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Brand Orientation: Conceptual Extension, Scale Development and Validation

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Brand Orientation: conceptual extension, scale development and validation

Abstract

Creating powerful brands that stand out from competition, deliver on their promise, and strengthen over time is among the greatest challenges managers face. Building on prior relevant work, this study re-conceptualizes brand orientation and provides a broader operationalization to capture the main organizational behaviors manifested by strategically brand-oriented companies. Following established measurement theory guidelines and scaling procedures, this article reports a series of five complementary studies that collectively present the development of a new brand orientation scale to measure an organization's holistic approach to branding. The new scale comprises four dimensions (brand importance, brand consistency, brand differentiation, and brand intelligence) and demonstrates satisfactory psychometric properties of reliability and validity. The findings suggest that brand orientation (1) is stronger in companies in which the power of the marketing department in organizational decision making is high and (2) serially mediates the effects of marketing department power and market orientation on financial performance.

Keywords: Brand orientation; Scale development; Marketing department power; Market orientation

1. Introduction

Strong brands are economically important to companies and constitute one of their most valuable assets (Ertekin, Sorescu, & Houston, 2018; Fischer, Völckner, & Sattler, 2010). Global, well-established brands such as Apple or Samsung are valued at around $234 and $61 billion, respectively (Interbrand, 2019), but only a small part of their valuation can be attributed to tangible non-brand-related assets. Professionals are increasingly recognizing the importance of powerful brands, as they benefit companies by adding value, positively affecting consumer perceptions, acting as barriers to competition, and improving profits (Greyser & Urde, 2019; Park, Eisingerich, Pol, & Park, 2013). Building and sustaining strong brands presupposes resources, winning strategies, and careful executions from committed, disciplined organizations (Aaker, 1996a; Lee, O'Cass, & Sok, 2017). This is probably the reason both marketing scholars (Keller & Lehmann, 2006; Shocker, Srivastava, & Ruekert, 1994) and practitioners (McKinsey & Company, 2003) have long stressed the need to develop an integrative theory to guide brand management, based on the concession that no single or dominant theoretical framework exists to guide research in this area.

Although these calls are not recent, no widely accepted and empirically validated tools exist to measure organizational brand management behaviors. Extant contributions to determine the most appropriate strategies firms should follow to develop and maintain strong brands (e.g., Davis & Dunn, 2002; De Chernatony, McDonald, & Wallace, 2011; Keller, 2008) provide valuable but mainly theoretical guidelines, based on best practices. As a consequence, they offer only conceptual frameworks for successful brand building and management.

Attempting to describe an integrated organizational focus on developing and sustaining strong brands over time, Urde (1994) introduced the term "brand orientation". This was the first effort to summarize the organizational perspective of branding under a coherent term,

paving the way for operationalizing the brand orientation concept. Although a satisfactory body of research on brand orientation has developed since then, it is still limited. Recognized shortcomings (e.g., Laukkanen, Tuominen, Reijonen, & Hirvonen, 2016) include (1) various conceptualizations of brand orientation that offer diverging theoretical meaning to the notion, (2) a fragmented picture regarding its constituents, (3) absence of a broad operationalization of the construct that is not context-specific, and, as a result, (4) a lack of a generally accepted brand orientation scale. Therefore, a new study on brand orientation that addresses current theoretical and practical issues is more topical than ever. The introduction of a new conceptualization could provide a holistic view of brand orientation by synthesizing extant literature and new insights from practice, increase clarity of its content domain, and offer generalizable conclusions. A sound empirical measurement of the brand orientation concept could also provide managers with a practical, contemporary guide for successful brand management and a modern measurement tool for calibrating an effective branding strategy. As such, the objectives of the current study are twofold: to re-conceptualize brand orientation and to provide a broader empirical measurement of its domain.

In line with this approach, this study takes an initial step in addressing the outlined gaps by making two main contributions. First, we build on branding literature and expand prior efforts on brand orientation (e.g., Urde, 1994) by re-conceptualizing the notion to include the main organizational behaviors manifested by strategically brand-oriented firms. We theoretically develop and empirically validate a new scale to measure brand orientation that clarifies its domain and captures the multifaceted nature of the brand orientation concept. In this way, we provide a much-needed refinement of the disparate conceptualizations and operationalizations of brand orientation in the literature as well as create a stable and commonly accepted measurement tool for use in future related studies. To accomplish this goal, we follow measurement theory and scale development guidelines (Churchill, 1979;

Netemeyer, Bearden, & Sharma, 2003) and conduct multiple complementary studies to develop and refine the scale, test its stability, and assess its psychometric properties. Second, in assessing the nomological validity of the new scale, we develop and test a conceptual framework identifying key antecedents and consequences of brand orientation. We show that brand orientation is driven by marketing department power and market orientation and serially mediates their beneficial effects on financial performance. The findings are also useful for practitioners by providing a comprehensive view of the performance-enhancing behaviors of brand-oriented companies. In addition, the findings provide initial evidence of the importance of brand orientation by explaining how assigning more power to the marketing department ultimately leads to superior performance.

