a more holistic perspective to be adopted (Harvey et al., 1998; Leder and Hill, 2001; Low and Fullerton, 1994; Richards et al., 1998), whilst others have called for the development of stronger theoretical foundations for brand management (Shocker et al., 1994). As a result, several frameworks have emerged, of which most lean towards prescribing the practices, processes and principles necessary for building and managing brand equity.

One approach views brand management in the context of the acquisition and use of knowledge. That is, marketers acquire knowledge about end users, their needs and brand perceptions, end users acquire knowledge of the brand, what it promises and what it in fact delivers, whilst retailers acquire knowledge about a brand's selling power and its commercial rewards (Richards et al., 1998). From this perspective, brand management involves managing the knowledge that transpires and the relationships that are formed between a brand and its key stakeholders, such as consumers, employees, retailers and shareholders (Richards et al., 1998).

Other approaches have attempted to integrate the disparate views of brand management. Park et al. (1986), for instance, propose three stages of brand management, each of which require the implementation of different brand positioning strategies (see Table 3.2). In the introduction stage, organizations focus on creating an appropriate brand image that has a niche in the market place. Marketing mix elements are used to operationalize the concept and communicate this to a target audience. When there is consistency and synergy amongst these elements, there is a greater chance that a brand's relative advantage will become apparent to the target market (Park et al., 1986). During the elaboration stage, attention turns towards enhancing brand value so that it is perceived as superior to a competitor's offer. Managerial emphasis shifts towards making a brand memorable and ensuring that positive brand associations can readily be recalled by consumers (Farquhar, 1989). The third stage, labeled fortification, involves creating and reinforcing the link between a brand (image) and other products within a company's portfolio. This enables an organization to identify potential avenues for future brand extensions (Park et al., 1986).

Table 3.2 Brand Concept Management

Brand Concept Stage	Positioning Strategy	Marketing Mix
Introduction		
Functional concept	Functional problem-solving capabilities	Develop marketing
Symbolic concept	Reference group/ego enhancement associations	mix to establish image/position
Experiential concept	Cognitive/sensory stimulation	
Elaboration		
Functional concept	Problem solving specialization or generalization strategy	Develop marketing mix to enhance value
Symbolic concept	Market shielding strategy	of image/position
Experiential concept	Brand accessory and/or network strategy	
Fortification		
Functional concept	Image building through new products with functional concepts	Develop marketing mix for brand
Symbolic concept	Image building through new products with symbolic concepts	concept associations
Experiential concept	Image building through new products with experiential concepts	

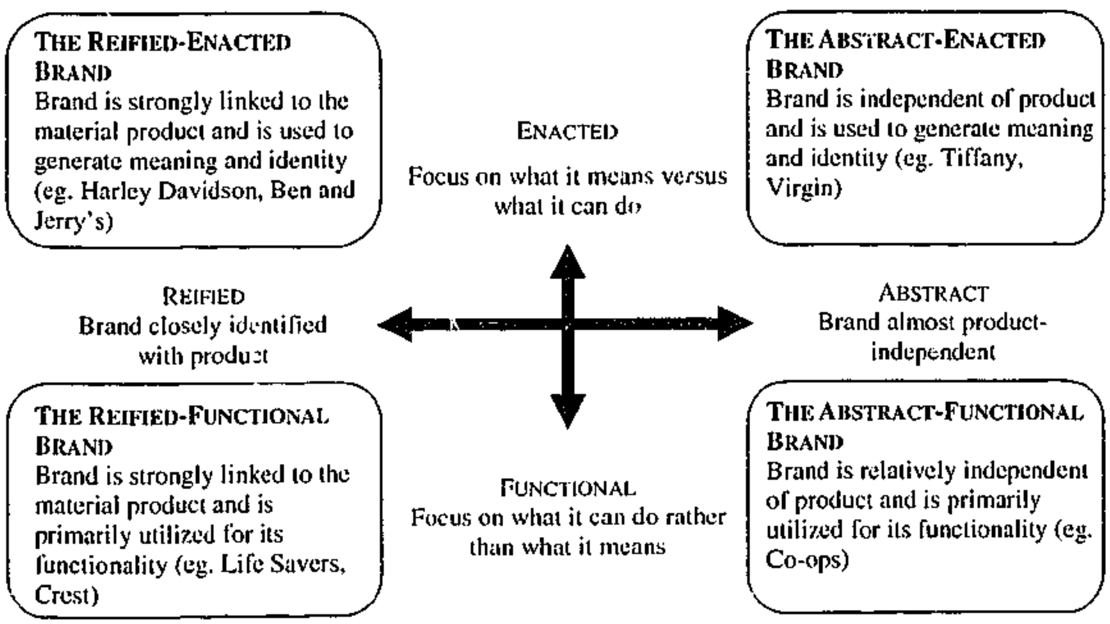
Adapted from (Park et al., 1986), 'Strategic Brand Concept-Image Management', *Journal of Marketing*, 50(October): 135-145

Similarly, Macrae and Uncles (1997) offer a brand chartering framework to guide organizational practices and processes. This approach encompasses creating and communicating a brand identity, managing the brand organization, structuring a brand portfolio and measuring performance at each stage. They argue that developing and implementing a brand charter enables an organization's employees to view branding as an integrated and innovative business process, rather than an activity relegated to a brand manager. Keller (1999), on the other hand, contends that effective brand management requires taking a long-term view of marketing decisions. This entails maintaining consistency in the marketing and research support a brand receives, protecting sources of brand equity, fortifying a brand's position, leveraging its equity and making adjustments to a brand's marketing program as and when required (Keller, 1998, 1999). An organization's ability to do so, however, is dependent on the extent to which they can create, understand and influence the brand knowledge structures formed in stakeholders' minds (Keller, 1993).

Other researchers have attempted to add a 'scientific' element to the nature and scope of brand management. Desmet et al. (1998) have developed a brand management simulation program, which enables managers to quantify the drivers of brand value and evaluate the impact of various strategies on a brand's earning stream. Through alternative computer simulations, managers are able to select the most appropriate option for a brand (Desmet et al., 1998). However, not all organizations will have the inclination to or, option of, pursuing such a mechanized approach to brand management and will continue to rely on experience, intuition and marketing research intelligence.

More recently, Berthon et al. (2003) have introduced the concept of a *brand space*, which sees brands defined along two dimensions. The first dimension relates to the degree of abstraction and assesses the extent to which a brand has become independent from its associated product. The second dimension, degree of enactment, relates to whether a brand focuses more on the meaning of a product or its functionality. The four archetypal positions of the brand space are shown in Figure 3.1. The brand space concept enables organizations to not only understand where their brands sit in that space, but also where they need to be. In an environment that is characterized by escalating competition and rapidly changing markets, such information is important to the successful management of brands in the 21st century (Berthon et al., 2003).

Figure 3.1 Archetypal Brand Positions



Source: Adapted from (Berthon et al., 2003), 'Understanding and Managing the Brand Space', *MIT Sloan Management Review*, 44(2): 49-54

Whilst several overarching brand management frameworks have been proposed, there are many other studies that have focused on its various discrete aspects. These can be categorized into four distinct themes: creating brand identities, structuring brand portfolios, managing brand communications and measuring brand value (Aaker, 1991; Aaker and Joachimsthaler, 2000b; Blackston, 2000; Dacin and Smith, 1994; de Chernatony and Riley, 1998b; Faircloth et al., 2001; Hanby, 1999; Keller, 1993; Schultz and Barnes, 1999; Yoo and Donthu, 2001). Overall, this body of work provides new insights into the salient practices and processes involved in brand management.

3.3.5 Managing Brand Identity

Defining brand identity is considered a fundamental task in brand management and can be used to help establish relationships between a brand and a stakeholder (Aaker and Joachimsthaler, 2000a). Brand identity relates to a set of brand associations that a brand strategist aspires to create or maintain for a product (Aaker and Joachimsthaler, 2000a; de Chernatony and Riley, 1998b; Rooney, 1995). It represents what an organization wants a brand to stand for and as such, should be the driving force behind the entire brand building efforts of an organization (Aaker and Joachimsthaler, 2000a; Urde, 1999). Further, it is a critical first step in maintaining customer loyalty and earning profits (Kapferer, 1992; Rooney, 1995).

As can be seen in Figure 3.2 (Part A), creating brand identity begins with a detailed analysis of consumers, competitors and internal organizational characteristics (Aaker and Joachimsthaler, 2000a; de Chernatony and Riley, 1998b; Park et al., 1986). The customer analysis provides an explanation of the underlying drivers of a consumer's behavior. It is necessary that organizations ascertain what brand knowledge consumers have stored in memory and the strength, favorability and uniqueness of those associations (Keller, 1993). This entails measuring a consumer's level of brand awareness, both in terms of recognition and recall, and their overall brand attitude, which relates to the degree to which they believe a brand has the attributes and benefits to satisfy their needs and wants (Keller, 1993). High levels of brand awareness combined with positive brand associations, increase the probability of consumers selecting a particular brand as well as their level of loyalty to that brand (Keller, 1993). Brands then become less vulnerable to competitive threats and more resilient to fluctuations in demand and the environment (Aaker, 1991).

Consumer brand knowledge relates to all descriptive and evaluative brand-related information stored in consumer memory (Keller, 2003). It may include beliefs about the tangible and intangible features and benefits of a brand as well as the feelings, thoughts, images and concepts a brand evokes within consumers. All these different kinds of information may become a part of consumer memory and affect how consumers respond to the marketing activities of an organization (Keller, 2003). The challenge facing organizations, then, is to unlock the information stored in consumer memory and understand how it affects a brand's marketing program.

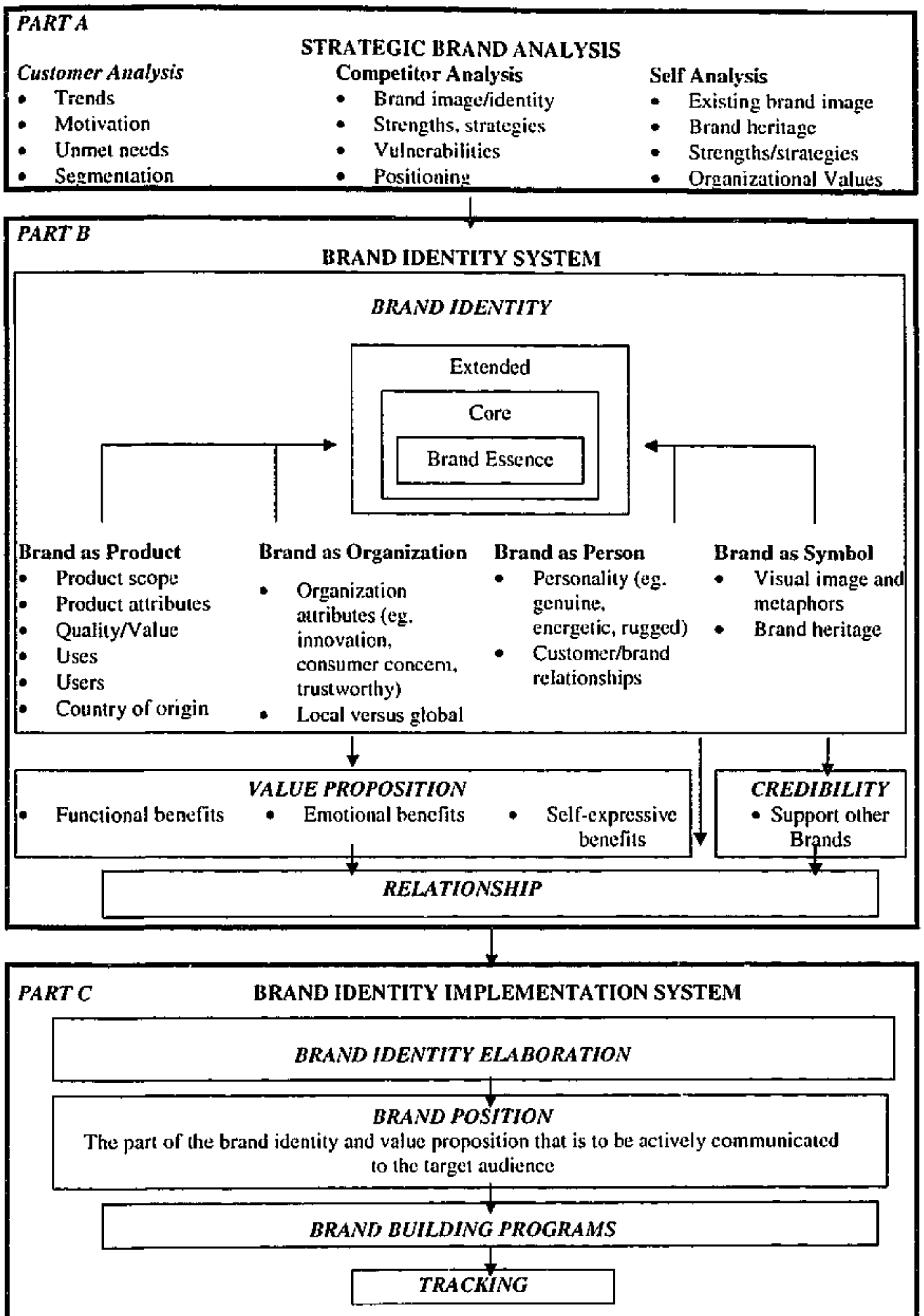
Consumer brand knowledge can be gleaned a number of ways. The first measurement approach involves using indirect techniques, such as aided and unaided recall measures or qualitative methods, which provide insight into a consumer's level of brand knowledge and the associations they make with a brand (Aaker and Joachimsthaler, 2000a; Keller, 1993). The second approach relies primarily on experimental research designs to directly assess the impact of brand knowledge on a consumer's response to different elements of a brand's marketing program (Keller, 1993). Such techniques can also be used to elicit information on competing brands, allowing organizations to identify the relative strengths and weaknesses of their rivals. This too assists in the brand-building process (Aaker and Joachimsthaler, 2000a).

Once the underlying needs, motives, behaviors and perceptions of customers and the strengths and weaknesses of competitors have been identified, an organization then needs to establish whether a brand has the capability of satisfying consumers' desires and meeting their expectations. Further, it is necessary that an organization determines whether sufficient resources have been allocated to a brand to enable it to do so (Aaker and Joachimsthaler, 2000a). Such knowledge should then be integrated with a firm's cultural heritage and its overall business strategy. In so doing, a brand vision, mission and its associated values be specified (de Chernatony and Riley, 1998b; Rooney, 1995).

A brand identity can be constructed based on the product itself (eg. product attributes, quality or country of origin), organizational attributes, personal characteristics (eg. brand personality, customer-brand relationships) or symbols (eg. brand heritage, visual imagery, metaphors) and can be thought of in terms of either core or extended elements (Aaker and Joachimsthaler, 2000a). The core brand identity reflects the strategy and values of an organization and compactly summarizes the brand vision. The extended identity includes all other brand associations that help clarify the core brand identity (Aaker and Joachimsthaler, 2000a). From this, a brand's value proposition, which specifies what a brand does or what it stands for, is defined in terms of its economic, functional, emotional or self-expressive benefits (Aaker and Joachimsthaler, 2000a; Ambler, 1997). A graphical representation is shown in Figure 3.2 (Part B). The resulting brand identity should be clearly differentiated (Agres and Dubitsky, 1996; Park et al., 1986; Di Mingo, 1988; Reynolds and Gutman, 1984), offer superior value compared to rival offerings (Boulding, Lee, and Staelin, 1994; Doyle, 1990; Wood, 2000) and resonate with stakeholders (Aaker and Joachimsthaler, 2000a; Agres and Dubitsky, 1996). In other words, a brand identity must be unique, personally appropriate, highly regarded and well understood by consumers (Agres and Dubitsky, 1996).

Finally, as is shown in Figure 3.2 (Part C), a brand identity system also includes a relationship construct, whereby strategists specify the type of relationship they wish to establish between a brand and its stakeholders (Ambler, 1997; de Chernatony and Riley, 1998b). Fournier (1998) offers six metaphors to describe the types of consumer-brand relationships that may be formed, which she terms self-concept connection, nostalgic attachment, behavioral interdependence, love, intimacy and partner quality. It is primarily in the hands of an organization to decide what type of relationship they wish their stakeholders to form with a brand and to implement appropriate strategies to bring this about (Blackston, 2000).

Figure 3.2 Brand Identity Planning Process



Source: Aaker, D.A. and E.J. Joachimsthaler (2000). *Brand Leadership*. The Free Press: New York, NY

One of the fundamental considerations in creating a brand identity, then, is to understand the nature of the consumer and their prevailing beliefs about a brand. This includes developing an understanding of the factors that influence consumers' attitudes toward and knowledge of a brand. Consideration needs to be given to all elements of a brand, such as its name, personality, heritage, logo, symbols, corporate image and benefits, which can contribute to brand awareness and image (Aaker and Joachimsthaler, 2000a; Keller, 1998). Price and brand name, for instance, are often used as indicators of product quality, particularly when other product-related information is limited (Brucks, Zeithaml, and Naylor, 2000). The use of a foreign sounding brand name can also be a subtle, yet an effective and flexible way of positioning a brand in the minds of consumers (Leclerc, Schmitt, and Dube, 1994).

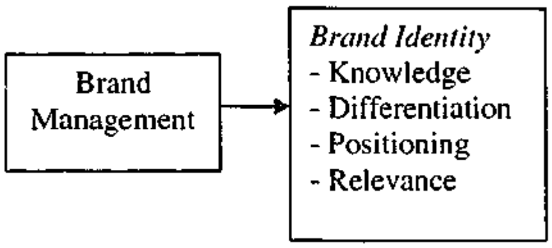
Through a brand's marketing program, these values, themes and concepts are communicated to consumers and other stakeholders (de Chernatony and Riley, 1998b). When exposed to a brand or related information, consumers make an assessment regarding whether the brand is 'right' for them. Their evaluation of a brand can be characterized by rational and emotional dimensions, which interact with one another to influence their confidence relating to their prospective brand choice (Aaker and Joachimsthaler, 2000a; de Chernatony and Riley, 1998b). As consumers gain more experience with a brand, either directly or indirectly, their confidence in these two dimensions increases. The more favorable consumers' perceptions of a brand, the more likely it is for a trusting relationship to grow (de Chernatony and Riley, 1998b). It is also necessary that appropriate mechanisms be in place to monitor resulting brand perceptions and ensure that the desired brand identity is interpreted in the 'right' manner (Richter and Kruglanski, 1999).

3.3.5.1 Summary

From the preceding discussion, it is apparent that there are certain underlying premises associated with the process of building a strong brand identity. First, developing an understanding of and acquiring information relating to consumers, their expectations and brand beliefs is imperative. Armed with this knowledge, organizations are better able to create a brand identity that is clearly differentiated from competitors (Agres and Dubitsky, 1996; Di Mingo, 1988; Reynolds and

Gutman, 1984), relevant to consumers (Agres and Dubitsky, 1996) and appropriately positioned (Keller, 2000). This not only provides an organization with a unique competitive advantage, but also enables consumers to identify more readily the needs satisfied by a brand and what a brand represents (Park et al., 1986). Thus, in developing a detailed understanding of a brand's audience, an organization is able to construct a brand identity that resonates with stakeholders (Aaker and Joachimsthaler, 2000a). As such, the fundamental elements of creating a brand identity can be summarized in terms of knowledge, differentiation, positioning and relevance (see Figure 3.3).

Figure 3.3 Managing Brand Identity



As well as creating an appropriate brand identity, organizations must communicate this to a target audience through its marketing strategies and have the mechanisms in place to monitor brand perceptions amongst key stakeholders. In so doing, organizations will be in a position to construct and communicate a brand identity that reaches an intended audience and is interpreted in the right manner (Richter and Kruglanski, 1999). These issues are discussed in further detail in Section 3.3.7 (Managing Brand Communications) and Section 3.3.8 (Managing Brand Value).

3.3.6 Managing Brand Architecture

Researchers have increasingly focused on the concept of brand architecture as the driving force behind brand management decisions (D. A. Aaker, 1997; Aaker and Joachimsthaler, 2000a, 2000b; Berthon et al., 1999). Brand architecture refers to the organizing structure of a brand portfolio that specifies the brand roles and the nature of relationships among brands and between different product-market contexts (Aaker and Joachimsthaler, 2000a). Several functions are served through a well-conceived brand architecture. It can assist an organization in creating effective and powerful brands, allocating brand-building resources, creating synergy, achieving clarity of product offerings, leveraging brand equity and providing a platform for future growth options (Aaker and Joachimsthaler, 2000a). As such, brand architecture can help focus an organization's marketing efforts and guide its managerial decisions with respect to how, or if, a brand should be extended, deleted or added to a product line (Aaker and Joachimsthaler, 2000b).

Research in this areas has focused on two main areas, namely structuring brand portfolios (Aaker and Joachimsthaler, 2000b; Berthon et al., 1999; Douglas, Craig, and Nijssen, 2001; Leder and Hill, 2001) and managing brand extensions (Aaker and Keller, 1990; Bottomley and Holden, 2001; Bridges et al., 2000; Broniarczyk and Alba, 1994; Dacin and Smith, 1994; Keller and Aaker, 1992; Loken and Roedder John, 1993).

3.3.6.1 Brand Portfolios

A brand portfolio includes all the brands and sub-brands attached to a product-market offering (Aaker and Joachimsthaler, 2000a). With brand portfolios becoming increasingly complex, specifying the boundaries between brands is an imperative (Aaker and Joachimsthaler, 2000b). This involves identifying the structure of an existing brand portfolio, specifying the role and function of brands within that structure and delineating the relationships between brands (Aaker and Joachimsthaler, 2000b). For multinational corporations, such decisions need to be made at both a local and international level (Douglas et al., 2001).

According to Aaker and Joachimsthaler (2000a), brands in a portfolio can take on one (or a combination) of four roles, namely that of a strategic, linchpin, silver bullet or cash cow brand. A strategic brand is one that represents a significant level of future sales and profit for an organization. Linchpin brands provide the leverage potential for an organization. Brands that are regarded as silver bullets are those that can positively influence the image of another brand and are considered powerful forces in changing, creating or maintaining a brand image. Finally, cash cow brands have a significant customer base, which means they do not require the same level of investment or support as other brands in a portfolio (Aaker and Joachimsthaler, 2000a). Identifying the role that each brand plays in a portfolio enables decision-makers to more effectively allocate resources and utilize the full potential of each brand.

The structure of a brand portfolio is another key brand architecture consideration. Olins (1989) identifies three brand structures, which he terms monolithic, endorsed and branded structure (cited in Douglas et al., 2001). Monalithic structures are used to describe situations where a corporation uses a single brand name or identity worldwide (eg. Yamaha, Sony or Mitsubishi). Endorsed structures relate to situations where an organization uses its corporate name in conjunction with another brand name (eg. Nestle Kit Kat or GM Daewoo), whilst a branded structure emphasizes the use of multiple or individual brand names (eg. Proctor and Gamble). However, brand structures have been recognized as being far more complex than Olins proposes (Aaker and Joachimsthaler, 2000b; La Foret and Saunders, 1994). Based on an examination of 420 grocery brands, La Foret and Saunders (1999) included an additional three structures to those proposed by Olins, which were defined as endorsed, furtive and house-dominant brands. As the name suggests, endorsed brands are products/brands endorsed by a corporate or house name. Furtive brands are stand-alone brands, where the name of the parent company does not appear at all, while house-dominant brands make use of subsidiary or division names (La Foret and Saunders, 1994). They suggest that the type of branding strategy and structure adopted by an organization is partially influenced by whether a firm is striving to achieve efficiency, individuality or synergy. Efficiency and standardized is best achieved through a corporate branding strategy, whilst a brand-dominant or furtive strategy is more suitable for those organizations seeking individuality or differentiation (La Foret and Saunders, 1999). Aaker and Joachimsthaler (2000b) introduce the brand relationship spectrum, which defines four basic brand strategies and nine sub-categories. These are situated along a continuum, where one end of the continuum represents a strategy that consists of individual, stand-alone brands (ie. house of brands) and the other a single master brand that spans separate brand offerings (branded house). The brand-relationship spectrum provides organizations with a tool to determine the most appropriate strategy and structure for brands in a portfolio (Aaker and Joachimsthaler, 2000b).

Some criticism has been leveled at this type of brand portfolio mapping. Leder and Hill (2001) contend that such methods reflect two outdated assumptions, namely that companies need only to concentrate on their own brands and each brand manager works on one brand at a time. As a result, a 'picture' of how brands appear to an organization is produced, rather than how brands appear to consumers. In light of this, Leder and Hill (2001) suggest that corporations direct their efforts toward creating what they call a brand molecule, which illustrates the inter-connections consumers make between all the brands owned by an organization, as well as those owned by competitors. The power of this model rests in its ability to show all the forces that impact on a brand in a clear, graphical way. Such mapping techniques provide managers with the tools to critically evaluate the wisdom of proposed brand extensions, additions or deletions (Aaker and Joachimsthaler, 2000b) and thereby avoid potentially costly mistakes (Leder and Hill, 2001).

Recognizing some of the limitations associated with building an organizational structure based on a firm's products and/or brands, Berthon et al. (1999) argue that it is more effective to manage structures built around a portfolio of customers. This entails turning the organization on its side whereby customer, rather than brand portfolios, form the pillars of an organization. In so doing, the role and function of a brand manager becomes that of a brand expert who offers support to customer-portfolio managers. They, in turn, are responsible for developing and providing a range of products and/or brands needed to increase the lifetime value of their customers. Managers need to then focus on the functions that brands perform, rather than the brands themselves (Berthon et al., 1999).

In summary, conceptualizing the structure and inter-relationships between brands and customers in a portfolio allows strategists to identify potential brand extensions, address conflicting brand strategy needs, allocate resources more effectively and ensure that brand extensions do not lead to brand dilution (Aaker and Joachimsthaler, 2000b). The likely result is a coherent brand architecture that has impact, clarity, synergy and leverage ability.

3.3.6.2 Brand Extensions

Brand extensions can be an effective way to achieve strategic growth (Keller and Aaker, 1992). Many organizations use established brand names to introduce new products into the market place (Loken and Roedder John, 1993). By leveraging the power and equity of an established brand to a new brand, an organization can substantially reduce its marketing expenditure, enhance the chances of securing retailer and consumer support and establish economies of scale (D. A. Aaker, 1997; Keller and Aaker, 1992; Pitta and Prevel Katsanis, 1995). This involves a transferal of meaning, whereby core brand associations are conveyed to the extension and vice versa (Doyle, 1990; Pitta and Prevel Katsanis, 1995).

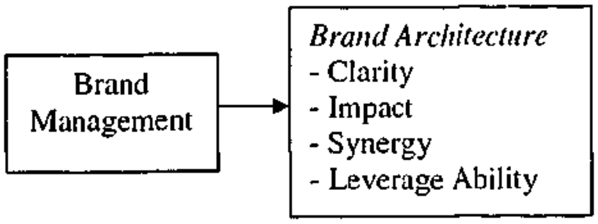
One criteria that has consistently been cited as important in creating successful brand extensions is the notion of perceived fit. Perceptions of fit can relate to whether consumers view products as being substitutes, complements or involving similar manufacturing methods or expertise (Aaker and Keller, 1990). To improve perceptions of fit, it is important to establish salient and relevant links that connect the parent brand with an extension and to then convey these links to consumers (Bridges et al., 2000). Studies have shown that when perceived fit between a brand and an extension is high, consumers are more likely to base their evaluations of a new product on their attitude toward the parent brand (Bridges et al., 2000). In such situations, brand related associations are likely to be transferred between the parent brand and its extension (Broniarczyk and Alba, 1994; Capon et al., 2001). Thus, when a parent brand is perceived to be high quality, associated brand extensions will be evaluated in a similar context (Aaker and Keller, 1990; Capon et al., 2001). Further, provided consumers can establish some basis of fit between a brand and its extension, high quality products have been shown to have a greater potential to be extended to more diverse products categories (Bottomley and Holden, 2001; Keller and Aaker, 1992). However, the opportunity to exploit a brand's value is not limited to similar extension categories. That is, brands can successfully be extended to product categories that are dissimilar to the original category, provided consumers value the benefits the extended brand is able to deliver in the extended category (Broniarczyk and Alba, 1994).

There are certainly risks associated with such ventures. Brand extensions that create undesirable associations in the minds of consumers may adversely affect the image and equity of the parent brand. Conversely, consumer perceptions of a parent brand may affect the success of a brand extension (Pitta and Prevel Katsanis, 1995). Further, brand equity may be diluted when attributes of the extension are inconsistent with the parent brand. However, this is less likely to occur when consumers think the brand extension is atypical of the family of brands (Loken and Roedder John, 1993). Thus, a poor or wrong brand extension decision runs the risk of creating damaging associations that can become costly or even impossible to repair (Ries and Trout, 1986).

3.3.6.3 Summary

All brands within an organization's portfolio contribute to the overall equity of the portfolio. Each brand should have its own boundary and generate favorable associations either for other brands or the corporation as a whole (Keller, 2000). In managing brand architecture, organizations should identify the structure and nature of its existing brand portfolio and in so doing, delineate the relationships between brands. This will allow managers to identify opportunities for brand extensions and consider those brands for potential deletion. Further, managers can assess the impact of such extensions or deletions on other brands within the portfolio. Thus, managing brand architecture primarily involves ensuring that there is clarity, impact, synergy and leverage within and amongst the organization's brand offering, such that effective brand extensions decisions can be made (see Figure 3.4).

Figure 3.4 Managing Brand Architecture



3.3.7 Managing Brand Communications

Marketing communication plays an important role in conveying brand identity to stakeholders and building brand equity (Gardner and Levy, 1955; Shocker and Srinivasan, 1979). Some authors contend that a brand is built upon its communication efforts (Schultz and Barnes, 1999), with communication taken to include all activities and functions relating to a brand (Keller, 1993). Designing effective communication strategies involves looking beyond the promotional mix elements. It also involves taking into consideration the impact such aspects as brand name, product quality, distribution, pricing, company image, country-of-origin, logos, symbols, and so forth, have on consumers' brand perceptions (Aaker, 1992; Boulding et al., 1994; Henderson and Cote, 1998; Keller, 1993; Keller, Heckler, and Houston, 1998; Simon and Sullivan, 1993; Yoo, Donthu, and Lee, 2000). The key is to ensure that all the diverse tools used to communicate with an audience deliver a clear, unique and consistent message regarding a brand and its identity (Keller, 2000).

3.3.7.1 Brand Names, Logos and Color

Selecting an appropriate brand name can enhance brand awareness and help create a favorable brand image (Aaker, 1991). Brand names should be simple, familiar and distinctive (Keller, 1993). Names that are easy to comprehend, pronounce and spell aid the encoding-decoding process, whilst images associated with familiar words are often already present in memory. Given the way in which the human brain stores and processes information, brand names incorporating familiar words are therefore likely to be more readily recalled. Distinctive words, on the other hand, are often used to attract attention and reduce confusion with competing brands (Keller, 1993). Brand names that are suggestive of product benefits, whether that be its economic, functional or psychological benefits (Kotler and Armstrong, 2001), further aids the information processing and recallability of brand messages (Keller et al., 1998). When there is consistency between an advertised claim and the product benefits implied by a brand name, a consumer's ability to recall that information is enhanced (Keller et al., 1998). From a management perspective, non-suggestive brand names provide an organization with the flexibility to reposition a brand in that different product benefits can simply be highlighted through new advertising messages. However, the drawback is that consumers may find it difficult to accept or remember a new brand positioning, particularly if old associations persist. Repositioning a brand that has a suggestive brand name, on the other hand, can be more difficult. To do so requires an organization to commit sufficient resources and time to capture a desired product positioning (Keller et al., 1998).

Within international markets, brand name decisions are equally important. Research in this area, however, is somewhat limited, with most studies focusing on brand name selection within an English-language context (Zhang and Schmitt, 2001). Whilst some of these issues are relevant to making brand name decisions in foreign markets, linguistic and cultural aspects add a further complication. There are numerous real-life examples where such issues have not been considered, such as the use of the global brand name 'Nova' by General Motors, which translates to 'no go' in Spanish (Schmitt and Pan, 1994; Tavassoli and Han, 2001). To shed light on some of these issues, Schmitt and Pan (1994) examine the linguistic idiosyncrasies of the Chinese language and what it means for brand name selection. Whilst the same Chinese characters are used in a written context, there are vast differences between the spoken language of Mandarin and Cantonese. Further, certain words are 'tonal', suggesting that different meanings will be derived depending on how a word is pronounced and where the inflection is placed (Chan and Huang, 2001; Schmitt and Pan, 1994; Tavassoli and Han, 2001). Recognizing the difficulties associated with brand name decisions, Zhang and Schmitt (2001) propose a conceptual framework to assist the decision process in an international context. They suggest that marketers firstly commence with a linguistic analysis of a brand name and its translation. This should then be followed by a cognitive analysis, which involves developing an understanding of the way in which a brand name and its meaning is represented in the minds of consumers (Zhang and Schmitt, 2001). Such an approach recognizes that the cognitive processing of information may vary between individuals of different cultures (Tavassoli and Han, 2001) and that even subtle differences in language and writing systems, may have a significant effect on consumer memory (Tavassoli, 1999).

Brand logos can also convey messages and meaning to stakeholders. A logo should be recognizable, familiar, elicit the same brand meaning across a target audience and evoke positive associations (Durgee and Stuart, 1987; Henderson and Cote, 1998). This can be achieved by focusing on the design and visual dimensions of a logo, which have been shown to influence stakeholders' reactions and affective responses prior to any form of promotion (Henderson and Cote, 1998). The seven salient dimensions of logo design are described in terms of being natural, harmonious, elaborate, parallel, repetitious, proportionate and round (Henderson and Cote, 1998). Natural designs reflect the degree to which a logo depicts commonly experienced objects. Harmony in a logo design is captured through symmetry and balance. Elaborate designs incorporate depth and richness by having a degree of complexity, perception of motion or the appearance of perspective (ie. a three-dimensional design). Parallel designs contain multiple elements that are adjacent to one another, whilst repetition relates to part of a logo design being similar or identical to its other elements. Proportion represents the relationship between horizontal and vertical dimensions and finally, round designs are those comprised primarily of curved lines or circular elements (Henderson and Cote, 1998). Logos that incorporate a combination of each of the above design elements have the potential to influence stakeholders' recognition of, familiarity with and response to a brand (Henderson and Cote, 1998).

Given that color is extensively used in a brand's packaging, labeling and logo design, it too can potentially play an integral role in building and communicating brand identity (Madden, Hewett, and Roth, 2000). Different colors are often associated with different meanings, which can also vary across cultures. Research has found that colors such as blue, green and white, are not only well liked across countries, but also share similar meanings. Other colors, such as black and red, are also well liked but can have alternate meanings in different cultures. As such, color is an important image cue that can influence the associations consumers make with a brand (Madden et al., 2000).

3.3.7.2 Distribution

Managing brand communications also entails giving due consideration to the implicit brand messages conveyed as a result of the way in which a product is distributed. Research has shown that not only can a retailer's image impact upon a brand's image, but also the context in which a brand is displayed can have an equally significant effect (Buchanan et al., 1999). When a display context is consistent with a brand's image, as projected by an organization through other forms of communication, consumers are more likely to rely on stored judgments regarding the brand (Buchanan et al., 1999). For example, if a high quality brand is displayed with other brands of similar quality, consumers will rely more on stored knowledge as a basis for judging brand value, quality and so forth. Likewise, when there are inconsistencies between the two, consumers are more likely to rely on external cues to make judgments regarding brand quality and value (Buchanan et al., 1999). In turn, this may affect the value of a brand in the long-run (Yoo et al., 2000).

3.3.7.3 Promotional Mix

Organizations, of course, also utilize traditional marketing communication tools to convey brand messages to stakeholders. The primary goal of an organization's marketing communications efforts is to increase a brand's visibility, in terms of recognition and recall amongst stakeholders, build positive brand associations, which are clearly differentiated from competitors' brands and finally, develop deep, long-lasting relationships with customers (Aaker and Joachimsthaler, 2000a). Advertising is often the mainstay of such efforts (Low and Fullerton, 1994) and considered the most appropriate technique for creating, enhancing and communicating brand identity to stakeholders (Schultz and Barnes, 1999). Whilst the brand management system has evolved and changed over time, mass media advertising has continued to perform important functions for a brand (Low and Fullerton, 1994). Mass media advertising can assist in: (i) retaining brand loyal customers; (ii) bringing new users into a product category; (iii) increasing purchasing among light users; (iv) influencing the brand choice of customers who tend to switch between brands; and (v) strengthening a manufacturers ability to negotiate better deals with retailers (Schultz and Barnes, 1999).

The ability of consumers to recall advertising information is influenced by the use of suggestive or non-suggestive brand names (Keller et al., 1998) and whether an advertising message pertains to a new or well-established brand in the market (Kent and Allen, 1994). For well-established brands, consumers are able to better recall new product information whilst for new brands in heavily advertising categories, it becomes more difficult to remember product information from advertisements. As such, advertising is a more effective tool for established brands as the benefits of this tool can more readily be leveraged (Kent and Allen, 1994).

Brands with higher related recall tend to generate higher levels of awareness, trial and subsequently, sales volume (Willke, 1993). However, for those brands in heavily advertised product categories, such benefits are more difficult to realize due to the degree of clutter and promotional activity within the category (Willke, 1993). This factor, combined with advances in technology, have seen marketers increasingly utilize 'non-traditional' communication tools to reach an intended audience (Schultz and Barnes, 1999). This includes the use of sales promotion, direct marketing, publicity, sponsorship and the world-wide-web (Aaker and Joachimsthaler, 2000a; Schultz and Barnes, 1999).

Each marketing communications tool performs a number of brand-related functions, such as enhancing or reinforcing consumer brand awareness or helping to protect a brand both competitively and legally, and can be used to build strong brands (Keller, 2000). Advertising, for instance, can help create consumer demand for a given product, whilst trade promotions are better designed to help push a product through distribution. Recognizing the function that each marketing communications tool can perform for a brand, then, is the first stage in developing and managing effective brand communications (Keller, 2000). Yet this alone is insufficient. It is also necessary that organizations ensure that the essence of a brand is consistent across all of its marketing communication activities. Conflicting brand messages will result in confused consumers who have limited understanding of what a brand in fact stands for and what it is meant to represent (Keller, 2000). Consistency in communications, on the other hand, will help establish brands firmly in the minds of key stakeholders and enhance brand value in the long-run (Keller, 2000). As such, regardless of the specific communication tool used by an organization in delivering its brand message to stakeholders, it is imperative that consistency is maintained throughout. Finally, brand messages should be unique and positive as this will increase the degree of differentiation between competing brands and in so doing, insulate a product from future price competition. Conversely, non-unique brand messages may decrease differentiation, which could adversely affect a brand's equity (Boulding et al., 1994).

3.3.7.4 Investment

Enhancing brand value not only involves delivery consistent and unique brand messages. It also involves maintaining consistent investment in the brand and its communication efforts (Keller, 1993, 1999, 2000; Yoo et al., 2000). An organization's advertising efforts do have an immediate impact on sales, with the long-term effects generally the result of successive short-term effects (Jones and Blair, 1996). Further, the actual dollar amount spent on advertising has a positive effect on brand equity, as well as a significant impact on consumers' brand preferences and purchase intentions (Cobb-Walgren, Ruble, and Donthu, 1995). Whilst a causal relationship between advertising expenditure and brand equity has not been established, there is a real risk to organizations of losing equity over time should they cease or reduce investment in a brand (Cobb-Walgren et al., 1995).

Investment decisions can be based upon a brand's relative market share and the nature of the product category in which it competes (Vishwanath and Mark, 1997). Brands that compete in a premium category, with either low or high relative-market-share (RMS) positions, are best supported through investments in innovation and aggressive advertising campaigns. Such a strategy is necessary to maintain brand loyalty amongst customers, reinforce brand image and build brand equity (Vishwanath and Mark, 1997). In contrast, for brands that compete in value categories, but have high RMS positions, cost reduction is critical with marketing spending limited to trade and consumer promotions or other activities that lower a product's price (Vishwanath and Mark, 1997). Finally, brands in value categories, with low RMS positions, should either be divested or repositioned. The latter, however, does require significant investment for it to be successful. Again, reducing costs for brands in this position is imperative (Vishwanath and Mark, 1997). By analyzing brands along these dimensions, managers can more effectively make decisions regarding where and how scarce resources should be invested.

3.3.7.5 Internal Communication

A final area that has drawn the attention of marketing scholars is the role of internal communications. Advertising to the 'second audience', namely employees, is an activity that is often overlooked by organizations (Gilly and Wolfinbargor, 1998). Yet, it can play an important role in influencing the attitudes, beliefs and behaviors of employees, affecting their ability to do their job and their identification with and commitment to the company (Gilly and Wolfinbargor, 1998). One of the critical activities associated with devising effective internal communications is to ensure that there is some consistency with the messages transmitted to external stakeholders. Matching internal and external messages minimizes confusion amongst employees, enhances employees' perceptions of the company's integrity and trustworthiness and helps push the company to achieve goals that may otherwise be out of reach (Mitchell, 2002). Marketers are also better able to create more distinctive advertising messages, which are unique to the company and tap into the very soul of the organization (Mitchell, 2002).

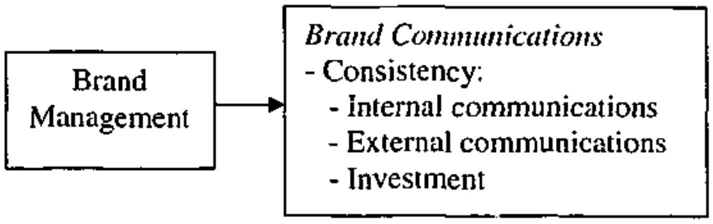
More recently, the importance of communicating brand values and identity to internal stakeholders has been the focus of scholarly attention. This concept, termed internal branding, has arisen through the recognition that employees are becoming evermore critical to the process of building brands. Some scholars even contend that the way in which a brand is positioned in the minds of consumers is almost entirely dependent on employees (Zyman, 2002). Internal branding involves three activities: (i) communicating the brand effectively to employees; (ii) convincing them of its relevance and worth; and (iii) successfully linking every job in the organization to the delivery of brand essence (Bergstrom, Blumenthal, and Crothers, 2002). It involves integrating the brand with all aspects of the business and can be useful in unifying disparate companies operating within the same portfolio. Further, internal branding can help people working within an organization to better understand their place in the 'big picture' and be more productive in contributing to it (Bergstrom et al., 2002).

The goal of any internal branding campaign is to create an emotional connection between employees and the company so that any decision or action taken by employees supports the company's brand vision (Harris and de Chernatony, 2001; Mitchell, 2002). This requires organizational commitment and a culture of openness and cooperation (Bergstrom et al., 2002). Communicating with employees and those parties responsible for managing a brand helps to clarify a brand's identity, vision and direction to be adopted for the brand. Further, effective internal communications can inspire and motivate employees to bring a brand alive for consumers (Aaker and Joachimsthaler, 1999; Cravens and Guilding, 1999; Harris and de Chernatony, 2001), as well as reduce the possibility of inconsistent brand messages being delivered to external stakeholders. As such, a brand's market place position and performance may be strengthened (Mitchell, 2002).

3.3.7.6 Summary

It is generally agreed amongst marketing scholars that communications can help position a brand in the minds of consumers and influence consumer purchase decisions (Assael, 1992; Boulding et al., 1994). Further, it can assist an organization in realizing its goals of increasing visibility, building positive associations and developing customer relationships (Aaker and Joachimsthaler, 2000a). Given the many ways in which brand meaning can be conveyed to an audience, there is certainly potential for conflicting brand messages to arise. As such, one of the challenges facing organizations is to ensure that through all avenues that brand meaning and identity is conveyed to stakeholders, a consistent theme is presented (Keller, 2000). This includes giving consideration to specific elements related to a brand, such as its logo or brand name, and the images these convey, as well as the messages delivered through the different promotional mix tools. Consistency in communication also relates to maintaining adequate investment in the marketing of a brand so that a brand's identity can be built and reinforced over the long-term and the long-term value of a brand can be enhanced. Effective internal communications fosters a sense of shared brand meaning amongst all those associated with a brand and further aids the process of delivering consistent, yet unique brand messages to external stakeholders. As such, the key to managing brand communications rests with an organization's ability to consistently communicate a desired brand identity to stakeholders (Aaker, 1991; D. A. Aaker, 1997; Faircloth et al., 2001; Keller, 1993, 2000) (see Figure 3.5). This assists the encoding-decoding process that occurs between a marketer and an audience and creates stronger grounds by which a mutual brand knowledge can be established (Haynes et al., 1999).

