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When and how does brand orientation build strong brands?

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Abstract
The literature suggests brands that consumers perceive as differentiated from other competing brands are more likely to be included in consumers’ consideration set and perform well in the market. Building brands with high levels of uniqueness is therefore critical to ensuring firms’ sustained competitiveness in the market. To this end, the role of brand orientation is highlighted in the literature. However, brand orientation alone may not be sufficient. It does not provide firms with the mechanism to (1) support and govern their branding focus and (2) link with customers through the brand. Underpinned by the marketing control theory and resource-based theory, this study examines through a mediated moderation framework when brand orientation contributes to building brands with high levels of uniqueness and how this process occurs. Drawing on the marketing control theory and resource-based theory as well as a sample of firms operating in the consumer goods sector, this study finds that when incorporated with formalisation, brand orientation helps firms to develop higher levels of brand awareness. Further, the interactive effect of brand orientation and formalisation only influences brand uniqueness through the firms’ brand management capability. This study thus extends current knowledge by showing that the performance benefits of brand orientation can only be realised when supported by a formalised structure and enacted through brand management capability.

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WHEN AND HOW DOES BRAND ORIENTATION BUILD STRONG BRANDS?

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ABSTRACT

The literature suggests brands that consumers perceive as differentiated from other competing brands are more likely to be included in consumers’ consideration set and perform well in the market. Building brands with high levels of uniqueness is therefore critical to ensuring firms’ sustained competitiveness in the market. To this end, the role of brand orientation is highlighted in the literature. However, brand orientation alone may not be sufficient. It does not provide firms with the mechanism to (1) support and govern their branding focus and (2) link with customers through the brand. Underpinned by the marketing control theory and resource-based theory, this study examines through a mediated moderation framework when brand orientation contributes to building brands with high levels of uniqueness and how this process occurs. Drawing on the marketing control theory and resource-based theory as well as a sample of firms operating in the consumer goods sector, this study finds that when incorporated with formalisation, brand orientation helps firms to develop higher levels of brand awareness. Further, the interactive effect of brand orientation and formalisation only influences brand uniqueness through the firms’ brand management capability. This study thus extends current knowledge by showing that the performance benefits of brand orientation can only be realised when supported by a formalised structure and enacted through brand management capability.

Keywords: Brand orientation, formalisation, brand management capability, brand uniqueness, mediated moderation

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