2. Theoretical background and conceptualization of brand orientation

2.1. Brand orientation

The brand orientation concept appeared in the marketing literature as an important strategic orientation with significant effects on business success (e.g., Baumgarth, 2010; Wong & Merrilees, 2007). Since the term was first introduced in the marketing and branding literature (Urde, 1994), several definitions have been proposed. Table 1 presents all definitions of brand orientation proposed as part of a scale development procedure for the construct, in addition to the original definition of Urde (1999), who coined the term and formally defined the meaning of the concept. As presented in Table 1, one approach views brand orientation as a "shared sense of brand meaning" that offers added value to stakeholders and superior performance to companies (Ewing & Napoli, 2005). Another view considers brand orientation as a "mindset" that prioritizes branding in the organizational strategy (Wong & Merrilees, 2007), while other researchers propose that brand orientation is a "systematic approach to brand management" that guarantees a consistent, differentiated and relevant offer

to customers (Baumgarth, 2010). Although it is evident that differences exist in the way brand orientation is defined, a shared view regards it as an integrated organizational approach that centers all business processes, resources, and strategies on the development and protection of powerful brands (Urde, 1999). Another common point of most definitions is that brand orientation is viewed as a strategic orientation aiming at building strong brand equity and increasing competitiveness (Huang and Tsai, 2013). In other words, a brand-oriented organization emphasizes the significance of the brand identity (mission, vision, and values) as a hub for organizational culture, behavior, and strategy (Urde, Baumgarth, & Merrilees, 2013).

Table 1 here

As a strategic orientation, brand orientation provides the guiding principles that influence a firm's marketing and brand strategy activities, representing the elements of the organization's culture that lead to interactions with the marketplace, both with customers and competitors (Noble, Sinha, & Kumar, 2002). Brand orientation, therefore, guides managers in their effort to create powerful brands.

2.2. Need for a new scale

Prior studies on brand orientation provide a rich foundation on which to build. However, some of their limitations have prevented the concept from becoming a well-established field of academic inquiry. First, the majority of relevant studies are conceptual in nature or rely on qualitative means of survey, such as in-depth interviews and case studies (e.g., Evans, Bridson, & Rentschler, 2012; M'zungu, Merrilees, & Miller, 2017; Urde et al., 2013). Although these conceptual and qualitative works offer valuable insights, they mainly provide preliminary brand orientation frameworks for subsequent studies to test and thus impede essential generalizations.

Second, only a few studies focus on the empirical measurement of brand orientation. Most importantly, these valuable works present divergent views on the domain of the concept (see Table 2 for an overview). Specifically, some researchers approach brand orientation as a unidimensional construct that either captures the extent to which branding pervades organizational decisions (i.e., Wong & Merrilees, 2007), or reflects the extent to which the brand is considered as a strategic hub by all internal stakeholders in the organization (i.e., Huang & Tsai, 2013). Such a unidimensional approach may limit the construct's conceptual domain, which is likely to be broad and better reflected in multiple dimensions (Laukkanen et al., 2016). Important works suggesting a multidimensional structure for brand orientation also exist. However, they do not share a common perspective on the number and content of the dimensions (e.g., Baumgarth, 2010; Hankinson, 2012). Specifically, we can find brand orientation scales consisting of three (i.e., Ewing & Napoli, 2005), four (i.e., Baumgarth, 2010) or five dimensions (i.e., Hankinson, 2012). Regarding their content, some common points exist. For example, the need for a brand-centered culture (i.e., Hankinson, 2012; Baumgarth, 2010) and for brand coordination (i.e., Ewing & Napoli, 2005; Hankinson, 2012) is shared among some scales. However, most of the dimensions proposed in those multidimensional constructs differ to great extent. For example, dimensions reflecting the need for the firm to understand the changing demands of stakeholders (i.e., Ewing & Napoli, 2005), to safeguard the reality of the brand promise (Hankinson, 2012), or to ensure that the tangible symbols reinforce the positioning of the brand (Baumgarth, 2010) are sporadically found. These differences appearing in both the number and content of the dimensions between the existing brand orientation measures have impeded the relevant literature from presenting a commonly accepted scale of brand orientation.