Figure 3.5 Managing Brand Communications



3.3.8 Managing Brand Value

There is very little debate amongst marketing scholars and practitioners regarding the value a strong brand can deliver to both an organization and its stakeholders. Moreover, the importance of this intangible asset is becoming increasingly apparent to senior executives, which has seen efforts diverted to assessing the true financial value of a brand, as well as entries being made on company balance sheets (Seetharaman, Nadzir, and Gunalan, 2001; Wood, 2000). Brand equity can be defined as the differential effect of brand knowledge on consumer response to the marketing of a brand (Keller, 1993). It is the incremental utility or value added to a product by its brand name (Farquhar, 1989; Srivastava and Shocker, 1991; Yoo and Donthu, 2001). Customer-based brand equity occurs when a consumer is familiar with a brand and holds favorable, strong and unique brand associations in memory compared to other available brands (Keller, 1993). Brand equity consists of four dimensions: brand loyalty, brand awareness, brand associations and perceived quality of a brand (Aaker, 1991). Brand loyalty refers to the attachment a customer has for a particular brand. Brand awareness relates to a consumer's ability to recognize and recall that a brand is a member of a certain product category (Aaker, 1991; Keller, 1993). Brand associations are anything that is linked in memory to a brand and can include user imagery, product attributes, brand personality and organizational associations (Aaker and Joachimsthaler, 2000a). Finally, perceived quality relates to a consumer's judgment of a product's overall superiority or excellence (Zeithaml, 1988).

Such definitions of brand equity suggest that the value of a brand rests in the minds of consumers and is created by a combination of the firm's marketing efforts. As a result, measuring consumer-based brand equity entails measuring the impact of brand knowledge on consumer responses to different elements of a firm's marketing program (Keller, 1993). Assessing consumer brand knowledge can be obtained using recall and recognition measures, as well as through a variety of qualitative techniques designed to elicit a deeper understanding of such responses and the associations consumers make with a brand. The effects of knowledge on a consumer's response to a brand can more readily be gauged through the use of conjoint analysis or experiments, such as blind tests where consumers evaluate a brand or elements of a brand's marketing mix, on the basis of a description, examination or actual consumption experience (Keller, 1993). Similarly, conjoint analysis enables organizations to explore the main effects of a brand name and interaction effects between a brand name and other marketing mix elements such as its price, features or promotion choices (Keller, 1993).

A number of alternative methods for measuring brand value have also been proposed. These can be classified into cost-based, market-based, income-based and formulae approaches (Cravens and Guilding, 1999; Seetharaman et al., 2001). Cost-based methods take into consideration the costs involved in acquiring, building or maintaining a brand. Whilst popular with accountants, this approach does fail to take into consideration the added value that can result from effective brand management practices (Seetharaman et al., 2001). Market-based approaches examine the future benefits associated with owning a brand. The problem associated with this method is that the exact market value of a brand can be difficult to determine and the effort and cost required to access relevant market-based information can be significant. An income-based approach involves determining the future net revenues attributable to a brand and discounting to the present value (Seetharaman et al., 2001). One way this can be achieved is to estimate the incremental increase in price a consumer is prepared to pay for a branded product compared to an equivalent unbranded product. This provides an estimate of a consumer's willingness to pay premium prices in comparison to another brand (Park and Srinivasan, 1994). Alternatively, a brand's potential future earnings (Aaker, 1991) or incremental cash flows (Simon and Sullivan, 1993) can also be estimated. The fourth approach, the formulae method, involves calculating and assigning a dollar amount to a brand's value based on various formulae (Seetharaman et al., 2001). Such an approach is used by Interbrand Company in identifying the Worlds Top 100 brands (Kapferer, 1992). Again, this can be a difficult and time-consuming task for organizations to undertake.

Some researchers have suggested that any one of the many measures designed to assess brand equity is suitable for estimating consumer brand choice (Agarwal and Rao, 1996; Mackay, 2001). However, such measures have often been developed without a rigorous assessment of their psychometric properties (Yoo and Donthu, 2001) or without taking into consideration the multidimensional nature of the brand equity construct (Faircloth et al., 2001). As a result, several studies have focused on operationalizing the brand equity construct and, in so doing, have provided a useful measure that assists the brand management decision making process (Faircloth et al., 2001; Yoo and Donthu, 2001). Yoo and Donthu's (2001) multidimensional measure of consumer-based brand equity (MBE) scale is based on Aaker's (1991) and Keller's (1993) conceptualization of brand equity and its associated dimensions. The resulting MBE scale comprises 10-items measuring the three dimensions of brand loyalty, perceived quality and brand awareness/associations. Washburn and Plank (2002) further examine the robustness of the MBE scale by using it to examine consumer responses for different brands in a co-branding context. Their findings provide some support for Yoo and Donthu's (2001) model, but they suggest the instrument would benefit from further refinement and reevaluation of its specific items.

Whilst some studies have focused on measuring brand equity, others have examined the relationship between various marketing mix elements and brand equity, as well as its individual dimensions (Yoo et al., 2000). Results indicate a positive relationship between price, store image, distribution intensity, level of advertising spending and the brand equity dimensions of perceived quality, brand associations/awareness and brand loyalty. Likewise, a negative relationship between brand equity and the frequency of price deals has been noted (Yoo et al., 2000). These findings suggest that high advertising expenditure, high price, good store image and high distribution intensity will enhance brand equity, while the use of excessive price promotions leads to lower brand equity (Yoo et al., 2000).

Other researchers have examined the impact of brand attitudes and brand image on brand equity. Results demonstrate a positive direct effect between brand equity and brand image, as well as brand attitudes and brand image, but an indirect effect between brand equity and brand attitudes (Faircloth et al., 2001). These findings provide partial support to the conceptualization of brand equity as a combination of brand image and attitudes (Aaker, 1991; Keller, 1993). Further, the results suggest that any relationship observed between brand attitudes and equity may be a result of the role brand attitude plays in the formulation of brand image. As such, brand image may be a better predictor of brand equity than brand attitude (Faircloth et al., 2001).

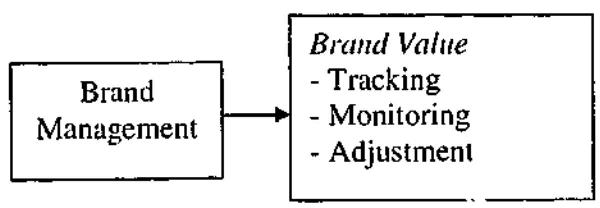
Finally, other studies have examined the relationship between brand equity and organizational performance. Based on data gathered through a commercial market research company, Aaker and Jacobson (1994) were able to establish a causal link between brand equity and an organization's stock return. Firms with the largest gains in brand equity achieved stock returns of approximately 30 percent, whilst those with losses in brand equity achieved an average of negative 10 percent in stock returns. From these results, Aaker and Jacobson (1994) conclude that brand equity drives stock return and hence, contributes significantly to improvements in organizational performance.

Overall, studies relating to the measurement and management of brand equity attest to the importance of focusing on the individual components of brand equity (Yoo and Donthu, 2001; Yoo et al., 2000). Doing so necessitates acquiring information on the brand knowledge held in consumer memory and determining whether desirable brand associations and awareness exist (Keller, 1993). Such information should then be incorporated in the development and implementation of appropriate strategies to build brand value. It is important to note, however, that this should be a continual and on-going process that an organization engages in when managing brand value. As such, having in place a system that monitors changes in consumer knowledge, attitude, perceptions, awareness and so forth is necessary (Keller, 2000).

3.3.8.1 Summary

Primarily the challenge facing marketers in managing brand value is to estimate the level of consumer knowledge pertaining to a brand and its relative worth compared to competing products. A number of alternative methods for estimating brand equity have been proposed, some of which offer subjective evaluations and others that attempt to assign a dollar value to a brand. Regardless of which method is adopted, it is still necessary to have in place a system that enables an organization to acquire the necessary information for estimating brand value and to track changes in brand equity. Such a system should be designed to capture information along each of the dimensions of brand equity, namely brand awareness, brand loyalty, quality perceptions and brand associations (Aaker and Joachimsthaler, 1999; Keller, 2000). Further, a tracking system can help clarify a brand's meaning, capture consumers' reactions to tactical and strategic changes to a brand and monitor a brand's ability to stay relevant to consumers (Keller, 2000). When these measures are available, an organization has the basis on which to create programs and implement strategies that will build a strong brand, whilst avoiding those programs what could possibly destroy its equity (Aaker and Joachimsthaler, 1999). As such, tracking and monitoring sources of brand equity will enable an organization to remain responsive to shifts in the external and internal marketing environments (see Figure 3.6).

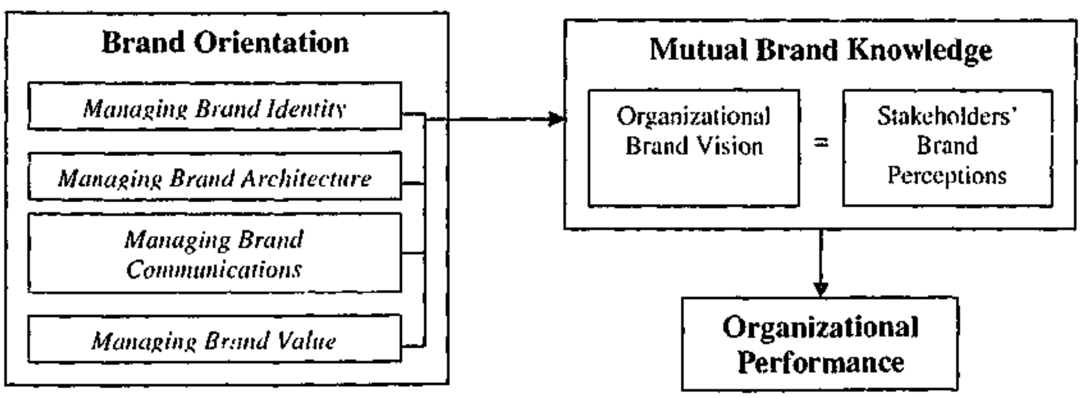
Figure 3.6 Managing Brand Value



3.4 An Operational Definition of Brand Orientation

From the preceding discussion, it is apparent that brands are valuable organizational assets that can deliver benefits to an organization in the form of higher brand equity, protection from competition and leveraging ability (Aaker, 1991). To realize these benefits, managerial activities should be directed toward nurturing and growing brands, which involves managing brand identity, architecture, communication and value. Managing brand identity primarily involves acquiring information on stakeholders and creating a differentiated brand identity that is valued and relevant to their needs. Brand architecture entails ensuring there is clarity, impact, synergy and leverage within and amongst an organization's brand portfolio, whilst managing brand communications involves ensuring there is consistency in the way in which brand identity is represented and communicated to target audiences. Finally, managing brand value resides with an organization's ability to measure, monitor and respond to changes that may affect brand equity. By focusing on each these aspects of brand management, an organization is able to effectively monitor consumers' brand perceptions, identify whether such brand attitudes confer with their own brand vision and instigate strategies that reinforce positive brand beliefs or change negative perceptions. Future growth opportunities can also be identified and estimations made of the relative value of a brand in the minds of consumers. In so doing, organizations can create brands that truly resonate with consumers and deliver to them the tangible and intangible benefits they desire. Ultimately, this should lead to the development of stronger brands and an improvement in organizational performance (see Figure 3.7).

Figure 3.7 Brand Orientation



In light of this, brand orientation is proffered as a viable business philosophy, which may be pursued by organizations either alone or in conjunction with other business philosophies. Adopting such a philosophy provides the mechanism by which an organization can generate and sustain a shared sense of brand meaning with its stakeholders, which can lead to subsequent improvements in performance. Within this context, brand orientation is defined as follows:

> *Brand orientation is the organizational-wide process of generating and sustaining a shared sense of brand meaning that provides superior value to stakeholders and superior performance to the firm.*

Such a philosophy reflects an organization's focus on the internal and external activities necessary to build and sustain strong brands in the market place. In turn, these brands deliver superior value to stakeholders and help achieve positive performance outcomes for the firm itself.

By amalgamating the themes reiterated in the extant brand management literature, it can be surmised that the salient dimensions of brand orientation relate to the management of brand identity, architecture, communication and value. Further, these four components underpin the effective operationalization of the brand orientation construct.

3.5 Brand Orientation Across Contexts

In spite of the significant contributions made to the brand management literature by marketing scholars and practitioners, there are nonetheless several knowledge gaps that can readily be identified.

First, empirical studies of the extent to which firms focus on the management of brands as part of a guiding business philosophy remain elusive. In fact, only recently has brand orientation been recognized as a potentially viable business philosophy (Hankinson, 2000, 2001b, 2002; Simoes and Dibb, 2001; Urde, 1994, 1999). Yet this research has predominantly been either conceptual or exploratory.

Second, the brand management literature has focused almost exclusively on large, commercial, multinational brands (for example, the Interbrand 'top 100'). Whilst valuable insights into the process of creating and managing brands have been gained, the contexts to which such practices apply may be limited. In particular, there are only a limited number of studies that examine the efficacy of brand management, or rather brand orientation, in nonprofit organizations (see Hankinson, 2000, 2001a, 2001b; Hankinson and Hankinson, 1999). This is surprising, given that marketing scholars have long recognized the potential transferability of key concepts and philosophies to the nonprofit sector (Kotler and Levy, 1969) and the conceptual development of brand management in the for-profit sector has progressed rapidly since the latter part of the 19^{th} century (Low and Fullerton, 1994). Often lacking the capabilities, marketing power and resources of their for-profit counterparts, it raises a number of obvious and salient questions for nonprofit marketers relating to where and how best to focus their (often limited) resources to leverage their brand's full potential.

This study seeks to redress some of these issues by developing a measure of nonprofit brand orientation and examining the relationship between this business philosophy and the performance of nonprofit organizations. To better understand the idiosyncratic nature of nonprofit marketing and scholarly contributions to the discipline, a review of the extant literature is presented in the following chapter. This then leads to the delineation of the objectives, hypotheses and research design incorporated in this study.

3.6 Chapter Summary

Brands and their management have occupied the minds and actions of practitioners and marketing scholars since the latter part of the 19^{th} century. Cognizant of the benefits a brand can deliver, organizations have increasingly focused their activities toward the creation and management of strong brands. Similarly, scholarly attention has turned toward the development of a stronger theoretical understanding of the characteristics of and processes involved in developing strong brands and the impact on performance.

In this chapter, the extant brand management literature has been reviewed. Research in this area has predominantly resided in the conceptual development of models and frameworks to aid managers in their decision making process. This chapter provides an overview of current thinking in relation to the management of brand identity, architecture, communications and value. Through an amalgamation of these concepts, an operational definition of brand orientation was developed and its salient components delineated. This chapter concluded with an alternative context in which brand orientation may be adapted, namely the nonprofit sector.

Chapter 4
Marketing in the Nonprofit Sector

4.0 Chapter Overview

In Chapter 1, the background to the research and the objectives to be addressed in this study were specified. As noted, the primary purpose of this research is to develop a psychometrically robust and generalizable measure of nonprofit brand orientation and examine its relationship with organizational performance. Drawing on Clark and Marshall's (1981) theory of mutual knowledge, the importance of brand management was explained in Chapter 2. From this perspective, brand orientation was proffered as a viable business philosophy, which enables organizations to generate and sustain a shared sense of brand meaning with stakeholders. In Chapter 3, the extant brand management literature was reviewed. Four themes relating to the management of brand identity, architecture, communications and value, emerged, which were said to underpin the effective operationalization of the brand orientation construct.

Given this study focuses on brand orientation within a nonprofit context, this chapter presents an overview of the extant nonprofit marketing and branding literature and the developments that have emerged in this field to date. The chapter begins with the critical issues and challenges confronting nonprofit organizations and the expansion of the marketing concept to this domain. The discussion then turns to the importance of branding within a nonprofit context and concludes with the process by which a strong nonprofit brand can be created.

4.1 Introduction

Marketing scholars have long recognized the potential transferability of key concepts and philosophies to the nonprofit sector (Kotler and Levy, 1969). Advertising effects, market orientation and relationship marketing in nonprofit organizations have been among the issues recently examined by researchers in this field (Caruana et al., 1998;

Marchand and Lavoie, 1998; Voss and Voss, 2000). It is therefore a little surprising that the efficacy of brand management in nonprofit organizations has received only scant attention, particularly since the conceptual development of brand management in the commercial sector has progressed rapidly since the latter part of the 19th century (Low and Fullerton, 1994). Whilst marketing and branding alone is not purported to be a 'quick-fix' elixir in this regard, it does have the potential to make a useful and ongoing contribution to organizational performance in the nonprofit sector.

4.2 Emerging Issues and Challenges for Nonprofit Organizations

In any competitive market place, an organization's long-term survival will depend on its ability to sustain an adequate level of profitability. This is equally true for both profit and nonprofit organizations, albeit not always the primary motivator for the latter. Nonprofit organizations are broadly defined as those that do not have a generation of profit as its primary purpose (Rees, 1998). This definition encompasses a number of different types of organizations, including churches, theatres, museums, educational institutions, and public service providers (Rees, 1998). Nonprofit organizations form an integral and relatively large sector of many economies. By way of example, there are approximately 1.3 million tax-exempt organizations in the United States, of which nearly 700,000 are public charities and the remainder comprising such institutions as private schools, foundations, hospitals and religious organizations (Lowell, Silverman, and Taliento, 2001).

The reduced role that governments (around the world) are playing in the provision of social goods and services (Lowell et al., 2001), has seen the emergence of an increasing number of nonprofit organizations, some of which are relatively small in size or offer remarkably similar services (Lindenberg, 1999; Shore, 2001). As such, the industry tends to be comprised of multiple players that compete with one another for scarce public and private funds. Long-term survival has become even more contingent on an organization's ability to access or raise funds. Aside from reduced government funding, there are many other factors shaping the way in which nonprofit organizations operate. Often grants donated by private donors and organizations are one-shot payments or are assigned to a particular, usually short-term, project or event (Lowell et al., 2001). Donors are often reluctant to provide resources to support the general operating expenses of an organization. Further, organizations that have been successful in attracting additional funding or generating new sources of revenue, are often penalized for this success by a reduction in the level of support received from its traditional donors (Lowell et al., 2001).

Another problem facing nonprofit organizations is that they are often discouraged from investing in important, and often needed, infrastructure and professional development of staff (Lowell et al., 2001; Scheff and Kotler, 1996). This, in effect, is counterproductive as it can limit an organization's ability to grow and tackle emerging social and economic problems effectively. In the future, nonprofit managers may need to adjust their current mindset and divert some resources from short-term projects to longer-term investments (Lowell et al., 2001). However, this can be difficult when such organizations are faced with increasing 'costs of production', cash flow problems or a stagnating audience/donor base (Scheff and Kotler, 1996).

As well as mounting external pressures, nonprofit managers are also faced with pressures emanating from the internal environment. Often, conflict and tension between a national office of a nonprofit organization and its core affiliates may arise. This may be in relation to the allocation of resources, delivery of services in specific regions or to particular stakeholder groups, use of the parent/brand name and of course, payments made to the national office for support services (Grossman and Rangan, 2001). The type of structure imposed on multi-site nonprofit organizations may contribute to some of these problems. The structure may take the form of a national umbrella that loosely joins together a collection of autonomous affiliates or a more rigid, centralized corporate system where decisions are controlled by a head office (Young, 1989). Many of these tensions, however, can be minimized, or at the very least managed, by using a franchised system, which provides a better balance between headquarters' need for control and an affiliate's need for autonomy (Oster, 1992).

With the nonprofit marketplace becoming more competitive and resources becoming increasingly scarce (Lindenberg, 1999), the principle focus for many nonprofit managers is toward attracting and raising funds and establishing viable partnerships with others (Lowell et al., 2001). Not surprisingly, many nonprofits are well aware of the role marketing can play in achieving such objectives (Rees, 1998).

4.3 Marketing in the Nonprofit Sector

Since Kotler and Levy's (1969) call to broaden the marketing concept, nonprofit researchers have examined a range of issues such as pricing, competition, service quality, promotion, customer satisfaction, consumer attitudes, strategic planning, relationship marketing and services marketing (Cousins, 1990; Marchand and Lavoie, 1998; McLean, 1994; Mehta and Metha, 1995; Rees, 1998). Advertising and marketing communications has been one area that has been investigated from a number of different perspectives. Marchand and Lavoie (1998), for instance, examine the use of and attitudes toward, advertising as a marketing communications tool within nonprofit organizations. Findings indicate a degree of reluctance amongst nonprofit managers in using this tool. They consider it to be an inefficient means of communication and also expensive. As such, nonprofit organizations tend to make use of a combination of other media and communication techniques (Marchand and Lavoie, 1998).

Brunel and Nelson (2000) investigate consumers' reactions to different charitable advertising appeals, identifying the strategies that are most effective in eliciting a desirable response from males and females. Results show that females evaluate 'help-other' appeals more favorably than males, with the converse being observed for 'help-self' advertising appeals. The authors conclude that women prefer and are likely to be persuaded more by, charity appeals that contain caring values, while men are motivated to help by advertisements that convey justice-oriented themes. These findings lend support to the view that men and women do differ in their response to advertising messages. As such, charity organizations would benefit greatly by adopting an 'audience-led strategy', where advertising messages are tailored to specific audiences (Brunel and Nelson, 2000).

Other researchers have sought to develop an understanding of why people help and the factors that affect helping behavior. Such information can act as important input into an organization's promotional strategies. Bendapudi et al. (1996) suggest that donors progress through four stages in their decision to help. The first stage is a perception of need, that is, a prospective donor must believe that a charity or other beneficiary is in need of help. Second, donors must be motivated to respond to the appeal. Third, the donor then engages in the chosen behavior by complying or not complying with the request and finally, the consequences of their selected course of action then emerge. Understanding this decision process places nonprofit organizations in a position where they can develop effective promotional strategies, which can influence and change donor attitudes and behavior at each stage of the process (Bendapudi et al., 1996).

The application of the marketing concept across a range of business sectors, including the charity, health care, education, public service and arts sectors is another area that has been extensively researched (Caruana et al., 1997, 1998; Paul and Hanna, 1997; Voss and Voss, 2000). At the centre of the marketing concept is the premise that the 'customer is king' and that organizational efforts should be directed toward satisfying their needs and desires. Kotler and Andreasen (1991) describe this as being 'customer-centered' as opposed to 'organization-centered'. The latter sees nonprofit organizations place more emphasis on a product/service offer that they believe to be more appropriate for a market, without taking into consideration the needs of the market (Ignacio et al., 2002). From a customer-centered perspective, an organization must know its customers and develop an understanding of their likes, dislikes, passions, beliefs and attitudes toward the nonprofit organization. As customers' needs change, so too should an organization's marketing strategy (Kotler and Armstrong, 2001). This requires a sustained commitment to acquiring market intelligence (Martinsons and Hosley, 1993; Scheff and Kotler, 1996).

Marketing scholars have sought to explore the nature of market orientation within a nonprofit context and its relationship to organizational performance. Ignacio et al. (2002) describe nonprofit market orientation in terms of both an organizational philosophy/culture and as an organizational behavior. The former perspective involves organizations turning their attention to three primary activities: (i) a focus on the external environment, which includes beneficiaries, agents, donors and competitors; (ii) the integration and coordination of individuals and departments within the organization to achieve the company's mission whilst at the same time satisfying the needs of its external constituents; and (iii) adopting a long-term approach to relationship management. As an organizational behavior, market orientation drives the activities and behaviors of members within an organization. In order to effectively satisfy stakeholder expectations, organizations must strive to generate intelligence on the nonprofit market, disseminate this information to relevant members within the organization and thirdly, develop and implement strategies and action plans that provide a swift and flexible response to the demands of the nonprofit market (Ignacio et al., 2002). Such activities are not too dissimilar to Jaworski and Kohli's (1993) definition of market orientation for the profit sector, which suggests that some commercial marketing practices are adaptable to the nonprofit sector.

Substantial empirical evidence of the benefits that nonprofit organizations can derive by adopting a market orientation has been well documented in the extant literature (Balabanis et al., 1997; Caruana et al., 1998). Some scholars suggest that failing to adopt such a philosophy will result in performance problems, such as a decline in market share, customer satisfaction, revenue and even community image, while pursuing a market orientation will enable organizations to create a sustained source of competitive advantage (Olden et al., 2002). There is strong empirical evidence to support the relationship between market orientation and performance, both in the for-profit sector (as noted in Chapter 3) and also in the nonprofit sector. Caruana et al. (1998), for instance, examined whether market orientation amongst higher education institutions contributed to performance, with results indicative of a positive relationship. Interestingly, it is the ability of a university to remain responsive to changing market needs, rather than generation and dissemination of marketing intelligence, that is the significant predictor of performance and their ability to secure non-government funding.

Other studies have demonstrated a similar relationship between an organization's level of market orientation and their ability to attract and grow resources (Chan and Chau, 1998; Gainer and Padanyi, 2002). Further, market oriented organizations have also been shown to have a greater ability to deliver satisfaction to stakeholders whilst enhancing their reputation amongst their peers (Gainer and Padanyi, 2002). However, there does seem to be a lag effect between market orientation and performance. Nonprofits that have pursued such a philosophy in the past are often better placed to achieve their long- and short-term organizational objectives (Balabanis et al., 1997).

The usefulness of market orientation as a driving business philosophy within a nonprofit context is not without its critics. First, it has been suggested that it can be difficult to ascertain who precisely a nonprofit's 'customer' is, given they typically have donors or recipients (Clarke and Mount, 2001; Liao et al., 2001). As a management philosophy, market orientation should primarily involve the creation of an organizational culture that sets the satisfaction of donor and beneficiary needs as a priority (Ignacio et al., 2002). Second, several researchers have noted that in certain situations, an 'excessive' customer orientation can stifle creativity and in fact, impede an organization's performance (MacDonald, 1995; Voss and Voss, 2000). Third, nonprofit organizations have yet to move beyond the communications and public relations dimension of marketing, and fully embrace market orientation as their driving organizational philosophy (Lovelock and Weinberg, 1989; Mokwa, 1990). Cognizant of these issues, Liao et al. (2001) contend that a societal, rather than market orientation, has more meaning and relevance to nonprofit organizations. This philosophy not only takes into consideration customers, competitors and employees of an organization, but also the needs of the wider society of which it forms a part.

Other researchers have called into question the transferability of commercial marketing practices to the nonprofit sector. Hutton (2001), for instance, cautions against the over-adoption of marketing in non-traditional settings. He questions whether the 'customer-centric' philosophy, which is central to business and consumer marketing, is compatible with the nature of a productive social institution. In another study, McLean (1994) examines the relevance of services marketing theories in a nonprofit museum context. She concludes that a number of factors are unique to museums and cannot be fully explained by the current services marketing framework. She posits that a museum's collection and its physical structure, for instance, is central to its identity and character and the basis on which a customer's experience is defined. Further, it is the people within an organization that determines the type of relationship established with the public (McLean, 1994). In particular, the museum director plays a crucial role in shaping the museum's policy and influencing the attitude and response of staff (Bradford, 1991). Such issues extend beyond the realm of what is currently espoused in the extant service marketing literature.

Another issue that has warranted some debate is whether the current exchange paradigm, underlying the marketing discipline, is appropriate for the nonprofit sector (Clarke and Mount, 2001; Liao et al., 2001). Although proponents of this classic school of marketing thought argue that charitable donations are made by individuals seeking to maximize their own personality utility (Andreoni, 1990; Bendapudi et al., 1996; Kotler and Andreasen, 1991), others assert that this perspective is simply stifling the development and advancement of alternate theories of donor attitudes and behavior (Clarke and Mount, 2001). In general, however, marketing has gained acceptance amongst the nonprofit practitioner community (Sargeant, 2001).

Beyond the nonprofit versus for-profit marketing debate, research efforts have turned toward examining the role and importance of branding within the nonprofit sector. Interestingly, the majority of studies undertaken in this area have focused on charities. Current developments in the field are discussed in the following section.

4.4 Branding in the Nonprofit Sector

Although brands and their management have been well entrenched in the commercial sector for over a century (Low and Fullerton, 1994), it is only in recent years that researchers have begun to investigate the salience of brands within a nonprofit context. Much like the previous discussion, some controversy also exists in relation to the applicability of commercial branding principles to the nonprofit sector. Several scholars contend there are many opportunities for organizations to use commercial branding practices in the development of nonprofit brands (Roberts-Wray, 1994; Tapp, 1996). Others, however, suggest that nonprofit organizations should not be too hasty in replicating the branding efforts and strategies of their commercial counterparts and should proceed with some caution (Saxton, 1994). In spite of opposing viewpoints, scholars are in general agreement regarding the importance of branding to this sector. In this regard, research efforts have turned toward progressing the field of knowledge and developing frameworks and models for building successful nonprofit brands.

Several research streams are evident in the nonprofit branding literature. One stream examines donor attitudes and behavior. Webb, Green, and Brashear (2000) distinguish between attitudes toward helping others (AHO) and attitudes toward charitable (ACO) organizations. Their results demonstrate that individuals with a positive AHO and ACO are more likely to make a donation to a charity, regardless of its mission. However, monetary contributions to a charity are higher amongst those individuals with a more positive attitude toward a charitable organization. Implicitly, these findings suggest that brand image plays an important role in shaping stakeholder attitudes and actions, which is consistent with prior research in the field (Bendapudi et al., 1996; Harvey, 1990). An organization's image provides important cues to potential donors regarding the efficiency of its operations, degree of familiarity and its credibility (Bendapudi et al., 1996). If a charity is perceived to possess these attributes, its marketing communication efforts tend to result in greater perceptions of need and helping behavior amongst donors (Harvey, 1990). As such, it is important that nonprofit managers are aware of how their organization is perceived in the market and remain proactive in the creation and sustenance of a desirable brand identity.

Other researchers have focused on delineating the processes involved in creating strong (charity) brands. In this regard, four primary activities are central to the process. These relate to understanding stakeholders' brand perceptions, creating a unique brand identity, selecting the right position for a brand and communicating the brand position to stakeholders (Tapp, 1996). The first activity involves undertaking research to gain a better understanding of stakeholders' brand attitudes, beliefs and perceptions (Hankinson, 2000). This, in itself, is not without its challenges, particularly given that undertaking market research is still the exception, rather than the rule, in some nonprofit sectors (Tapp, 1996). Nonetheless, organizations that undertake this activity are better able to understand how key stakeholders articulate and describe both the tangible and intangible features of an organization's brands (Tapp, 1996). This is an essential prerequisite for the development of a unique brand identity (Keller, 1993).

The second element of the process involves the creation of a unique identity for a nonprofit brand, which resonates with stakeholders and is differentiated from competing brands (Hankinson, 2000). This involves giving consideration to both a brand's functional and symbolic components (Tapp, 1996) and ensuring that a brand identity reflects the vision and beliefs of the organization itself (Hankinson, 2000; Saxton, 1994). This will enable an organization to build long-term relationships with stakeholders who share the same vision as the brand and organization (Saxton, 1994). In reality, however, rarely are such values used as the pillars on which a brand identity is built or communicated to an audience (Saxton, 1994). This is somewhat surprising given that many nonprofit managers can readily articulate the values and beliefs that drive an organization's efforts. It may be that nonprofit organizations either do not have access to the tools or resources that would enable them to translate the organization's internal philosophy into a viable brand identity. Alternatively, they may simply be unaware of the value or benefits a strong brand can deliver to an organization. Further research in this area may shed light on this issue.

A third consideration for nonprofit managers is how to position a brand in the minds of its stakeholders. Like their commercial counterparts, nonprofit brand identity needs to be kept up-to-date, relevant and politically correct to maintain its appeal with stakeholders (Hankinson, 2000). Tapp (1996) proposes that brands can be positioned along two dimensions. The first dimension, functionality, refers to donors' perceptions of whether an organization effectively satisfies client needs. The second dimension, representativeness, describes the extent to which a cause aligns with stakeholders' beliefs about themselves. A brand's positioning may be one that is highly functional and highly representative, high on one and low on the other dimension or low on both dimensions (see Figure 4.1). For brands occupying the first position, ongoing research is necessary to ensure that a brand's image continues to be matched to stakeholders' self-perceptions and that a broad range of achievements are demonstrated to potential donors. The second position, low representativeness-high functionality, requires that an organization provides sufficient and continued investment in a brand to maintain a functional advantage over competitors. Brands that are positioned as highly representative with low functionality, sees communication emphasis shift toward the symbolic elements of a brand and how the brand fits with a donor's lifestyle. For organizations seeking to pursue the final position (low-low), convenience is the key, that is, donors should be provided with ready access and opportunity to donate to a cause (Tapp, 1996). As a managerial tool, this matrix provides some direction to nonprofit organizations with respect to positioning a brand and communicating desirable attributes to a target audience.

Figure 4.1 Positioning Nonprofit Brands

		Representativeness	
		Low	*High*
Functionality	*Low*	• Aim for convenience to elicit donations *eg. National Lottery*	• Emphasize symbolic brand elements and fit with donor lifestyle *eg. Red Cross*
	High	• Maintain functional advantage over competition *eg. Local hospice*	• Ensure that brand image matches stakeholders' self-perceptions • Demonstrate the organization's achievements *eg. Greenpeace*

Source: Adapted from Tapp, A. (1996). 'The Use of Brand Management Tools in Charity Fundraising', *Journal of Brand Management*, 3(6): 400-410

Creating a coherent brand identity and ensuring stakeholders have the right brand perceptions necessitates building brand trust, aligning a brand's identity with the inherent psychological needs and desires of potential donors and communicating these points of difference to stakeholders (Tapp, 1996). As such, communication is the fourth element in the nonprofit branding process. Much like their commercial counterparts, the selection of an appropriate brand name is an important task within the nonprofit sector as it can communicate a brand's position and identity to an audience (Hankinson, 2000). However, for nonprofit organizations, particularly charities, selecting a name that inspires trust and readily communicates something about what a charity is doing and what it stands for is vital (Tapp, 1996). Without this, confusion and lack of clarity in relation to the charity's mission may easily arise, which can increase a donor's level of perceived risk in contributing to a particular organization.

Likewise, nonprofit organizations can make use of a number of different communication channels to convey the brand's message to a selected audience. As noted previously, however, using paid forms of advertising is often kept to a minimum, which is a result of the high cost associated with this medium (Saxton, 1994) and the negative perceptions surrounding its usefulness (Marchand and Lavoie, 1998). As such, marketing publicity and direct marketing often form the mainstay of a charity organization's communication efforts (Marchand and Lavoie, 1998). The Internet provides another avenue by which a nonprofit organization can communicate with its target audience. A well designed website will enable an organization to engage and interact with a diverse range of stakeholders on a variety of issues, such as education, recruitment or fundraising (Hankinson, 2000). Managers of larger organizations view this as the key communication medium in the future and have already established a strong presence in this medium (Hankinson, 2000).

Cognizant of the importance of branding to the nonprofit sector, Hankinson (2000, 2001b, 2002) provides empirical insights into this issue. Based on her in-depth interviews with charity managers in the United Kingdom, a number of interesting findings have emerged. First, UK charity managers are largely familiar with branding terminology as it is used in the commercial sector (Hankinson, 2000), which contrasts with Tapp's (1996) earlier findings. Second, brands are often used to strengthen awareness of an organization, assist fundraising activities, recruit staff and volunteers, create a cohesive organizational culture, build trust and provide a mechanism by which to establish viable cause-related marketing partnerships (Hankinson, 2000). Interestingly, charity managers in larger organizations are using their brands for this purpose to a far greater extent than those is smaller organizations. Other studies have also shown that organizations with strong brands are more effective in communicating organizational values to stakeholders (Tapp, 1996), changing public opinion (Lindsay and Murphy, 1996), building donor trust (Tonkiss and Passey, 1999), achieving objectives (Graham, Harker, Harker, and Tuck, 1994; Hankinson, 2002; Simoes and Dibb, 2001) and attracting a higher proportion of voluntary income (Hankinson, 2001b). In spite of the potential benefits, however, brands still remain a largely underutilized strategic asset within the nonprofit sector (Hankinson, 2000; Roberts-Wray, 1994; Tapp, 1996).

Hankinson's (2001b) main contribution to the field perhaps marks one of the first attempts to develop a measure of brand orientation for charity organizations and assess its impact on performance. Within this context, she defines brand-oriented charities as those that regard the organization as a brand and whose actions and attitudes are consistent with the brand construct. Further, brand orientation is said to comprise four dimensions, which relate to an understanding of what a brand does and the values it represents, communicating the brand to both internal and external stakeholders, using the brand as a strategic resource and managing the brand actively and deliberately (Hankinson, 2001a).

In developing a measure of brand orientation, Hankinson (2001b) conducted a series of in-depth interviews and a review of the extant brand management literature to generate 26 items pertaining to each of these four dimensions. The survey was then distributed to fundraising directors of charity organizations in the United Kingdom. Data was subjected to an exploratory factor analysis, which produced one general factor of brand orientation and six minor factors (Hankinson, 2001b). The one general factor included items pertaining to three of the above four dimensions, namely brand understanding, brand communication and the strategic use of brands, whilst several of the six minor factors related to the organization's brand management activities (Hankinson, 2001b). From this analysis, a clear distinction between each of the proposed dimensions of brand orientation has failed to emerge, which raises the issue of whether brand orientation in the charity sector is a unidimensional or multidimensional construct. Further, given that the validity of the proposed scale has not been established in Hankinson's (2001b) study, it does bring into question the ability of the scale to measure what it purports to measure and whether it in fact captures the true nuances of brand orientation within the charity sector.

In a subsequent study, Hankinson (2002) examined the impact of brand orientation on the activities and practices of charity fundraising managers. Findings indicate that managers with a higher level of brand orientation are better able to influence others in adopting a brand focus, are more adept at translating this commitment to the brand into managerial practice and are better able to raise money from voluntary sources, compared to low brand oriented managers. These results suggest that if key personnel within an organization are brand oriented, the pursuit of such a philosophy is likely to be more readily accommodated and adopted by others. As such, organizations that direct their managerial actions and practices toward the development, acquisition and leveraging of branded products and services will be better placed to see positive gains in their performance (Hankinson, 2001b; Noble et al., 2002).

Indeed, marketing scholars have expanded the domain of nonprofit marketing and, more recently, have begun to examine the nature and role of branding within this sector. Further, there is no doubt that Hankinson's (2000, 2001a, 2001b, 2002) studies provide an important step forward in the development of a brand orientation scale. However, with most brand-related studies focusing on a single nonprofit sector, there is certainly scope for further research in this area.

4.5 Chapter Summary

This chapter describes the current developments in the extant nonprofit marketing and branding literature. The chapter commenced with an overview of the emerging trends and challenges facing nonprofit organizations and the important role marketing can play in helping an organization maximize its market potential and performance. The discussion then turned to a review of the nonprofit branding literature branding. As noted in this chapter, a strong brand can be an important organizational asset for a nonprofit organization and if well-managed and leveraged, has the potential to deliver to them many benefits. The final section of this chapter describes the emergence of a potentially viable business philosophy for nonprofit organizations to pursue, namely brand orientation. Research in this area is still largely exploratory, yet there is mounting evidence to suggest that organizations, which pursue such a philosophy, will be in an advantageous position in the years to come. Further research, however is required to explore this construct in more depth.

Chapter 5
Research Objectives and Hypotheses

5.0 Chapter Overview

Given the paucity of empirical research relating to branding in a nonprofit context, there is scope for marketing scholars to expand the current domain of knowledge. In this chapter, the purpose of the study and the research questions to be addressed, are defined. The chapter begins by outlining the knowledge gaps evident in the literature, leading to the delineation of the research objectives. The discussion then turns to the hypotheses to be tested in this study. In so doing, it is anticipated that several knowledge gaps evident in the brand management literature will be addressed.

5.1 Introduction

It is evident from the preceding discussion that brand management has become an increasingly important, yet complex activity for many organizations. Further, the scope and nature of brand management is continuing to evolve and change, due in part to internal and external environmental pressures (Shocker et al., 1994). Whilst the conceptual development of brand management is keeping abreast with these challenges, there is clearly a lack of empirical research in this area (Malhotra, Peterson, and Kleiser, 1999). Further scholarly attention is required to address the salient issues and challenges confronting nonprofit organizations and in so doing, elucidate potential solutions to these problems. There are a number of reasons for this.

First, there is still some debate surrounding whether marketing principles developed in a commercial context are relevant to the nonprofit sector. Such an issue may be difficult to resolve without empirical examination of the concepts in question.

Second, as noted in the preceding chapter, nonprofit organizations constitute a significant proportion of most developed economies and include organizations such as educational institutions, public hospitals, schools and charities. The nonprofit sector offers invaluable services and contributes both to the economic and social well being of a society. Scholarly research in this area may be useful in identifying the management and marketing practices that will assist such organizations operate more efficiently and effectively. This will be of benefit not only to nonprofit practitioners, but also to the beneficiaries of their services and society as a whole.

Third, information pertaining to 'marketing best practices' in a nonprofit context is generally lacking, Research in this area would be beneficial to nonprofit practitioners in that it would help develop the skills base and expertise of individuals working within this sector.

Finally, as competition for the 'almighty' consumer and government dollar increases, the need to develop a strong nonprofit brand is becoming all the more evident. Like their commercial counterparts, nonprofit organizations that are able to create a well-defined brand identity, such as the Red Cross, are likely to be those that survive well into the future. Scholarly research addressing the processes and practices of brand management in a nonprofit context will therefore be of benefit

As such, this study seeks to build on the existing research in the field by conducting an empirical examination of branding within a nonprofit context. Specifically, this study sets out to first, develop a psychometrically robust and generalizable measure of nonprofit brand orientation and second, examine the relationship between this construct and organizational performance.

5.2 Research Questions and Objectives

Based on the theoretical foundations and literature review presented in the preceding chapters, brand orientation has emerged as a potentially viable business philosophy for nonprofit organizations. However, several knowledge gaps are evident in the extant literature.

- First, conceptual, exploratory and qualitative studies dominate the extant brand management literature.

- Second, most studies relating to branding in the nonprofit sector focus only on one sector, that usually being charity organizations.
- Third, a psychometrically robust measure of nonprofit brand orientation has yet to be developed.
- Finally, the relationship between nonprofit brand orientation and organizational performance has not been empirically examined in any depth.

As such, the following research questions form the focus for this current study:

- *What are the salient dimensions of nonprofit brand orientation and how can the construct be measured?*
- *Are successful nonprofit organizations more brand oriented than their less successful counterparts?*

On this basis, the objectives of this research are stated as follows:

1. To develop a psychometrically robust and generalizable measure of nonprofit brand orientation (hereafter called the NBO scale).
2. To examine the relationship between nonprofit brand orientation and organizational performance.
3. To identify the items and dimensions of NBO that distinguish between higher and lower performing nonprofit organizations.

5.3 Research Hypotheses

5.3.1 Scale Development

Objective 1: To develop a psychometrically robust and generalizable measure of nonprofit brand orientation (hereafter called the NBO scale).

Given this research involves the development of a psychometrically robust measure of nonprofit brand orientation (NBO), it is important that the reliability, validity and generalizability of the resulting scale be established. Scale reliability is the extent to which a scale is without bias and produces consistent results if repeated measurements are made (Malhotra, Hall, Shaw, and Crisp, 1996; Sekaran, 2000).

Cronbach alpha is frequently used to assess the internal consistency of a scale (Malhotra et al., 1996). Scale validity can be defined as '...the extent to which differences in observed scale scores reflect true differences among objects on the characteristic being measured, rather than systematic or random error' (Malhotra et al., 1996: 283). Establishing scale validity ensures that a scale in fact measures what it is purported to measure. Scale generalizability, on the other hand, indicates whether a scale produces reliable results when used in different situations (Shavelson and Webb, 1991). In this study, it is proposed that the NBO scale will be a valid, reliable and generalizable measure of a nonprofit organization's propensity to focus on brand related activities or to be brand oriented. Thus, it is hypothesized that:

> H_1: *The NBO scale will be a reliable measure of a nonprofit organization's propensity to be brand oriented.*

According to the American Psychological Association, measures should demonstrate construct, criterion and content validity (Hinkin, 1995). *Construct validity* testifies to how well the results obtained from the use of a measure fit the theories around which the test was designed (Sekaran, 2000). In other words, it allows researchers to address whether a measure in fact taps a concept as theorized. In this study, it is proposed that:

> H_{2a}: *The NBO scale will possess construct validity.*

Establishing construct validity entails assessing the convergent, discriminant and nomological validity of a proposed measure (Malhotra et al., 1996). *Convergent validity* measures the extent to which a scale correlates positively with other measures of the same construct, while *discriminant validity* is the degree to which a measure does not correlate with other constructs from which it is supposed to differ (Malhotra et al., 1996). *Nomological validity*, on the other hand, is the extent to which a scale correlates in theoretically predicted ways with measures of different, but related constructs (Malhotra et al., 1996).

Convergent validity can be tested by examining the average variance extracted for each construct of a measure. This measure reflects the overall amount of variance in the indicators accounted for by a latent construct (Hair, Anderson, Tatham, and Black, 1998). Higher variance extracted scores suggest that the indicators of a construct are truly representative of the latent construct (Hair et al., 1998). In this study, convergent validity for the NBO scale will be assumed if, for each measure, the latent brand orientation construct accounts for a significant proportion of the variance in the indicators of the construct (Fornell and Larcker, 1981). Thus, it is hypothesized that:

H_{2b}: The NBO scale will possess convergent validity.

Likewise, discriminant validity of the scale will be established if the average variance extracted for the dimensions of the brand orientation construct is greater than the squared correlation between that dimension and any other construct in the model (Fornell and Larcker, 1981). Discriminant validity will also be assessed through the use of a factor analytic technique (Hinkin, 1995). In this study, it is proposed that nonprofit brand orientation is distinct from market orientation. As such, items measuring nonprofit brand orientation will be combined with those measuring market orientation and then subjected to a principal component analysis. Discriminant validity of NBO will be established if the items purported to measure these two distinct constructs do not load together on the same factors. Should such an observation be made, it will be an indication that brand orientation is unique to market orientation. In the context of this study, it is expected that such criteria will be met and that discriminant validity of the NBO scale will be established. As such, it is hypothesized that:

H_{2c}: The NBO scale will possess discriminant validity.

Nomological validity assesses the relationship between theoretical constructs (Malhotra et al., 1996). This entails the identification of theoretically supported relationships from prior research or accepted principles and an assessment of whether a scale has corresponding relationships (Hair et al., 1998). Drawing on Clark and Marshall's (1981) theory of mutual knowledge, it can be surmised that brand orientation enables a firm to generate and sustain a shared sense of brand meaning with its stakeholders. Such organizations endeavor to identify stakeholder needs and satisfy expectations by providing unique and relevant brands. Further, they have systems in place to monitor prevailing brand perceptions and are able to adjust a brand's marketing program to reinforce or change these beliefs. Organizations that effectively manage their brands are more likely to buid stronger brands, which will subsequently enhance organizational performance (Aaker and Jacobson, 1994; Keller, 2000). From this perspective, brand oriented organizations should be in a better position to deliver satisfaction to stakeholders and therefore, enhance organizational performance. Thus, nomological validity of the NBO scale can be established if a relationship between brand orientation and organizational performance is observed. As such, it is hypothesized that:

> H_{2d}: *The NBO scale will possess nomological validity.*

The *criterion validity* of an instrument is established if it performs as expected in relation to other variables selected as meaningful criteria (Sekaran, 2000). *Concurrent criterion validity* is established if a measure can effectively discriminate between individuals who are known to be different, while *predictive criterion validity* is established if a scale can differentiate among individuals as to a future criterion (Sekaran, 2000). In this study, concurrent criterion validity will be established if a relationship is observed between the individual dimensions of brand orientation and an independent, overall measure of brand management effectiveness. It would be expected that brand oriented organizations are more effective at managing brands, compared to those organizations that do not pursue such a philosophy. As such, a positive relationship between these constructs is expected, and if so observed, will confirm the concurrent criterion validity of the NBO scale. Thus, it is hypothesized that:

> H_{2e}: *The NBO scale will possess concurrent criterion validity.*

Content validity is a reflection of how well a construct and its dimensions have been delineated and whether a scale includes an adequate set of items that are representative of a concept (Sekaran, 2000). This can be assessed based on the judgment and opinion of an expert panel (Sekaran, 2000). Although there is a degree of subjectivity involved in this process, some writers contend that this is the most important form of validity as it is at this stage that researchers determine whether the set of items captures the true nature of the construct (Rossiter, 2002). As such, it is hypothesized that:

H_{2f}: The NBO scale will possess content validity.

As well as assessing a scale's psychometric properties, it is becoming increasingly apparent to researchers that there is also a need to determine the *generalizability* (or dependability) of a measure (Finn and Kayande, 1997). Introduced by Cronbach, Gleser, Nanda, and Rajaratnam (1972), generalizability or G-theory provides a powerful approach for assessing measurement consistency. It involves identifying the different ways in which a measurement scale can be used and then obtaining as much information as possible about the sources of variation in the measurement (Shavelson and Webb, 1991).

Through a variance decomposition analysis, researchers can estimate the magnitude of the various sources of measurement error (Finn and Kayande, 1997) and determine whether variation in individuals' responses to measurement items is a result of true differences between respondents or a result of other factors (Shavelson and Webb, 1991). In effect, G-theory allows researchers to pinpoint the major sources of measurement error, estimate the total magnitude of error and form a generalizability or G-coefficient, which provides an estimate of a measure's ability to produce dependable or reliable results across a number of different situations or interpretations (Shavelson and Webb, 1991).

Although G-theory has not been widely adopted by marketing academics, it does reiterate the importance of taking into consideration the purpose for which a measurement instrument has been designed when assessing its dependability (Finn and Kayande, 1997). In this study, it is expected that NBO will enable nonprofit organizations to firstly, benchmark their brand management activities against competitors and second, to evaluate the effectiveness of their current brand management practices. The resulting G-coefficient of the instrument will attest to the scales' ability to be used for either purpose. Thus, it is hypothesized that:

H_3: The NBO scale will be a dependable measure for comparing brand orientation of nonprofit organizations across and within sectors.

H_4: The NBO scale will be a dependable measure for assessing the effectiveness of the brand management practices of a nonprofit organization.

5.3.2 NBO and Organizational Performance

Objective 2: To examine the relationship between nonprofit brand orientation and organizational performance

In addition to assessing the reliability, validity and generalizability of the nonprofit brand orientation scale, the relationship between this construct and various facets of organizational performance will be examined. As noted in Chapter 3, brand orientation reflects an organization's focus on the internal and external activities required to build and sustain strong brands in the market place, which allow it to maintain mutual brand knowledge with stakeholders. Within this context, brand orientation is conceptualized along four dimensions, namely managing brand identity, architecture, communications and value. This involves giving consideration to a brand's identity, the role and function of a brand within the overall brand portfolio, the strategies and techniques used to transmit relevant brand messages to an audience and the process of evaluating, monitoring and sustaining brand value over time. When such activities are coordinated and well managed, an organization is better able to establish mutual brand knowledge with stakeholders. Further, it provides the avenue by which to create a unique brand that resonates with, and is clearly understood by, stakeholders (Aaker and Joachimsthaler, 2000a; Haynes et al., 1999).

By focusing on each of these elements, brands that have high levels of awareness, positive associations and loyalty amongst customers and are perceived as better quality, can potentially by created (Aaker, 1991). This not only makes a brand more resilient to competitive attacks, but can also result in improvements to an organization's bottom line figures (Aaker, 1991; Aaker and Jacobson, 1994; Keller, 1993, 1998). This suggests that brand oriented organizations are better able to develop stronger and more valuable brands, which in turn results in better returns or performance for an organization. There is some empirical evidence to support this proposition. Noble's et al. (2002) longitudinal study of commercial enterprises, for instance, indicates that a brand focus tends to lead to notable increases in performance. Similarly, Hankinson (2001b) shows that brand oriented charities are more adept at securing voluntary sources of income. On this basis, it is hypothesized that:

> *H_5: Brand orientation is positively related to the performance of a nonprofit organization.*

Objective 3: To identify the items and dimensions of NBO that distinguish between higher and lower performing nonprofit organizations.

Given a positive relationship between nonprofit brand orientation and performance, the next issue to be addressed is whether successful organizations are more brand oriented than their less successful counterparts. This entails determining whether the dimensions and/or items of NBO effectively discriminate between organizations with varying levels of performance (ie. between above average and average performing organizations). High performing organizations are defined as those that are capable of producing desired goods or services at a higher quality with the same or fewer resources, which in the longer term, leads to the achievement of the firm's mission (Jordan, 1999). They can be characterized by their ability to identify and eliminate non-value added activities and remain responsive to the needs of their customers. Further, high performing organizations are flexible and adaptable to changing circumstances and place emphasis on continuous improvement, reinvention, and innovation (Sheth and Sisodia, 2001). In this study, it is proposed that high performing nonprofit organizations are better able to achieve their long and short term goals and objectives, serve stakeholders better and more effectively manage their brands, relative to rival organizations.

Numerous studies have shown a strong correlation between marketing and an organization's performance (Jaworski and Kohli, 1993; Narver and Slater, 1990; Ruekert, 1992). Doyle and Wong (1998) contend that possessing a clear differential advantage is one of the most important drivers of performance. Low performers often lack a unique product offering, service advantages or a superior general reputation in the market place (Doyle and Wong, 1998). They suggest that to achieve higher levels of performance it is necessary for organizational attention to be focused on creating a sustainable competitive advantage, maintaining effective cross-departmental relationships and emphasizing real value-added innovation.

Likewise, Sheth and Sisodia (2001) highlight the ability of 'smart' companies to harness marketing information. Such organizations have in place effective feedback mechanisms that allow the marketing function to operate more efficiently. Thus, high performing organizations seem to be more adept at creating unique and valuable brands, putting in place an internal structure that supports and nurtures relationships and utilizing marketing information to its advantage. Given the similarity between some of these processes and the activities said to be associated with nonprofit brand orientation, it suggests that the latter may be an effective means by which to distinguish between high and lower performing nonprofit organizations. Further, it suggests that high performing organizations may be more attuned to the activities associated with brand management than lower performers. As such, it is hypothesized that:

H_6: *The components and items that comprise the nonprofit brand orientation construct can effectively be used to distinguish between above average and average performing nonprofit organizations.*

H_7: *High performing nonprofit organizations are more brand oriented than average performing nonprofit organizations.*

5.4 Chapter Summary

This chapter describes the research questions, objectives and hypotheses to be addressed in this study. The purpose of this study is to develop a psychometrically robust and generalizable measure of nonprofit brand orientation and examine its relationship to organizational performance. It is proposed that the resulting NBO scale will possess content, construct, convergent, discriminant, nomological and concurrent criterion validity. Further, it will be a generalizable measure of brand orientation, which will enable organizations to assess the effectiveness of their brand management practices as well as to benchmark their activities against other nonprofit organizations operating in diverse sectors. In examining the relationship between NBO and organizational performance, it is hypothesized that successful nonprofit organizations are more likely to be brand oriented than their less successful counterparts.

In the following chapters, the process by which the nonprofit brand orientation measure has been developed and validated is outlined. Chapter 6 describes the research design and methodology for the development on the NBO scale. Chapter 7 details the results, with the discussion, implications, limitations and directions for ongoing research detailed in Chapter 8.

Chapter 6
Research Design, Sampling and Data Collection

6.0 Chapter Overview

This chapter describes the development of a psychometrically robust and generalizable measure of nonprofit brand orientation (NBO). The chapter commences with an overview of Churchill's (1979) paradigm for scale development, whilst drawing on the recommendations made by other scholars in their efforts to refine and improve upon this process. The discussion then turns to the procedure adopted in the development of NBO and the research design and sampling methodology employed in this study.

6.1 Introduction

Although the extant literature focuses on the critical activities involved in brand management and addresses many issues confronting large organizations with well-established brands and substantial marketing budgets, few empirical studies have examined branding within a nonprofit context. To address these gaps, the present study seeks to develop a psychometrically robust and generalizable measure of brand orientation for nonprofit organizations and examine the impact on organizational performance.

6.2 Research Paradigm

Lincoln and Guba (1994) define research paradigms as the basic belief systems that guide researchers not only in choice of method, but also in ontologically and epistemologically fundamental ways. Epistemology is the branch of philosophy that studies the nature of knowledge in terms of its foundations, scope and validity and the process by which it is acquired (Demopoulos 2003). Ontology specifies what the researcher can study and make knowledge claims about and the 'slice or reality' he/she chooses to address (Lincoln and Guba 1994). Methodological questions, on the other hand, reflect the procedures used by a researcher to find out whatever he or she believes can be known (Lincoln and Guba 1994). A research paradigm directs an investigator's approach to studying a problem, concept or phenomenon and is largely influenced by the types of questions to be addressed and the context in which such questions are asked (Denzin and Lincoln 1994).

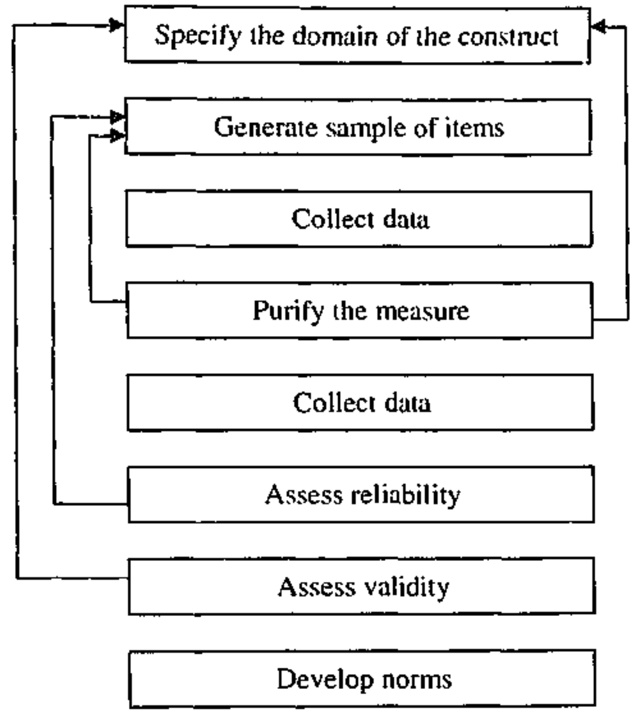
In this study, a positivist approach is adopted, which primarily focuses on the verification of hypotheses. Positivism presumes that the universe is comprised of objectively given, immutable objects and structures, which exist as empirical entities in their own right and independent of an observer's appreciation of them (Baker 2003). The philosophy embraces five key doctrines: (i) unity of scientific method – this suggests that the accepted approach for knowledge acquisition is valid for all forms of inquiry including animate and inanimate objectives or physical or nonphysical phenomena; (ii) search for Humean causal relationships - this reflects the desire to find regularity and causal relationships among the elements of study; (iii) belief in empiricism – refers to the strongly held conviction that the only valid data is that which is experienced from the senses; (iv) science and its process is value-free – refers to the belief that there is no intrinsic value proposition in science; and (v) foundation of science is based on logic and mathematics - this provides a universal language and a formal basis for quantitative analysis (Kolakowski 1972) . From this perspective, a researcher seeks to explain and predict events and occurrences in the social world by searching for causal relationships between constituent members (Burrell and Morgan 1979).

The adoption of a positivist approach in this study has largely been dictated by the nature of the research and topic under investigation. As noted in the preceding chapter, this study sets out to develop a psychometrically robust measure of nonprofit brand orientation (NBO) and examine its impact on organizational performance. In so doing, Churchill's (1979) paradigm for scale development will be followed, which inevitably requires the pursuance of a positivist approach. The procedure detailed by Churchill (1979), which is described in Section 6.3, is based on collecting data and testing and verifying hypotheses related to the reliability and validity of a proposed measure. Other ontologies, such as relativism or instrumentalism, may also have some merit and elicit interesting insights in relation to the nature and measurement of a marketing construct, such as NBO. However, to be consistent with, what has almost become the 'norm' in scale development, this study will adopt a positivist approach.

6.3 Overview of the Scale Development Process

Churchill's (1979) paradigm for the development of psychometrically robust scales has been widely adopted by marketing scholars. The first stage of Churchill's methodology involves defining the theoretical boundaries that frame the construct. This is often considered a critical step, as it is at this point that the researcher clearly delineates the concepts that are included and excluded in the measure (Churchill, 1979). The second stage involves generating a set of items to capture each proposed dimension of the construct. Data is then collected from the first sample, which is used to purify scale items. The process recommended by Churchill (1979) is one of assessing the coefficient alpha of all items and then factoring analyzing the retained items. Assuming the results are favorable, the instrument is then administered to a second sample of respondents and an assessment made of the scale's psychometric properties. This process eventually leads to the development of norms (Churchill, 1979). The complete process is illustrated in Figure 6.1.

Figure 6.1 Scale Development Procedure



Source: Churchill, G.A. (1979). 'A Paradigm for Developing Better Measures of Marketing Constructs', *Journal of Marketing Research*, 16(February): 64-74

Schwab (1980) recommends a similar process involving the generation of scale items, scale development and scale evaluation. The primary purpose in the first stage of the process is to ensure that a measure adequately captures the specific domain of interest, without including extraneous items (Rossiter, 2002; Schriesheim, Powers, Scandura, Gardiner, and Lankau, 1993). Researchers can generate scale items using either a deductive or inductive approach (Hinkin, 1995). The former entails the development of a classification schema or typology prior to data collection and following a thorough review of the literature. This enables researchers to develop a theoretical definition of a construct, which is then used to guide the development of scale items (Rossiter, 2002; Schwab, 1980). Such an approach has been used in the development of various marketing scales, including measures of consumer-based brand equity (Yoo and Donthu, 2001), market orientation (Narver and Slater, 1990), consumer susceptibility to interpersonal influence (Bearden, Netemeyer, and Teel, 1989), entrepreneurial orientation (Lumpkin and Dess, 1996), attitudes toward helping others and charities (Webb et al., 2000) and selling skills (Rentz, Shepherd, Tashchian, Bobholker, and Ladd, 2002). These researchers have noted that based on information generated from prior studies, a pool of items related to each construct can readily be formulated. In contrast, an inductive approach involves identifying constructs and possible scale items based on qualitative insights gleaned from respondents (Hinkin, 1995). This approach is often used when there is limited theory or knowledge in relation to a topic. Whether using an inductive or deductive approach, it is recommended that scale items, once generated, be subjected to a pretest to identify conceptually inconsistent or extraneous items. Further, researchers should endeavor to establish a clear link between scale items and the theoretical domains they are intended to represent (Hinkin, 1995). Such a process can be enhanced by developing a strong theoretical framework that matches items to construct definitions (Hinkin, 1995).

The second step recommended by Schwab (1980) is that of scale development, which involves specifying the type of research design to be employed (ie. the sampling methodology, scaling of items and sample size). An exploratory and confirmatory factor analysis is then used to construct a scale and assess its reliability. The final stage of scale evaluation is much in line with Churchill's (1979) procedure in that it involves an examination of the scale's psychometric properties in terms of construct, discriminant, criterion and convergent validity (Schwab, 1980).

By following a methodical approach to scale development, a researcher's ability to develop accurate measures of constructs and improve the reliability of subsequent studies utilizing such measures, can be enhanced (Hinkin, 1995). In this study, an integrated approach that combines key elements of Churchill's (1979) and Schwab's (1980) methodology is used in the development and validation of the nonprofit brand orientation scale (ie. NBO). This is described in the following section.

6.4 Theoretical Boundaries of the Nonprofit Brand Orientation Construct

It is evident from the extant brand management literature that brands are important organizational assets, which require careful nurturing for long-term benefits to be realized (Aaker, 1991; D. A. Aaker, 1997; Keller, 1993, 2000). As described in Chapter 3, the salient dimensions of brand orientation relate to the management of brand identity, architecture, communications and value. To avoid repetition, a brief description of each dimension and the key contributors in that area, is provided in Table 6.1.

Table 6.1 The Brand Orientation Construct

Brand Orientation Component	Key Contributors
Managing Brand Identity • Acquiring knowledge of customers, competitors and internal organizational capabilities; • Creating a differentiated and relevant brand identity • Communicating desired brand position to stakeholders	(Aaker and Joachimsthaler, 2000a; de Chernatony and Riley, 1998b; Keller, 1993; Park et.al., 1986; Reynolds and Gutman, 1984)
Managing Brand Architecture • Evaluating the structure of a brand portfolio in terms of its impact, clarity, synergy and leverage ability, identifying opportunities for brand extensions, additions or deletions	(Aaker and Joachimsthaler, 2000b; Berthon et.al., 1999; Bridges et.al., 2000; Keller and Aaker, 1992; Leder and Hill, 2001)
Managing Brand Communications • Evaluating a brand's marketing program to ensure that consistent brand messages are conveyed to internal and external stakeholders	(Aaker and Joachimsthaler, 2000a; Keller, 1993; Schultz and Barnes, 1999)
Managing Brand Value • Measuring brand performance • Monitoring changes in brand value through regular brand and customer audits.	(Aaker, 1991; Keller, 1993, 2000; Yoo and Donthu, 2001)

The theoretical boundaries that frame the brand orientation construct relate to each of these four critical dimensions. Brand orientation focuses an organization's efforts on: (i) developing a meaningful brand identity that resonates with stakeholders; (ii) developing an effective internal structure that enables managers to identify potential opportunities or threats; (iii) coordinating the marketing activities associated with a brand; and (iv) monitoring changes in brand value and performance. Addressing each of these processes enables an organization to create a unique brand offering that delivers superior value to consumers. Further, it enables an organization to generate and sustain a shared sense of brand meaning with stakeholders and in so doing, provides the means by which to achieve superior performance outcomes. Brand orientation, then, is a philosophy that is directed towards nurturing and growing brands (Urde, 1994, 1999; Hankinson, 2000, 2001a, 2001b, 2002; Simoes and Dibb, 2001). It focuses managerial attention on the internal and external activities necessary to build and sustain strong brands in the market place. The benefit of pursuing such a business philosophy is that brands, which deliver superior value to stakeholders and to the firm itself, can be created.

6.5 Generation of Scale Items

The next stage in developing a measure of nonprofit brand orientation involved the generation of scale items to capture the nuances of managing brand identity, architecture, communications and value. Based on a review of the extant brand management literature, it is evident that some of the activities involved include acquiring knowledge on stakeholders' brand attitudes, creating unique and relevant brands, creating synergy in a brand portfolio, representing brand identity consistently in all forms of communication and remaining responsive to changes in stakeholders' needs and the environment. Given the breadth and depth of information available and the extent to which the brand management literature has been developed, exploratory or qualitative research in the initial stages of developing the research instrument would not necessarily elicit any new insights into the process by which nonprofit organizations should manage their brands. As such, exploratory research was not undertaken at this stage, which is consistent with Schwab's (1980) recommendation.

Statements measuring the four proposed dimensions of brand orientation were based on past conceptual research undertaken in the field. In particular, Keller's (2000) brand report card (BRC) provided an excellent platform by which to commence this process. Keller is not only one of the world's leading authorities on brand management, but the BRC has been constructed on the basis of the characteristics that the world's strongest brands share. It can be regarded as a checklist of 'best practices' in brand management, which provides a systematic way for managers to assess the effectiveness of their brand management activities and ultimately, the health of their brand in the market place (Keller, 2000).

The attributes that comprise the BRC can be summarized as: (i) evaluating customers' needs and wants; (ii) assessing brand relevance, positioning and value; (iii) evaluating the brand portfolio/architecture; (iv) designing brand communication activities; (v) monitoring the level of brand support; (vi) evaluating consumers' brand knowledge; and (vii) monitoring brand performance. Within each of these categories, Keller (2000) raises further issues to be addressed by managers. Given the nature and scope of this study, it is logical to generate brand orientation items based on the activities undertaken by successful organizations. The BRC not only serves this purpose, but also consolidates many of the varying perspectives on brand management and encapsulates the primary activities associated with managing brand identity, architecture, communications and value. This satisfies the criteria proposed by Churchill (1979), Schwab (1980) and Rossiter (2002) for generating scale items.

The process of generating the brand orientation items entailed converting the individual questions under each broad category in Keller's (2000) brand report card, to statements which could be rated by respondents on a likert type scale. The end result was the generation of 37 items purported to measure the four components of brand orientation. These are shown in Table 6.2.

Table 6.2 Initial Item Pool for Nonprofit Brand Orientation

Dimension		Items
Managing Brand Identity		
In our organization we…		
	1.	Attempt to uncover unmet stakeholder needs and wants
	2.	Focus on creating a positive product/service experience for our stakeholders
	3.	Invest adequate resources in product/service improvements that provide better value to our stakeholders
	4.	Keep 'in touch' with our stakeholders' needs
	5.	Keep 'in touch' with current market conditions
	6.	Base marketing decisions on knowledge of the current market conditions, stakeholders' needs and new trends
	7.	[a]Optimize the price, cost and quality of the product/service offering to meet or exceed stakeholders' expectations
	8.	[a]Establish 'points-of-parity' for our brands that are necessary to simply complete in the product/service category (ie. identify the attributes/benefits that brands must possess in order to just compete in the category)
	9.	[b]Establish 'points-of-parity' for our brands that negate the advantages our competitors attempt to achieve in the product/service category
	10.	[b]Establish unique 'points-of-difference' for our brands that provide us with a competitive advantage in the product/service category (ie. identify the brand attributes/benefits on which we are clearly superior)
	11.	Develop detailed knowledge of what our stakeholders dislike about the brand
	12.	Develop detailed knowledge of what our stakeholders like about the brand
	13.	Develop a good understanding of the images and associations that our stakeholders make with the brand
	14.	Create detailed, research-driven profiles of key stakeholders

Managing Brand Architecture

In our organization we...

1. [a]Have a corporate brand that creates a seamless umbrella for all the brands in the portfolio
2. Ensure that the organization's brands and sub-brands target specific, well defined segments that do not overlap with one another
3. [b]Ensure that brands in our portfolio fully maximize market coverage
4. [a]Create a brand hierarchy that is well though out and understood by our staff
5. [b]Outline stakeholder-driven boundaries for brand extensions and guidelines for marketing programs and activities

Managing Brand Communications

In our organization we...

1. Develop marketing programs that send consistent messages about our brands to our stakeholders
2. Adjust the brand's marketing program to keep current and abreast with stakeholder trends
3. Design the brand name, logo, symbol, slogan, packaging, signage etc., for our products and services to maximize brand awareness and image
4. [a]Implement integrated 'push and pull' marketing activities to target, suppliers, distributors and other key stakeholders
5. [a]Ensure that brand managers are aware of all of the marketing activities that involve their brands
6. [b]Ensure that all people involved in managing the marketing activities for a brand are aware of one another
7. [a]Capitalize on the unique capabilities of each communication tool (ie. advertising, PR, sales promotion, etc.) while ensuring that the meaning of the brand is consistently represented.
8. Develop a good understanding of the successes and failures of our brand's marketing program before it is changed
9. [a]Resist the temptation to cut back marketing support for a brand in reaction to a downturn in the market or a slump in sales

Managing Brand Value

In our organization we...

1. Have a system in place for getting stakeholders' comments to the people who can instigate change
2. [a]Have a system in place to monitor stakeholders' perceptions of brand value
3. Estimate how much value our stakeholders believe the brand adds to our product
4. [b]Provide our brands with sufficient research and development support
5. [b]Create a brand charter that defines the meaning and equity of the brand and how it should be treated
6. [a]Conduct periodic brand audits to assess the 'health' of our brand
7. [a]Conduct routine tracking studies to evaluate the current market performance of our brands
8. [b]Regularly distribute brand equity reports, which summarize all relevant research and information, to marketers to assist them in making decisions
9. [b]Assign explicit responsibility to an individual within the organization for monitoring and preserving brand equity

[a] Statements were **modified** following the scale purification stage

[b] Statements were **deleted** following the scale purification stage

6.6 Purification of Scale Items

Purification of scale items involved two stages. The first entailed evaluating the items for face validity and ensuing that the items generated from the BRC adequately captured the domain and dimensions of the brand orientation construct. The second stage involved the use of focus groups to assess the relevance and clarity of each statement to nonprofit organizations.

6.6.1 Face Validity

Once the final pool of scale items had been generated, face validity was then assessed by two marketing academics familiar with the brand management literature. This is consistent with prior research (see Bearden et al., 1989; Narver and Slater, 1990). Each person worked independently and assessed the 37 brand orientation statements for clarity and relevance. Their task was to identify any overlapping, ambiguous or irrelevant items and to assess whether the scale items generated captured the nuances of the brand orientation construct and the salient activities associated with managing brand identity, architecture, communications and value. This process resulted in the retention of all 37 items. Minor modification to the wording of some items was made in line with the reviewers' recommendations.

6.6.2 Focus Groups

The second stage of the purification process involved the use of focus groups, consisting of senior managers across several nonprofit sectors, to again critically evaluate the 37 brand orientation statements for clarity and relevance. Participants were invited from a broad cross section of industries, including the charity, education, health and social services sectors. Three focus group sessions were held on 3 July 2002, with each session consisting of between 10 and 12 participants and lasting for approximately 1.5 hours. Participants were provided with a list of the refined scale items and were requested to comment on the relevance of each statement to their organization. Further, they were questioned in relation to whether they understood the specific terms used within, and the intended meaning of each statement. Information was also obtained regarding key performance measures used within their respective organizations. Feedback from the focus group participants revealed seven items that were regarded as irrelevant to nonprofit organizations. These were subsequently discarded. Minor adjustment to the wording on some statements was also required to remove unfamiliar marketing jargon, such as 'brand equity', 'push and pull strategies' and 'points of parity'. The remaining 30 statements formed the pool of items from which the NBO scale would be constructed. These are shown in Table 6.3.

Table 6.3 Final Item Pool for Nonprofit Brand Orientation

Dimension	Items

Managing Brand Identity

In our organization we...

1. Attempt to identify unmet stakeholder needs and wants
2. Focus on creating a positive product/service experience for our stakeholders
3. Invest adequate resources in product/service improvements that provide better value to our stakeholders
4. Keep "in touch" with our stakeholders' needs
5. Keep "in touch" with current market conditions
6. Base marketing decisions on knowledge of the current market conditions, stakeholders' needs and new trends
7. Deliver 'value for money' to our stakeholders by maximizing the quality of our product/service offering whilst minimizing internal costs
8. Attempt to differentiate our brand (and product/service offering) from our competitors
9. Develop detailed knowledge of what our stakeholders <u>dislike</u> about the brand
10. Develop detailed knowledge of what our stakeholders <u>like</u> about the brand
11. Develop a good understanding of the images/associations that our stakeholders make with the brand
12. Create detailed, research-driven profiles of key stakeholders

Managing Brand Architecture

In our organization we...

1. Have a corporate/umbrella brand that unifies and brings together all sub-brands within the organization
2. Ensure that the organization's brands and sub-brands target specific, well defined segments that do not overlap with one another
3. Create a brand/sub-brand structure that is well thought out and understood by our staff

Managing Brand Communications

In our organization we...

1. Develop marketing programs that send consistent messages about our brand to our stakeholders
2. Adjust the brand's marketing program to keep current and abreast with stakeholder trends
3. Design the brand name, logo, symbol, slogan, packaging, signage, etc., for our products and services to maximize brand awareness and image
4. Design our integrated marketing activities to encourage consumers directly to use our products/services
5. Design our integrated marketing activities to encourage our suppliers, distributors and other key stakeholders to promote our products/services to consumers
6. Ensure that managers within the organization are aware of all of the marketing activities that involve the brand
7. Ensure that the meaning of the brand is consistently represented in all marketing communication activities
8. Develop a good understanding of the successes and failures of our brand's marketing program before it is changed
9. Cut back on marketing support the brand receives in reaction to a downturn in the market/economy
10. Cut back on marketing support the brand receives in reaction to a change in government policy

Managing Brand Value

In our organization we...

1. Have a system in place for getting stakeholders' comments to the people who can instigate change
2. Have a system in place to monitor stakeholders' perceptions of the brand
3. Estimate how much value our stakeholders believe the brand adds to our product/service
4. Conduct ad-hoc research to assess the 'health' of our brand
5. Conduct routine/continuous research to evaluate current market performance of our brand

6.7 The NBO Research Instrument

Following the purification of scale items, the research instrument was developed, which included the 30 items measuring brand orientation, an overall measure of brand management effectiveness, 14 items measuring market orientation (Narver and Slater, 1990), two subjective measures of organizational performance and questions pertaining to the demographic and organizational characteristics of respondents and their respective firms.

6.7.1 Brand Orientation Items

A seven-point scale was used to measure responses for each of the 30 brand orientation items. Research has indicated that five or seven point likert scales are normally adequate for most measures (Hinkin, 1995). Respondents were asked to indicate the extent to which their organization currently engaged in the activity described by circling an appropriate number on the scale. A response of 1 indicated that the activity was undertaken 'to a very little extent', whilst 7 reflected 'to a very great extent'. In addition to these items, the research instrument also included one statement designed to measure respondents' perceptions of the overall effectiveness of their organization's brand management practices. Respondents were asked to indicate their level of agreement with the statement by circling their response on a seven-point scale, anchored by 1 'I strongly disagree' and 7 'I strongly agree'. It was expected that if respondents rated the individual NBO items highly, then a similar effect would be observed with this overall measure of brand management effectiveness.

6.7.2 Market Orientation Items

To assess the discriminant validity of the scale, items measuring an organization's level of market orientation were also included in the survey. These were based on Narver and Slater's (1990) 14 market orientation items. Some adjustments were again made to the wording of these items to enhance their relevance to nonprofit organizations. Statements were again placed on a seven-point scale, anchored by 1 'I strongly disagree' and 7 'I strongly agree'. These statements are listed in table 6.4.

Table 6.4 Items Measuring Market Orientation

Items
1. Our commitment to serving stakeholder needs is closely monitored
2. Our staff share information about competitors
3. Our objectives and strategies are driven by the creation of stakeholder satisfaction
4. We achieve rapid response to competitive actions
5. Top management regularly visits important stakeholders
6. Information about stakeholders is freely communicated throughout the company
7. Competitive strategies are based on understanding stakeholder needs
8. Business functions are integrated to serve market needs
9. Business strategies are driven by increasing value for stakeholders
10. Stakeholder satisfaction is frequently assessed
11. Close attention is given to after 'sales' service
12. Top management regularly discusses competitors' strengths and weaknesses
13. Our managers understand how employees can contribute to value for stakeholders
14. Stakeholders

Source: Adapted from Narver, J. C., and Slater, S. F. (1990). The Effect of a Market Orientation on Business Profitability. *Journal of Marketing, 54*(October), 20-35.

6.7.3 Organizational Performance

The questionnaire also included two statements designed to measure organizational performance. Regarded as a multidimensional construct, measures of organizational performance should tap into the financial, operational and customer-related aspects of a firm's operations (Chakravarthy, 1986; Kaplan and Norton, 1992; Venkatraman and Ramanujam, 1986). Such measures could include traditional accounting indicators such as market share, sales growth and profitability, but also non-financial measures that take into consideration a firm's goals, objectives, size or aspirations of the owners (Lumpkin and Dess, 1996). For instance, this could include criteria, such as the organization's reputation and public image, commitment and satisfaction of employees, or more importantly, customer satisfaction (Kaplan and Norton, 1992; Lumpkin and Dess, 1996). Generally, it is recommended that multiple measures of performance be used as reliance on a single measure may, in fact, lead to erroneous conclusions being drawn (Lumpkin and Dess, 1996).

Measuring the performance of a nonprofit organization is not without its challenges. Whilst performance metrics such as the amount of dollars raised, growth in membership, number of visitors and so forth are important, they do not effectively gauge whether an organization has been successful in achieving its mission (Sawhill and Williamson, 2001). This is confounded by the fact that for many nonprofits, the mission statement is often a lofty and somewhat immeasurable goal. For instance, CARE USA sets out to 'affirm the dignity and worth of individuals and families living in some of the world's poorest communities' (Sawhill and Williamson, 2001). The use of performance metrics in this situation would certainly fail to address whether the organization has successfully achieved this very worthwhile goal. As such, there are limitations associated with the use of such measures.

In addressing this issue, Sawhill and Williamson (2001) propose a 'family of measures' that can be used by any nonprofit organization in assessing its performance. These are classified as capacity, activity and impact measures. Capacity measures are used to measure progress at all levels of the organization and include aspects such as total membership, growth in fundraising and market share, which are specific to each organization. Such measures, however, can be poor indicators of an organization's performance, particularly in relation to social impact, as they tend to focus on inputs rather than outcomes (Lowell et al., 2001). The second group, called activity measures, assess an organization's progress towards implementation of the activities and programs that drive organizational behavior. For instance, an environmental lobby group may use the number of national parks it has listed for protection as a performance measure in this category. Again, such measures are specific to individual organizations. The third level is labeled impact measures, which are used to assess an organization's progress towards achieving its mission and long term objectives. These are often the most difficult to create, yet also the most crucial for a nonprofit organization. This may entail developing micro-level goals that, if achieved, would imply success at a broader level (Sawhill and Williamson, 2001). Such measures focus more on outcomes, rather than processes and outputs, for example administrative efficiency or number of people served, which has important implications for an organization's ability to attract resources or funds (Lowell et al., 2001).

Given that the NBO survey was to be distributed to a broad cross section of nonprofit organization, it was necessary to develop performance measures that were broadly applicable to this wide group. Using performance metrics, such as growth in membership for instance may be relevant to some nonprofits, such as professional associations, but largely irrelevant to health care organizations. In addressing this issue, two subjective measures of performance were included in the research instrument. Subjective measures have been shown to be reliable in gauging a firm's performance (Mintzberg, 1996; Pearce, Robbins, and Robinson, 1987), and tend to produce results consistent with objective measures of performance (Dess, Lumpkin, and Covin, 1997). The use of such measures can also be an effective way by which to overcome difficulties associated with obtaining, what could be described as, competitively sensitive information (Caruana et al., 1998). Further, measuring a firm's performance using objective financial data can be difficult as the information may either be unavailable, unreliable or difficult to validate with external sources (Sapienza, Smith, and Gannon, 1988).

The first performance indicator used in this study related to an organization's ability to achieve its short and long-term goals and objectives. The second measured an organization's ability to serve stakeholders better, relative to competitors. Respondents were asked to indicate their level of agreement with each statement as it pertained to their organization. Responses were again recorded on a seven-point scale, anchored by 1 'I strongly disagree' and 7 'I strongly agree'. Prior studies have demonstrated that performance valuations are more meaningful when assessed comparatively (Cavusgil, Tamer, and Zou, 1994; Covin and Selvin, 1989; Evangelista, 1996).

6.7.4 Classificatory Variables

Finally, the research instrument also included questions pertaining to respondent demographics and organizational characteristics. Demographic data included the sex, age and job title of respondents, whilst organizational data was captured in relation to the type of industry, number of employees, annual revenue (in dollar terms) and the age of the organization. A copy of the final NBO survey is attached in Appendix I.

6.8 Sampling

6.8.1 Unit of Analysis

Given that the aim of the study was to develop a psychometrically robust and generalizable measure of nonprofit brand orientation, it was necessary to examine the brand management practices and philosophies of nonprofit organizations across a diverse range of sectors. Although some researchers have focused on a single industry in drawing a sample for a study (for example, see De Wulf, Oderkerken-Schroder, and Lacobucci, 2001; Narver and Slater, 1990; Voss and Voss, 2000), the use of diverse industry sectors is not uncommon. For instance, Cornelissen and Thorpe (2001) studied the communication practices of large organizations in the manufacturing, financial, retail, chemical and engineering business sectors. Similarly, Marchand and Lavoie (1998) used a cross section of nonprofit organizations in assessing perceptions and attitudes toward advertising, whilst Boulding et al. (1994) selected consumer goods manufacturers to examine the effects of communication activities on consumer perceptions of product differentiation. Such an approach enables researchers to more readily draw conclusions regarding the generalizability of results across business sectors. This is one of the attributes sought in the development and validation of the NBO scale.

Information was to be gathered from the Chief Executive Officers (or equivalent) of nonprofit organizations in Australia. Such individuals were considered appropriate points of contact for a number of reasons. First, there is increasing evidence that brand management decisions are rapidly becoming the responsibility of senior level managers within an organization (Berthon et al., 1999; Davis, 1995; Richards et al., 1998). As such, CEOs would be the ideal person from whom to elicit information regarding the brand management practices and philosophies pursued within a company. Second, as indicated during the focus group interviews, very few nonprofit organizations have a dedicated marketing director or brand manager – this is considered something of a luxury. Generally, it is the CEO who makes key investment decisions as well as be responsible for 'managing the nonprofit brand'.

Thus, the unit of analysis in this study was defined in terms of the CEO of a nonprofit organization operating in Australia.

6.8.2 Sampling Technique

In identifying and selecting the sample elements for this study, a non-probability method was employed. Researcher judgment was used in the initial stages to select the specific nonprofit sectors from which the individual nonprofit organizations would be drawn. Although judgment sampling is low cost and convenient, it is also subjective where its value depends entirely on the researcher's expertise (Malhotra et al., 1996). As such, this does introduce some element of bias into the research, which is duly noted as a limitation of this study.

To obtain a broad cross section of nonprofit organizations, attempts were made to include organizations that fit into one of the twelve categories of nonprofit organizations, as defined in the International Classification of Non Profit Organizations (ICNPO) (Sargeant, 1999). Using the Standard Industry Classification (SIC) codes, 'industries' that most closely resembled each of the ICNPO categories were selected. Due to the nature of the sample frame used in this study, not all ICNPO categories could be represented in the sample. However, every effort was made to include as many sectors as possible and to obtain a broad cross section of nonprofit organizations. Table 6.5 shows the nonprofit sectors targeted in this study.

Table 6.5 Nonprofit Sectors Included in Sample based on ICNPO Classification

ICNPO Classification	SIC	Sector Description	Mail List Provider
Group 1: Culture and Recreation Includes organizations and activities in general and specialized fields of culture and recreation.	84	Museums, art galleries and botanical and zoological gardens	D&B
Group 2: Educatio an Organizatio a ering, providing, pro , supporting and servi arch.	8211 8221 8222	Public Universities, Technical Colleges, colleges, secondary schools	D&B
Group 3: He Organizations that engage in health-related activities, providing health care, both general and specialized services, administration of health car services and health support services.	8051 to 8069	Public hospitals, nursing care facilities or places of care	D&B
Group 4: Social Services Organizations and institutions providing human and social services to a community or target population.	83	Social services	D&B
Group 5: Environment Organizations and institutions providing services in environmental conservation, pollution control and prevention, environmental education and health and animal protection	N/A	N/A	N/A
Group 6: Development and Housing Organizations promoting programs and providing services to help improve communities and the economic and social well-being of society.	N/A	N/A	N/A
Group 7: Law Advocacy and Politics Organizations and groups that work to protect and promote civil rights, or advocate the social and political interests of general or specific constituencies, offer legal services, and promote public safety.	86	Membership organizations	D&B
Group 8: Philanthropic Intermediaries and Volunteerism Promotion Philanthropic organizations and organizations promoting charity or charitable activities.	-	Charities	AML

Group 9: International Activities Organizations promoting greater inter-cultural understanding between people of different countries and historical backgrounds and also providing relief during emergencies and promoting development and welfare abroad.	N/A	N/A	N/A
Group 10: Religion Organizations promoting religious beliefs and administering religious services and rituals. Includes churches, mosques, synagogues, temples, shrines and other similar institutions, in addition to related associations and auxiliaries of such organizations.	86	Membership organizations	D&B
Group 11: Business, Professional Associations and Unions Organizations promoting, regulating and safeguarding business, professional and labor interests.	86	Membership organizations	D&B
Group 12: Others Not Elsewhere classified	N/A	N/A	N/A

N/A-Not available

Source: Sargeant, A. (1999) *Marketing Management for Nonprofit Organizations.* Oxford University Press: UK

The next stage of the process involved using a simple random sampling technique to select the specific organizations to be included in the sample. This method implies that each element of the population has a known and equal chance of being selected and that every element is selected independently of every other element (Malhotra et al., 1996). In drawing a simple random sample, it is necessary to compile a sample frame in which each element is assigned a unique identification number and then, random numbers are generated to determine which elements are to be included in the sample (Malhotra et al., 1996). However, constructing a sampling frame that will allow a simple random sample to be drawn can be difficult and may result in geographically dispersed samples, which could increase the cost and time associated with data collection. Further, a truly representative sample of the population may also be difficult to obtain (Malhotra et al., 1996). Such issues have largely been overcome in this study.

The sample frame for this study was constructed using two commercial databases, namely Dun and Bradstreet (D&B) *Business Who's Who of Australia*, and a list of charity organizations provided by Action Mailing Lists (AML). Two sources were used to generate the desired sample of nonprofit organizations, as a complete listing from one organization was unavailable. Thus, given that D&B were unable to provide a concise listing of charity organizations in Australia, it was necessary to obtain the information from an alternate source, namely AML. The sample frame consisted of nonprofit organizations in each of the above-mentioned sectors. Given the nature of the databases used in this study and the supplying organizations (ie. D&B and AML), a random selection of organizations could readily be obtained, thereby resulting in a sample reasonably representative of the target population. However, it is acknowledged that there may be an element of inaccuracy associated with the final sample in that not all nonprofit organizations operating in Australia may be listed in the databases used to derive the sample. That being the case, any form of sampling technique using these databases as a sample frame will omit such organizations. Second, although every effort was made to include a broad cross-section of nonprofit sectors, the use of researcher judgment suggests that the results of this study may not readily be generalized to a broader population with a high degree of confidence.

Consistent with Churchill's (1979) recommendations for scale development two samples were drawn in this study. This enabled the survey to be administered to two separate groups of respondents on two separate occasions. The first sample was used to purify the measure, while data from the second sample was used to confirm the factor structure of NBO and assess the scale's psychometric properties.

6.8.3 Sample Size

Strict guidelines pertaining to what is considered an appropriate sample size in scale development studies are generally lacking (Flynn and Pearcy, 2001). One of the factors that influences sample size decisions is the nature of the data analyses to be performed (Hair et al., 1998). In most scale development studies, factor analysis is used to eliminate items from a scale and to confirm a factor structure (Churchill, 1979). Researchers have used a range of respondent-to-scale item ratios in the early purification stages (Flynn and Pearcy, 2001), yet the most commonly held view is that there should be a ratio of between five and ten observations to each independent variable being measured (Bentler and Chou, 1987; Hair et al., 1998). Further, factor analysis should not be undertaken if there are fewer that 100 observations (Bartlett, Kotrlik, and Higgins, 2001). Similar guidelines have been proposed for analyses involving multiple regression (Hair et al., 1998), but it is generally agreed the larger the sample, the more accurate the results.

As mentioned previously, the research instrument comprised 30 items purported to measure nonprofit brand orientation. Based on the ratios described above, it suggested that between 150 and 300 observations would be required for purification of scale items and validation of the NBO factor structure. In this study, a sample size target of between 200 and 250 observations for each sample was established. To achieve this target, each round of data collection entailed making contact with the Chief Executive Officers of approximately 1200 nonprofit organizations. This figure was derived based on a projected response rate of approximately 20%. It is worth noting, however, that when using commercial databases, lower response rates can often be encountered (Maignan and Ferrell, 2001). Taking this into consideration, the first sample was comprised of 1300 nonprofit organizations and the second comprised of 1000 organizations. These were randomly selected from the industries shown in Table 6.5.

6.9 Data Collection

Data was collected from the Chief Executive Officer (or equivalent) via a self-administered mail survey. The use of mail surveys reduces the level of interviewer bias and allows for a wider geographic area to be covered (Malhotra et al., 1996). In order to elicit a higher response rate from prospective respondents, Dillman's (1999) total design method was adopted. The questionnaire was limited to four pages, printed in booklet format and, for the most part, required respondents to simply circle a number on a scale. Statements measuring brand orientation were placed at the beginning of the questionnaire. Aside from being the primary purpose of this study, it was felt that this would be the area of most interest to respondents, which could possibly encourage a higher level of response. Based on the focus group discussions, the NBO statements were considered easy to understand, interpret and respond to. Further, the information requested did not require respondents to rely excessively on memory when describing the activities of their firms. Rather, the questions related directly to the organization's current brand management practices and philosophies.

A personally addressed cover letter to the CEO and a self-addressed, reply paid envelope, were also included in the material distributed to prospective respondents. The covering letter detailed the purpose of the study, the type of information required from respondents and the reasons for requesting their support. An offer to provide a summary of the results at the completion of the research was also made. Respondents were assured that all information obtained would remain private and confidential and their responses would only be used at an aggregate level. Finally, all material was printed on University letterhead to add to the credibility of the study (Dillman, 1999).

Previous research has shown that contacting respondents on multiple occasions is an important factor for increasing the response rate of a mail surveys (Dillman, 1991). It has been recommended that up to five contacts with the recipients of a questionnaire be undertaken (Dillman, 1999). The first point of contact is a brief pre-notice letter that is sent to respondents several days prior to the questionnaire. Its purpose is to advise respondents that they will receive an important survey within days and their response would be appreciated. The second contact involves the actual mailout of the questionnaire and all associated materials (ie. cover letter, reply paid envelope and so forth). This is followed by a thank you postcard sent a few days to a week after the questionnaire. The postcard thanks respondents for their participation and is also used to elicit a response from individuals who have not yet responded. The fourth contact entails sending respondents a replacement questionnaire approximate two to four weeks after the first questionnaire mailing. It indicates that their questionnaire has not yet been received and again urges recipients to respond. The final contact is designed to contrast with the previous contacts and raise the level of intensity of the request. This may involve making telephone contact with the potential survey recipients or using priority mail or special delivery to emphasize the importance of the survey (Dillman, 1999).

Although this is the ideal approach to adopt in the implementation of mail surveys, the reality is that such a method does require substantial resources, both in terms of time and money. Faced with such constraints, an adaptation of Dillman's (1999) total design method was employed in this study whereby only two contacts were made with prospective respondents at both stages of data collection.

In the first round of data collection, the first contact with respondents was made in the week commencing 29 July 2002. Respondents listed in sample 1 (1300 organizations) were sent a personally addressed cover letter, copy of the questionnaire and a self-addressed, reply paid envelope. The second contact, via a reminder postcard, was made two weeks after the initial surveys were distributed. The self-imposed deadline for receipt of completed questionnaires was 30 August 2002. By this date, a total of 110 questionnaires had been returned unopened and a further 253 completed, or partially complete surveys had been received. However, of these, 11 were returned from nonprofit organizations classified as private hospitals and 9 contained incomplete responses. This resulted in 233 usable questionnaires for sample 1, which represents an effective response rate of 19.9%. This is consistent with response rates reported in other marketing studies (Cannon and Perreault, 1999; Joshi and Campbell, 2003).

Following purification of scale items, the questionnaire was then administered to a second sample, consisting of 1000 nonprofit organizations. The first contact with the second sample of respondents was made in the week commencing 30 September 2002, with a reminder postcard following in the week commencing 14 October 2002. Again, the self-imposed deadline for receipt of responses was 9 November 2002. With the second sample, 168 questionnaires were returned unopened. The high number of 'returns to sender' in both samples may have resulted from a slightly outdated database. Having been purchased some months prior to it being utilized, it is feasible that some of the organizations listed had either changed address or were no longer in operation or the contact person was no longer employed within the company. A total of 191 completed questionnaires were received. Of these, however, 15 were classified again as private hospitals and 6 were incomplete. These were subsequently discarded from the analysis. This resulted in 170 usable questionnaires from sample 2, representing an effective response rate of 20.9%. Although a somewhat lower than expected response rate, the number of usable surveys retained for analysis meets the requirements for performing a confirmatory factor analysis (Kelloway, 1998).

6.10 Statistical Methods

The data was subjected to a range of statistical analyses, designed to address the following research objectives: a) develop and validate a multidimensional measure of nonprofit brand orientation; b) examine the relationship between NBO and organizational performance; and c) identify which NBO items distinguish between higher and lower performing nonprofit organizations. The data analysis proceeded as follows.

The first stage in the procedure involved assessing for non-response bias, which was accomplished by following Armstrong and Overton's (1977) procedure. This was undertaken for both samples 1 and 2. The second stage involved assessing the internal consistency of the data from sample 1 through the computation of coefficient alpha for the items measuring nonprofit brand orientation (NBO). The items that were retained were then subjected to a principal component analysis with varimax rotation in order to identify the underlying structure of NBO. Using sample 2, the data was subjected to a confirmatory factor analysis and an evaluation of how well the model fit the data was made.

The reliability and convergent validity of the resulting scale was then assessed, through the computation of the average variance extracted and composite reliability scores. Discriminant validity was assessed by factor analyzing the NBO items with the 14 statements measuring market orientation. Principal components analysis with varimax rotation was again used. Nomological validity was assessed by performing a multiple regression analysis of the NBO constructs onto the two measures of organizational performance. Multiple regression analysis was also used to assess the concurrent criterion validity of the scale, whereby the dimensions of NBO were correlated with the overall measure of brand management effectiveness. Content validity of the scale was determined through subjective methods (ie. two marketing academics as described earlier) as well as by using a one-way ANOVA to examine the relationship between the mean scores of each dimension and respondents' evaluation of the organization's overall effectiveness in managing the brand. The final analysis at the scale development stage of the procedure involved the computation of the generalizability coefficients for NBO. A variance components analysis, in line with the procedure described by Finn and Kayande (1997), was undertaken to derive these figures.

Once the reliability, validity and generalizability of NBO had been established, the statistical methods used were designed to address the second and third objectives of the study. First, a clustering technique was used to group together nonprofit organizations that were similar in terms of their performance. This resulted in the formation of two distinct groups, which were labeled 'above average' and 'average' performers. Logistic regression was then used to identify which aspects of brand orientation were most effective in discriminating between the two clusters. The results and implications of these findings are discussed in Chapters 7 and 8, respectively.

6.11 Chapter Summary

This chapter describes the development of a measure of brand orientation for nonprofit organizations. Following an overview of Churchill's (1979) scale development paradigm, the research design and sampling methodology used in this study was described. Scale items were generated based on the statements and questions contained in Keller's (2000) brand report card. This initial stage resulted in 37 items, however this was reduced to 30 items based on feedback gleaned through focus group interviews. These items formed the pool from which the NBO scale would be developed. The discussion then turned to the research design employed in this study and the sampling methodology adopted. Two samples were drawn from commercial databases supplied by Dun and Bradstreet and Action Mailing Lists. Researcher judgment was used in the initial stages to select the nonprofit sectors from which respondents would be drawn, while a simple random sampling technique was used to select the specific organizations. Samples 1 and 2 consisted of 1300 and

1000 nonprofit organizations across a wide range of sectors, respectively. Information was solicited from the CEO of each organization through a self-administered mail survey. This resulted in 233 and 170 usable responses being obtained for samples 1 and 2, respectively. The chapter concluded with a discussion of the statistical techniques employed in analyzing the data. The findings and implications of these results are presented in the following chapters.

Chapter 7
Results

7.0 Chapter Overview

This chapter presents the results of the analytical procedures used to test the research hypotheses and address the research objectives described in Chapter 5. In the first section, a description of the respondent organizations and demographic profile of respondents themselves is provided. The chapter then addresses the first objective of the study, namely developing a psychometrically robust and generalizable measure of nonprofit brand orientation (NBO). In so doing, results pertaining to the purification of scale items and confirmation of the underlying structure of NBO are outlined. The psychometric properties of the scale are then assessed and the generalizability of NBO established by drawing on the principles proposed by Finn and Kayande (1997). The final section of the chapter focuses on the second and third objectives of the study, which pertain to: examining the relationship between NBO and organizational performance; and identifying the brand orientation items that distinguish between above average and average performing nonprofit organizations. This is achieved through firstly, using a clustering technique to categorize nonprofit organizations into distinct groups and second, using a logistic regression analysis to identify their distinguishing characteristics in terms of NBO.

7.1 Introduction

The primary objective of this study is to develop a psychometrically robust and generalizable measure of nonprofit brand orientation and assess its impact on organizational performance. In scale development studies, data is commonly subjected to principal components and confirmatory factor analysis techniques to determine the underlying structure of a construct. Various statistical tests are then performed to assess the psychometric properties of the scale. The results of this study are presented in the following section, with the implications of these findings discussed in Chapter 8.

7.2 Preliminary Data Analysis

7.2.1 Data Screening

As noted in the preceding chapter, data was collected on two separate occasions from two discrete samples. During preliminary analysis of the data from sample 1, it was observed that four variables (items 14, 17, 27 and 28) had a high proportion of missing values. In line with Hair's et al. (1998) recommendations, these four variables were removed from any further analysis, while missing values for the remaining brand orientation items were replaced with the item mean score. Likewise, missing values for data obtained from sample 2 were also replaced with the item mean scores. One possible explanation for the high proportion of missing values in the data set is that it may be an indication that not all activities specified in Keller's (2000) brand report card are applicable to nonprofit organizations. This is consistent with prior research exploring the marketing and management practices adopted within the nonprofit sector, which indicates that due to limited resources, there is often a need to adapt such principles to this sector (Roberts-Wray, 1994; Saxton, 1994). As a result, the final data set for sample 1 consisted of 233 respondent organizations evaluating 26 brand orientation items.

7.2.2 Assessing Non-response Bias

The next stage of the data analysis process involved assessing for non-response bias. Non-response bias infers that actual respondents of a survey differ from those who refuse to participate. As response rates decrease, the magnitude of this bias tends to increase (Malhotra et al., 1996). There are several techniques available to adjust for non-response error including sub-sampling of non-respondents, replacement, substitution, subjective estimates, trend analysis, simple weighting and imputation (Malhotra et al., 1996). One technique commonly used by marketing scholars is an extrapolation procedure proposed by Armstrong and Overton (1977). This technique is based on the assumption that late respondents are similar to the 'theoretical' non-respondent. If no significant differences are observed between early and late respondents, it can be assumed that non-respondents are similar to survey participants and thus, the effects of non-response bias are minimal (Armstrong and Overton, 1977).

This technique was utilized in this study to determine whether respondents and non-respondents differed. Using data from sample 1, an independent samples t-test was used to compare responses along the 26 brand orientation items between early and late respondents. The first 60 respondents (1st quartile) in the data set represented early respondents and the final 61 (4th quartile) late respondents. As can be seen in Table 7.1, there were no significant differences between the two groups, which implies that there are no differences between survey participants and non-respondents. Similar results were also observed for sample 2 when comparing responses on the reduced set of scale items, which included only those items used in the confirmatory factor analysis.

Table 7.1 Comparison of Early and Late Respondents in Samples 1 and 2

Item	Sample 1				Sample 2			
	Early (n=60) Mean	Late (n=61) Mean	t	Sig.	Early (n=34) Mean	Late (n=34) Mean	t.	Sig.
Q1	5.18	4.90	1.043	0.299				
Q2	5.83	5.66	0.900	0.370	6.00	6.29	-1.320	0.191
Q3	5.03	4.61	1.463	0.146	5.00	5.34	-0.819	0.416
Q4	4.37	4.46	-0.343	0.732	4.75	4.85	-0.277	0.783
Q5	4.97	4.95	0.063	0.950	5.22	5.79	-2.081	0.041
Q6	5.00	4.93	0.304	0.762	4.72	5.95	-0.453	0.652
Q7	5.02	5.02	0.001	0.999				
Q8	5.33	4.20	0.288	0.774				
Q9	4.20	4.02	0.571	0.569				
Q10	3.62	3.95	-1.239	0.218				
Q11	4.83	4.82	0.048	0.962				
Q12	4.72	4.89	-0.620	0.536	5.53	5.50	0.087	0.931
Q13	4.23	4.28	-0.160	0.874				
Q15	4.03	3.83	0.655	0.514	4.72	4.97	-0.642	0.523
Q16	4.28	4.21	0.235	0.815	4.96	4.65	0.829	0.410
Q18	4.40	4.57	-0.619	0.537	4.68	4.82	-0.357	0.722
Q19	3.57	3.80	-0.761	0.448	4.19	4.21	-0.028	0.978
Q20	4.47	4.72	-0.992	0.323	4.96	4.88	0.215	0.830
Q21	4.75	4.75	-0.013	0.990	5.39	5.26	0.368	0.714
Q22	3.67	3.46	0.671	0.503	4.11	3.84	0.641	0.523
Q23	4.07	3.93	0.434	0.665	4.50	4.29	0.507	0.614
Q24	4.05	4.02	0.123	0.903				
Q25	3.37	3.33	0.126	0.900				
Q26	3.80	3.79	0.045	0.964				
Q29	3.45	3.39	0.187	0.852				
Q30	3.62	3.61	0.029	0.977				

7.2.3 Descriptive Statistics

As can be seen in Table 7.2, the demographic and organizational profile of nonprofit firms is similar for both samples 1 and 2. In fact, no significant differences were observed between the two groups along any of the dimensions listed below. The majority of respondent organizations in both samples employed fewer than 100 people, had annual revenues of less than A$7 million and represented educational/research institutes, professional associations, social service providers or cultural/recreational service providers. Less than 10% of respondents from both samples were classified as public health care providers. The remainder represented miscellaneous nonprofit sectors, such as environmental groups, religious institutions or development and housing groups. Approximately half of the respondent organizations had been in operation for less than forty years and received less than 25% of their total revenue from government sources. Primarily, marketing related decisions were made at a state, rather than national level. In terms of the personal characteristics of respondents, the majority in both samples held senior managerial positions within the organization, were male and between 31 and 60 years of age.

Table 7.2 Demographic and Organizational Profile

	Sample 1 (n=233)	Sample 2 (n=170)
Organizational Characteristics		
Type of Nonprofit Organization		
Educational/research institute	28%	25%
Professional association	15%	15%
Social service organization	13%	11%
Cultural/recreational service provider	12%	12%
Public health institute	7%	9%
Other	25%	28%
Annual Revenue		
Less than A$1 million	30%	31%
Between A$1.1 and $2.5 million	20%	13%
Between A$2.6 and $7 million	25%	24%
More than A$7.1 million	25%	32%
Number of Employees		
Less than 20 people	35%	35%
21 to 100 people	32%	29%
More than 100 people	33%	36%

Organization Age		
Less than 20 years	24%	29%
Between 21 and 40 years	27%	24%
Between 41 and 60 years	16%	19%
Between 61 and 80 years	9%	5%
More than 81 years	24%	23%
Government Funding		
Less than 25%	55%	62%
Between 26% and 50%	12%	7%
Between 51% and 75%	10%	16%
More than 76%	23%	15%
Responsibility for Marketing Decisions		
State level	68%	75%
National level	32%	25%
Respondent Characteristics		
Job Title		
CEO/Director	46%	41%
Principal (Education)	14%	8%
Manager	25%	40%
Other	15%	11%
Gender		
Male	62%	62%
Female	38%	38%
Respondent Age		
Less than 30 years	9%	11%
Between 31 and 40 years	20%	16%
Between 41 and 50 years	36%	35%
Between 51 and 60 years	31%	30%
More than 61 years	4%	8%

7.3 Results: Scale Development

Objective 1: To develop a psychometrically robust and generalizable measure of nonprofit brand orientation (hereafter called the NBO scale)

The following section details the results of the data analysis procedures used to develop a psychometrically robust and generalizable measure of nonprofit brand orientation. Sample 1 was used to purify the scale items and sample 2 to confirm the underlying factor structure of NBO, before assessing its psychometric properties.

7.3.1 Purification and Reliability (Sample 1)

The first stage of scale purification involved the 26 brand orientation items in sample 1 undergoing the computation of coefficient alpha (Cronbach, 1951). For all 26 items, the alpha was .9400 (n=233) (see Table 7.3).

Table 7.3 Reliability Analysis of 26 Brand Orientation Items

	Item	Item mean	Corrected item-total correlation	Alpha if item deleted
In our organization we...				
Q1	Attempt to identify unmet stakeholder needs and wants	5.18	0.454	0.939
Q2	Focus on creating a positive product/service experience for our stakeholders	5.97	0.573	0.938
Q3	Have a system in place for getting stakeholders' comments to the people who can instigate change	4.91	0.542	0.938
Q4	Invest adequate resources in product/service improvements that provide better value to our stakeholders	4.69	0.576	0.938
Q5	Keep "in touch" with our stakeholders' needs	5.15	0.677	0.937
Q6	Keep "in touch" with current market conditions	5.11	0.588	0.938
Q7	Base marketing decisions on knowledge of the current market conditions, stakeholders' needs and new trends	5.08	0.622	0.938
Q8	Deliver 'value for money' to our stakeholders by maximizing the quality of our product/service offering whilst minimizing internal costs	5.43	0.497	0.939
Q9	Have a system in place to monitor stakeholders' perceptions of the brand	4.16	0.620	0.937
Q10	Estimate how much value our stakeholders believe the brand adds to our product/service	3.89	0.552	0.938
Q11	Attempt to differentiate our brand (and product/service offering) from our competitors	4.90	0.514	0.939
Q12	Develop marketing programs that send consistent messages about our brand to our stakeholders	4.93	0.672	0.937
Q13	Adjust the brand's marketing program to keep current and abreast with stakeholder trends	4.43	0.769	0.935
Q15	Ensure that the organization's brands and sub-brands target specific, well defined segments that do not overlap with one another	4.11	0.520	0.939
Q16	Create a brand/sub-brand structure that is well thought out and understood by our staff	4.28	0.547	0.938
Q18	Design our integrated marketing activities to encourage consumers directly to use our products/services	4.49	0.503	0.938

Q19	Design our integrated marketing activities to encourage our suppliers, distributors and other key stakeholders to promote our products/services to consumers	3.84	0.598	0.938
Q20	Ensure that managers within the organization are aware of all of the marketing activities that involve the brand	4.63	0.654	0.937
Q21	Ensure that the meaning of the brand is consistently represented in all marketing communication activities	4.94	0.612	0.938
Q22	Develop detailed knowledge of what our stakeholders <u>dislike</u> about the brand	3.56	0.621	0.937
Q23	Develop detailed knowledge of what our stakeholders <u>like</u> about the brand	4.11	0.675	0.937
Q24	Develop a good understanding of the images/associations that our stakeholders make with the brand	4.11	0.725	0.936
Q25	Create detailed, research-driven profiles of key stakeholders	3.42	0.678	0.938
Q26	Develop a good understanding of the successes and failures of our brand's marketing program before it is changed	3.87	0.689	0.937
Q29	Conduct ad-hoc research to assess the 'health' of our brand	3.41	0.436	0.940
Q30	Conduct routine/continuous research to evaluate current market performance of our brand	3.64	0.638	0.937

Consistent with Churchill's (1979) recommendation, items with a corrected item-to-total correlation of less than .5 were eliminated, resulting in the purging of three items (items 1, 8 and 29). The alpha for the 23-item scale was .9383 (n=233). From Table 7.4 it is evident that all items contribute to the internal consistency of the scale. Generally, scales are regarded as reliable for commercial purposes if the alpha coefficient exceeds .7 (Nunnally, 1978), so it can be accepted that the NBO scale is a potentially reliable measure of brand orientation for nonprofit organizations.

Table 7.4 Reliability Analysis of 23 Brand Orientation Items

	Item	Item mean	Corrected item-total correlation	Alpha if item deleted
In our organization we...				
Q2	Focus on creating a positive product/service experience for our stakeholders	5.97	0.561	0.937
Q3	Have a system in place for getting stakeholders' comments to the people who can instigate change	4.91	0.523	0.937
Q4	Invest adequate resources in product/service improvements that provide better value to our stakeholders	4.69	0.562	0.936
Q5	Keep "in touch" with our stakeholders' needs	5.15	0.656	0.935
Q6	Keep "in touch" with current market conditions	5.11	0.571	0.936
*Q7	Base marketing decisions on knowledge of the current market conditions, stakeholders' needs and new trends	5.08	0.609	0.936
*Q9	Have a system in place to monitor stakeholders' perceptions of the brand	4.16	0.615	0.936
*Q10	Estimate how much value our stakeholders believe the brand adds to our product/service	3.89	0.546	0.937
*Q11	Attempt to differentiate our brand (and product/service offering) from our competitors	4.90	0.527	0.937
Q12	Develop marketing programs that send consistent messages about our brand to our stakeholders	4.93	0.685	0.935
*Q13	Adjust the brand's marketing program to keep curren. and abreast with stakeholder trends	4.43	0.767	0.933
Q15	Ensure that the organization's brands and sub-brands target specific, well defined segments that do not overlap with one another	4.11	0.528	0.937
Q16	Create a brand/sub-brand structure that is well thought out and understood by our staff	4.28	0.558	0.937
Q18	Design our integrated marketing activities to encourage consumers directly to use our products/services	4.49	0.590	0.936
Q19	Design our integrated marketing activities to encourage our suppliers, distributors and other key stakeholders to promote our products/services to consumers	3.84	0.606	0.936
Q20	Ensure that managers within the organization are aware of all of the marketing activities that involve the brand	4.63	0.661	0.935
Q21	Ensure that the meaning of the brand is consistently represented in all marketing communication activities	4.94	0.618	0.936
Q22	Develop detailed knowledge of what our stakeholders dislike about the brand	3.56	0.620	0.936
Q23	Develop detailed knowledge of what our stakeholders like about the brand	4.11	0.680	0.935

*Q24	Develop a good understanding of the images/associations that our stakeholders make with the brand	4.11	0.726	0.934
*Q25	Create detailed, research-driven profiles of key stakeholders	3.42	0.578	0.936
*Q26	Develop a good understanding of the successes and failures of our brand's marketing program before it is changed	3.87	0.693	0.934
*Q30	Conduct routine/continuous research to evaluate current market performance of our brand	3.64	0.634	0.935

*Ultimately deleted from the final 14-item instrument

7.3.2 Exploratory Factor Analysis (Sample 1)

Data from sample 1 (23-items, n=233) was then subjected to a principal component analysis with varimax rotation. Factor extraction according to the MINEIGEN criterion (ie. all factors with Eigenvalues > 1) was employed. The analysis produced a three-factor solution. However, several items (item 7, 10, 11, 13, 24, 25, 26 and 30) either failed to load or loaded highly on multiple factors. When these were removed, the final three-factor solution accounted for 63% of variation in the data (see Appendix 2 for the anti-image correlation matrix). As can be seen from the rotated factor matrix in Table 7.5, items 12, 15,16 and 18-21 load on factor 1, items 2-6 load on factor 2 and items 9, 22 and 23 load on factor 3.

Factor 1, labeled *orchestration*, assesses the degree to which the brand portfolio and related marketing activities are suitably structured and effectively communicated to both internal and external stakeholders. It measures an organization's ability to implement integrated marketing communications activities that deliver consistent messages to stakeholders.

Factor 2, labeled *interaction*, assesses the extent to which an organization establishes a dialogue with key stakeholders and responds to changes in the environment. It captures the degree to which an organization uses market feedback to create and deliver superior value to stakeholders. This provides an indication of their level of responsiveness to changes in market conditions and stakeholder needs.

Finally, factor 3, labeled *knowledge* assesses whether an organization understands the extent to which they are liked/disliked by key stakeholders and more specifically, exactly what about the organization is most liked/disliked and why. In the advertising response literature for example, there is an impressive body of evidence underpinning the salience of likability and its ability to predict attitudes towards the ad/brand/product, and more importantly, actual past behavior and intended future behavior (see Du Plessis, 1994, or Biel and Bridgwater, 1990, for a more detailed discussion). Thus, 'stakeholder likability' is a salient component of nonprofit brand orientation.

Table 7.5 Factor Analysis on NBO Items

KMO and Bartlett's Test

Kaiser-Meyer Olkin Measure of Sampling Adequacy		.886
Bartlett's Test of Sphericity	Approx. Chi-Square	1722.54
	df.	105
	Sig.	.000

Communalities

Item	Initial	Extraction
Q2	1.000	.635
Q3	1.000	.590
Q4	1.000	.649
Q5	1.000	.729
Q6	1.000	.568
Q9	1.000	.583
Q12	1.000	.586
Q15	1.000	.547
Q16	1.000	.485
Q18	1.000	.600
Q19	1.000	.548
Q20	1.000	.637
Q21	1.000	.614
Q22	1.000	.798
Q23	1.000	.825

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Var.	Cum. %	Total	% of Var.	Cum. %	Total	% of Var.	Cum. %
Orchestration	6.52	43.50	43.50	6.52	43.50	43.50	3.90	26.01	26.01
Interaction	1.77	11.83	55.33	1.77	11.83	55.33	3.08	20.57	46.58
Knowledge	1.09	7.30	62.63	1.09	7.30	62.63	2.41	16.05	62.63

Rotated Component Matrix

		Factor		
		1	2	3
Q18	Design our integrated marketing activities to encourage consumers directly to use our products/services	0.752		
Q20	Ensure that managers within the organization are aware of all of the marketing activities that involve the brand	0.726		
Q15	Ensure that the organization's brands and sub-brands target specific, well defined segments that do not overlap with one another	0.725		
Q21	Ensure that the meaning of the brand is consistently represented in all marketing communication activities	0.725		
Q19	Design our integrated marketing activities to encourage our suppliers, distributors and other key stakeholders to promote our products/services to consumers	0.693		
Q12	Develop marketing programs that send consistent messages about our brand to our stakeholders	0.679		
Q16	Create a brand/sub-brand structure that is well thought out and understood by our staff	0.656		
Q5	Keep "in touch" with our stakeholders' needs		0.759	
Q4	Invest adequate resources in product/service improvements that provide better value to our stakeholders		0.756	
Q2	Focus on creating a positive product/service experience for our stakeholders		0.745	
Q6	Keep "in touch" with current market conditions		0.713	
Q3	Have a system in place for getting stakeholders' comments to the people who can instigate change		0.631	
Q22	Develop detailed knowledge of what our stakeholders *dislike* about the brand			0.837
Q23	Develop detailed knowledge of what our stakeholders *like* about the brand			0.828
*Q9	Have a system in place to monitor stakeholders' perceptions of the brand			0.657

Extraction Method: Principal Component Analysis;
Rotation Method: Varimax with Kaiser Normalization;
Rotation converged in 6 iterations. For clarity of interpretation, factor loadings <.6 are suppressed).
* Subsequently removed to improve coefficient alpha.

Following the principal component analysis, the reliability of each of the three nonprofit brand orientation dimensions was assessed through the computation of coefficient alpha. As is shown in Table 7.6, the alpha for each dimension is above Nunnally's (1978) recommendation of .70. However, for factor 3, *knowledge*, the deletion of item 9 results in a higher coefficient alpha for that dimension. As such, this item was removed, leaving the *knowledge* dimension composed of items 22-23 with an alpha of .8678. These results further attest to the internal consistency of the scale.

Table 7.6 Reliability of the Three NBO Dimensions

	NBO Dimensions	Corrected item-total correlation	Alpha if item deleted
Factor 1: Orchestration (alpha = .8698, n=233)			
	In our organization we…		
Q18	Design our integrated marketing activities to encourage consumers directly to use our products/services	.6703	.8479
Q20	Ensure that managers within the organization are aware of all of the marketing activities that involve the brand	.7023	.8441
Q15	Ensure that the organization's brands and sub-brands target specific, well defined segments that do not overlap with one another	.6215	,8547
Q21	Ensure that the meaning of the brand is consistently represented in all marketing communication activities	.6664	.8487
Q19	Design our integrated marketing activities to encourage our suppliers, distributors and other key stakeholders to promote our products/services to consumers	.6323	.8533
Q12	Develop marketing programs that send consistent messages about our brand to our stakeholders	.6465	.8512
Q16	Create a brand/sub-brand structure that is well thought out and understood by our staff	.5848	.8595
Factor 2: Interaction (alpha=.8408, n=233)			
	In our organization we…		
Q2	Focus on creating a positive product/service experience for our stakeholders	.6109	.8211
Q3	Have a system in place for getting stakeholders' comments to the people who can instigate change	.6224	.8173
Q4	Invest adequate resources in product/service improvements that provide better value to our stakeholders	.6744	.8005
Q5	Keep "in touch" with our stakeholders' needs	.7645	.7738
Q6	Keep "in touch" with current market conditions	.5806	.8254
Factor 3: Knowledge (alpha=.8303, n=233)			
	In our organization we…		
Q22	Develop detailed knowledge of what our stakeholders <u>dislike</u> about the brand	.7032	.7514
Q23	Develop detailed knowledge of what our stakeholders <u>like</u> about the brand	.7880	.7514
*Q9	Have a system in place to monitor stakeholders' perceptions of the brand	.5875	.8678

* Subsequently removed to improve coefficient alpha.

7.3.3 Confirmatory Factor Analysis (Sample 2)

Using sample 2, structural equation modeling (SEM) was used to perform a confirmatory factor analysis on the proposed model, which consisted of a first-order, three factor structure. Specifically, the model comprised three latent variables (orchestration, interaction and knowledge), with the observed variables loading in accordance with the pattern revealed in the exploratory factor analysis on sample 1, but without item 9 (see Table 7.7).

There are a number of tests to ascertain whether an SEM model fits the observed data. The chi-square statistic (X^2) provides a measure of how well the model fits, with a non-significant X^2 supporting the null hypothesis that the model is a good fit to the data. Overall goodness-of-fit for a model can also be assessed by three additional indices: the root mean residual (RMR), adjusted goodness-of-fit index (AGFI) and comparative fit index (CFI) (Kelloway, 1998). A model is regarded as having an acceptable fit if the RMR is less than .10, AGFI exceeds .8 and CFI is greater than .9 (Bentler, 1990). The results for the 14-item, three factor NBO model indicates an X^2=134.10 (df=74, p<.001), RMR=.113, AGFI=.857 and CFI=.949. Based on the criteria proposed by Bentler (1990), the three dimensional model in its present form does not produce an acceptable fit to the data. However, an analysis of the modification indices revealed two ill-fitting parameters (items 15 and 21), which, if removed, substantially reduced the chi-square value and improved the overall model fit. As such, the initial hypothesized model was re-specified taking into consideration the removal of items 15 and 21. This resulted in an X^2=58.69 (df=51, p=.214), RMR=.093, AGFI=.917 and a CFI = .992. Overall, the removal of items 15 and 21 substantially improves the goodness-of-fit and provides some confirmation of the proposed three factor structure of NBO.

Table 7.7 Results of Confirmatory Factor Analysis

	Initial Model		Post Hoc Model	
Path	Unstand-ardized	Standard-ized	Unstan-dardized	Standard-ized
Orchestration → Q16	1.000	.682	1.000	.657
Orchestration → Q15	1.089	.704	-	-
Orchestration → Q18	1.122	.781	1.198	.804
Orchestration → Q19	1.268	.852	1.330	.862
Orchestration → Q20	.974	.702	.988	.686
Orchestration → Q21	.940	.694	--	-
Orchestration → Q12	.829	.601	.849	.593
Interaction → Q2	1.000	.537	1.000	.531
Interaction → Q3	1.983	.681	2.019	.684
Interaction → Q4	1.899	.689	1.920	.688
Interaction → Q5	1.692	.757	1.729	.764
Interaction → Q6	1.628	.699	1.640	.695
Knowledge → Q22	1.000	.888	1.000	.884
Knowledge → Q23	1.046	.939	1.056	.943
Orchestration ↔ Knowledge		.646		.649
Orchestration ↔ Interaction		.740		.719
Interaction ↔ Knowledge		.660		.658
Fit Indices				
X^2	134.10		58.69	
Df	74		51	
P	.000		.214	
RMR	.113		.093	
AGFI	.857		.917	
CFI	.949		.992	

7.3.4 Psychometric Properties of NBO

7.3.4.1 Reliability of NBO

The reliability of the 12-item NBO scale was further assessed by examining the composite reliability and variance extracted scores (Hair et al., 1998). It is recommended that the variance extracted score be greater than .50 and the composite reliability statistic more than .70 (Carmines and Zeller, 1988; Fornell and Larcker, 1981). Values were calculated for each of the factors and, as can be seen in Table 7.8, the results attest to the internal consistency of the scale.

As such, <u>Hypotheses 1 is supported</u>, that is, the NBO scale is a reliable measure of a nonprofit organization's propensity to be brand oriented.

7.3.4.2 Validity of NBO

Whilst it is important to assess the reliability of a measure, scale validity should also be established to ensure that a scale in fact measures what it is purported to measure (Hair et al., 1998). Several aspects are considered, namely construct, convergent, discriminant, nomological, concurrent and content criterion validity.

Convergent Validity. The ideal method by which to assess convergent validity of a scale is to use alternate methods or scales to assess the same construct. As this was not undertaken in this study, the convergent validity of the NBO scale was examined by calculating the average variance extracted (AVE) score for each of the three factors, consistent with Fornell and Larcker's (1981) recommendation. If the shared variance accounts for .50 or more of the total variance, then, convergent validity can be assumed. As can be shown in Table 7.8, the AVE for each factor exceeds this criterion, which indicates that the NBO scale does possess convergent validity. However, further research that incorporates alternate methods or scales to measure nonprofit brand orientation is necessary to fully establish convergent validity of the scale.

> ***As such, these results lend partial support to Hypothesis 2b, that is, there are indications that the NBO scale possesses convergent validity.***

Table 7.8 Reliability and Validity Assessment for NBO

Orchestration		Interaction		Knowledge	
CR	AVE	CR	AVE	CR	AVE
.83	.60	.76	.51	.91	.84

$(Corr)^2$	CV	*DV*
.43, .42, .52	Yes	Yes

CR = Composite Reliability = $(\sum \text{of Std.Loadings})^2/(\sum \text{of Std.Loadings})^2 + \sum \text{of } \varepsilon_j$
AVE = Average Variance Extracted = $\sum$ of $(\text{Std.Loadings})^2/\sum$ of $(\text{Std.Loadings})^2 + \sum$ of ε_j
CV = Convergent Validity (AVE > .50) DV = Discriminant Validity = $AVE/(Corr)^2 > .1$
$(Corr)^2$ = Highest $(Corr)^2$ between factors of interest and remaining factors

Discriminant Validity: Discriminant validity is the degree to which a measure does not correlate positively with other constructs from which it is supposed to differ (Malhotra et al., 1996). Fornell and Larcker (1981) propose that discriminant validity is evident when the AVE for each construct is greater than the squared correlation between that construct and any other construct in the model. From this perspective, the results presented in Table 7.8 attest to the discriminant validity of NBO. Another method by which to assess discriminant validity of a scale is through the use of factor analytic techniques (Hinkin, 1995). The underlying premise is that items purported to measure distinct constructs should not load onto the same factors when subjected to factor analysis. In this study, it is proposed that nonprofit brand orientation is distinct from market orientation. That said, when items measuring each construct are factor analyzed, they should not load together on the same dimensions. Market orientation was assessed using an adaptation of Narver and Slater's (1990) 14-item scale. These items, combined with the 12 items measuring nonprofit brand orientation, were subjected to a principal components factor analysis with varimax rotation. This resulted in a 6-factor solution, accounting for 67% of the total variance. As can be seen in Table 7.9, the market orientation items load on factors 1, 4 and 5, while the NBO items load on factors 2 and 3. The sixth factor is comprised of one market orientation and one NBO item. Although items MO10 and NBO22 also load relatively highly on factors 3 and 5, respectively, the distinction between nonprofit brand orientation and market orientation is quite apparent, indicating that the two constructs are in fact unique.

As such, <u>Hypothesis 2c is accepted</u>, that is the NBO scale possesses discriminant validity.

Table 7.9 Factor Analysis on NBO and MO Items

KMO and Bartlett's Test

Kaiser-Meyer Olkin Measure of Sampling Adequacy		.880
Bartlett's Test of Sphericity	Approx. Chi-Square	2344.46
	df.	325
	Sig.	.000

Communalities

Item		Initial	Extraction
MO-1	Our commitment to serving stakeholder needs is closely monitored	1.000	0.614
MO-2	Our staff share information about competitors	1.000	0.517
MO-3	Our objectives and strategies are driven by the creation of stakeholder satisfaction	1.000	0.706
MO-4	We achieve rapid response to competitive actions	1.000	0.728
MO-5	Top management regularly visits important stakeholders	1.000	0.645
MO-6	Information about stakeholders is freely communicated throughout the company	1.000	0.603
MO-7	Competitive strategies are based on understanding stakeholder needs	1.000	0.691
MO-8	Business functions are integrated to serve market needs	1.000	0.691
MO-9	Business strategies are driven by increasing value for stakeholders	1.000	0.742
MO-10	Stakeholder satisfaction is frequently assessed	1.000	0.667
MO-11	Close attention is given to after 'sales' service	1.000	0.500
MO-12	Top management regularly discusses competitors' strengths and weaknesses	1.000	0.800
MO-13	Our managers understand how employees can contribute to value for stakeholders	1.000	0.721
MO-14	Stakeholders are targeted when we have an opportunity for competitive advantage	1.000	0.666
NBO-2	Focus on creating a positive product/service experience for our stakeholders	1.000	0.756
NBO-3	Have a system in place for getting stakeholders' comments to the people who can instigate change	1.000	0.609
NBO-4	Invest adequate resources in product/service improvements that provide better value to our stakeholders	1.000	0.482
NBO-5	Keep "in touch" with our stakeholders' needs	1.000	0.699
NBO-6	Keep "in touch" with current market conditions	1.000	0.661
NBO-12	Develop marketing programs that send consistent messages about our brand to our stakeholders	1.000	0.632
NBO-16	Create a brand/sub-brand structure that is well thought out and understood by our staff	1.000	0.557
NBO-18	Design our integrated marketing activities to encourage consumers directly to use our products/services	1.000	0.780
NBO-19	Design our integrated marketing activities to encourage our suppliers, distributors and other key stakeholders to promote our products/services to consumers	1.000	0.751
NBO-20	Ensure that managers within the organization are aware of all of the marketing activities that involve the brand	1.000	0.599
NBO-22	Develop detailed knowledge of what our stakeholders *dislike* about the brand	1.000	0.769
NBO-23	Develop detailed knowledge of what our stakeholders *like* about the brand	1.000	0.744

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Var.	Cum. %	Total	% of Var.	Cum. %	Total	% of Var.	Cum. %
1	10.25	39.43	39.43	10.25	39.43	39.43	4.09	15.73	15.73
2	2.10	47.52	47.52	2.10	8.09	47.52	3.78	14.55	30.28
3	1.60	53.69	53.69	1.60	6.17	53.69	3.47	13.33	43.61
4	1.26	58.55	58.55	1.26	4.86	58.55	2.72	10.44	54.05
5	1.09	62.74	62.74	1.09	4.19	62.74	2.18	8.38	62.43
6	1.02	66.65	66.65	1.02	3.91	66.65	1.10	4.22	66.65

Rotated Component Matrix

	Component					
	1	2	3	4	5	6
MO-9	0.801					
MO-3	0.753					
MO-8	0.687					
MO-7	0.682					
MO-1	0.587					
MO-10	0.566		.533			
NBO-18		0.827				
NBO-19		0.737				
NBO-Q12		0.677				
NBO-[illegible]		0.633				
NBO-16		0.618				
NBO-6		0.503				
NBO-5			0.757			
NBO-3			0.719			
NBO-22			0.620		.514	
NBO-23			0.579			
NBO-4			0.509			
MO-6				0.740		
MO-5				0.734		
MO-2				0.606		
MO-14				0.462		
MO-12					0.733	
MO-13					0.564	
MO-11					0.508	
NBO-2						0.716
MO-4						-0.473

Extraction Method: Principal Component Analysis;
Rotation Method: Varimax with Kaiser Normalization;
Rotation converged in 6 iterations. For clarity of interpretation, factor loadings <.45 are suppressed.
* Subsequently removed to improve coefficient alpha.

Nomological Validity: As stated in the Chapter 5, nomological validity of NBO will be established if a positive correlation between brand orientation and organizational performance is observed. Two subjective measures of organizational performance were used, which related to an organization's ability to: (i) serve stakeholders better, relative to competitors; and (ii) achieve its long and short term goals and objectives. Respondents indicated the extent to which they agreed with each statement by circling their response along a seven point scale (1=I strongly disagree to 7=I strongly agree). The three brand orientation dimensions were formed by computing the mean scores for items that constituted each factor. These were then regressed onto the two performance measures. As can be seen in Tables 7.10 and 7.11, both regression models are significant.

The first analysis (Table 7.10), where the dependent measure relates to perceived ability to serve stakeholders relative to competitors, produces a significant adjusted R^2 of .305 ($p<.001$). Not surprisingly, the *Knowledge* component seems not to influence an organization's ability to provide superior service to their stakeholders. That is, acquiring knowledge pertaining to stakeholders' likes and dislikes of the nonprofit brand does not seem to be related to an organization's belief that they are able to serve their stakeholders better than rivals. Rather, it is influenced more by their level of interaction with stakeholders and how well they are able to orchestrate the activities and people involved in managing the nonprofit brand.

Table 7.10 Multiple Regression of NBO Components against Ability to Serve Stakeholders Better than Rivals

Model Summary [a]

Model	R	R^2	Adj. R^2	Std. Error of Estimate	Durbin-Watson
1	.557	.311	.305	1.05	2.116

ANOVA [b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	193.18	3	64.39	58.31	.000
	Residual	428.49	388	1.10		
	Total	621.67	391			

Coefficients

		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std.Error	Beta		
1	(Constant)	1.625	.285		5.67	.000
	Orchestration	.199	.054	.197	3.70	.000
	Interaction	.539	.068	.436	7.95	.000
	Knowledge	-.052	.042	-.019	-.365	.715

[a] Predictors: (Constant), Orchestration, Interaction, Knowledge
[b] Dependent variable: Ability to serve stakeholders better than competitors

The result of the second multiple regression analysis is shown in Table 7.11. The adjusted R^2 of .327 ($p<.001$) suggests that a significant proportion of the variation in an organization's ability to achieve its long and short term goals and objectives is accounted for by the components of NBO. Further, all three dimensions are significant predictors of goal achievement.

Based on these results, it can be inferred that the NBO scale possesses nomological validity, thereby lending <u>support to Hypothesis 2d.</u>

Further, the test for nomological validity also demonstrates a positive relationship between brand orientation and organizational performance, lending support to Hypothesis 5. This will be examined and discussed further in section 7.4.

Table 7.11 Multiple Regression of NBO Components against Ability to Achieve Goals

Model Summary [a]

Model	R	R^2	Adj. R^2	Std. Error of Estimate	Durbin-Watson
1	.576	.332	.327	1.01	2.142

ANOVA [b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	200.01	3	66.67	64.78	.000
	Residual	402.37	391	1.03		
	Total	602.38	394			

Coefficients

		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std.Error	Beta		
1	(Constant)	1.731	.279		6.21	.000
	Orchestration	.152	.051	.154	2.97	.003
	Interaction	.503	.065	.412	7.76	.000
	Knowledge	.075	.040	.098	1.86	.064

[a] Predictors: (Constant), Orchestration, Interaction, Knowledge

[b] Dependent variable: Ability to achieve short and long term goals and objectives

Construct Validity: Based on the results presented in the preceding discussion, it can be surmised that:

> ***Hypothesis 2a is supported, that is the NBO scale possesses construct validity.***

However, further research may be necessary to fully establish the convergent validity of the nonprofit brand orientation construct.

Concurrent Criterion Validity: The criterion validity of an instrument is established if a scale performs as expected in relation to other variables identified as meaningful criteria. Criterion validity of NBO was assessed through a multiple regression of the three components of the construct against an independent, overall measure of brand management effectiveness. As can be seen in Table 7.12, the analysis produces an adjusted R^2 of .567 (significant at $p<.001$). Further, orchestration, interaction and knowledge all had an impact on the criterion variable.

> ***These results provide compelling evidence of the concurrent criterion validity of NBO, thereby supporting Hypothesis 2e.***

Table 7.12 Multiple Regression of NBO Components against Overall Brand Management Effectiveness

Model Summary [a]

Model	R	R^2	Adj. R^2	Std. Error of Estimate	Durbin-Watson
1	.755	.570	.567	.981	1.77

ANOVA [b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	503.92	3	167.97	174.71	.000
	Residual	379.77	395	.961		
	Total	883.69	398			

Coefficients

		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std.Error	Beta		
1	(Constant)	-.456	.261		-1.75	.081
	Orchestration	.533	.049	.454	10.86	.000
	Interaction	.354	.062	.245	5.75	.000
	Knowledge	.177	.039	.191	4.55	.000

[a] Predictors: (Constant), Orchestration, Interaction, Knowledge
[b] Dependent variable: Overall BM effectiveness

Content Validity: Content validity assesses the extent to which individual scale items cover the range of meanings included in a concept (Babbie, 1992; Hair et al., 1998). In addition to using two marketing academics to assess the content validity of the proposed NBO scale, a one-way ANOVA was used to examine the relationship between the mean scores for each NBO dimension and respondents' ratings of the overall effectiveness of their organization's brand management practices. As can be seen in Table 7.13, there appears to be a strong positive relationship between brand management effectiveness and respondents' evaluation of the individual dimensions of NBO. That is, the higher respondents rate the overall effectiveness of their organization's brand management practices, the higher the average rating of the individual NBO components.

> ***Thus, it can be accepted that the NBO scale possesses content validity, thereby <u>supporting Hypothesis 2f.</u>***

Table 7.13 One-way ANOVA of three NBO Components and Overall Brand Management Effectiveness

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Orchestration	Between Groups	268.87	2	134.44	141.47	.000
	Within Groups	378.26	398	.950		
	Total	647.10	400			
Interaction	Between Groups	121.14	2	60.57	77.09	.000
	Within Groups	312.73	398	.786		
	Total	433.87	400			
Knowledge	Between Groups	274.48	2	137.24	70.64	.000
	Within Groups	773.29	398	1.943		
	Total	1047.77	400			

Overall BM effectiveness	N	Orchestration	Interaction	Knowledge
Not effective	121	3.43	4.44	2.83
Somewhat effective	133	4.59	5.28	3.87
Very effective	147	5.55	5.78	4.87

7.3.5 Generalizability of NBO

Finally, the dependability of the scale for comparing brand orientation across nonprofit organizations in diverse sectors and in assessing the effectiveness of an organization's brand management practices was assessed. Through a variance component analysis, the extent to which the nature of organizations, scale items, NBO components, organizational size and nonprofit sector contributed to variation in brand orientation across firms was identified. Variance components were estimated used the maximum likelihood method available in SPSS (Finn and Kayande, 1997). Organizations nested in industry and items nested in components were treated as random factors, while organizational size was treated as a fixed factor. Further, organizations nested in industry were crossed with items nested in components. In effect, 344 organizations nested in six sectors rated 12 items measuring nonprofit brand orientation nested in three components.

As can be seen in Table 7.14, organizations nested in industry, scale items nested in NBO components and the NBO components themselves account for the vast majority of variance in the data. This suggests that when varying levels of brand orientation are observed between organizations in different sectors, it is a result of differences between the organizations themselves rather than variations arising from the sector in which they operate. However, it is important to note that given that the CEOs of each organization reported on the brand management practices and philosophies within their own organization, respondents are confounded with the organization. As such, it is difficult to ascertain whether differences observed in responses are a result of true differences between organizations or the nature and characteristics of respondents themselves. Nonetheless, the results do indicate that the sector in which a nonprofit organization operates has a limited effect on brand orientation and that any differences observed are a result of some other factor. In this case, differences are a result of the respondent/organization and the items/components used to measure nonprofit brand orientation.

Based on the data gathered, a G-coefficient, which is analogues to a reliability coefficient (Cronbach et al., 1972) can be calculated for comparing brand orientation across nonprofit organizations in different nonprofit sectors as well as for comparing practices within the organization itself. The first part of the table shows the G-coefficients generated if one organization in one category rated the brand orientation of their firm based on one item. This results in G-coefficients of .353, .141 and .114 for comparing organizations, items and NBO components, respectively. The second part of Table 7.14 (see 'Alternate Decision Studies') shows the conditions that prevailed in the current study. In this instance, when the scale is used to compare brand orientation across nonprofit organizations in different sectors, where the object of measurement becomes the organization itself, the associated G-coefficient is .838. Similarly, when the scale is used to identify the brand management practices within an organization that are in need of attention, the object of measurement becomes either the items or NBO components, which results in G-coefficients of .996 and .976, respectively. Thus, given the values are above the normally acceptable level of .70 (Nunnally, 1978), it can be surmised that the NBO scale is a generalizable measure of nonprofit brand orientation.

> ***As such, these findings lend <u>support to Hypotheses 3 and 4</u>. That is, the scale can be used to compare brand orientation across nonprofit organizations in different sectors, with caution, and as an internal diagnostic tool.***

Table 7.14 Generalizability of NBO Scale

Source of Variation	Variance	% Total Var.	Estimated Variance Components [a]			
Alternate Decision Studies						
Sector			1	6	6	6
Item			1	12	12	12
Component			1	3	3	3
Organizations			1	344	344	344
				Organiz-ation[b]	Item[c]	Compo-nent[d]
Organization(Sector)	.858	30.1%	.858	.858	.858	.858
Sector	.010	0.3%	.010	.010	.010	.010
Component	.225	7.9%	.225	.225	.225	.225
Item(Component) [d]	.180	6.3%	.180	.063	.180	.005
Sector * Component [d]	.000	0.0%	.000	.000	.000	.000
Sector * Item(Component) [c]	.003	0.1%	.003	.003	.000	.003
Organization (Sector) * Component [bd]	.481	16.9%	.481	.160	.481	.000
Residual [bcd]	1.093	38.4%		.005	.000	.000
Total	2.850	100%				
Relative error (Organization)			1.574	.165		
G-Coefficient (Organization)			.353	**.838**		
Relative error (Items)			1.09		.000	
G-Coefficient (Items)			.141		**.996**	
Relative error (NBO components)			1.754			.006
G-Coefficient (NBO Components)			.114			**.976**

[a] Represents the estimated variance component for the random effect divided by the number of levels of the factors (other than the object of measurement) in the random effect (Finn and Kayande, 1997)

[b] The variance components for the interaction between the object of measurement (ie. organizations) with the facets of generalization (ie. components)

[c] The variance components for the interaction between the object of measurement (ie. items) with the facets of generalization (ie. sector)

[d] The variance components for the interaction between the object of measurement (ie. components) with the facets of generalization (ie. items, sectors and organizations).

7.4 Nonprofit Brand Orientation and Organizational Performance

Objective 2: To examine the relationship between nonprofit brand orientation and organizational performance; and

Objective 3: To identify which items and dimensions of NBO distinguish between higher and lower performing nonprofit organizations.

Having established the NBO scale as a robust and generalizable measure of nonprofit brand orientation, the next stage entailed a further examination of the relationship between nonprofit brand orientation and organizational performance. As noted earlier, the overall dimensions of NBO contribute significantly to an organization's ability to satisfy stakeholder needs and its ability to achieve its long- and short- term goals and objectives. That is, the results attest to the relative importance of the NBO dimensions in the prediction of each of the independent variables.

> ***This lends support to Hypothesis 5, which states that brand orientation is positively related to the performance of a nonprofit organization.***

The next issue to be addressed is whether successful nonprofit organizations are more brand oriented than their less successful counterparts and if so, what specific elements distinguish between the two groups. This involved two stages of analysis. First, nonprofit organizations were categorized as above average or average performers through a clustering technique. Second, a logistic regression was then performed to identify the specific elements and dimensions of NBO that most effectively distinguished between the two groups.

7.4.1 Cluster Analysis

Cluster analysis groups together individuals or objects so that objects in the same cluster share similar characteristics to one another, yet are notably different to members of other clusters (Hair et al., 1998). The grouping variables used in this study related to three measures of organizational performance, namely an organization's ability to serve stakeholders better, relative to competitors, their ability to achieve their long and short term goals and objectives and the effectiveness of their brand management practices and philosophies relative to competitors. Cluster analysis was considered an appropriate technique by which to group together respondents sharing similar perceptions of their organization's performance.

The clustering technique used in this study follows the procedure adopted by Bunn (1993) and Homburg, Workman, and Jensen (2002). This involves a multistage cluster approach, whereby two overlapping samples are initially clustered using Ward's (1963) minimum variance method, to determine the appropriate number of clusters. Once an optimal solution has been identified, the clustering process is then repeated on the entire dataset using a K-means approach, which is used to validate the cluster solution (Punj and Steward, 1983). This form of partitioning can produce excellent results if given a reasonable starting solution (Helsen and Green, 1991; Homburg et al., 2002). The procedure widely recommended and used for computing a starting point for K-means clustering is Ward's method (Punj and Steward, 1983).

The sample was initially split into two overlapping groups. Using the first group, which consisted of 285 respondents, a hierarchical clustering procedure was performed. An analysis of the agglomeration schedule and dendrogram pointed to a two-cluster solution (see Appendix 3 for full details). As is shown in Table 7.15, the agglomeration coefficient shows a large increase in moving from two clusters to one and a much smaller increase moving from three to two clusters.

Table 7.15 Change in Agglomeration Coefficient for Sample 1

Number of Clusters	Agglomeration Coefficient	% Change in Coefficient to Next Level
5	526.44	14.8%
4	604.28	14.2%
3	689.98	31.2%
2	909.82	81.2%
1	1648.21	-

The procedure was then repeated on the second sample (n=281). Table 7.16 shows the percentage change in the agglomeration coefficient between three and two clusters and between two clusters and one, which again points to a two cluster-solution (see Appendix 4 for the complete agglomeration schedule and dendrogram for sample 2). These results indicate that, based on three performance measures, two distinct categories of nonprofit organizations can be identified. As such, this forms the starting point for the K-means cluster procedure.

Table 7.16 Change in Agglomeration Coefficient for Sample 2

Number of Clusters	Agglomeration Coefficient	% Change in Coefficient to Next Level
5	507.66	15.2%
4	590.02	16.9%
3	690.24	22.1%
2	842.71	86.1%
1	1568.28	-

K-means cluster analysis was then performed on the entire data set, specifying a two-cluster solution. Table 7.17 shows the results of this procedure, including the cluster means and standard deviations for each group along the three performance variables. Significant differences between the groups along each item are noted, indicating that organizations in Cluster 1 are less successful than those in Cluster 2. That is, organizations in Cluster 1 are not as effective in satisfying stakeholder needs, achieving long- and short-term goals/objectives or in managing their brands, relative to those organizations in Cluster 2. As such, Cluster 1 is herein labeled 'average performers' and Cluster 2 'above average performers'.

Table 7.17 K-means Cluster Analysis

Iteration History

Iteration	Change in Cluster Centers 1	2
1	4.0ↄ1	2.718
2	.526	.269
3	.157	.087
4	.169	.091
5	.112	.067
6	.034	.020
7	.000	.000

a Convergence achieved due to no or small distance change. The maximum distance by which any center has changed is .000. The current iteration is 7. The minimum distance between initial centers is 10.392.

ANOVA

	Cluster		Error		F	Sig.
	Mean Square	df	Mean Square	df		
Q46. Ability to serve stakeholders better relative to competitors	282.524	1	.972	392	290.52	.000
Q47. Ability to achieve long/short term goals	264.401	1	.913	392	289.63	.000
C4. BM effectiveness	468.631	1	1.037	392	451.70	.000

Independent Samples T-tests: Average vs. Above Average Performers against Independent Variables[a]

Item	Cluster	N	Mean	Std. Dev	t-value	df	Sig.
Q46	Average Performers	146	4.18	1.23	-15.38	219.97	.000
	Above Average Performers	248	5.93	.81			
Q47	Average Performers	146	4.29	1.19	-15.31	218.32	.000
	Above Average Performers	248	5.98	.78			
C4	Average Performers	146	3.12	1.03	-21.25	392	.000
	Above Average Performers	248	5.38	1.01			

[a]Q46=ability to serve stakeholders better relative to competitors; Q47=ability to achieve long/short term goal; C4=effectiveness of BM activities

An examination of the organizational characteristics of each cluster reveals they share similar attributes. Each cluster is comprised of organizations from a broad cross section of nonprofit sectors. Although not statistically different, it is interesting to note that social service organizations are more highly represented in Cluster 1 than in Cluster 2. Further, there seems to be no relationship between organizational size, or the level of government funding received and cluster membership (see Table 7.18). As expected, these results suggest that neither the nature of the organization itself nor the sector in which it operates accounts for differing levels of performance amongst nonprofit organizations. Differences between average and above average performers can therefore be explained by some other factor. In this study, it is proposed that such factors relate to the extent to which a nonprofit organization is brand oriented. This hypothesis is tested using a logistic regression analysis, which is described in the following section.

Table 7.18 Organization and Industry Characteristics of Average and Above Average Performers

	Average Performers (n=146)	Above Average Performers (n=248)	X^2	Sig.
Industry			*8.00*	*.156*
Culture and Recreation	11.6%	12.5%		
Education and Research	28.8%	25.4%		
Health Care	6.8%	8.5%		
Social Services	17.1%	8.9%		
Professional Associations	12.3%	16.9%		
Other	23.3%	27.8%		
No. Employees			*3.86*	*.425*
Less than 20 people	39.7%	33.2%		
21-50 people	12.3%	19.0%		
51-100 people	15.1%	13.4%		
More than 101 people	32.9%	34.4%		
Annual Revenue			*2.48*	*.478*
Less than $2.5 million	51.2%	43.5%		
$2.5 - $7 million	24.4%	25.2%		
More than $7 million	24.4%	28.4%		
Government Funding			*3.37*	*.338*
Less than 25%	51.5%	58.1%		
26-50%	15.8%	8.5%		
51-75%	10.9%	8.5%		
76-100%	21.8%	24.8%		

7.4.2 Logistic Regression

In order to identify the brand orientation items that effectively distinguish between average and higher performing nonprofit organizations, a logistic regression was performed using the Enter method. This was selected over a stepwise procedure, as it is more suitable for theory testing, while stepwise logistic regression tends to be more suitable for exploratory research (Menard, 2002). The two nonprofit clusters formed the dependent variable and the 12 NBO items were included as the covariates. The initial analysis indicated that five cases were incorrectly classified in the clustering procedure. These were subsequently assigned to the correct cluster and the logistic regression analysis repeated on the data. The results are shown in Table 7.19.

There are several measures available to assess model fit. The first indicator is the -2 log likelihood value (-2LL), where a smaller value is desirable (Hair et al., 1998). The second set of goodness-of-fit measures relate to two 'pseudo' R^2 values, where values closer to one indicate greater model fit (Hair et al., 1998). The third indicator of model fit is the Hosmer and Lemeshow chi-square value. This measures the correspondence or distribution of the actual and predicted values of the dependent variable. A better fitting model is indicated by a non-significant chi-square value, which would indicate no difference in the distribution of the actual and predicted dependent values (Hair et al., 1998). As is shown in Table 7.19, the –2LL value is 252.15, which if taken in isolation may indicate and ill-fitting model. However, the Cox and Snell and Nagelkerke R^2 values of .485 and .666, respectively, combined with a significant Hosmer and Lemeshow value, point to a well-fitted model.

Having established that the model is a good fit, the second stage entailed identifying which variables most effectively distinguished between lower and higher performing nonprofit organizations. From Table 7.19, it can be seen that eight of the twelve variables (Q2, 4-6, 12, 19, 20 and 23) are significant predictors of the relative success and performance of a nonprofit organization in the market place. The final section of the table illustrates the hit ratio of correctly classified cases using the 12 NBO items. As is shown, 76% of organizations identified as average performers and 90% of those identified as above average performers were correctly classified, producing an overall hit ratio of correctly classified cases of 86%. This lends further support to the premise that high performers can be distinguished from average performers based on the extent to which they pursue a brand orientation.

> ***As such, these results lend <u>support to Hypothesis 6</u>, that is NBO items and components can effectively be used to distinguish between above average and average performing nonprofit organizations.***

The above findings also suggest that an organization's odds of performing well in the market place increase substantially when a brand orientation is adopted. Successful nonprofit organizations tend to maintain a continued dialogue and interaction with stakeholders, are more adept at coordinating the marketing communications activities for a brand and to a lesser degree, have an understanding of the brand attributes that are most liked by stakeholders.

> ***It seems, then, that the more brand oriented an organization is, the more likely they are to be classified as above average performers, which lends support to Hypothesis 7. As such, high performing nonprofit organizations are more brand oriented than their less successful counterparts.***

Table 7.19 Logistic Regression Model Results (Enter Method)

Overall Model Fit

Goodness of Fit Measures	*Value*		
-2 log likelihood (-2LL)	252.15		
Cox and Snell R^2	.485		
Nagelkerke R^2	.666		
	Chi-square	*df*	*Significance*
Hosmer and Lemeshow	8.482	8	.388

Variables in the Equation

Variable	*B*	*S.E.*	*Wald*	*df*	*Sig.*	*Exp(B)*
*Q2 – Stakeholder Interaction	.780	.200	15.215	1	.000	2.181
Q3 – Stakeholder Interaction	-.134	.128	1.104	1	.293	.874
*Q4 – Stakeholder Interaction	.311	.140	4.925	1	.026	1.365
*Q5 – Stakeholder Interaction	.396	.176	5.059	1	.024	1.485
*Q6 – Stakeholder Interaction	.307	.155	3.945	1	.047	1.359
*Q12 – Orchestration	.369	.120	9.500	1	.002	1.446
Q16 – Orchestration	.065	.120	.294	1	.587	1.067
Q18 – Orchestration	-.203	.140	2.100	1	.147	.817
*Q19 – Orchestration	.298	.130	5.217	1	.022	1.347
*Q20 – Orchestration	.615	.141	19.047	1	.000	1.849
Q22 – Knowledge	.006	.162	.001	1	.971	1.006
**Q23 – Knowledge	.302	.162	3.488	1	.062	1.353
Constant	-14.693	1.683	76.255	1	.000	.000

* Significant at $p<.05$; ** Significant at $p<.1$

Classification Matrix

	Predicted Group Membership		
Actual Group	*Group 0*	*Group 1*	*Percentage Correct*
Group 0: Average Performers	107	34	75.9%
Group 1: Above Ave. Performers	23	230	90.0%
Overall Percentage			85.5%

7.5 Chapter Summary

This chapter describes the analytical techniques and methods used to assess the psychometric properties and generalizability of the nonprofit brand orientation scale (NBO). ***Results indicate support for Hypotheses 1 to 4, that is, the NBO scale is a reliable and valid measure of a nonprofit organization's propensity to be brand oriented.*** Findings are demonstrative of convergent, discriminant, nomological, content and concurrent criterion validity. NBO was also shown to be a generalizable measure of brand orientation, implying that it can be used for a number of purposes, such as its use as a benchmarking or internal diagnostic tool.

The results also attest to a positive relationship between brand orientation and organizational performance. Nonprofit organizations are likely to enhance their odds of succeeding in the market place by focusing organization-wide activities on the brand and what it means to stakeholders. ***As such, hypotheses 5, 6 and 7 are also supported.*** The chapter concluded with the identification of the specific NBO items that best distinguish between above average and average performing nonprofit organizations.

Chapter 8
Discussion, Implications, Limitations and Future Research Directions

8.0 Chapter Overview

In Chapter 1, the background to this research was presented. Given the gaps in current knowledge, the primary purpose of the study was defined in terms of the development of a psychometrically robust and generalizable measure of nonprofit brand orientation and an examination of the relationship between this construct and various facets of organizational performance. The contribution of this research to the academic literature was then presented.

Chapter 2 described a theoretical framework for establishing and managing mutual brand knowledge. Clark and Marshall's (1981) theory of mutual knowledge was used to explain how an organization and its stakeholders come to share a common understanding of what a brand represents and the function of brand management in assessing this outcome. From this perspective, brand orientation was presented as an emerging business philosophy, which could assist an organization in establishing and managing mutual brand knowledge.

In Chapter 3, the extant brand management literature was reviewed. By drawing on the fundamental brand management practices and philosophies prescribed in the literature, a definition of *brand orientation* was proffered and its salient components delineated. The chapter concluded with an alternative context in which brand orientation may be adapted, namely the nonprofit sector.

Chapter 4 described the current developments in the nonprofit marketing and branding literature. The chapter discussed the emerging trends and challenges facing nonprofit organizations and the role of marketing in meeting those challenges. In particular, brands were seen as important organizational assets that, if well managed and leveraged, have the potential to deliver many benefits to nonprofit organizations.

This chapter also described the emergence of brand orientation as a potentially viable business philosophy for charity organizations to pursue. However, as noted, empirical research in this domain remains limited.

In Chapter 5, the research questions, objectives and hypotheses to be addressed in this study were presented. In developing a multidimensional measure of nonprofit brand orientation (NBO), it was proposed that the scale would be reliable and possess content, construct, convergent, discriminant, nomological and concurrent criterion validity. Further, it was proposed that the scale would be a generalizable measure of NBO, allowing it to be used by nonprofit organizations both as an internal diagnostic and benchmarking tool. Finally, it was proposed that there would be a positive relationship between nonprofit brand orientation and organizational performance and that successful nonprofit organizations would be more brand oriented than their less successful counterparts.

Following Churchill's (1979) paradigm for scale development, the process by which the NBO scale was constructed, was presented in Chapter 6. Scale items were generated based on statements contained within Keller's (2000) brand report card. The face/content validity of each statement was then assessed, which resulted in 30 items forming the pool from which the NBO scale would be developed. Two samples were then drawn from commercial databases, which consisted of nonprofit organizations operating across a wide range of sectors. Information was solicited from the CEO of each organization through a self-administered mail survey. The chapter concluded with a description of the statistical techniques used to analyze the data.

Chapter 7 described the research findings and results. Three underlying components of NBO were identified following a principal components analysis on sample 1, with the underlying factor structure confirmed through a confirmatory factor analysis on sample 2. The psychometric properties of the scale were then assessed, with findings attesting to the reliability, validity and generalizability of the NBO scale. A logistic regression analysis was then used to determine which items and dimensions of NBO distinguished between average and above average performing nonprofit organizations. Findings indicated a positive relationship between brand orientation and organizational performance, with high performers being more brand oriented than average performers.

In this chapter, these findings are discussed and implications noted. In so doing, attention is drawn to the potential applications of the NBO scale from both a practitioner and an academic perspective. The chapter concludes with the limitations of the study and directions for further research in this area.

8.1 Introduction

This study set out to address three primary objectives: first, to develop a psychometrically robust and generalizable measure of nonprofit brand orientation; second, to examine the relationship between nonprofit brand orientation and organizational performance; and third, to identify the NBO items and dimensions that distinguish between above average and average performing nonprofit organizations. As noted in the preceding chapter, the NBO scale was shown to be a reliable, valid and generalizable measure of nonprofit brand orientation. Further, a positive relationship between organizational performance and nonprofit brand orientation was demonstrated, with successful nonprofit organizations seeming to be more brand oriented than their less successful counterparts. The implications of these findings are discussed below.

8.2 Discussion

For some time now, brands and branding have been high on the list of research priorities set by the Marketing Science Institute[2]. Scholarly interest in this area has also increased. By way of example, no brand management articles were published in the *Journal of Marketing Research* between 1987 and 1993, compared to 13 articles published between 1994 and 1996 (Malhotra et al., 1999). There is little doubt amongst scholars as to the salience and centrality of brands to marketing (Ambler, 1996; Doyle, 1990; Morris, 1996) and the benefits a strong brand can deliver to an organization and its stakeholders (Aaker, 1991). In fact, marketing scholars have

[2] www.msi.org

offered an array of perspectives on brand management, some of which focus on the overarching process of brand management (Keller, 1993; Park et al., 1986) and others on its various discrete aspects (Bridges et al., 2000; de Chernatony and Riley, 1998b). The conceptual development of brand management, however, has primarily resided with an analysis of the practices of larger organizations, many with well-established brands and substantial resources. In contrast, branding within a nonprofit context remains largely under-researched and is in a relative stage of infancy compared to its development and discussion in the commercial sector. Only recently have such issues been examined by researchers (see Hankinson, 2000, 2001a, 2001b, 2002; Tapp, 1996).

In light of the increasingly important role brands fulfill within organizations, several researchers have proposed the emergence of a new business philosophy, that of brand orientation. It has been suggested that this philosophy can potentially be a key driver of an organization's activities and behaviors in both the for profit and nonprofit sectors (Hankinson, 2000, 2001a, 2001b, 2002; Simoes and Dibb, 2001; Urde, 1994, 1999). This study is primarily concerned with examining the notion of brand orientation within a nonprofit context.

To date, research in this area has predominantly been either conceptual or exploratory. Saxton (1994) for instance, uses case examples, personal experience and anecdotal evidence to describe the importance of and processes involved in creating a strong charity brand. Such contributions are important as they delineate the differences between managing for-profit versus nonprofit brands. Likewise, Tapp (1996) examines the extent to which branding theories and models developed for the commercial sector are adaptable to the charity sector. Hankinson (2000, 2001a, 2001b, 2002) on the other hand, provides qualitative and empirical insights into brand orientation within the charity sector. Her contribution to the field perhaps marks one of the first attempts to develop a measure of brand orientation.

This study extends upon the work of Hankinson and builds on the foundations of other scholars who have been instrumental in extending the knowledge boundaries outward with respect to creating and managing successful brands. This research has resulted in the development of a psychometrically robust and generalizable measure of nonprofit brand orientation. Further, an empirical examination of the relationship between brand orientation and the performance of nonprofit organizations has also been undertaken. These two issues are each discussed in turn.

8.2.1 Developing and Validating a Multidimensional Measure of Nonprofit Brand Orientation

In this study, nonprofit brand orientation has been defined in terms of the processes and procedures involved in generating and sustaining a shared sense of brand meaning with stakeholders, such that a brand delivers superior value to stakeholders and contributes to improvements in organizational performance. Like Hankinson's (2000) conceptualization, nonprofit brand orientation entails putting the brand at the center of an organization's decision making processes and focusing on the internal and external activities necessary to build and sustain strong brands in the ever-changing market place. The rationale behind the definition used in this study stems from Clark and Marshall's (1981) theory of mutual knowledge, which suggests that establishing shared meaning is an essential criteria for effective communications. As noted in Chapter 2, brands, although created through an organization's communication efforts (Schultz and Barnes, 1999), largely reside in the minds of stakeholders (Ambler, 1996). The challenge for any organization, then, is to ensure that both they and their stakeholders share a similar interpretation of the brand concept and that the concept is one that is relevant to and valued by stakeholders (Haynes et al., 1999). This involves identifying the needs and wants of stakeholders, which can elicit valuable information about their attitudes, beliefs, desires and behaviors, and utilizing this knowledge to create a unique brand offering. The focus then turns toward transmitting the brand meaning to stakeholders and monitoring and responding to their actions, whether physical or mental. From this perspective, nonprofit organizations need to focus their efforts not only on understanding stakeholder needs, but also on the activities necessary to create and manage mutual brand knowledge with stakeholders. As such, brand orientation is proposed as a viable and emerging business philosophy that can drive the activities and behaviors of nonprofit organizations and their constituent members.

Drawing on the extant brand management literature, the salient dimensions of brand orientation were said to comprise the activities associated with managing brand identity, architecture, communications and value. Such activities related to: understanding stakeholders' brand attitudes and beliefs; creating unique and relevant brands; conveying the brand consistently through all forms of marketing communications; creating a synergistic brand architecture; and finally, monitoring changes in brand value. Items for the nonprofit brand orientation (NBO) scale were initially generated based on statements contained within Keller's (2000) brand report card (BRC), which were then reviewed by nonprofit practitioners and marketing academics for clarity and relevance. Several concerns were raised by some focus group participants regarding the level of marketing/branding jargon in the original research instrument, which they suggested would not be broadly understood by nonprofit managers (as a point of note, such terms were eliminated from the questionnaire prior to commencing the fieldwork).

Other researchers have made similar observations. Tapp (1996), for instance, noted that his respondents rarely described their organizations or the practices they adopted in terms of brands or brand management. In contrast, Hankinson's (2000) more recent in-depth interviews with managers of larger and more established charities, revealed a higher level of familiarity with common branding terminology. Some charities in her study had recently undergone a major re-branding exercise with the assistance of outside agencies, which may partially explain this observation. Knowledge of, and familiarity with, brand management in Hankinson's (2000) study also seemed to be more evident amongst larger or medium sized charities. In particular, larger charities tended to more fully leverage the strategic value of their brand to fulfill a range of organizational objectives, such as raising awareness, building trust or fundraising (Hankinson, 2000). Further qualitative research may provide deeper insight into these observations.

Following modifications to the NBO research instrument and completion of the fieldwork, scale items were subjected to principal components and confirmatory factor analyses, whereby the underlying structure of NBO was assessed. The psychometric properties of the proposed three-factor model were then evaluated, with findings indicating that the NBO scale was a reliable, valid and generalizable measure of a nonprofit organization's propensity to be brand oriented. The three components of NBO were labeled *orchestration*, *interaction* and *knowledge*.

The first dimension, *orchestration*, measures an organization's ability to utilize and coordinate the many marketing activities associated with a brand and create an internal structure to support such activities. When such processes are in place, an organization is better able to deliver consistent brand messages and effectively communicate its core brand values to internal and external stakeholders, whilst retaining a relevant brand positioning and maintaining brand integrity (Hankinson, 2001b; Keller, 2000). This also ensures that individuals associated with the management of a brand act in a coherent manner and undertake activities that support the desired brand identity (Harris and de Chernatony, 2001). This is increasingly important for any nonprofit organization that may be managing 'multiple' brands as, much like their for-profit counterparts, having a coherent brand structure and brand management system will assist in the process of building strong brands over the longer-term (Shocker et al., 1994).

The second component, *interaction*, focuses on the need for managerial attention to be focused toward maintaining contact with stakeholders and adapting an organization's brand offering to suit changing needs and market place conditions. One of the challenges for nonprofit organizations, again like their commercial counterparts, is to ensure that a brand remains relevant to key stakeholders (Keller, 2000), whilst maintaining the core brand identity, particularly if it has built up significant equity over time (Hankinson, 2001a). By focusing on the activities that comprise the interaction dimension of brand orientation, nonprofit organizations are better able to deliver value-added brands to their stakeholders.

The third component, *knowledge*, measures an organization's capacity to understand what it is that stakeholders most like or dislike about a nonprofit brand. As noted in the previous chapter, likability has been widely researched in the field of advertising, with findings indicative of a positive relationship to advertising effectiveness (Biel and Bridgwater, 1990; Du Plessis, 1994). Similar relationships have also been noted between positive brand attitudes and brand loyalty. As such, it is logical for an organization to ascertain their level of 'brand likability' in the market place and identify which aspects are the most or least preferred amongst stakeholders. This may have an impact upon the subsequent behavior of stakeholders (Baldinger and Rubinson, 1996). This is consistent with prior research, which has shown that donor attitudes toward a nonprofit brand can influence levels of contribution to an organization (Bendapudi et al., 1996; Webb et al., 2000).

Overall, this study is a step forward in the development of a psychometrically robust and generalizable measure of nonprofit brand orientation. It moves beyond Hankinson's (2001a, 2001b) conceptualization of brand orientation in several ways. First, the present study develops a general measure of nonprofit brand orientation, one that is suitable for a broad cross section of nonprofit organizations as opposed to only charities. This allows for it to potentially be used and applied by a wider array of nonprofit organizations. Second, this study attests to the multidimensional, rather than unidimensional nature of the nonprofit brand orientation construct. The three components of NBO, namely orchestration, interaction and knowledge, have been shown to be distinct from one another, yet measure discrete aspects of brand orientation. In contrast, Hankinson (2001b) proposes that brand orientation, albeit within charities, is defined in terms of understanding, communicating and maximizing the strategic potential of a charity brand. At a very basic level, this is not fundamentally different to the way in which brand orientation has been conceptualized in the present study. By way of example, both approaches allude to the importance of acquiring information about stakeholders, understanding their desires and consistently communicating brand meaning to stakeholders. Yet, in Hankinson's (2001b) study, the items designed to measure each component load on one factor when subjected to principal component analysis, leading her to draw the conclusion that brand orientation in a charity context is unidimensional. In contrast, this study presents strong empirical evidence that nonprofit brand orientation is, in fact, a multidimensional construct.

The derivation of NBO has also provided the basis by which to empirically test the significance and relevance of the brand management activities prescribed in Keller's (2000) brand report card (BRC) to nonprofit organizations. Marketing scholars have long been cognizant of the transferability of commercial marketing concepts and principles to the nonprofit sector (Kotler and Levy, 1969). Yet, there is still some debate regarding whether commercial brand management practices are relevant to the nonprofit sector. Some scholars argue that there is a lack of fit (Saxton, 1994), while others strongly suggest that nonprofits can learn from the activities and practices of successful commercial enterprises (Roberts-Wray, 1994; Tapp, 1996). In using Keller's (2000) BRC as a basis for item generation, this study provides some empirical evidence to support the latter perspective. If commercial branding principles were not relevant or easily transferable to the nonprofit sector, then the results of this study would no doubt be reflective of this. That being the case, a likely scenario would be one where an ill-fitting model, which did not demonstrate the desired forms of validity, would be derived. In contrast, the NBO model proposed in this study meets Bentler's (1990) goodness-of-fit criteria and satisfies the hypotheses designed to assess the scale's psychometric properties. Further, the three components of NBO and the 12 individual items are strongly grounded in theory and have been widely attributed as important aspects of brand management in the extant literature.

It is apparent, then, that some branding principles are relevant to the nonprofit sector. However, it is important to note that many of the brand management practices prescribed in the extant literature and in the BRC have not yet been widely adopted by nonprofit organizations. This is evidenced by the retention of only 12 items from the original pool of 30 items drawn from the BRC. As already noted, Keller's (2000) research and that of many other notable branding scholars (Aaker and Joachimsthaler, 2000b; Berthon et al., 1999), has primarily been based on the brand management practices adopted within large, well-resourced organizations. In contrast, nonprofit organizations often do not have the same level of resources to implement extensive marketing and advertising programs for a brand (Saxton, 1994). As such, the present status for nonprofits may be to only implement those activities they consider to be 'cost effective' or those that are likely to deliver measurable benefits to the organization. Thus, while brand management has been practiced for well over fifty years at a sophisticated level in the commercial sector, the practice is still very much in a state of infancy in the nonprofit sector. Although some of the principles prescribed for the for-profit sector are transferable to nonprofit organizations, it may well be that certain practices are immediately transferable, while others may only be transferable in the medium-term, if at all. In fact, it could be argued that it is presently evolving and that over time, more of Keller's (2000) original items may yet become applicable. As such, the 12-item, three-factor model of nonprofit brand orientation proposed in this study essentially highlights the brand management practices that are more pertinent to, and widely adopted by, a broad cross-section of nonprofit organizations at present. Accordingly, it is anticipated that future researchers may, in due course, expand on the present scale. This study offers an agenda for testing the relevance of other marketing concepts to the nonprofit sector.

In summary, nonprofit managers must ensure that all brand-related activities undertaken within an organization are fully coordinated to maximize market awareness and performance. Further, it is equally important for nonprofit organizations to be aware of the needs of their stakeholders and understand how these are changing as a result of internal and external pressures. Finally, consideration needs to be given to developing an understanding of what aspects of an organization's brands are most liked and disliked by stakeholders. Combined, these activities can contribute positively to the overall performance of a nonprofit organization.

8.2.2 Examining the Relationship Between Nonprofit Brand Orientation and Organizational Performance

As noted in the preceding discussion, brand orientation as a driving business philosophy enables an organization to develop and sustain a shared sense of brand meaning with stakeholders. This in turn, provides the mechanism for enhanced organizational performance. The second stage of this study involved an empirical examination of the relationship between nonprofit brand orientation and organizational performance. Specifically, the objectives were to identify whether there was a relationship between brand orientation and organizational performance, and if so, to identify the items that were most effective in distinguishing between higher and lower performing nonprofit organizations.

Through a clustering technique, respondents were classified as either 'average performers' or 'above average performers'. Comparatively, average performers rated their ability to satisfy stakeholders' needs and achieve long and short-term goals and objectives significantly lower than above average performers. Further, above average performers regarded themselves as more effective brand managers compared to average performers. As noted in the results, above average and average performers exhibited similar organizational characteristics, suggesting that differing levels of performance were accounted for by other variables. In this study, it was proposed that such differences could be attributed to varying levels of brand orientation between high and average performers, which was supported by the results. Eight of the 12 NBO items were found to be significant in discriminating between higher and lower performing nonprofit organizations. Four of these items represented the *interaction* dimension of NBO, three related to *orchestration* and the final one to the *knowledge* component. These findings suggest that higher performing nonprofit organizations are more adept at monitoring and adapting to changes in the internal and external environment, managing a brand's marketing program and developing a broad understanding of stakeholders' brand attitudes. Consistent with Richards' et al. (1998) perspective of brand management, successful nonprofit organizations can effectively convert information into knowledge and utilize that knowledge to achieve some form of competitive advantage. In summary, the findings point to the fact that successful nonprofit organizations are more attuned to the needs of their stakeholders and are capable of delivering to them, amongst other things, a 'likable' brand. As such, it could be argued that successful organizations are more brand oriented than their less successful counterparts.

This study lends some empirical support to the contention that strong brands are becoming increasingly important for the longevity and survival of nonprofit organizations. Developing strong charity brands for instance, can assist charities in forging stronger relationships with existing donors, attracting new donors or changing public opinion (Hankinson, 2001a; Lindsay and Murphy, 1996; Tapp, 1996). Although the value of branding to charities has been strongly argued by several scholars (Hankinson, 2002; Saxton, 1994; Tapp, 1996), the benefits to the broader nonprofit community has largely been overlooked. In addressing this issue, this study demonstrates that branding is equally relevant to other types of nonprofit organizations and that pursuing a brand orientation can result in notable improvements in performance. Similar observations in relation to the commercial sector have also been made (Noble et al., 2002). Beyond the work of Noble et al. (2002), however, empirical research is scant.

Although branding researchers and, perhaps to some extent, nonprofit practitioners are cognizant of the benefits a strong brand can deliver to an organization, it still remains a largely underutilized strategic asset within the nonprofit sector (Tapp, 1996). This may be confounded by a perception that building successful brands requires substantial resources, which is no doubt a view firmly held by many practitioners, but also one that is espoused by some nonprofit branding scholars (Saxton, 1994). One only need examine commercial branding practices to understand how these opinions and perceptions have come to pass. Quite possibly the most difficult hurdle for nonprofit organizations to overcome then, is the belief that being brand oriented requires substantial resources, which in effect would place it beyond the capacity of many.

This study, however, demonstrates that nonprofit brand orientation is not just about increasing advertising expenditure or implementing elaborate marketing communications campaigns. Rather, it involves interacting with stakeholders, orchestrating the marketing activities surrounding a brand, whatever they may be, and understanding stakeholders' brand attitudes. As the results demonstrate, focusing on these elements will substantially enhance an organization's ability to improve its performance. For many nonprofit firms, these activities are not entirely dissimilar to the practices they currently engage in. Yet, they either do not currently view themselves as being a brand oriented organization or alternatively, such activities are undertaken on an ad hoc or irregular basis. That being the case, a change of mindset may be required or, alternatively, it may be necessary to simply formalize the process within an organization. This may entail ensuring that all individuals within an organization, as well as external parties associated with a brand, are aware of what the brand represents and how it is to be managed.

Another option to implementing a brand orientation is to adopt a 'staged' approach, whereby the initial step would be to critically evaluate stakeholders' brand attitudes and assess how changes in their needs and the external marketing environment impact upon the organization's brand offering. There are a variety of methods by which such information could be accessed, including the use of recall, qualitative and experimental techniques (Keller, 1993). Regular focus group interviews with key stakeholder groups may be a practical, and possibly a more cost effective solution than some of the other, more advanced techniques. The second stage may involve an internal audit, whereby the effectiveness of the organizational structure and a brand's current marketing communications program is examined. Amongst other activities, it would be necessary to ensure that all employees and agents of the organization understand a brand's values and its identity. This will assist in maintaining a consistent brand image in all forms of communication undertaken with external stakeholders.

Whilst some financial investment is required, the level may not be as prohibitive as initially expected. Brand orientation is therefore a potentially viable philosophy for nonprofit organizations to pursue. As conceptualized in this study, nonprofit brand orientation implies that it is not necessary for an organization to have an exceptionally large marketing budget to support a brand. Rather, the emphasis shifts toward effective brand management and maximizing the dollar investment made in a brand. The benefits that would follow would no doubt outweigh the initial costs.

8.3 Implications

NBO has a number of useful applications for both practitioners and scholars. For nonprofit practitioners, a psychometrically robust measure of brand orientation can assist in better understanding the effectiveness of current brand management activities adopted within the organization. As a managerial tool, NBO enables practitioners to benchmark the organization's activities against its rivals, both within and between nonprofit sectors. This may provide managers with some insight into the reasons behind a competitor's success or failure as well as their own. Although such information may be regarded as competitively sensitive and therefore, somewhat difficult to obtain, should it become available, practitioners could feel confident that the results are in fact reliable. That is, NBO has been shown to be a dependable measure of nonprofit brand orientation for organizations operating in different nonprofit sectors. It is important to note, however, that given the confounding of respondents with organizations, the extent to which differences in brand orientation are attributable to the organization itself or differences in the nature of respondents has yet to be fully ascertained.

A second potential application of NBO is that nonprofit managers can use the scale as a means by which to evaluate the effectiveness of the organization's current brand management practices. In so doing, nonprofit practitioners can readily gauge the current status and health of their brands by identifying those areas that require immediate attention. The fact that NBO is a concise 12-item scale, which clearly delineates the brand management practices necessary to build successful nonprofit brands, further aids this process. Increasing the complexity of the measure or incorporating more advanced analytical techniques and methods for evaluating nonprofit brand orientation is unlikely to increase the usefulness of this tool at this point in time, particularly given the relative state of infancy of nonprofit branding. In effect, NBO provides a mechanism by which managers can identify the shortcomings and strengths of an organization's branding practices.

When used as either a benchmarking or internal diagnostic tool, NBO enables managers to develop a detailed understanding of how an organization's brand management practices need to be adjusted or refined. With such information at hand, an organization can put in place appropriate mechanisms to acquire information on and monitor changes in stakeholders' brand attitudes and ensure that the products/services offered continue to satisfy their needs. Further, they can ensure that they maximize brand awareness through well-coordinated marketing activities and strategies that support the brand.

The reliability, validity and generalizability of NBO attest to its ability to be used with confidence by nonprofit practitioners to direct the strategic and tactical activities undertaken within an organization. That said, organizations that actively pursue a brand orientation as their guiding approach to business, are more likely to enjoy the benefits that strong brands can deliver. Similarly, improvements in the overall performance of the organization would, no doubt, follow.

From an academic perspective, NBO provides the mechanism by which to measure brand orientation in nonprofit organizations and explore relationships and associations with other constructs. For instance, the NBO scale can be used to examine the potential antecedents to brand orientation or alternatively, the effects of brand orientation beyond that of organizational performance, such as loyalty amongst donors. Further, this study has contributed to the existing pool of knowledge on brands and their management. More specifically, not only has this study extended upon the work of Hankinson (2000), but it also provides a step toward developing deeper empirical insights into the nature and scope of nonprofit brand orientation. In so doing, Keller's (2000) brand report card has successfully been operationalized and adapted to the nonprofit sector, lending further support to the view that nonprofit organizations can potentially learn much about branding from their commercial counterparts.

8.4 Limitations

Several limitations of the study are to be noted. First, given that commercial databases have been used to identify and select nonprofit organizations in Australia, some organizations may have inadvertently been omitted from the sample frame. Although every effort was made to ensure that all major nonprofit sectors were fairly represented in the sample, it is nonetheless, a potential problem that is duly acknowledged as a limitation. The use of commercial databases also resulted in response rates being somewhat lower than initial expectations. One possible explanation for this is that there was a time lag of several months between compiling the mailing list and conducting the fieldwork. In this time personnel movements did transpire, as indicated from the high percentage of 'returns to senders', which may have impacted upon respondents' ability to participate in the survey. As such, a lower than expected response rate is acknowledged as a potential limitation of the study.

This raises a second limitation of the study that being the issue of non-response bias, which is all too common with mail surveys. Armstrong and Overton's (1977) method was employed to assess non-response error with results indicating that survey respondents were similar to non-participants. Although this method is frequently cited in the marketing literature, it has been suggested that alternate techniques, such as sampling non-respondents, may be more effective at establishing the extent to which this issue is cause for concern.

Third, neither of the databases provided by Dun and Bradstreet or Action Mailing Lists, contained a specific category labeled 'nonprofit organizations'. As such, it was necessary to use researcher judgment to select the nonprofit sectors that most closely resembled the groups specified in the International Classification of Nonprofit Organizations (ICNPO) (Sargeant, 1999). This may have resulted in the omission of some ICNPO categories. Also, while the questionnaire and covering letter addressed to respondents clearly indicated that this study was intended for nonprofit organizations, several actual and prospective respondents did identify themselves as commercial enterprises. Completed surveys received from such organizations, which amounted to fewer than half a dozen, were obviously omitted from the sample. As such, it was assumed that all other completed surveys received were in fact from organizations operating in the nonprofit sector. Nonetheless, this is acknowledged as a potential source of bias or error in the study.

Fourth, NBO was based on Keller' (2000) brand report card. This raises the question of whether this checklist fully captures the nuances of brand orientation in a nonprofit context. Efforts were made to overcome this potential shortcoming through the use of focus group interviews, with the primary objective being an assessment of the relevance of the items to nonprofit organizations. As noted previously, focus group participants indicated that the scale items included in the study were firstly, pertinent to their organization and secondly, summarized the activities/functions involved in brand management within their respective organizations. Nonetheless, while it was felt that the BRC captured the essence of nonprofit brand orientation, it is duly noted as a potential limitation of the study.

Finally, responses were elicited from only one respondent, that being the chief executive officer or equivalent, within each organization. This raises the question of whether nonprofit brand orientation can truly be assessed based on the responses of this one individual. Some would argue that it is acceptable and possible to do so, based on the fact that there is mounting evidence that salient brand decisions are being made at board level. Colyer (2003), for instance, has suggested that the CEO is the chief brand custodian responsible for communicating brand identity and values to both internal and external stakeholders (extreme examples include Richard Branson/Virgin or Bill Gates/Microsoft). Further, eliciting responses from CEOs is consistent with similar studies in marketing (eg Narver and Slater's, 1990, work on market orientation). However, one of the problems associated with having only one point of contact within each organization is that it does limit the generalizability of the findings due to the confounding between organizations and respondents. It is difficult to ascertain whether varying levels of brand orientation across nonprofit organizations is accounted for by true differences between the organizations themselves or as a result of differences between respondents. Having multiple respondents from multiple organizations would eliminate this problem.

8.5 Directions for Future Research

There are several avenues for further research in this area. First, a replication study may be helpful in validating the final post-hoc model of NBO on an independent, third sample. Whilst the results of this study are promising, the ideal situation would be to reconfirm the factor structure on another sample of nonprofit organizations. In this regard, Berthon, Pitt, Ewing, and Carr (2002) provide a useful framework for replication and extension studies.

Second, research could be directed toward identifying and understanding the key antecedents to nonprofit brand orientation. Hankinson (2001a) proposes that a brand custodian's personal vision and level of prior involvement with brands, organizational culture and environmental factors may impact upon the level of brand orientation within a charity organization. These propositions have yet to be empirically tested and could be used as a basis by which to examine the antecedents to and consequences of nonprofit brand orientation. Similarly, other factors, which may influence nonprofit brand orientation could also be examined, such as the self-efficacy of nonprofit brand managers. Perceived self-efficacy is defined as an individual's belief and judgment of their capabilities to organize and execute courses of action that are necessary to attain designated types of performance (Bandura, 1994). Such beliefs provide the foundation for human motivation, well-being and personal accomplishment (Bandura, 1994). Nonprofit managers are generally required to be 'all-rounders', rather than specialists. Further, the CEO is often the individual responsible for shaping the nonprofit brand and dictating the course of its direction. As the brand custodian, their beliefs about whether they possess the skills and capabilities to be effective brand managers and produce the desired results may impact upon the extent to which an organization is brand oriented. As such, future researchers may wish to examine the relationship between the self-efficacy of brand custodians and their pursuit and implementation of this business philosophy.

A third area of research is identifying the outcomes or consequences of nonprofit brand orientation. Hankinson (2001a) proposes that brand orientation within charity organizations will lead to the development of stronger brands, fulfillment of organizational objectives and an inclusive employee culture. This study has shown that there is a relatively strong positive relationship between the three components of NBO and an organization's ability to achieve its short and long term goals and objectives. Further, the study has demonstrated that above average performing nonprofit organizations are more brand oriented than average performers. Empirical research into other possible outcomes of nonprofit brand orientation may shed further light on the viability of this business philosophy for nonprofit organizations. For instance, the relationship between brand orientation and resource acquisition could be examined – that is, are brand oriented organizations more adept at acquiring a greater proportion of funding from public and private contributors? Hankinson's (2001b) findings suggest that such a relationship seems to exist for charity organizations, yet further research inclusive of other nonprofit organizations would certainly be worthwhile. Related to this is the extent to which nonprofit organizations have 'loyal' stakeholders and, in particular, donors. For instance, is there a relationship between nonprofit brand orientation and stakeholder loyalty or commitment? Further, does brand orientation lead to increased brand equity? Alternatively, can brand orientation influence an organization's ability to grow and adapt to changing market conditions?

Fourth, future researchers may wish to focus on identifying the challenges and barriers that prohibit nonprofit organizations from pursuing a brand orientation. For instance, to what extent do resource constraints or limited specialized capabilities affect the type of business philosophy adopted by nonprofit organizations? How can nonprofit organizations become more brand oriented given such limitations? Researchers could also undertake a comparison of brand orientation between for-profit and nonprofit organizations, identifying the brand management practices and philosophies that are unique to each sector. This may provide some insight into the barriers facing nonprofit organizations as well as identify the brand management practices that are immediately transferable to the nonprofit sector. Such an analysis will help develop a clearer understanding of the evolution of brand orientation within the nonprofit sector.

Fifth, future researchers could also undertake a longitudinal study to assess how or if brand orientation within nonprofit organizations evolves and changes over time. If embedded within organizational culture, as suggested by Deshpande and Webster (1989), one would expect such a philosophy to remain ingrained within the organization for long periods of time. It would also suggest that such organizations are likely to develop stronger nonprofit brands over the course of time (Aaker, 1991; Keller, 1993), which would subsequently see flow on effects to organizational performance (Aaker and Jacobson, 1994).

Sixth, a cross-national comparison of nonprofit brand orientation may be useful in establishing cross-cultural measurement equivalence of the NBO scale. It could also provide insight into the way in which nonprofit organizations across cultures manage their brands. This may further elucidate how successful nonprofit brands are created, particularly in those cultures where 'large-scale' philanthropy is more widespread, such as in the United States of America.

Another area for further research involves comparing the extent to which brand orientation permeates to the lower echelons of nonprofit organizations. For instance, although a chief executive officer may be brand-oriented, how widespread is such a philosophy within the organization? Do individuals at the 'coal-face' share similar perceptions regarding the strategic importance of brands and the values the nonprofit

brand represents? Further, in some nonprofit situations, it is volunteers who are liaising with various stakeholder groups. Do they share the same brand values and beliefs as their employed counterparts? Addressing such issues will provide deeper insight into the true nature of brand orientation within a nonprofit context.
Qualitative research could also be used to elicit deeper insight into how strong nonprofit brands are in fact created, how they are managed and how decision-makers allocate scarce resources to this process. Innovative brand management techniques and processes that could potentially have application to other organizations, such as small-to-medium-sized enterprises, may evolve as a result.

Another area that warrants further attention is whether organizations can and do pursue multiple business philosophies concurrently. Are some business philosophies closely intertwined, where one is pursued in conjunction with another or where one is a precursor to the other? The extent to which organization's pursue alternative business orientations is only starting to be addressed, with Noble et al. (2002) making a significant contribution to the field. Clearly, their results indicate that the philosophy driving an organization can take on a number of different forms, none of which are necessarily mutually exclusive. Further research may lend some insight into, what is simply at present, a philosophical debate.

Finally, it may also be interesting to empirically examine the proposition that brand oriented organizations are more likely to establish mutual brand knowledge with stakeholders. In so doing, researchers could examine whether members of a nonprofit brand community, such as Ronald MacDonald House, do in fact share the same brand knowledge and if so, how such beliefs are established, maintained and projected to new community members. A longitudinal study may also be useful in identifying how community brand beliefs evolve over time and the key factors that elicit such changes.

8.6 Chapter Summary

This study addressed three objectives, the first of which related to the development of a psychometrically robust and generalizable measure of nonprofit brand orientation (NBO), the second, an examination of the relationship between this business philosophy and organizational performance and third, the identification of the NBO items that distinguish between high and average performers. Several applications of the resulting NBO scale were discussed in this chapter. Primarily, nonprofit practitioners can use the scale as a benchmarking tool, whereby they can assess the effectiveness of their own brand management activities against those of their direct and indirect competitors. Alternatively, the scale can be used as an internal diagnostic tool. In focusing on the activities associated with each of the NBO components, nonprofit organizations will reap some benefits in terms of their ability to serve stakeholders better and also their ability to achieve organizational goals and objectives. Overall, pursuing a brand orientation will lead to marked improvements in performance.

Several limitations of this study and a number of avenues for future research were also detailed in this chapter. Potentially, researchers could focus on identifying differences in brand orientation between for-profit and nonprofit organizations or between nonprofit organizations across cultures. Alternatively, an analysis of the antecedents to and consequences of nonprofit brand orientation would contribute significantly to the knowledge in this area.

In conclusion, this study has provided some useful insights into the nature of nonprofit brand orientation. It has resulted in the development, application and verification of a reliable, valid and generalizable measure of nonprofit brand orientation. It is hoped that this study will draw further attention to and act as a springboard for ongoing research in this important, yet under-researched domain.

References

Aaker, D. A. (1991). *Managing Brand Equity*. New York: The Free Press.

Aaker, D. A. (1992). Managing the Most Important Asset: Brand Equity. *Planning Review, 20*(5), 56-.

Aaker, D. A. (1996). Measuring Brand Equity Across Products and Markets. *California Management Review, 38*(3), 102-120.

Aaker, D. A. (1997). Should You Take Your Brand to Where the Action is? *Harvard Business Review, 75*(5), 135-143.

Aaker, D. A., and Jacobson, R. (1994). The Financial Information Content of perceived Quality. *Journal of Marketing Research, May*, 191-201.

Aaker, D. A., and Joachimsthaler, E. A. (1999). The Lure of Global Branding. *Harvard Business Review, Nov-Dec*, 137-144.

Aaker, D. A., and Joachimsthaler, E. A. (2000a). *Brand Leadership*. New York: The Free Press.

Aaker, D. A., and Joachimsthaler, E. A. (2000b). The Brand Relationship Spectrum: The Key to the Brand Architecture Challenge. *California Management Review, 42*(4), 8-23.

Aaker, D. A., and Keller, K. L. (1990). Consumer Evaluations of Brand Extensions. *Journal of Marketing, 54*(January), 27-41.

Aaker, J. L. (1997). Dimensions of Brand Personality. *Journal of Marketing Research, 34*(3), 347-356.

Agarwal, M. K., and Rao, V. R. (1996). An Empirical Comparison of Consumer-Based Measures of Brand Equity. *Marketing Letters, 7*(3), 237-247.

Agres, S. J., and Dubitsky, T. M. (1996). Changing Needs for Brands. *Journal of Advertising Research*(Jan-Feb), 21-30.

Alba, J. W., Hutchinson, W., and Lynch, J. G. (1991). Memory and Decision Making. In T. S. Robertson and H. H. Kassarjian (Eds.), *Handbook of Consumer Behavior*. Englewood Cliff, NJ: Prentice-Hall.

Alt, M., and Griggs, S. (1988). Can a Brand be Cheeky? *Marketing Intelligence and Planning, 6*(4), 9-26.

Ambler, T. (1992). *Need to Know Marketing*. London, UK: Century Business.

Ambler, T. (1996). The Case for Branding. *London Business School Working Paper, Stage 1 Report for CIM, October.*

Ambler, T. (1997). Do Brands Benefit Consumers? *International Journal of Advertising, 16*, 167-198.

Andreoni, J. (1990). Impure Altruism and Donations to Public Goods: A Theory of Warm-Glow Giving. *The Economic Journal, 100*, 464-477.

Armstrong, J. S., and Overton, R. S. (1977). Estimating Nonresponse Bias in Mail Surveys. *Journal of Marketing Research, 14*, 396-402.

Arnold, D. (1992). *The Handbook of Brand Management*. London: Century Press, Economist Books.

Assael, H. (1992). *Consumer Behavior and Marketing Action* (4th ed.). Boston: PWS-Kent.

Babbie, E. R. (1992). *The Practices of Social Research*. Belmont: CA: Wadsworth Publishing.

Bach, K., and Harnish, R. R. (1979). *Linguistics Communication and Speech Acts*. Cambridge: MA:MIT Press.

Baker, Michael J. (2000). *Marketing Theory: A Student Text*. Business Press Thompson Learning, Padstow, Cornwall: TJ International

Baker, W. E., and Sinkula, J. M. (1999). The Synergistic Effect of Market Orientation and Learning Orientation on Organizational Performance. *Journal of Academy of Marketing Science, 27*(4), 411-427.

Balabanis, G., Stables, R. E., and Phillips, H. C. (1997). Market Orientation in the Top 200 British Charity Organizations and its Impact on their Performance. *European Journal of Marketing, 31*(8), 583-603.

Balakrishnan, S. (1997). Do Import Restraint Policies Influence Marketing, R&D and Manufacturing Orientations? *Advances in Competitiveness Research, 5*(4), 125-154.

Baldinger, A. L., and Rubinson, R. (1996). Brand Loyalty: The Link Between Attitude and Behavior. *Journal of Advertising Research, 36*(5), 22-34.

Bandura, A. (1994). Self Efficacy. In V. S. Ramachaudran (Ed.), *Encyclopedia of Human Behavior* (Vol. 4, pp. 71-81). New York: Academic Press.

Barr, D. J., and Keysar, B. (2002). Anchoring Comprehension in Linguistic Precedents. *Journal of Memory and Language, 46*, 391-418.

Bartlett, J. E., Kotrlik, J. E., and Higgins, C. C. (2001). Organizational Research: Determining Appropriate Sample Size in Survey Research. *Information Technology, Learning and Performance Journal, 19*(1), 43-50.

Bearden, W. O., Netemeyer, R. G., and Teel, J. E. (1989). Measurement of Consumer Susceptibility to Interpersonal Influence. *Journal of Consumer Research, 15*(March), 473-481.

Beatty, S. E., Gup, B. E., and Hesse, M. (1993). Measuring Organizational Values in a Bank. *Journal of Retail Banking, 15*(1), 21-27.

Bendapudi, N., Singh, S. N., and Bendapudi, V. (1996). Enhancing Helping Behavior: An Integrative Framework for Promotion Planning. *Journal of Marketing, 60*(3), 33-.

Bender, T. (1978). *Community and Social Change in America*. New Brunswick, NJ: Rutgers University Press.

Bentler, P. M. (1990). Comparative Fit Indexes in Structural Models. *Psychological Bulletin, 107*(2), 238.

Bentler, P. M., and Chou, C. P. (1987). Practical Issues in Structural Equation Modeling. *Sociological Methods and Research, 16*, 78-117.

Bergstrom, A., Blumenthal, D., and Crothers, S. (2002). Why Internal Branding Matters: The Case of Saab. *Corporate Reputation Review, 5*(2/3), 133-142.

Berthon, P., Holbrook, M. B., and Hulbert, J. M. (2003). Understanding and Managing the Brand Space. *Sloan Management Review, 44*(2), 49-54.

Berthon, P., Hulbert, J. M., and Pitt, L. F. (1999). Brand Management Prognostications. *Sloan Management Review, 40*(2), 53-65.

Berthon, P., Pitt, L. F., Ewing, M. T., and Carr, C. L. (2002). Potential Research Space in MIS: A Framework for Envisioning and Evaluating Research Replication, Extension and Generation. *Information Systems Research, 13*(4), 416-427.

Biel, A. L., and Bridgwater, C. A. (1990). Attributes of Likable Commercials. *Journal of Advertising Research, 30*(3), 38-.

Blackston, M. (2000). Observations: Building Brand Equity by Managing the Brand's Relationships. *Journal of Advertising Research, 40*(6), 101-105.

Borch, F. J. (1947). *The Marketing Philosophy as a Way of Business Life*. New York: General Electric.

Bottomley, P. A., and Holden, S. J. S. (2001). Do We Really Know how Consumers Evaluate Brand Extensions? Empirical Generalizations Based on Secondary Analysis of Eight Studies. *Journal of Marketing Research, 38*(4), 494-500.

Boulding, W., Lee, E., and Staelin, R. (1994). Mastering the Mix: Do Advertising, Promotion and Sales Force Activities Lead to Differentiation? *Journal of Marketing Research, 31*(May), 159-172.

Bradford, H. (1991). A New Framework for Museum Marketing. In G. Kavanagh (Ed.), *The Museums Profession: Internal and External Relations*. Leicester: Leicester University Press.

Bridges, S., Keller, K. L., and Sood, S. (2000). Communication Strategies for Brand Extensions: Enhancing Perceived Fit by Establishing Explanatory Links. *Journal of Advertising, 29*(4), 1-11.

Broniarczyk, S. M., and Alba, J. W. (1994). The Importance of the Brand in Brand Extensions. *Journal of Marketing Research, 31*(May), 214-228.

Brown, Stephen, Kozinets, Robert V. and Sherry Jr, John F. (2003). 'Teaching Old Brands New Tricks: Retro Branding and the Revival of Brand Meaning', *Journal of Marketing*, 67(3): 19-33.

Brucks, M., Zeithaml, V. A., and Naylor, G. (2000). Price and Brand Name as Indicators of Quality Dimensions for Consumer Durables. *Journal of the Academy of Marketing Science, 28*(3), 359-374.

Brunel, F. F., and Nelson, M. R. (2000). Explaining Gendered Responses to 'Help-Self' and 'Help-Others' Charity Ad Appeals: The Mediating Role of World-View'. *Journal of Advertising, 29*(3), 15-27.

Buchanan, L., Simmons, C. J., and Bickart, B. A. (1999). Brand Equity Dilution: Retailer Display and Context Brand Effects. *Journal of Marketing Research, 36*(August), 345-355.

Bunn, M. D. (1993). Taxonomy of Buying Decision Approaches. *Journal of Marketing, 57*(January), 38-56.

Burrell, G. and Morgan, G. (1979). *Sociological Paradigms and Organizational Analysis*. Heinemann: London

Cadogan, J. W., Diamantopolis, A., and Pahud de Mortanges, C. (1999). A Measure of Export Market Orientation: Scale Development and Cross-cultural Validation. *Journal of International Business Studies, 30*(4), 689-707.

Cahill, D. (1996). Entrepreneurial Orientation or Pioneer Advantage. *Academy of Management Review, 21*(3), 603-.

Cannon, J. P., and Perreault, W. D. (1999). Buyer-Seller Relationships in Business Markets. *Journal of Marketing Research, 36*(November), 439-460.

Capon, N., Berthon, P., Hulbert, J. M., and Pitt, L. F. (2001). Brand Custodianship: A New Primer for Senior Managers. *European Journal of Marketing, 19*(3), 215-227.

Carmines, E. G., and Zeller, R. A. (1988). *Reliability and Validity Assessment.* Beverley Hills: CA: Sage.

Caruana, A., Ramaseshan, B., and Ewing, M. T. (1997). Market Orientation and Organizational Commitment in the Australian Public Sector. *The International Journal of Public Sector Management, 11*(1), 55-.

Caruana, A., Ramaseshan, B., and Ewing, M. T. (1998). Do Universities that are more Market Oriented Perform Better? *The International Journal of Public Sector Management, 11*(1), 55-.

Cavusgil, Tamer, S., and Zou, S. (1994). Marketing Strategy-Performance Relationship: An Investigation of the Empirical Link in Export Market Ventures. *Journal of Marketing, 58*(January), 1-21.

Chakravarthy, B. (1986). Measuring Strategic Performance. *Strategic Management Journal, 6*, 437-458.

Chan, A. K. K., and Huang, Y.-Y. (2001). Chinese Brand Naming: A Linguistic Analysis of the Brands of Ten Product Categories. *The Journal of Product and Brand Management, 10*(2), 103-119.

Chan, R. Y. K., and Chau, A. (1998). Do Marketing-oriented Children and Youth Centers (CYCs) Perform Better: An Exploratory Study in Hong Kong. *Journal of Professional Services Marketing, 16*(1), 15-28.

Chintagunta, P. K. (1994). Heterogeneous Logit Model Implications for Brand Positioning. *Journal of Marketing Research, 31*(May), 304-311.

Christensen, C. M., and Bower, J. L. (1996). Customer Power, Strategic Investment and the Failure of Leading Firm. *Strategic Management Journal, 17*(3), 197-218.

Churchill, G. A. (1979). A Paradigm for Developing Better Measures of Marketing Constructs. *Journal of Marketing Research, 16*(February), 64-73.

Chwe, M. S.-Y. (1998). Culture, Circles and Commercials: Publicity, Common Knowledge and Social Coordination. *Rationality and Society, 10*(1), 47-75.

Clark, H. H. (1976). *Semantics and Comprehension*. The Hague: Mouton.

Clark, H. H., and Marshall, C. R. (1981). Definite Reference and Mutual Knowledge. In A. K. Joshi, B. L. Webber and I. A. Sag (Eds.), *Elements Of Discourse Understanding*. Cambridge, UK: Cambridge University Press.

Clark, H. H., and Murphy, G. L. (1982). Audience Design in Meaning and Reference. In J. F. Le Ny and W. Kintsch (Eds.), *Language and Comprehension*. New York: North Holland.

Clark, H. H., and Wilkes-Gibbs, D. (1986). Referring as a Collaborative Process. *Cognition, 22*, 1-39.

Clarke, P., and Mount, P. (2001). Nonprofit Marketing: The Key to Marketing's 'Mid-Life Crisis'? *International Journal of Nonprofit and Voluntary Sector Marketing, 6*(1), 78-91.

Cobb-Walgren, C. J., Ruble, C. A., and Donthu, N. (1995). Brand Equity, Brand Preference and Purchase Intent. *Journal of Advertising, 24*(3), 25-40.

Colyer, E. (2003). *Lights, Camera, Action: CEO in the Spotlight*. Retrieved, from the World Wide Web: www.brandchannel.com/features.

Cornelissen, J. P., and Thorpe, R. (2001). The Organization of External Communication Disciplines in UK Companies: A Conceptual and Empirical Analysis of Dimensions and Determinants. *The Journal of Business Communication, 38*(4), 413-438.

Cousins, L. (1990). Marketing Planning for the Public and Non-profit Sectors. *European Journal of Marketing, 24*(7), 15-31.

Covin, J. G., and Slevin, D. P. (1989). Strategic Management of Small Firms in Hostile and Benign Environments. *Strategic Management Journal, 10*, 75-87.

Crainer, S. (1995). *The Real Power of Brands: Making Brands Work for Competitive Advantage*. London: Pitman Publishing.

Cravens, K. S., and Guilding, C. (1999). Strategic Brand Valuation: A Cross-functional Perspective. *Business Horizons*(July-August), 53-61.

Crimmins, J. C. (2000). Better Measurement and Management of Brand Value. *Journal of Advertising Research, 40*(6), 136-.

Cronbach, L. J. (1951). Coefficient Alpha and the Internal Structure of Tests. *Psychometrika, 16*(3), 297-333.

Cronbach, L. J., Gleser, G. C., Nanda, H., and Rajaratnam, N. (1972). *The Dependability of Behavioral Measurements: Theory of Generalizability for Scores and Profiles*. New York: John Wiley and Sons.

Dacin, P. A., and Smith, D. C. (1994). The Effect of Brand Portfolio Characteristics on Consumer Evaluations of Brand Extensions. *Journal of Marketing Research, 31*(March), 229-242.

Davis, S. (1995). A Vision for the Year 2000: Brand Asset Management. *Journal of Consumer Marketing, 12*(4), 65-82.

de Chernatony, L., and Riley, F. D. O. (1998a). Defining a Brand: Beyond the Literature with Experts' Interpretations. *Journal of Marketing Management, 14*, 417-443.

de Chernatony, L., and Riley, F. D. O. (1998b). Modeling the Components of the Brand. *European Journal of Marketing, 32*(11/12), 1074-1090.

de Chernatony, L., Riley, F. D. O., and Harris, F. (1998). Criteria to Assess Brand Success. *Journal of Marketing Management, 14*(765-781).

De Wulf, K., Oderkerken-Schroder, G., and Lacobucci, D. (2001). Investments in Consumer Relationships: A Cross-country and Cross-industry Exploration. *Journal of Marketing, 65*(4), 33-50.

Demopoulos, William. (2003). 'On the Rational Reconstruction of our Theoretical Knowledge', *Journal of The Philosophy of Science*, 54: p. 371-403

Deshpande, R. (1999). Introduction. In R. Deshpande (Ed.), *Developing a Market Orientation* (pp. 1-6). Thousand Oaks, CA: Sage Publications.

Deshpande, R., and Farley, J. U. (1996). *Understanding Market Orientation: A Prospectively Designed Meta-analysis of Three Market Orientation Scales* (96-125). Cambridge, MA: Marketing Science Institute.

Deshpande, R., and Farley, J. U. (1998). Measuring Market Orientation: A Generalization and Synthesis. *Journal of Market Focused Management, 2*(3), 213-232.

Deshpande, R., and Webster, F. E. (1989). Organizational Culture and Marketing: Defining the Research Agenda. *Journal of Marketing, 53*(January), 3-15.

Desmet, D., Finskud, L., Glucksman, M., Marshall, N. H., Reyner , M. J., and Warren, K. (1998). The End of Voodoo Brand Management? *The McKinsey Quarterly, 2*, 106-117.

Dess, G. G., Lumpkin, G. T., and Covin, J. G. (1997). Entrepreneurial strategy Making and Firm Performance: Tests of Contingency and Configurational Models. *Strategic Management Journal, 18*(1), 2-23.

Di Mingo, E. (1988). The Fine Art of Positioning. *Journal of Business Strategy, 9*(March/April), 34-38.

Dillman, D. A. (1991). The Design and Administration of Mail Surveys. *Annual Review of Sociology, 17*, 225-249.

Dillman, D. A. (1999). *Mail and Internet Survey: The Tailored Design Method* (1 ed.). New York: John Wiley and Sons.

Douglas, S. P., Craig, C. S., and Nijssen, E. J. (2001). Executive Insights: Integrating Branding Strategy Across Markets: Building International Brand Architecture. *Journal of International Marketing, 9*(2), 97-114.

Doyle, P. (1990). Building Successful Brands: The Strategic Options. *The Journal of Consumer Marketing, 7*(2), 5-20.

Doyle, P., and Wong, V. (1998). Marketing and Competitive Performance: An Empirical study. *European Journal of Marketing, 32*(5/6), 514-535.

Du Plessis, E. (1994). Understanding and Using Likability. *Journal of Advertising Research, 34*(5), RC1-9.

Durgee, J. F., and Stuart, R. W. (1987). Advertising Symbols and Brand Names that Best Represent Key Product Meanings. *Journal of Consumer Marketing, 4*(Summer), 16-23.

Dutt, P. (1998). Brand Management During Recession. *South East Asian Business*(May), 32-34.

Enright, M., and McDonald, H. (1997). The Melbourne Garden Nursery Industry: A Qualitative Review of Marketing and New Product Development Orientation in a Retail Environment. *The Journal of Product and Brand Management, 6*(3), 175-190.

Evangelista, F. (1996). Linking Business Relationships to Marketing Strategy and Export Performance: A Proposed Conceptual Framework. *Advances in International Marketing, 8*, 59-83.

Faircloth, J. B., Capella, L. M., and Alford, B. L. (2001). The Effect of Brand Attitude and Brand Image on Brand Equity. *Journal of Marketing Theory and Practice*(Summer), 61-75.

Farquhar, P. H. (1989). Managing Brand Equity. *Marketing Research, 1*(September), 24-33.

Finn, A., and Kayande, U. (1997). Reliability Assessment and Optimization of Marketing Measurement. *Journal of Marketing Research, 34*(May), 262-275.

Flynn, L. R., and Pearcy, D. (2001). Four Subtle Sins in Scale Development: Some Suggestions for Strengthening the Current Paradigm. *International Journal of Market Research, 43*(4), 409-423.

Fornell, C., and Larcker, D. F. (1981). Evaluating Structural Equation Models with Unobservable Variables and Measurement Error: Algebra and Statistics. *Journal of Marketing Research, 18*(February), 39-50.

Fournier, S. (1998). Consumers and their Brands: Developing Relationship Theory in Consumer Research. *Journal of Consumer Research, 24*(March), 343-373.

Foxall, G. (1984). *Corporate Innovation: Marketing and Strategy*. New York: St Martin's Press.

Francis, J., and Collins-Dodd, C. (2000). The Impact of Firm's Export Orientation on the Export Performance of High-Tech Small and Medium-Sized Enterprises. *Journal of International Marketing, 8*(3), 84-103.

Fournier, Susan and Dolan, Robert J. (2002) 'Launching the BMW Z3 Roadster', Harvard Business School Case Study, January 8, HBS# 9-597-002.

Franzen, G., and Bouwman, M. (2001). *The Mental Worlds of Brands*: World Advertising Research Centre. Trowbridge, UK: Cromwell Press.

Frosch, R. A. (1996). The Customer for R&D is Always Wrong. *Research Technology Management, 39*(November-December), 22-27.

Fussell, S. R., and Krauss, R. M. (1989). The Effects of Intended Audience Design on Message Production and Comprehension: Reference in a Common Ground Framework. *Journal of Experimental Social Psychology, 25*, 230-219.

Fussell, S. R., and Krauss, R. M. (1991). Accuracy and Bias in Estimates of Other's Knowledge. *European Journal of Social Psychology, 21*, 445-454.

Fussell, S. R., and Krauss, R. M. (1992). Coordination of Knowledge in Communication: Effects of Speaker's Assumptions About What Others Know. *Journal of Personality and Social Psychology, 62*, 378-391.

Gainer, B., and Padanyi, P. (2002). Applying the Marketing Concept to Cultural Organizations: An Empirical Study of the Relationship Between Market Orientation and Performance. *International Journal of Nonprofit and Voluntary Sector Marketing, 7*(2), 182-193.

Gardner, B., and Levy, S., J. (1955). The Product and the Brand. *Harvard Business Review, 33*(March-April), 33-39.

Gatignon, H., and Xuereb, J.-M. (1997). Strategic Orientation of the Firm New Product Performance. *Journal of Marketing Research, 34*(1), 77-90.

Gilly, M. C., and Wolfinbargor, M. (1998). Advertising's Internal Audience. *Journal of Marketing, 62*(January), 69-88.

Gordon, G. L., Calantone, R. J., and Di Benedetto, A. C. (1993). Brand Equity in the Business-to-Business Sector: An Exploratory Study. *The Journal of Product and Brand Management, 2*(3), 4-.

Graham, P., Harker, D., Harker, M., and Tuck, M. (1994). Branding Food Endorsement Programs: The National Heart Foundation of Australia. *Journal of Product and Brand Management, 3*(4), 31-43.

Greenley, G. E., and Foxall, G. R. (1998). External Moderation of Associations Among Stakeholder Orientations and Company Performance. *International Journal of Research in Marketing, 15*(1), 51-69.

Grewel, R., and Tansuhaj, P. (2001). Building Organizational Capabilities for Managing Economic Crisis: The Role of Market Orientation and Strategic Flexibility. *Journal of Marketing, 65*(2), 67-80.

Grice, H. P. (1957). Meaning. *Philosophical Review, 66*, 377-388.

Grossman, A., and Rangan, V. K. (2001). Managing Multisite Nonprofits. *Nonprofit Management and Leadership, 11*(3), 321-337.

Hair, J. F., Anderson, R. E., Tatham, R. L., and Black, W. C. (1998). *Multivariate Data Analysis* (5th ed.). Upper Saddle River, New Jersey: Prentice Hall Inc.

Hamel, G., and Prahalad, C. K. (1994). *Competing for the Future*. Boston: Harvard Business School Press.

Han, J. K., Kim, N., and Srivastava, R. K. (1998). Market Orientation and Organizational Performance: Is Innovation a Missing Link? *Journal of Marketing, 62*(October), 30-45.

Hanby, T. (1999). Brands - Dead or Alive? *Journal of Market Research Society, 41*(1), 7-18.

Hankinson, P. (2000). Brand Orientation in Charity Organizations: Qualitative Research into Key Charity Sectors. *International Journal of Nonprofit and Voluntary Sector Marketing, 5*(3), 207-219.

Hankinson, P. (2001a). Brand Orientation in the Charity Sector: A Framework for Discussion and Research. *International Journal of Nonprofit and Voluntary Sector Marketing, 6*(3), 231-242.

Hankinson, P. (2001b). Brand Orientation in the Top 500 Fundraising Charities in the UK. *Journal of Product and Brand Management, 10*(6), 346-360.

Hankinson, P. (2002). The Impact of Brand Orientation on Managerial Practice: A Quantitative Study of the UK's Top 500 Fundraising Managers. *International Journal of Nonprofit and Voluntary Sector Marketing, 7*(1), 30-44.

Hankinson, P., and Hankinson, G. (1999). Managing Successful Brands: An Empirical Study which Compares the Corporate Cultures of Companies Managing the World's Top 100 Brands with Those Managing Outsider Brands. *Journal of Marketing Management, 15*, 135-155.

Harder, P., and Kock, C. (1976). *The Theory of Presupposition Failure*. Copenhagen: Akademisk Forlag.

Harris, F., and de Chernatony, L. (2001). Corporate Branding and Corporate Brand Performance. *European Journal of Marketing, 35*(3/4), 441-456.

Harvey, J. W. (1990). Benefit Segmentation for Fundraisers. *Journal of the Academy of Marketing Science, 18*(1), 77-86.

Harvey, M., Roth, J. T., and Lucas, L. A. (1998). The Trade Dress Controversy: A Case of Strategic Cross-Brand Cannibalization. *Journal of Marketing Theory and Practice, 6*(2), 1-15.

Haynes, A., Lackman, C., and Guskey, A. (1999). Comprehensive Brand Presentation: Ensuring Consistent Brand Image. *Journal of Product and Brand Management, 8*(4), 286-.

Helsen, K., and Green, P. E. (1991). A Computation Study of Replicated Clustering with an Application to Market Segmentation. *Decision Sciences, 22*(November/December), 24-41.

Henderson, P. W., and Cote, J. A. (1998). Guidelines for Selecting and Modifying Logos. *Journal of Marketing, 62*(April), 14-30.

Hinkin, T. R. (1995). A Review of Scale Development Practices in the Study of Organizations. *Journal of Management, 21*(5), 967-988.

Homburg, C., Workman, J. P., and Jensen, O. (2002). A Configurational Perspective on Key Account Management. *Journal of Marketing, 66*(April), 38-60.

Hooley, G., Cox, T., Fahy, J., Shipley, D., Beracs, J., Fonfara, K., and Snoj, B. (2000). Market Orientation in the Transition Economies of Central Europe: Tests of the Narver and Slater Market Orientation Scales. *Journal of Business Research, 50*, 273-285.

Horton, W. S., and Keysar, B. (1996). When do Speakers Take into Account Common Ground? *Cognition, 59*, 91-117.

Hutton, J. (2001). Narrowing the Concept in Marketing. In M. T. Ewing (Ed.), *Social Marketing* (pp. 5-24). Binghampton, NY: Best Business Books.

Ignacio, L., Gonzalez, A., Vijande, M. L. S., and Casielles, R. V. (2002). The Market Orientation Concept in the Private Nonprofit Organization Domain. *International Journal of Nonprofit and Voluntary Sector Marketing, 7*(1), 55-67.

Janiszewski, C., and Van Osselaer, S. M. J. (2000). A Connectionist Model of Brand Quality Associations. *Journal of Marketing Research, 37*(August), 331-350.

Jaworski, B. J., and Kohli, A. K. (1993). Market Orientation: Antecedents and Consequences. *Journal of Marketing, 57*(July), 53-70.

Jones, J. P., and Blair, M. H. (1996). Examining Conventional Wisdoms About Advertising Effects with Evidence from Independent Sources. *Journal of Advertising Research, 36*(November-December), 37-59.

Jordan, S. A. (1999). Innovative Cultures + Empowered Employees = High Performance Organizations. *Public Productivity and Management Review, 23*(1), 109-113.

Joshi, A. W., and Campbell, A. J. (2003). Effect of Environmental Dynamism on Relational Governance in Manufacturer-Supplier Relationships: A Contingency Framework and an Empirical Test. *Journal of Academy of Marketing Science, 31*(2), 176-188.

Kapferer, J.-N. (1992). *Strategic Brand Management*. London: Kogan Page.

Kapferer, J.-N. (2001). *Reinventing the Brand*. London, UK: Kogan Page.

Kaplan, R. S., and Norton, D. P. (1992). The Balanced Scorecard - Measures that Drive Performance. *Harvard Business Review, January-February*, 71-79.

Kates, S. M. (2003). The Morphing Brand: An Account of Collective Consumer-Brand Relationships. *Journal of Consumer Research, forthcoming*.

Keller, K. L. (1987). Memory Factors in Advertising: The Effects of Advertising Retrieval Cues on Brand Evaluations. *Journal of Consumer Research, 14*(December), 316-333.

Keller, K. L. (1993). Conceptualizing, Measuring and Managing Customer-Based Brand Equity. *Journal of Marketing, 57*(1), 1-22.

Keller, K. L. (1998). *Strategic Brand Management: Building, Measuring and Managing Brand Equity*. New Jersey, NY: Prentice Hall.

Keller, K. L. (1999). Managing Brands for the Long Run: Brand Reinforcement and Revitalization Strategies. *California Management Review, 41*(3), 102-124.

Keller, K. L. (2000). The Brand Report Card. *Harvard Business Review*(January-February), 3-10.

Keller, K. L. (2003). Brand Synthesis: The Multidimensionality of Brand Knowledge. *Journal of Consumer Research, 29*(March), 595-600.

Keller, K. L., and Aaker, D. (1992). The Effects of Sequential Introduction of Brand Extensions. *Journal of Marketing Research, 29*(February), 35-50.

Keller, K. L., Heckler, S. E., and Houston, M. J. (1998). The Effects of Brand Name Suggestiveness on Advertising Recall. *Journal of Marketing, 62*(January), 48-57.

Kelloway, E. K. (1998). *Using LISREL for Structural Equation Modeling: A Researcher's Guide*. Thousand Oaks, CA: Sage Publications.

Kent, R. J., and Allen, C. T. (1994). Competitive Interference Effects in Consumer Memory for Advertising: The Role of Brand Familiarity. *Journal of Marketing, 58*(July), 97-105.

Keysar, B., Barr, D. J., Balin, J. A., and Paek, T. S. (1998). Definite Reference and Mutual Knowledge: Process Models of Common Ground in Comprehension. *Journal of Memory and Language, 39*, 1-20.

Knight, G. A. (1997). Cross-Cultural Reliability of a Scale to Measure Firm Entrepreneurial Orientation. *Journal of Business Venturing, 12*(3), 213-225.

Kohli, A. K., and Jaworski, B. J. (1990). Market Orientation: The Construct, Research Propositions and Managerial Implications. *Journal of Marketing, 54*(April), 1-18.

Kohli, A. K., Jaworski, B. J., and Kumar, A. (1993). MARKOR: A Measure of Market Orientation. *Journal of Marketing Research, 30*(November), 467-477.

Kolakowski, L. (1972). *Positivist Science*. Harmondsworth: Penguin Books

Kotler, P. (1994). *Marketing Management: Analysis, Planning and Implementation and Control*. Engelwood Cliffs, New Jersey: Prentice-Hall.

Kotler, P., and Andreasen, A. (1991). *Strategic Marketing for Nonprofit Organizations* (4th ed. ed.). Englewood Cliffs, NJ: Prentice-Hall.

Kotler, P., and Armstrong, G. (2001). *Principles of Marketing* (9th ed.). Upper Saddle, New Jersey: Prentice-Hall.

Kotler, P., and Levy, S. (1969). Broadening the Concept of Marketing. *Journal of Marketing*(January), 10-15.

Krauss, R. M., and Fussell, S. R. (1991). Perspective-taking in Communication: Representations of Others' Knowledge in Reference. *Social Cognition, 9*, 2-24.

Krauss, R. M., Vivekananthan, P. S., and Weinheimer, S. (1968). Inner Speech and External Speech: Characteristics and Communication Effectiveness of Socially and Nonsocially Encoded Messages. *Journal of Personality and Social Psychology, 9*, 295-300.

La Foret, S., and Saunders, J. (1994). Managing Brand Portfolios: How the Leaders Do It. *Journal of Advertising Research, 34*(5), 64-.

La Foret, S., and Saunders, J. (1999). Managing Brand Portfolios: Why Leaders Do What They Do. *Journal of Advertising Research*(January-February), 51-66.

Lau, I. Y.-M., Chiu, C.-Y., and Hong, Y.-Y. (2001). I Know What You Know: Assumptions about Others' Knowledge and their Effects on Message Construction. *Social Cognition, 19*(6), 587-600.

Lawson, R., Tidwell, P., Rainbird, P., Loudon, D., and Della Britta, A. (1996). *Consumer Behavior In Australia and New Zealand*. Sydney, Australia: McGraw Hill Book Company.

Leclerc, F., Schmitt, B. H., and Dube, L. (1994). Foreign Branding and its Effects on Product Perceptions and Attitudes. *Journal of Marketing Research, 31*(May), 263-270.

Leder, C., and Hill, S. (2001). See Your Brands Through Your Customers Eyes. *Harvard Business Review*(June), 3-11.

Lee, B. P. H. (1998). *Establishing Common Ground in Written Correspondence.* Unpublished PhD, University of Cambridge, Cambridge.

Lee, B. P. H. (2001). Mutual Knowledge, Background Knowledge and Shared Beliefs: Their Roles in Establishing Common Ground. *Journal of Pragmatics, 33*, 21-44.

Lee, D.-J., and Sirgy, M. J. (1999). The Effect of Moral Philosophy and Ethnocentrism on Quality of Life Orientation in International Marketing: A Cross-Cultural Comparison. *Journal of Business Ethics, 18*(1), 73-89.

Lee, S. M., and Peterson, S. J. (2000). Culture, Entrepreneurial Orientation and Global Competitiveness. *Journal of World Business, 35*(4), 401-416.

Lewis, D. K. (1969). *Convention: A Philosophical Study.* Cambridge, MA: Harvard University Press.

Liao, M.-N., Foreman, S., and Sargeant, A. (2001). Market versus Societal Orientation in the Nonprofit Context. *International Journal of Nonprofit and Voluntary Sector Marketing, 6*(3), 254-.

Lincoln, Y.S. and Guba, E.G. (1994). *Naturalistic Inquiry.* Thousand Oaks, CA: Sage

Lindenberg, M. (1999). Declining State Capacity, Volunteerism and the Globalization of the Not-For-Profit Sector. *Nonprofit and Voluntary Sector Quarterly, 28*(4), 147-167.

Lindsay, G., and Murphy, A. (1996). NSPCC: Marketing the 'Solution' not the 'Problem'. *Journal of Marketing Management, 12*, 707-718.

Logsdon, J. M., and Yuthas, K. (1997). Corporate Social Performance, Stakeholder Orientation and Organizational Moral Development. *Journal of Business Ethics, 16*(12/13), 1213-1226.

Loken, B., and Roedder John, D. (1993). Diluting Brand Beliefs: When do Brand Extensions have a Negative Impact? *Journal of Marketing, 57*(July), 71-84.

Lovelock, C. H., and Weinberg, C. B. (1989). *Marketing for Public and Nonprofit Managers* (Vol. 2nd ed.). Redwood City, CA: Scientific Press.

Low, G. S., and Fullerton, R. A. (1994). Brands, Brand Management and the Brand Manager System: A Critical-Historical Evaluation. *Journal of Marketing Research, 31*(May), 173-190.

Lowell, S., Silverman, L., and Taliento, L. (2001). Not-for-profit Management: The Gift that keeps on Giving. *The McKinsey Quarterly, 1*, 147-155.

Lumpkin, G. T., and Dess, G. G. (1996). Clarifying the Entrepreneurial Construct and Linking it to Performance. *Academy of Management Review, 21*(1), 135-172.

Lyon, D. W., Lumpkin, G. T., and Dess, G. G. (2000). Enhancing Entrepreneurial Orientation Research: Operationalizing and Measuring a Key Strategic Decision Making Process. *Journal of Management, 26*(5), 1055-1085.

Lysonski, S. (1985). A Boundary Theory Investigation of the Product Manager's Role. *Journal of Marketing, 49*(Winter), 26-40.

MacDonald, S. (1995). Too Close for Comfort? The Strategic Implications of Getting Close to Customers. *California Management Review, 37*(4), 8-27.

Mackay, M. M. (2001). Evaluation of Brand Equity Measures: Further Empirical Results. *The Journal of Product and Brand Management, 10*(1), 38-51.

Macrae, C. (1996). *The Brand Chartering Handbook*. Harlow, UK: EIU/Addison-Wesley.

Macrae, C., and Uncles, M. D. (1997). Rethinking Brand Management: The Role of Brand Chartering. *Journal of Product and Brand Management, 6*(1), 64-77.

Madden, T. J., Hewett, K., and Roth, M. S. (2000). Managing Images in Different Cultures: A Cross National Study of Color Meanings and Preferences. *Journal of International Marketing, 8*(4), 90-107.

Madhaven, R., and Grover, R. (1998). From Embedded Knowledge to Embodied Knowledge: New Product Development as Knowledge Management. *Journal of Marketing, 62*(4), 1-12.

Maignan, I., and Ferrell, O. C. (2001). Antecedents and Benefits of Corporate Citizenship: An Investigation of French Businesses. *Journal of Business Research, 51*(1), 37-51.

Malhotra, N. K., Hall, J., Shaw, M., and Crisp, M. (1996). *Marketing Research: An Applied Orientation*. Sydney, Australia: Prentice-Hall.

Malhotra, N. K., Peterson, M., and Kleiser, S. B. (1999). Marketing Research: A State-of-the-Art Review and Directions for the Twenty-First Century. *Journal of the Academy of Marketing Science, 27*(2), 160-183.

Marchand, J., and Lavoie, S. (1998). Non-Profit Organizations' Practices and Perceptions of Advertising: Implications for Advertisers. *Journal of Advertising Research, 38*(4), 33-40.

Martinsons, M. G., and Hosley, S. (1993). Planning a Strategic Information System for a Market-Oriented Nonprofit Organization. *Journal of Systems Management, 44*(2), 14.

Matsuno, K., and Mentzer, J. T. (2000). The Effects of Strategy Type on the Market Orientation-Performance Relationship. *Journal of Marketing, 64*(4), 1-16.

Matsuno, K., Mentzer, J. T., and Rentz, J.O. (2000). A Refinement and Evaluation of the MARKOR Scale. *Journal of Academy of Marketing Science, 28*(4), 527.

McAlexander, J. H., Schouten, J. W., and Koenig, H. F. (2002). Building Brand Community. *Journal Of Marketing, 66*(January), 38-54.

McCracken, Grant (1989). 'Who is the Celebrity Endorser? Cultural Foundations of the Endorsement Process', *Journal of Consumer Research*, 16(3): 310-321.

McCracken, Grant (2000). 'J&B', Harvard Business School Case Study, May 16, HBS# 9-500-051.

McKenna, R. (1995). Real Time Marketing. *Harvard Business Review*(July-August), 87-95.

McLean, F. (1994). Services Marketing: The Case of Museums. *The Service Industries Journal, 14*(2), 190-.

McWilliam, G. (2000). Building Stronger Brand through On-line Communities. *Sloan Management Review, 41*(3 Spring), 43-54.

Mehta, S. S., and Metha, G. B. (1995). Marketing of Churches: An Empirical Study of Important Attributes. *Journal of Professional Services Marketing, 13*(1), 53-.

Menard, S. (2002). *Applied Logistic Regression Analysis* (Vol. 135). Thousand Oaks, CA: Sage Publications Series.

Miles, M. P., and Arnold, D. R. (1991). The Relationship between Marketing Orientation and Entrepreneurial Orientation. *Entrepreneurship: Theory and Practice, 15*(4), 49-65.

Miles, M. P., and Munilla, L. S. (1993). Eco-Orientation: An Emerging Business Philosophy? *Journal of Marketing Theory and Practice, 1*(2).

Miles, M. P., Russell, G. R., and Arnold, D. R. (1995). The Quality Orientation: An Emerging Business Philosophy. *Review of Business, 17*(1), 7-15.

Miles, M. P., Thompson, D. L., and Arnold, D. R. (1992). The Degree of Marketing and Entrepreneurial Orientation in Spinoff and Non-Spinoff Organizations. *Journal of Business and Entrepreneurship, 4*(2), 67-76.

Mintzberg, H. (1996). Managing Government Governing Management. *Harvard Business Review*(May/June), 75-83.

Mitchell, C. (2002). Selling the Brand Inside. *Harvard Business Review*(January), 5-11.

Mokwa, M. P. (1990). The Policy Characteristics and Organizational Dynamics of Social Marketing. In S. H. Fine (Ed.), *Social Marketing: Promoting the Causes of Public and Nonprofit Agencies* (pp. 43-55). Needham Heights, MA: Allyn and Bacon.

Morris, B. (1996). The Brand's the Thing. *Fortune, 4*(March), 28-38.

Muniz, A. M., and O'Guinn, T. (2001). Brand Community. *Journal of Consumer Research, 27*(March), 412-432.

Narver, J. C., and Slater, S. F. (1990). The Effect of a Market Orientation on Business Profitability. *Journal of Marketing, 54*(October), 20-35.

Noble, C. H., Sinha, R. K., and Kumar, A. (2002). Market Orientation and Alternative Strategic Orientations: A Longitudinal Assessment of Performance Implications. *Journal of Marketing, 66*(October), 25-39.

Nohara-LeClair, M. (2001). A Direct Assessment of the Relation Between Shared Knowledge and Communication in a Referential Task. *Language and Speech, 44*(2), 217-236.

Nunnally, J. (1978). *Psychome*[illegible] (2nd ed.). New York, New York: McGraw-Hill.

Olden, P. C., Roggenkamp, S. D., and L[illegible]. (2002). A Post 1990's Assessment of Strategic Hospital Alliances and their Marketplace Orientations: Time to Refocus. *Health Care Management Review, 27*(2), 33-49.

Oster, S. M. (1992). Nonprofit Operations as Franchise Operations. *Nonprofit Management and Leadership, 2*(3), 6.

Park, C. S., and Srinivasan, V. (1994). A Survey-based Method for Measuring and Understanding Brand Equity and its Extendibility. *Journal of Marketing Research, 31*(May), 271-288.

Park, C. W., Jaworski, B. J., and MacInnis, D., J. (1986). Strategic Brand Concept-Image Management. *Journal of Marketing, 50*(October), 135-145.

Paul, J., and Hanna, J. B. (1997). Applying the Marketing Concept in Health Care: The No-Show Problem. *Health Marketing Quarterly, 14*(3), 3-17.

Pearce, J. A., Robbins, D. K., and Robinson, R. B. (1987). The Impact of Grand Strategy and Planning Formality on Financial Performance. *Strategic Management Journal, 8*(March-April), 125-134.

Pitcher, A. E. (1985). The Role of Branding in International Advertising. *International Journal of Advertising, 4*, 241-246.

Pitta, D. A., and Prevel Katsanis, L. (1995) Understanding Brand Equity for Successful Brand Extension. *Journal of Consumer Marketing, 12*(4), 51-.

Punj, G., and Steward, D. W. (1983). Cluster Analysis in Marketing Research: Review and Suggestions for Application. *Journal of Marketing Research, 20*(May), 124-148.

Rees, P. L. (1998). Marketing in the UK and Us Not-for-Profit Sector: The Import Mirror View. *The Services Industries Journal, 18*(1), 113-131.

Rentz, J. O., Shepherd, D., Tashchian, A., Bobholker, P. A., and Ladd, R. T. (2002). A Measure of Selling Skill: Scale Development and Validation. *Journal of Personal Selling and Sales Management, 22*(1), 13-21.

Reynolds, T. J., and Gutman, J. (1984). Advertising as Image Management. *Journal of Advertising Research, 24*(Feb-Mar), 27-38.

Richards, I., Foster, D., and Morgan, R. (1998). Brand Knowledge Management: Growing Brand Equity. *Journal of Knowledge Management, 2*(1), 47-54.

Richter, L., and Kruglanski, A. W. (1999). Motivated Search for Common Ground: Need for Closure Effects on Audience Design in Interpersonal Communication. *Personality and Social Psychology Bulletin, 25*(9), 1101-1114.

Ries, A., and Trout, J. (1986). *Positioning: The Battle for Your Mind* (1st ed. ed.). New York, NY: McGraw-Hill.

Roberts-Wray, B. (1994). Branding, Product Development and Positioning the Charity. *Journal of Brand Management, 1*(6), 363-367.

Robnagel, C. (2000). Cognitive Load and Perspective-Taking: Applying the Automatic-Controlled Distinction to Verbal Communication. *European Journal of Social Psychology, 30*, 429-445.

Rooney, J. A. (1995). Branding: A Trend for Today and Tomorrow. *Journal of Product and Brand Management, 4*(4), 48-55.

Rossiter, J. R. (2002). The C-OAR-SE Procedure for Scale Development in Marketing. *International Journal of Research in Marketing, 19*(4), 305-355.

Ruekert, R. (1992). Developing a Market Orientation: An Organizational Strategy Perspective. *International Journal of Research in Marketing, 9*(3), 225-246.

Sapienza, H. J., Smith, K. G., and Gannon, M. J. (1988). Using Subjective Evaluations of Organizational Performance in Small Business Research. *American Journal of Small Business, 12*(3), 45-53.

Sargeant, A. (1999). *Marketing Management for Nonprofit Organizations*. UK: Oxford University Press.

Sargeant, A. (2001). Preface. In M. T. Ewing (Ed.), *Social Marketing* (pp. xi-xxiii). Binghampton, NY: Best Business Books.

Sawhill, J., and Williamson, D. (2001). Measuring What Matters in Nonprofits. *The McKinsey Quarterly, 2*, 98-107.

Saxton, J. (1994). A Strong Charity Brand Comes from Strong Beliefs and Values. *Journal of Brand Management, 2*(4), 211-218.

Scheff, J., and Kotler, P. (1996). Crisis in the Arts: The Marketing Response. *California Management Review, 39*(1), 28-52.

Schiffer, S. R. (1972). *Meaning*. Oxford: Oxford University Press.

Schmitt, B. H., and Pan, Y. (1994). Managing Corporate and Brand Identities in the Asia-Pacific Region. *California Management Review, 36*(4), 32-48.

Schouten, J. W., and McAlexander, J. (1995). Subcultures of Consumption: An Ethnography of the New Bikers. *Journal of Consumer Research, 22(June):* 43-61.

Schramm, W., and Roberts, D. (1971). *The Process and Effects of Mass Communication*. Urbana, Illinois: University of Illinois Press.

Schriesheim, C. A., Powers, K. J., Scandura, T. A., Gardiner, C. C., and Lankau, M. J. (1993). Improving Construct Measurement in Management Research: Comments and a Quantitative Approach for Assessing the Theoretical Content Adequacy of Paper and Pencil Survey Type Instruments. *Journal of Management, 19*, 385-417.

Schultz, D. (1998). Budgeting for Brand Outcomes. *European Society for Opinion and Marketing Research.*

Schultz, D., and Barnes, B. E. (1999). *Strategic Brand Communication Campaigns.* Chicago, Illinois: NTC Business Books.

Schwab, D. P. (1980). Construct Validity in Organizational Behavior. In B. W. Straw and L. L. Cummings (Eds.), *Research in Organizational Behavior* (Vol. 2, pp. 3-43). Greenwich, CT: JAI Press.

Seetharaman, A., Nadzir, Z. A. B. M., and Gunalan, S. (2001). A Conceptual Study on Brand Valuation. *Journal of Product and Brand Management, 10*(4), 243-256.

Sekaran, U. (2000). *Research Methods for Business.* New York, USA: John Wiley and Sons.

Shavelson, R. J., and Webb, N. M. (1991). *Generalizability Theory: A Primer.* Newbury Park, California: Sage Publications.

Sheth, J. N., and Sisodia, R. S. (2001). High Performance Marketing. *Marketing Management, 10*(3), 18-23.

Shocker, A. D., and Srinivasan, V. (1979). Multiattribute Approaches for Product Concept Evaluation and Generation: A Critical Review. *Journal of Marketing Research, 16*(May), 159-180.

Shocker, A. D., Srivastava, R. K., and Ruekert, R. (1994). Challenges and Opportunities Facing Brand Management: An Introduction to the Special Issue. *Journal of Marketing Research, 31*(May), 149-158.

Shoham, A. (2000). Firm Orientation: Do the Five Orientations Affect Export Performance? *Journal of Global Marketing, 14*(3), 31-47.

Shore, B. (2001). Doing Good by Doing Well. *The McKinsey Quarterly, 1*, 111-119.

Simoes, C., and Dibb, S. (2001). Rethinking the Brand Concept: New Brand Orientation. *Corporate Communications: An International Journal, 6*(4), 217-224.

Simon, C. J., and Sullivan, M. W. (1993). The Measurement and Determinants of Brand Equity: A Financial Approach. *Marketing Science, 12*(Winter), 28-52.

Siu, W.S. (2000). Marketing Philosophies and Company Performance of Chinese Small Firms in Hong Kong. *Journal of Marketing Theory and Practice, 8*(1), 25-37.

Slater, S. F., and Narver, J. C. (1994). Does Competitive Environment Moderate the Market Orientation-Performance Relationship. *Journal of Marketing, 58*(1), 46-.

Slater, S. F., and Narver, J. C. (1995). Market Orientation and the Learning Organization. *Journal of Marketing, 59*(July), 63-74.

Smart, D. T., and Conant, J. S. (1994). Entrepreneurial Orientation, Distinctive Marketing Competencies and Organizational Performance. *Journal of Applied Business Research, 10*(3), 28-.

Srivastava, R. K., and Shocker, A. D. (1991). *Brand Equity: A Perspective on its Meaning and Measurement* (Report # 91-124). Cambridge, MA: Marketing Science Institute.

Sumrall, D. A., Eyuboglu, N., and Ahlaway, S. S. (1991). Developing a Scale to Measure Hospital Sales Orientation. *Journal of Health Care Marketing, 11*(4), 39-51.

Sumrall, D. A., and Sebastianelli, R. (1999). The Moderating Effects of Managerial Sales Orientations on Salesperson's Role Stress-job Satisfaction Relationships. *Journal of Marketing Theory and Practice*(Winter), 72-79.

Supphellen, M. (2000). Understanding Core Brand Equity: Guidelines for In-Depth Elicitation of Brand Associations. *International Journal of Market Research, 42*(3), 319-338.

Tapp, A. (1996). Charity Brands, a Qualitative Study of Current Practice. *Journal of Nonprofit and Voluntary Sector Marketing, 1*(4), 327-336.

Tavassoli, N. T. (1999). Temporal and Associative Memory in Chinese and English. *Journal of Consumer Research, 26*(September), 170-181.

Tavassoli, N. T., and Han, J. K. (2001). Auditory and Visual Brand Identifiers in Chinese and English. *Journal of International Marketing, 10*(2), 13-28.

Thomas, R. W., Soutar, G. N., and Ryan, M. M. (2001). The Selling Orientation-Customer Orientation (SOCO) Scale: A Proposed Short Form. *The Journal of Personal Selling and Sales Management, 21*(1), 63-69.

Tonkiss, F., and Passey, A. (1999). Trust, Confidence and Voluntary Organizations: Between Values and Institutions. *Sociology, 33*(2), 257-274.

Urde, M. (1994). Brand Orientation- A Strategy for Survival. *Journal of Consumer Marketing, 11*(3), 18-22.

Urde, M. (1999). Brand Orientation: A Mindset for Building Brands into Strategic Resources. *Journal of Marketing Management, 15*(1-3), 117-133.

Venkatraman, N., and Ramanujam, V. (1986). Measurement of Business Economic Performance: A Comparison of Approaches. *Academy of Management Review, 11*, 801-814.

Vishwanath, V., and Mark, J. (1997). Your Brand's Best Strategy. *Harvard Business Review*(May-June), 123-129.

Voss, G. B., and Voss, G. Z. (2000). Strategic Orientation and Firm Performance in an Artistic Environment. *Journal of Marketing, 64*(January), 67-83.

Ward, J. H., Jr. (1963). Hierarchical Grouping to Optimize an Objective Function. *Journal of American Statistical Association, 58*, 236-244.

Washburn, J. H., and Plank, R. E. (2002). Measuring Brand Equity: An Evaluation of a Consumer-Based Brand Equity Scale. *Journal of Marketing Theory and Practice, 10*(1), 46-62.

Webb, D. J., Green, C. L., and Brashear, T. G. (2000). Development and Validation of Scales to Measure Attitudes Influencing Monetary Donations to Charitable Organizations. *Journal of Academy of Marketing Science, 28*(2), 299-309.

Wiesenfeld, E. (1996). The Concept of We: A Community Social Psychology Myth. *Journal of Community Psychology, 24*(4), 337-346.

Wilkes-Gibbs, D., and Clark, H. H. (1992). Coordinating Beliefs in Conversation. *Cognition, 31*, 183-194.

Willke, J. (1993). What New Product Marketers Should Know About Related Recall. *Journal of Advertising Research, 33*(2), RC7-12.

Wood, L. (2000). Brands and Brand Equity: Definition and Management. *Management Decision, 38*(9), 662-669.

Wrenn, B. (1997). The Market Orientation Construct: Measurement and Scaling Issues. *Journal of Marketing Theory and Practice, 5*, 31-54.

Yoo, B., and Donthu, N. (2001). Developing and Validating a Multidimensional Consumer-Based Brand Equity Scale. *Journal of Business Research, 52*, 1-14.

Yoo, B., Donthu, N., and Lee, S. (2000). An Examination of Selected Marketing Mix Elements and Brand Equity. *Journal of Academy of Marketing Science, 28*(2), 195-211.

Young, D. R. (1989). Local Autonomy in a Franchise Age. *Nonprofit and Voluntary Sector Quarterly, 19*, 33-.

Zeithaml, V. A. (1988). Consumer Perceptions of Price, Quality and Value: A Means-end Model and Synthesis of Evidence. *Journal of Marketing, 52*(July), 2-22.

Zhang, S., and Schmitt, B. H. (2001). Creating Local Brands in Multilingual International Markets. *Journal of Marketing Research, 38*(3), 313-325.

Zinkhan, G. M., Haytko, D., and Ward, A. (1996). Self-concept Theory. *Journal of Marketing Communications, 2*(1), 1-19.

Zyman, S. (2002). *The End of Advertising as We Know It*. Hoboken: NJ: John Wiley and Sons.

APPENDIX I

COVER LETTER,

QUESTIONNAIRE

&

REMINDER POSTCARD

COVER LETTER

Name
Address 1
Address 2
Address 3

Dear

In many organizations, building and managing brands in a global market place has become an increasingly important marketing activity. We are currently conducting research in this area and are interested in gaining an understanding of the prevailing brand practices and philosophies adopted within not-for-profit organizations in Australia.

As you can see, the attached questionnaire contains a series of statements relating to activities organizations may engage in when managing their brands. You have been identified as an important marketing decision maker who may be able to assist us in this study. However, if you feel that another person within your organization may be in a better position to address these questions, we would be grateful if you could forward this survey to them. The questionnaire will take no more than 10 minutes of your time to complete and a reply paid envelope is enclosed for your convenience to return the questionnaire.

Your answers will be treated in strictest confidence and used in aggregate form only for statistical analysis. As you will see, the return reply-paid envelope provides anonymity, so neither you nor your firm will be identified in any way. However, if you are interested in the results of this research and would like to receive a summary report, please attach your business card to the questionnaire and we will gladly send this to you.

Should you have any queries about any aspect of the questionnaire, please contact the undersigned on: **(08) 9266 7288**, or email at: **napolij@cbs.curtin.edu.au**. I look forward to your prompt return of the completed survey.

Thank you most sincerely for your cooperation and assistance.

Yours sincerely

Julie Napoli

Not-For-Profit Brand Management Practices and Philosophies

Building and properly managing brand value has become a priority for organizations of all sizes, in all types of industries, and in all types of markets. In this short questionnaire, we are interested in exploring and understanding the marketing activities and approaches that shape your organization's branding strategies.

All that is required is that you **circle** the appropriate point on the scale provided next to each statement. Please record your responses based on your organization's **current activities**. For example, if you feel a particular statement strongly describes your organization's current activities, then you would circle a '7', and if you feel that a particular statement does not adequately describe your organization's current activities, then you would circle a '1'. If your feelings were less strong, you would use one of the numbers in-between. Sometimes of course, you might want to say, "It all depends" - in these cases it is best to record your first impression. In situations where you feel a statement does not apply to your organization, for instance where you feel a statement describes an ideal activity that you might like to adopt but currently do not currently perform, then you would still circle a '1' or '2'. Remember, there are no "right" or "wrong" answers.

Throughout the questionnaire we have frequently referred to the term '**stakeholder**'. Any party that may have an interest in the activities of your organization is generally regarded as a stakeholder and can include customers, donors, recipients, suppliers, members and so on.

SECTION A

*To **what extent** do the following **approaches/activities** describe the brand management **practices and philosophies** in your organization. Please **circle** the appropriate number on the scale. A response of **'1' indicates 'to a very little extent'**, whilst **'7' indicates 'to a very great extent'**.*

In our organization we ...	
1. Attempt to identify unmet stakeholder needs and wants	To a very little extent 1 2 3 4 5 6 7 To a very great extent
2. Focus on creating a positive product/service experience for our stakeholders	To a very little extent 1 2 3 4 5 6 7 To a very great extent
3. Have a system in place for getting stakeholders' comments to the people who can instigate change	To a very little extent 1 2 3 4 5 6 7 To a very great extent
4. Invest adequate resources in product/service improvements that provide better value to our stakeholders	To a very little extent 1 2 3 4 5 6 7 To a very great extent
5. Keep "in touch" with our stakeholders' needs	To a very little extent 1 2 3 4 5 6 7 To a very great extent
6. Keep "in touch" with current market conditions	To a very little extent 1 2 3 4 5 6 7 To a very great extent
7. Base marketing decisions on knowledge of the current market conditions, stakeholders' needs and new trends	To a very little extent 1 2 3 4 5 6 7 To a very great extent
8. Deliver 'value for money' to our stakeholders by maximizing the *quality* of our product/service offering whilst minimizing *internal costs*	To a very little extent 1 2 3 4 5 6 7 To a very great extent
9. Have a system in place to monitor stakeholders' perceptions of the brand	To a very little extent 1 2 3 4 5 6 7 To a very great extent
10. Estimate how much value our stakeholders believe the brand adds to our product/service	To a very little extent 1 2 3 4 5 6 7 To a very great extent
11. Attempt to differentiate our brand (and product/service offering) from our competitors	To a very little extent 1 2 3 4 5 6 7 To a very great extent

In our organization we ...	
12. Develop marketing programs that send consistent messages about our brand to our stakeholders	To a very little extent 1 2 3 4 5 6 7 To a very great extent
13. Adjust the brand's marketing program to keep current and abreast with stakeholder trends	To a very little extent 1 2 3 4 5 6 7 To a very great extent
14. Have a corporate/umbrella brand that unifies and brings together all sub-brands within the organization	To a very little extent 1 2 3 4 5 6 7 To a very great extent
15. Ensure that the organization's brands and sub-brands target specific, well defined segments that do not overlap with one another	To a very little extent 1 2 3 4 5 6 7 To a very great extent
16. Create a brand/sub-brand structure that is well thought out and understood by our staff	To a very little extent 1 2 3 4 5 6 7 To a very great extent
17. Design the brand name, logo, symbol, slogan, packaging, signage etc., for our products & services to maximize brand awareness & image	To a very little extent 1 2 3 4 5 6 7 To a very great extent
18. Design integrated marketing activities to encourage stakeholders directly to use our products/services	To a very little extent 1 2 3 4 5 6 7 To a very great extent
19. Design integrated marketing activities to encourage our suppliers, distributors and other key stakeholders to promote our products/services to end users	To a very little extent 1 2 3 4 5 6 7 To a very great extent
20. Ensure that managers within the organization are aware of all of the marketing activities that involve the brand	To a very little extent 1 2 3 4 5 6 7 To a very great extent
21. Ensure that the meaning of the brand is consistently represented in all marketing communication activities	To a very little extent 1 2 3 4 5 6 7 To a very great extent
22. Develop detailed knowledge of what our stakeholders *dislike* about the brand	To a very little extent 1 2 3 4 5 6 7 To a very great extent
23. Develop detailed knowledge of what our stakeholders *like* about the brand	To a very little extent 1 2 3 4 5 6 7 To a very great extent
24. Develop a good understanding of the images & associations that our stakeholders make with the brand	To a very little extent 1 2 3 4 5 6 7 To a very great extent
25. Create detailed, research-driven profiles of key stakeholders	To a very little extent 1 2 3 4 5 6 7 To a very great extent
26. Develop a good understanding of the successes and failures of our brand's marketing program before it is changed	To a very little extent 1 2 3 4 5 6 7 To a very great extent
27. Cut back on the marketing support the brand receives in reaction to a *downturn in the market/economy*	To a very little extent 1 2 3 4 5 6 7 To a very great extent
28. Cut back on the marketing support the brand receives in reaction to a *change in government policy*	To a very little extent 1 2 3 4 5 6 7 To a very great extent
29. Conduct ad-hoc research to assess the 'health' of our brand	To a very little extent 1 2 3 4 5 6 7 To a very great extent
30. Conduct routine/continuous research to evaluate current market performance of our brand	To a very little extent 1 2 3 4 5 6 7 To a very great extent

SECTION B

For each of the statements listed below, please indicate how closely each describes the ***activities currently undertaken*** *within your organization by* ***circling*** *the appropriate number on the scale for each item. A response of* ***'1' indicates that you strongly disagree*** *with the statement, whilst* ***'7' indicates that you strongly agree.***

Statement								
1. Our commitment to serving stakeholder needs is closely monitored	I strongly disagree 1	2	3	4	5	6	7 I strongly agree
2. Our staff share information about competitors	I strongly disagree 1	2	3	4	5	6	7 I strongly agree
3. Our objectives and strategies are driven by the creation of stakeholder satisfaction	I strongly disagree 1	2	3	4	5	6	7 I strongly agree
4. We achieve rapid response to competitive actions	I strongly disagree 1	2	3	4	5	6	7 I strongly agree
5. Top management regularly visits important stakeholders	I strongly disagree 1	2	3	4	5	6	7 I strongly agree
6. Information about stakeholders is freely communciated throughout the company	I strongly disagree 1	2	3	4	5	6	7 I strongly agree
7. Competitive strategies are based on understanding stakeholder needs	I strongly disagree 1	2	3	4	5	6	7 I strongly agree
8. Business functions are integrated to serve market needs	I strongly disagree 1	2	3	4	5	6	7 I strongly agree
9. Business strategies are driven by increasing value for stakeholders	I strongly disagree 1	2	3	4	5	6	7 I strongly agree
10. Stakeholder satisfaction is frequently assessed	I strongly disagree 1	2	3	4	5	6	7 I strongly agree
11. Close attention is given to after 'sales' service	I strongly disagree 1	2	3	4	5	6	7 I strongly agree
12. Top management regularly discusses competitors' strengths and weaknesses	I strongly disagree 1	2	3	4	5	6	7 I strongly agree
13. Our managers understand how employees can contribute to value for stakeholders	I strongly disagree 1	2	3	4	5	6	7 I strongly agree
14. Stakeholders are targeted when we have an opportunity for competitive advantage	I strongly disagree 1	2	3	4	5	6	7 I strongly agree

SECTION C

For each of the statements listed below, please indicate how closely each describes the ***activities currently undertaken*** *within your organization by* ***circling*** *the appropriate number on the scale for each item. A response of* ***'1' indicates that you strongly disagree*** *with the statement, whilst* ***'7' indicates that you strongly agree.***

Statement							
1. Relative to other not-for-profit organizations, our organization operates in a turbulent environment.	I strongly disagree 1	2	3	4	5	6	7 I strongly agree
2. Relative to our competitors, our organization serves its stakeholders better.	I strongly disagree 1	2	3	4	5	6	7 I strongly agree
3. Overall, our organization tends to achieve the goals and objectives set for both the short and long term.	I strongly disagree 1	2	3	4	5	6	7 I strongly agree
4. Overall, the brand management practices and philosophies of our organization are very effective, relative to our competitors	I strongly disagree 1	2	3	4	5	6	7 I strongly agree

SECTION D

To enable us to meaningfully analyze the data, please fill in the following details about your organization.
All information given will be treated in the strictest confidence and results will be aggregated.

1. **Which of the following best describes the nature of work your organization engages in?**	
Culture and Recreation	Law Advocacy and Politics
Education and Research	Philanthropic Intermediaries & Volunteerism Promotion
Health Care – Public	International Activities
Health Care – Private	Business/Professional Association &/or Union
Social Services	Other
Environmental Conservation/Protection	
Development and Housing	

2. **How many people does your organization employ in Australia? (Please select the item that corresponds with the number of *paid employees* in your organization only)**	
< 10	31 - 50
11 - 20	51 - 100
21 – 30	> 101

3. **For how many years has your organization been in operation in Australia?**	Years
4. **Within your organization, does responsibility for making marketing decisions occur at the State or National level** *(please tick the appropriate box).*	☐ State level ☐ National level
5. **What was your organization's approximate annual revenue in Australia for your last financial year?**	A$
6. **Approximately what percentage of your annual revenue is government funded?**	%
7. **What was your firm's approximate annual marketing expenditure (in dollar terms) for your last financial year (excluding salaries)?**	A$
8. **What is your formal job title?**	
9. **Gender:**	☐ Male ☐ Female
10. **Your Age:**	Years

Thank you MOST SINCERELY for your time.

A gentle

Reminder

to return the questionnaire on:

Nonprofit Brand Management Practices and Philosophies

Reminder Postcard

218

Dear Colleague,

'Nonprofit Brand Management Practices and Philosophies' Survey

You have recently received a questionnaire from us. If you have filled in and returned the questionnaire, our sincere thanks for your time and input. If you have not yet had an opportunity to do so, we respectfully ask for **10 minutes** of your time to complete the questionnaire and return it as soon as possible. **Your reply is very important to us.** Only <u>you</u> can provide us with the answers to the survey. Please email the undersigned if you require another copy of the questionnaire or further details. Thank you for your assistance.

Many thanks!
Julie Napoli
Tel: (08) 9266 7288
napolij@cbs.curtin.edu.au

Postage Paid

Affix

address label

APPENDIX II

Anti-Image Correlation Matrix (NBO Items)

	Q2	Q3	Q4	Q5	Q6	Q9	Q12	Q15	Q16	Q18	Q19	Q20	Q21	Q22	Q23
Q2	**0.935**	-0.123	-0.175	-0.145	-0.163	0.017	-0.093	0.071	-0.111	0.041	-0.020	0.017	-0.150	0.049	-0.019
Q3	-0.123	**0.895**	-0.143	-0.325	0.008	-0.167	0.103	-0.138	0.117	0.028	-0.041	-0.010	0.000	-0.169	0.060
Q4	-0.175	-0.143	**0.926**	-0.312	-0.083	-0.056	-0.052	-0.018	-0.047	0.078	-0.036	0.069	-0.048	0.004	-0.030
Q5	-0.145	-0.325	-0.312	**0.885**	-0.272	0.001	-0.027	0.082	-0.083	-0.141	0.059	-0.065	0.117	0.008	-0.126
Q6	-0.163	0.008	-0.083	-0.272	**0.926**	-0.034	-0.101	0.004	0.074	0.017	-0.026	-0.022	-0.064	-0.120	0.092
Q9	0.017	-0.167	-0.056	0.001	-0.034	**0.906**	-0.137	0.178	-0.164	-0.028	0.011	0.066	-0.093	-0.017	-0.318
Q12	-0.093	0.103	-0.052	-0.027	-0.101	-0.137	**0.918**	-0.177	0.085	-0.165	-0.076	-0.040	-0.295	0.097	-0.117
Q15	0.071	-0.138	-0.018	0.082	0.004	0.178	-0.177	**0.840**	-0.431	-0.168	-0.048	0.103	-0.161	0.016	-0.119
Q16	-0.111	0.117	-0.047	-0.083	0.074	-0.164	0.085	-0.431	**0.838**	0.016	-0.101	-0.291	0.058	-0.079	0.115
Q18	0.041	0.028	0.078	-0.141	0.017	-0.028	-0.165	-0.168	0.016	**0.884**	-0.406	-0.188	-0.009	-0.032	0.083
Q19	-0.020	-0.041	-0.036	0.059	-0.026	0.011	-0.076	-0.048	-0.101	-0.406	**0.917**	-0.063	-0.020	-0.065	-0.039
Q20	0.017	-0.010	0.069	-0.065	-0.022	0.066	-0.040	0.103	-0.291	-0.188	-0.063	**0.891**	-0.421	-0.066	-0.118
Q21	-0.150	0.000	-0.048	0.117	-0.064	-0.093	-0.295	-0.161	0.058	-0.009	-0.020	-0.421	**0.878**	0.056	0.011
Q22	0.049	-0.169	0.004	0.008	-0.120	-0.017	0.097	0.016	-0.079	-0.032	-0.065	-0.066	0.056	**0.846**	-0.612
Q23	-0.019	0.060	-0.030	-0.126	0.092	-0.318	-0.117	-0.119	0.115	0.083	-0.039	-0.118	0.011	-0.612	**0.833**

Measures of Sampling Adequacy(MSA)

APPENDIX III
AGGLOMOERATION SCHEDULE AND DENDROGRAM (SAMPLE 1)

Agglomeration Schedule

Stage	Cluster Combined		Coefficients	Stage Cluster First Appears		Next Stage
	Cluster 1	Cluster 2		Cluster 1	Cluster 2	
1	334	403	0	0	0	38
2	278	401	0	0	0	140
3	345	399	0	0	0	215
4	393	397	0	0	0	7
5	319	395	0	0	0	125
6	358	394	0	0	0	141
7	94	393	0	0	4	13
8	371	392	0	0	0	18
9	387	391	0	0	0	12
10	269	389	0	0	0	60
11	383	388	0	0	0	13
12	149	387	0	0	9	29
13	94	383	0	7	11	21
14	330	381	0	0	0	42
15	367	380	0	0	0	21
16	353	379	0	0	0	29
17	335	374	0	0	0	37
18	174	371	0	0	8	43
19	31	370	0	0	0	131
20	296	368	0	0	0	52
21	94	367	0	13	15	35
22	154	366	0	0	0	89
23	326	364	0	0	0	43
24	260	363	0	0	0	186
25	106	361	0	0	0	158
26	254	357	0	0	0	177
27	323	355	0	0	0	44
28	286	354	0	0	0	55
29	149	353	0	12	16	39
30	274	350	0	0	0	194
31	322	349	0	0	0	219
32	332	347	0	0	0	40
33	338	343	0	0	0	35
34	333	342	0	0	0	39
35	94	338	0	21	33	70
36	312	337	0	0	0	47
37	311	335	0	0	17	134
38	56	334	0	0	1	65

Agglomeration Schedule (cont.)

Stage	Cluster Combined		Coefficients	Stage Cluster First Appear		Next Stage
	Cluster 1	Cluster 2		Cluster 1	Cluster 2	
39	149	333	0	29	34	46
40	81	332	0	0	32	53
41	317	331	0	0	0	46
42	2	330	0	0	14	100
43	174	326	0	18	23	67
44	55	323	0	0	27	142
45	283	318	0	0	0	230
46	149	317	0	39	41	58
47	14	312	0	0	36	69
48	297	310	0	0	0	51
49	275	306	0	0	0	58
50	292	303	0	0	0	53
51	11	297	0	0	48	137
52	74	296	0	0	20	184
53	81	292	0	40	50	63
54	256	290	0	0	0	65
55	117	286	0	0	28	87
56	93	285	0	0	0	100
57	247	277	0	0	0	69
58	149	275	0	46	49	71
59	268	272	0	0	0	61
60	80	269	0	0	10	168
61	243	268	0	0	59	135
62	28	264	0	0	0	178
63	81	262	0	53	0	162
64	245	261	0	0	0	70
65	56	256	0	38	54	159
66	162	255	0	0	0	87
67	174	253	0	43	0	208
68	246	249	0	0	0	126
69	14	247	0	47	57	105
70	94	245	0	35	64	163
71	149	238	0	58	0	139
72	98	233	0	0	0	129
73	95	230	0	0	0	142
74	140	212	0	0	0	132
75	180	203	0	0	0	82
76	169	200	0	0	0	173
77	152	199	0	0	0	140
78	193	196	0	0	0	79
79	36	193	0	0	78	96
80	35	187	0	0	0	160
81	17	183	0	0	0	127
82	97	180	0	0	75	94

Agglomeration Schedule (cont.)

Stage	Cluster Combined		Coefficients	Stage Cluster First Appear		Next Stage
	Cluster 1	Cluster 2		Cluster 1	Cluster 2	
83	13	172	0	0	0	128
84	146	168	0	0	0	90
85	145	166	0	0	0	91
86	53	165	0	0	0	146
87	117	162	0	55	66	175
88	44	161	0	0	0	147
89	153	154	0	0	22	136
90	103	146	0	0	84	141
91	29	145	0	0	85	95
92	132	138	0	0	0	95
93	129	137	0	0	0	174
94	97	135	0	82	0	159
95	29	132	0	91	92	109
96	36	124	0	79	0	146
97	62	123	0	0	0	130
98	68	108	0	0	0	195
99	63	105	0	0	0	175
100	2	93	0	42	56	181
101	45	85	0	0	0	203
102	57	61	0	0	0	216
103	48	60	0	0	0	107
104	47	59	0	0	0	108
105	14	54	0	69	0	138
106	27	51	0	0	0	143
107	43	48	0	0	103	161
108	39	47	0	0	104	143
109	29	34	0	95	0	111
110	8	10	0	0	0	133
111	29	70	0	109	0	147
112	119	362	0.02	0	0	233
113	185	359	0.04	0	0	167
114	7	309	0.06	0	0	207
115	186	248	0.08	0	0	148
116	89	229	0.10	0	0	150
117	219	227	0.12	0	0	196
118	23	218	0.14	0	0	206
119	9	206	0.16	0	0	152
120	128	202	0.18	0	0	149
121	86	198	0.20	0	0	197
122	66	156	0.22	0	0	179
123	21	151	0.24	0	0	162
124	38	90	0.26	0	0	151
125	107	319	0.29	0	5	145
126	226	246	0.32	0	68	164

Agglomeration Schedule (cont.)

Stage	Cluster Combined		Coefficients	Stage Cluster First Appear		Next Stage
	Cluster 1	Cluster 2		Cluster 1	Cluster 2	
127	17	241	0.34	81	0	216
128	13	231	0.37	83	0	180
129	98	209	0.40	72	0	158
130	62	207	0.42	97	0	168
131	31	178	0.45	19	0	165
132	140	159	0.48	74	0	184
133	8	99	0.50	110	0	166
134	67	311	0.53	0	37	231
135	155	243	0.56	0	61	144
136	153	201	0.59	89	0	180
137	11	173	0.62	51	0	212
138	14	41	0.66	105	0	225
139	12	149	0.70	0	71	230
140	152	278	0.74	77	2	207
141	103	358	0.78	90	6	240
142	55	95	0.83	44	73	217
143	27	39	0.88	106	108	222
144	155	171	0.93	135	0	232
145	107	167	0.98	125	0	174
146	36	53	1.04	96	86	181
147	29	44	1.09	111	88	220
148	6	186	1.15	0	115	198
149	125	128	1.21	0	120	226
150	72	89	1.27	0	116	212
151	24	38	1.33	0	124	186
152	4	9	1.39	0	119	173
153	143	327	1.47	0	0	221
154	3	300	1.55	0	0	225
155	92	236	1.63	0	0	185
156	121	216	1.71	0	0	193
157	20	189	1.79	0	0	176
158	98	106	1.88	129	25	192
159	56	97	1.97	65	94	179
160	35	179	2.07	80	0	228
161	43	188	2.19	107	0	241
162	21	81	2.33	123	63	211
163	94	177	2.48	70	0	272
164	194	226	2.64	0	126	219
165	31	150	2.80	131	0	200
166	8	84	2.97	133	0	217
167	126	185	3.13	0	113	204
168	62	80	3.30	130	60	235
169	170	307	3.48	0	0	211
170	182	276	3.66	0	0	218

Agglomeration Schedule (cont.)

Stage	Cluster Combined		Coefficients	Stage Cluster First Appear		Next Stage
	Cluster 1	Cluster 2		Cluster 1	Cluster 2	
171	5	175	3.84	0	0	202
172	33	79	4.02	0	0	201
173	4	169	4.21	152	76	222
174	107	129	4.42	145	93	242
175	63	117	4.65	99	87	239
176	20	75	4.89	157	0	229
177	1	254	5.13	0	26	237
178	28	73	5.37	62	0	232
179	56	66	5.62	159	122	238
180	13	153	5.87	128	136	240
181	2	36	6.17	100	146	220
182	115	351	6.49	0	0	261
183	157	281	6.81	0	0	213
184	74	140	7.14	52	132	236
185	92	301	7.57	155	0	227
186	24	260	8.00	151	24	246
187	271	336	8.50	0	0	215
188	258	279	9.00	0	0	234
189	210	340	9.52	0	0	210
190	32	131	10.04	0	0	243
191	25	102	10.62	0	0	228
192	98	346	11.21	158	0	226
193	118	121	11.87	0	156	238
194	274	308	12.54	30	0	258
195	68	288	13.21	98	0	213
196	219	299	13.88	117	0	223
197	86	101	14.55	121	0	218
198	6	181	15.23	148	0	235
199	223	316	15.91	0	0	256
200	31	295	16.63	165	0	221
201	33	402	17.36	172	0	229
202	5	65	18.09	171	0	205
203	45	341	18.86	101	0	209
204	126	267	19.66	167	0	241
205	5	251	20.50	202	0	237
206	23	205	21.33	118	0	251
207	7	152	22.18	114	140	245
208	174	259	23.04	67	0	236
209	45	237	23.93	203	0	253
210	116	210	24.82	0	189	224
211	21	170	25.78	162	169	255
212	11	72	26.75	137	150	248
213	68	157	27.95	195	183	249
214	18	139	29.17	0	0	247

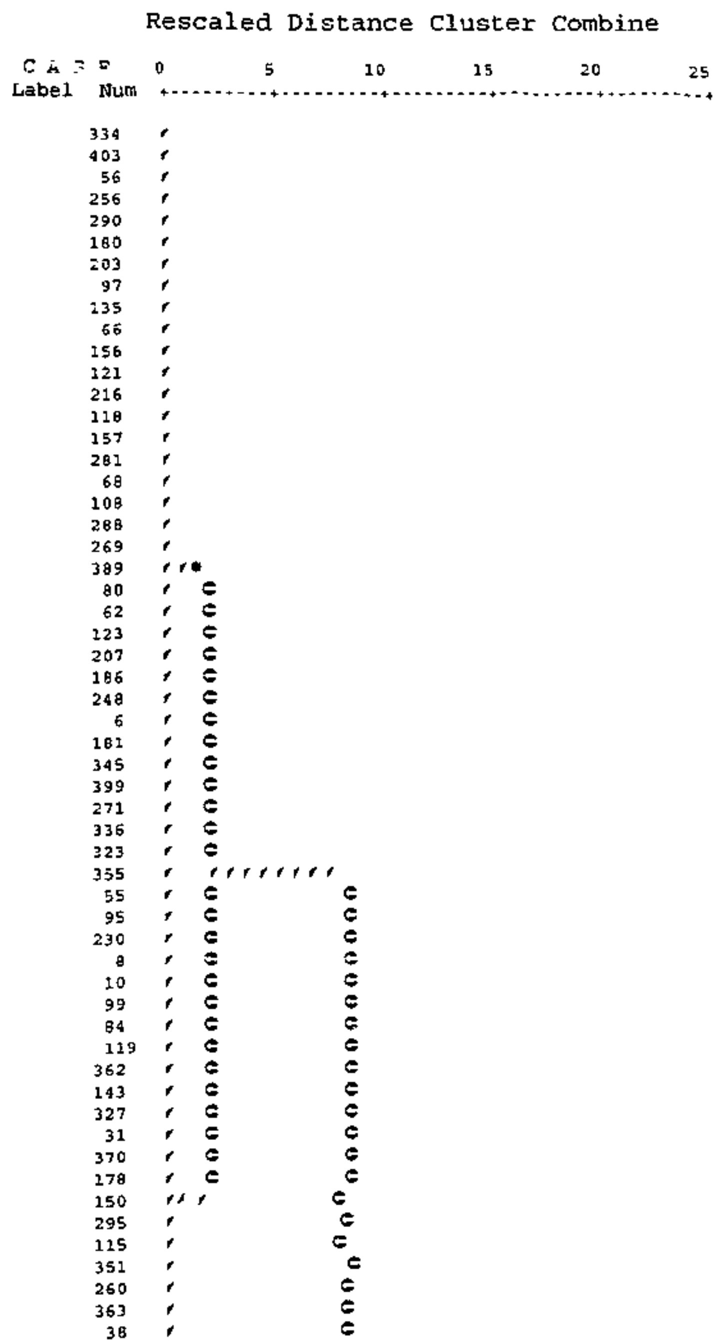
Agglomeration Schedule (cont.)

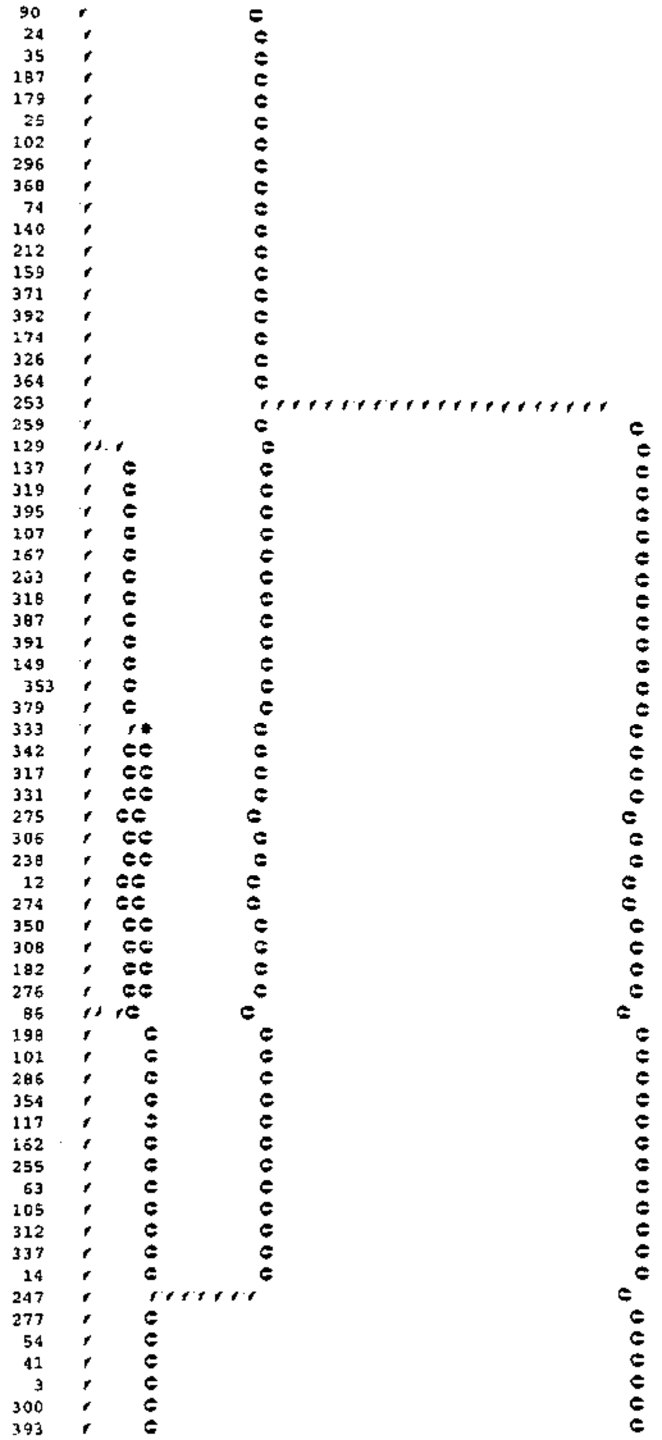
Stage	Cluster Combined		Coefficients	Stage Cluster First Appear		Next Stage
	Cluster 1	Cluster 2		Cluster 1	Cluster 2	
215	271	345	30.42	187	3	250
216	17	57	31.71	127	102	231
217	8	55	33.02	166	142	250
218	86	182	34.36	197	170	254
219	194	322	35.70	164	31	244
220	2	29	37.09	181	147	255
221	31	143	38.52	200	153	233
222	4	27	39.96	173	143	259
223	88	219	41.45	0	196	262
224	116	141	42.94	210	0	251
225	3	14	44.55	154	138	239
226	98	125	46.17	192	149	248
227	92	221	47.83	185	0	247
228	25	35	49.49	191	160	246
229	20	33	51.16	176	201	243
230	12	283	52.89	139	45	242
231	17	67	54.71	216	134	252
232	28	155	56.66	178	144	244
233	31	119	58.77	221	112	266
234	258	287	60.93	188	0	263
235	6	62	63.43	198	168	260
236	74	174	66.11	184	208	257
237	1	5	68.79	177	205	259
238	56	118	71.52	179	193	249
239	3	63	74.36	225	175	254
240	13	103	77.24	180	141	245
241	43	126	80.38	161	204	253
242	12	107	83.58	230	174	257
243	20	32	87.36	229	190	263
244	28	194	91.37	232	219	264
245	7	13	95.39	207	240	267
246	24	25	99.50	186	228	261
247	18	92	103.67	214	227	262
248	11	98	108.15	212	226	252
249	56	68	112.92	238	213	268
250	8	271	118.21	217	215	260
251	23	116	123.66	206	224	265
252	11	17	130.01	248	231	269
253	43	45	136.49	241	209	256
254	3	86	143.36	239	218	258
255	2	21	150.34	220	211	264
256	43	223	158.06	253	199	270
257	12	74	166.16	242	236	271
258	3	274	174.66	254	194	271

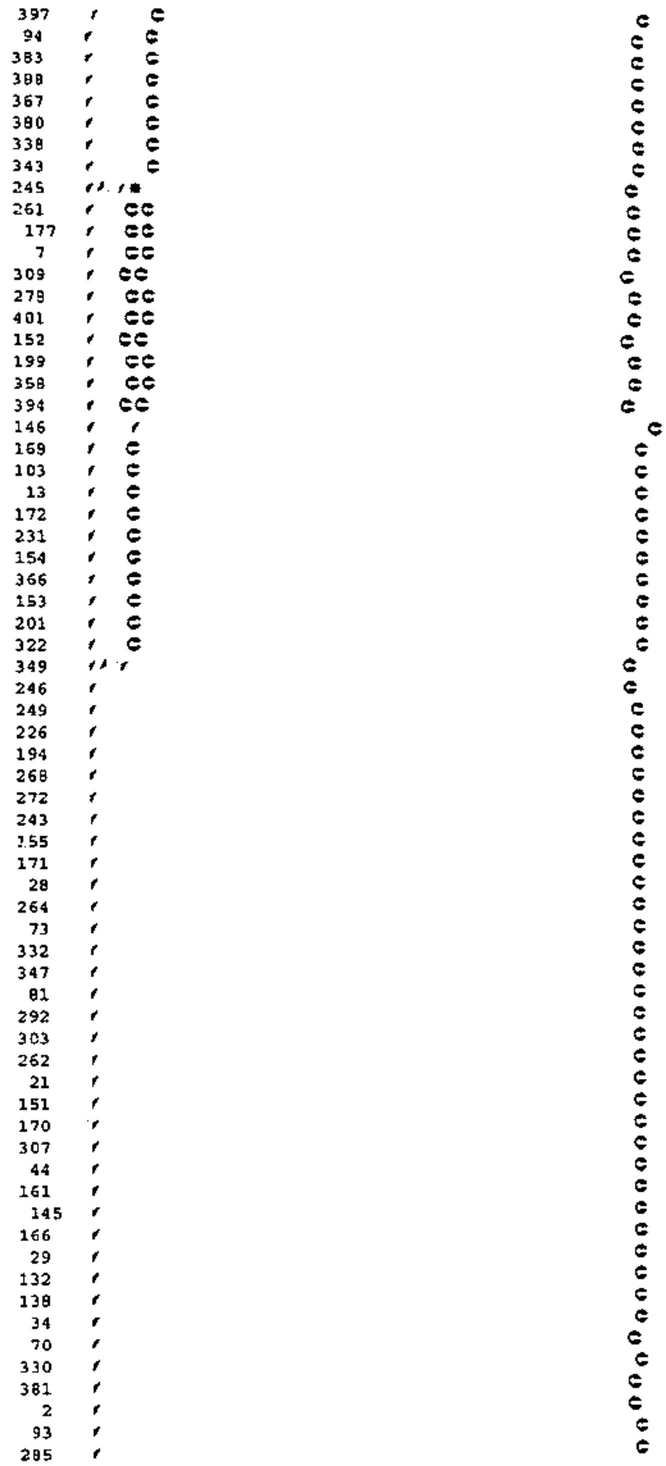
Agglomeration Schedule (cont.)

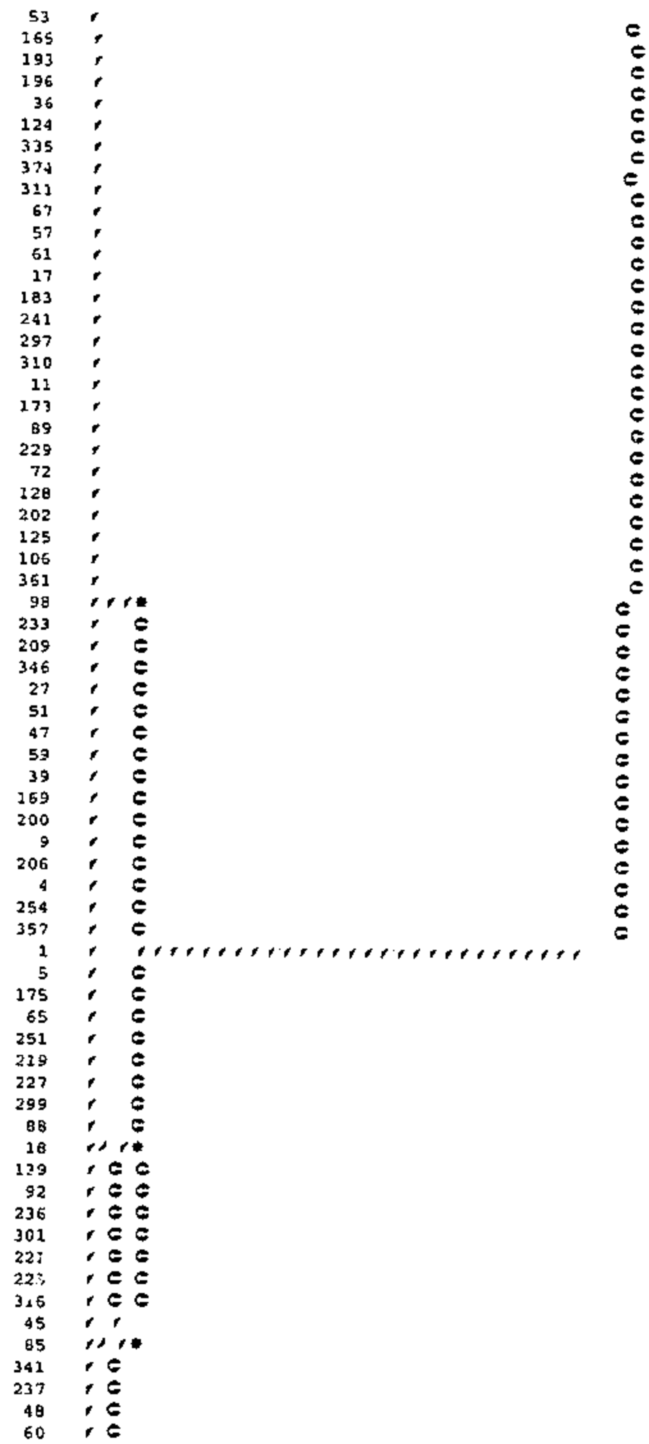
Stage	Cluster Combined		Coefficients	Stage Cluster First Appear		Next Stage
	Cluster 1	Cluster 2		Cluster 1	Cluster 2	
259	1	4	183.50	237	222	269
260	6	8	193.17	235	250	268
261	24	115	202.85	246	182	266
262	18	88	213.80	247	223	274
263	20	258	225.01	243	234	265
264	2	28	237.45	255	244	267
265	20	23	252.44	263	251	270
266	24	31	270.72	261	233	273
267	2	7	289.72	264	245	272
268	6	56	309.48	260	249	273
269	1	11	332.85	259	252	276
270	20	43	363.84	265	256	274
271	3	12	395.21	258	257	275
272	2	94	429.21	267	163	275
273	6	24	470.58	268	266	277
274	18	20	526.45	262	270	276
275	2	3	604.28	272	271	277
276	1	18	689.98	269	274	278
277	2	6	909.82	275	273	278
278	1	2	1648.21	276	277	0

DENDROGRAM - SAMPLE 1




90
24
35
187
179
25
102
296
368
74
140
212
159
371
392
174
326
364
253
259
129
137
319
395
107
167
263
318
387
391
149
353
379
333
342
317
331
275
306
238
12
274
350
308
182
276
86
198
101
286
354
117
162
255
63
105
312
337
14
247
277
54
41
3
300
393


397
94
383
388
367
380
338
343
245
261
177
7
309
278
401
152
199
358
394
146
169
103
13
172
231
154
366
153
201
322
349
246
249
226
194
268
272
243
155
171
28
264
73
332
347
81
292
303
262
21
151
170
307
44
161
145
166
29
132
138
34
70
330
381
2
93
285


53
165
193
196
36
124
335
374
311
67
57
61
17
183
241
297
310
11
173
89
229
72
128
202
125
106
361
98
233
209
346
27
51
47
59
39
169
200
9
206
4
254
357
1
5
175
65
251
219
227
299
88
18
129
92
236
301
221
223
316
45
85
341
237
48
60

43	,	C
188	,	C
185	,	C
359	,	C
126	,	C
267	,	C
23	,	C
218	,	C
205	,	C
210	,	C
340	,	C
116	,	C
141	,	,
258	,	
279	,	
287	,	
32	,	
131	,	
20	,	
189	,	
75	,	
33	,	
79	,	
402	,	

APPENDIX IV
AGGLOMOERATION SCHEDULE AND DENDROGRAM (SAMPLE 2)

Agglomeration Schedule

Stage	Cluster Combined		Coefficients	Stage Cluster First Appears		Next Stage
	Cluster 1	Cluster 2		Cluster 1	Cluster 2	
1	334	403	0	0	0	39
2	278	401	0	0	0	130
3	391	396	0	0	0	7
4	319	395	0	0	0	48
5	358	394	0	0	0	26
6	383	393	0	0	0	12
7	149	391	0	0	3	10
8	387	390	0	0	0	10
9	382	389	0	0	0	13
10	149	387	0	7	8	29
11	339	386	0	0	0	36
12	94	383	0	0	6	16
13	257	382	0	0	9	75
14	377	380	0	0	0	16
15	353	379	0	0	0	29
16	94	377	0	12	14	23
17	335	374	0	0	0	38
18	337	372	0	0	0	37
19	31	370	0	0	0	135
20	352	368	0	0	0	30
21	365	367	0	0	0	23
22	280	366	0	0	0	71
23	94	365	0	16	21	58
24	326	364	0	0	0	43
25	211	361	0	0	0	134
26	234	358	0	0	5	83
27	254	357	0	0	0	196
28	323	355	0	0	0	45
29	149	353	0	10	15	41
30	133	352	0	0	20	52
31	274	350	0	0	0	200
32	322	349	0	0	0	215
33	303	347	0	0	0	59
34	314	344	0	0	0	52
35	305	343	0	0	0	58
36	117	339	0	0	11	68

Agglomeration Schedule (cont.)

Stage	Cluster Combined		Coefficients	Stage Cluster First Appear		Next Stage
	Cluster 1	Cluster 2		Cluster 1	Cluster 2	
37	14	337	0	0	18	82
38	311	335	0	0	17	142
39	56	334	0	0	1	51
40	331	333	0	0	0	41
41	149	331	0	29	40	57
42	285	330	0	0	0	69
43	174	326	0	0	24	81
44	286	325	0	0	0	68
45	55	323	0	0	28	143
46	307	321	0	0	0	56
47	315	320	0	0	0	51
48	284	319	0	0	4	162
49	283	318	0	0	0	226
50	306	317	0	0	0	57
51	56	315	0	39	47	89
52	133	314	0	30	34	62
53	252	313	0	0	0	82
54	11	310	0	0	0	201
55	120	309	0	0	0	138
56	266	307	0	0	46	72
57	149	306	0	41	50	148
58	94	305	0	23	35	74
59	81	303	0	0	33	63
60	270	302	0	0	0	74
61	294	298	0	0	0	63
62	133	296	0	52	0	209
63	81	294	0	59	61	67
64	272	293	0	0	0	73
65	289	291	0	0	0	67
66	225	290	0	0	0	89
67	81	289	0	63	65	77
68	117	286	0	36	44	105
69	2	285	0	0	42	70
70	2	282	0	69	0	178
71	154	280	0	0	22	144
72	266	273	0	56	0	229
73	243	272	0	0	64	76
74	94	270	0	58	60	86
75	257	269	0	13	0	149
76	243	268	0	73	0	147
77	81	265	0	67	0	166
78	250	263	0	0	0	83
79	245	261	0	0	0	86
80	162	255	0	0	0	105

Agglomeration Schedule (cont.)

Stage	Cluster Combined		Coefficients	Stage Cluster First Appears		Next Stage
	Cluster 1	Cluster 2		Cluster 1	Cluster 2	
81	174	253	0	43	0	183
82	14	252	0	37	53	115
83	234	250	0	26	78	152
84	246	249	0	0	0	131
85	54	247	0	0	0	115
86	94	245	0	74	79	180
87	28	235	0	0	0	223
88	82	228	0	0	0	149
89	56	225	0	51	66	97
90	89	222	0	0	0	132
91	134	209	0	0	0	164
92	123	208	0	0	0	109
93	196	204	0	0	0	96
94	180	203	0	0	0	100
95	169	200	0	0	0	136
96	36	196	0	0	93	145
97	56	192	0	89	0	154
98	127	189	0	0	0	182
99	148	184	0	0	0	150
100	97	180	0	0	94	146
101	42	177	0	0	0	180
102	13	172	0	0	0	176
103	146	168	0	0	0	152
104	29	166	0	0	0	141
105	117	162	0	68	80	179
106	76	159	0	0	0	133
107	19	158	0	0	0	165
108	129	137	0	0	0	137
109	62	123	0	0	92	112
110	68	108	0	0	0	197
111	63	105	0	0	0	179
112	62	104	0	109	0	150
113	83	99	0	0	0	139
114	66	96	0	0	0	154
115	14	54	0	82	85	241
116	27	51	0	0	0	140
117	26	49	0	0	0	199
118	24	329	0.02	0	0	167
119	224	267	0.04	0	0	220
120	186	248	0.06	0	0	224
121	17	241	0.08	0	0	216
122	219	227	0.10	0	0	230
123	128	202	0.12	0	0	153
124	15	198	0.14	0	0	202

Agglomeration Schedule (cont.)

Stage	Cluster Combined		Coefficients	Stage Cluster First Appears		Next Stage
	Cluster 1	Cluster 2		Cluster 1	Cluster 2	
125	114	176	0.16	0	0	169
126	64	167	0.18	0	0	162
127	22	156	0.20	0	0	187
128	38	90	0.22	0	0	167
129	21	46	0.24	0	0	168
130	152	278	0.27	0	2	211
131	226	246	0.29	0	84	206
132	89	229	0.32	90	0	151
133	76	212	0.35	106	0	183
134	98	211	0.37	0	25	164
135	31	178	0.40	19	0	186
136	9	169	0.43	0	95	174
137	107	129	0.45	0	108	184
138	7	120	0.48	0	55	165
139	10	83	0.51	0	113	198
140	27	47	0.53	116	0	207
141	29	44	0.56	104	0	168
142	67	311	0.59	0	38	216
143	55	230	0.62	45	0	198
144	154	201	0.65	71	0	204
145	36	165	0.68	96	0	178
146	97	144	0.71	100	0	177
147	155	243	0.74	0	76	223
148	12	149	0.78	0	57	226
149	82	257	0.83	88	75	224
150	62	148	0.89	112	99	209
151	72	89	0.94	0	132	219
152	146	234	1.00	103	83	246
153	128	164	1.06	123	0	163
154	36	66	1.12	97	114	177
155	143	327	1.20	0	0	225
156	122	288	1.28	0	0	197
157	1	244	1.36	0	0	196
158	121	216	1.44	0	0	175
159	48	188	1.52	0	0	221
160	179	187	1.60	0	0	187
161	20	75	1.68	0	0	182
162	64	284	1.79	126	48	184
163	125	128	1.91	0	153	227
164	98	134	2.04	134	91	227
165	7	19	2.17	138	107	211
166	81	170	2.32	77	0	212
167	24	38	2.48	118	128	185
168	21	29	2.64	129	141	212

Agglomeration Schedule (cont.)

Stage	Cluster Combined		Coefficients	Stage Cluster First Appears		Next Stage
	Cluster 1	Cluster 2		Cluster 1	Cluster 2	
169	87	114	2.81	0	125	229
170	92	301	2.99	0	0	237
171	5	175	3.17	0	0	217
172	40	84	3.35	0	0	222
173	33	79	3.53	0	0	205
174	9	147	3.74	136	0	207
175	121	213	3.98	158	0	215
176	13	281	4.22	102	0	204
177	56	97	4.46	154	146	240
178	2	36	4.70	70	145	240
179	63	117	4.95	111	105	241
180	42	94	5.23	101	86	264
181	115	351	5.55	0	0	263
182	20	127	5.91	161	98	221
183	76	174	6.28	133	81	236
184	64	107	6.67	162	137	238
185	24	363	7.06	167	0	214
186	31	119	7.46	135	0	225
187	22	179	7.95	127	160	233
188	259	398	8.45	0	0	236
189	232	346	8.95	0	0	217
190	210	340	9.47	0	0	210
191	52	221	9.99	0	0	222
192	32	131	10.51	0	0	250
193	45	237	11.09	0	0	244
194	205	218	11.67	0	0	213
195	61	191	12.25	0	0	228
196	1	254	12.89	157	27	231
197	68	122	13.53	110	156	233
198	10	55	14.19	139	143	253
199	26	345	14.85	117	0	232
200	274	308	15.52	31	0	208
201	11	295	16.19	54	0	219
202	15	101	16.86	124	0	247
203	223	316	17.54	0	0	228
204	13	154	18.26	176	144	243
205	33	402	18.99	173	0	242
206	226	271	19.74	131	0	238
207	9	27	20.51	174	140	232
208	274	300	21.34	200	0	248
209	62	133	22.19	150	62	239
210	116	210	23.09	0	190	235
211	7	152	24.09	165	130	246
212	21	81	25.12	168	166	249

Agglomeration Schedule (cont.)

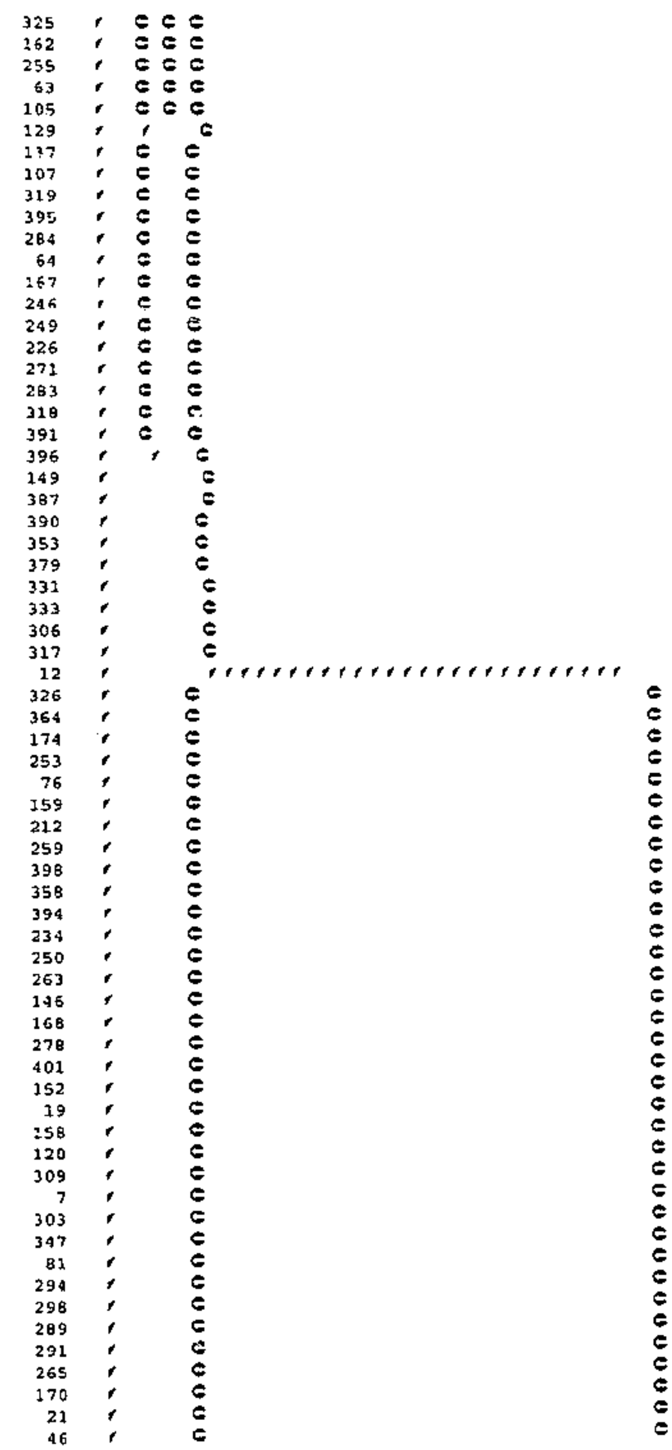
Stage	Cluster Combined		Coefficients	Stage Cluster First Appears		Next Stage
	Cluster 1	Cluster 2		Cluster 1	Cluster 2	
213	130	205	26.19	0	194	242
214	24	25	27.29	185	0	234
215	121	322	28.49	175	32	243
216	17	67	29.69	121	142	245
217	5	232	30.95	171	189	231
218	88	139	32.23	0	0	230
219	11	72	33.52	201	151	252
220	141	224	34.86	0	119	235
221	20	48	36.20	182	159	237
222	40	52	37.61	172	191	234
223	28	155	39.04	87	147	249
224	82	186	40.59	149	120	239
225	31	143	42.19	186	155	252
226	12	283	43.90	148	49	251
227	98	125	45.70	164	163	245
228	61	223	47.51	195	203	256
229	87	266	49.35	169	72	248
230	88	219	51.36	218	122	265
231	1	5	53.39	196	217	259
232	9	26	55.75	207	199	253
233	22	68	58.16	187	197	254
234	24	40	60.64	214	222	244
235	116	141	63.21	210	220	255
236	76	259	65.84	183	188	251
237	20	92	68.55	221	170	250
238	64	226	71.41	184	206	260
239	62	82	74.47	209	224	262
240	2	56	77.58	178	177	254
241	14	63	80.85	115	179	247
242	33	130	84.13	205	213	255
243	13	121	87.45	204	215	261
244	24	45	90.93	234	193	263
245	17	98	94.54	216	227	259
246	7	146	98.93	211	152	258
247	14	15	103.54	241	202	267
248	87	274	108.40	229	208	264
249	21	28	113.52	212	223	258
250	20	32	118.81	237	192	265
251	12	76	124.33	226	236	260
252	11	31	130.25	219	225	256
253	9	10	136.43	232	198	262
254	2	22	143.22	240	233	261
255	33	116	150.63	242	235	257
256	11	61	158.38	252	228	268

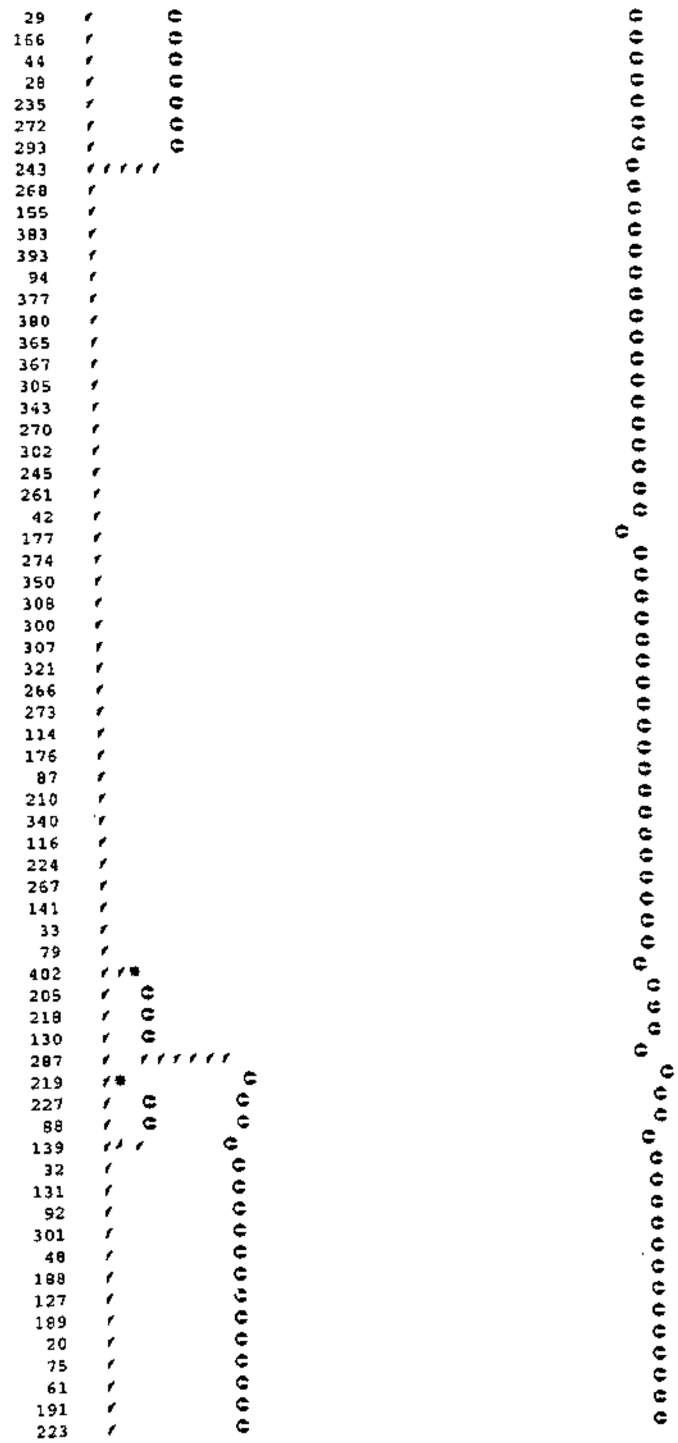
Agglomeration Schedule (cont.)

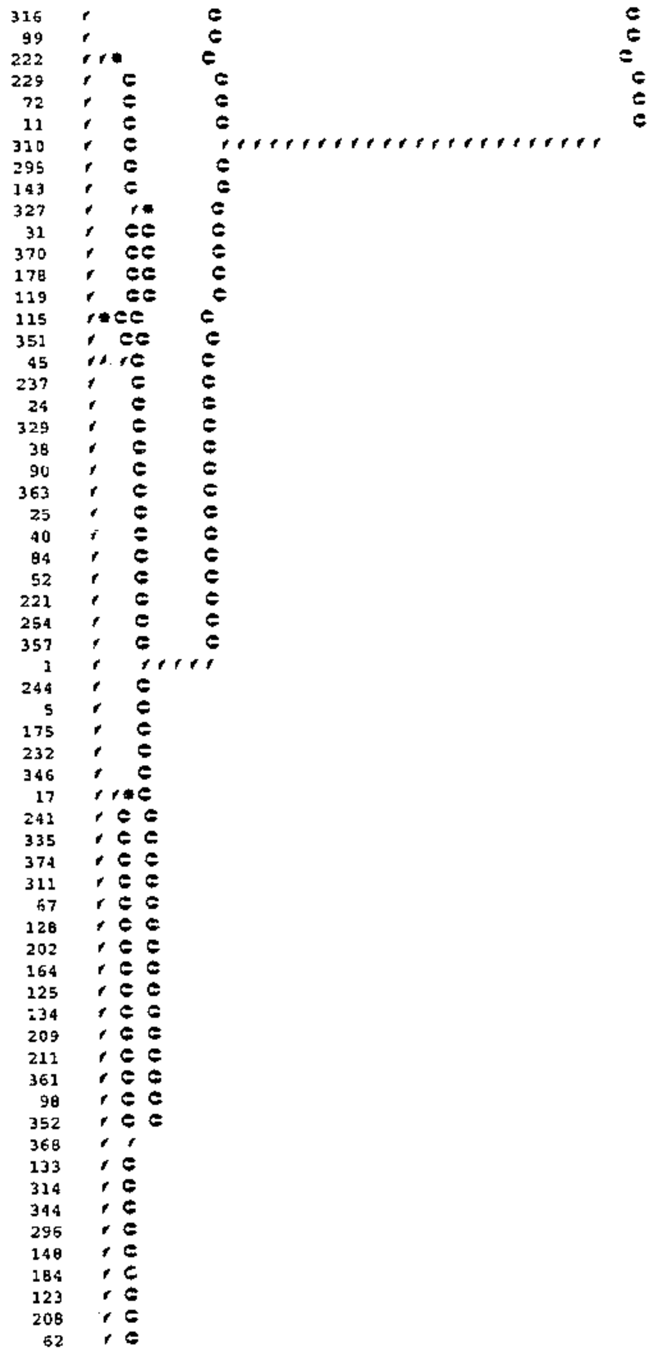
Stage	Cluster Combined		Coefficients	Stage Cluster First Appears		Next Stage
	Cluster 1	Cluster 2		Cluster 1	Cluster 2	
257	33	287	166.29	255	0	269
258	7	21	177.18	246	249	266
259	1	17	189.02	231	245	270
260	12	64	201.07	251	238	267
261	2	13	213.91	254	243	272
262	9	62	227.42	253	239	270
263	24	115	241.72	244	181	268
264	42	87	256.06	180	248	266
265	20	88	270.68	250	230	269
266	7	42	291.94	258	264	273
267	12	14	321.88	260	247	272
268	11	24	356.05	256	263	271
269	20	33	397.41	265	257	274
270	1	9	440.80	259	262	271
271	1	11	507.66	270	268	274
272	2	12	590.02	261	267	273
273	2	7	690.24	272	266	275
274	1	20	842.71	271	269	275
275	1	2	1568.28	274	273	0

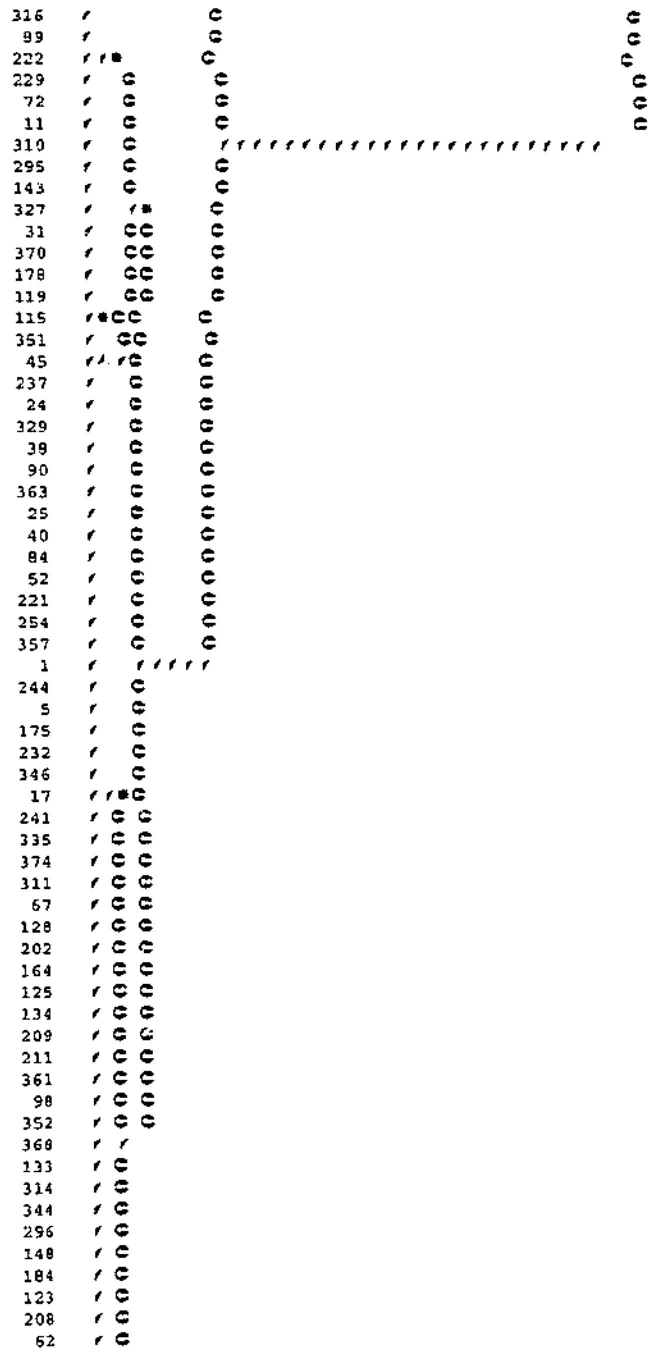
DENDROGRAM – SAMPLE 2

```
                         Rescaled Distance Cluster Combine

    C A S E      0         5        10        15        20        25
  Label   Num    +---------+---------+---------+---------+---------+

          334    ƒ
          403    ƒ
           56    ƒ
          315    ƒ
          320    ƒ
          225    ƒ
          290    ƒ
          192    ƒ
           66    ƒ
           96    ƒ
          180    ƒ
          203    ƒ
           97    ƒ
          144    ƒ
          285    ƒ
          330    ƒ
            2    ƒ
          282    ƒ
          195    ƒ
          204    ƒ
           36    ƒ
          165    ƒ
           22    ƒ
          156    ƒ
          179    ƒ
          187    ƒ
           68    ƒ
          108    ƒƒƒƒ
          122    ƒ     Ç
          288    ƒ     Ç
          280    ƒ     Ç
          366    ƒ       Ç
          154    ƒ       Ç
          201    ƒ     Ç
           13    ƒ     Ç
          172    ƒ     Ç
          281    ƒ     Ç
          322    ƒ     Ç
          345    ƒ     Ç
          121    ƒ     Ç
          216    ƒ     Ç
          213    ƒ     Ç
           15    ƒ     Ç
          198    ƒ     Ç
          101    ƒ      ƒ*
          337    ƒ     Ç Ç
          372    ƒ     Ç Ç
           14    ƒƒ ƒ* Ç
          252    ƒ   Ç Ç Ç
          313    ƒ   Ç Ç Ç
           54    ƒ   Ç Ç Ç
          247    ƒ   Ç Ç Ç
          339    ƒ   Ç Ç Ç
          386    ƒ   Ç Ç Ç
          117    ƒ   Ç Ç Ç
          286    ƒ   Ç Ç Ç
```


325
162
255
63
105
129
137
107
319
395
284
64
167
246
249
226
271
283
318
391
396
149
387
390
353
379
331
333
306
317
12
326
364
174
253
76
159
212
259
398
358
394
234
250
263
146
168
278
401
152
19
158
120
309
7
303
347
81
294
298
289
291
265
170
21
46


29
166
44
28
235
272
293
243
268
155
383
393
94
377
380
365
367
305
343
270
302
245
261
42
177
274
350
308
300
307
321
266
273
114
176
87
210
340
116
224
267
141
33
79
402
205
218
130
287
219
227
88
139
32
131
92
301
48
188
127
189
20
75
61
191
223


316
99
222
229
72
11
310
295
143
327
31
370
178
119
115
351
45
237
24
329
38
90
363
25
40
84
52
221
264
357
1
244
5
175
232
346
17
241
335
374
311
67
128
202
164
125
134
209
211
361
98
352
368
133
314
344
296
148
184
123
208
62


316
89
222
229
72
11
310
295
143
327
31
370
178
119
115
351
45
237
24
329
39
90
363
25
40
84
52
221
254
357
1
244
5
175
232
346
17
241
335
374
311
67
128
202
164
125
134
209
211
361
98
352
368
133
314
344
296
148
184
123
208
62

104	✓ C
186	✓ C
248	✓ C
382	✓ C
389	✓ C
257	✓ C
269	✓ ✓
92	✓
228	✓
83	✓
99	✓
10	✓
323	✓
335	✓
55	✓
230	✓
26	✓
49	✓
345	✓
27	✓
51	✓
47	✓
169	✓
200	✓
9	✓
147	✓