Finally, empirical works conceptualizing brand orientation as a multidimensional construct, apart from offering diverging views on the construct's domain, have either taken an

industry-specific perspective, such as the charity sector (e.g., Ewing & Napoli, 2005), the retail sector (e.g., Bridson & Evans, 2004), museums (Baumgarth, 2009), and destinations in general (Hankinson, 2012), or developed constructs to be applied within particular contexts, such as the business-to-business (B2B) market (Baumgarth, 2010). As a result, significant difficulties in generalizing research findings across contexts arise.

These shortcomings warrant a new study that offers a re-conceptualization and broad operationalization of brand orientation, after building on extant branding literature and expanding prior work. Through systematic scale development procedures, this research effort aims to add a theoretically sound and empirically rigorous new scale of brand orientation to the relevant literature that more broadly embodies the construct's domain (see Table 2 for intended contributions of the new scale). The ultimate goal is to supplement extant literature with a reliable and valid scale of brand orientation that reflects both the attitudinal and behavioral perspective of brand orientation, can be applied across a wide range of contexts, offer generalizable results, and help advance the understanding of the impact of brand orientation.

Table 2 here

2.3. A new conceptualization of brand orientation

As Churchill (1979, p. 67) suggests, "it is imperative that researchers consult the literature when conceptualizing constructs and specifying domains"; therefore, we began our construct re-conceptualization with a literature review. Given the richness of the branding research, a precise understanding of what brand orientation is—its boundaries, dimensions, and content domain—must first be grounded on a thorough review of the extant literature (Netemeyer et al., 2003). As such, and given the multidimensional nature of the brand orientation concept, we consulted not only the relevant literature that delves explicitly into brand orientation but also the branding literature that implicitly reveals significant insights

into brand building and management (e.g., Aaker, 1996a, 2004; De Chernatony et al., 2011; Keller & Lehmann, 2006).

In this study, we adopt Urde's (1999, p. 117) broad definition of brand orientation as "an approach in which the processes of the organization revolve around the creation, development and protection of brand identity in an ongoing interaction with target customers with the aim of achieving lasting competitive advantages in the form of brands". This definition clearly and effectively depicts the broad essence of brand orientation and therefore can serve as the starting point for better delineating the brand orientation domain. From this broad definition, and by carefully examining the extant brand management and brand orientation literature, we "organize" the fragmented insights into a description of four main dimensions that embody the main pillars of a brand-oriented strategy in a more integrative way. Table 3 provides an outline of the received view from literature that resulted in the identification of the brand orientation dimensions. For each dimension, the table presents some indicative words of researchers that portray the domain of the dimension, as well as source examples where this dimension is implied in some way as an organizational branding imperative.

Table 3 here

2.3.1. Brand importance

Brand importance (BIM) represents the attitudinal aspect of brand orientation that reflects a strong organizational mindset that values brands as significant company assets and attaches great importance to branding efforts (Bridson & Evans, 2004; Greyser & Urde, 2019; Urde et al., 2013). With such an attitude toward the company's brands, a deep understanding of what branding is and means characterizes the entire company, with branding becoming a priority in business decisions and directions (Piha & Avlonitis, 2018).

To excel at building and managing strong brands, acceptance that brands are assets and have equity is crucial (Davis & Dunn, 2002). A brand-oriented company views branding as a strategic process, both reflecting and enabling the business strategy, and brands as strategic resources and hubs that permeate an entire organization (Gromark & Melin, 2011; Huang & Tsai, 2013). In such a company, the brand operates at a philosophical level, as an organizational culture and compass that guides decision making, enabling the brand strategy to be developed in tandem with the business strategy (Aaker, 2004; Evans et al., 2012). Firms successful at developing and managing powerful brands usually have a strong culture that makes upholding the brand and its implicit promises everyone's raison d'être (Aaker, 1996a). Therefore, firms must perceive brand management as a core competence and brand building as an integral part of their business model (Balmer, 2013; Gromark & Melin, 2011).

2.3.2. Brand consistency

Brand consistency (BCON) refers to the standardization and preservation, over time and place, of a defined brand image and associated meanings (e.g., Bengtsson, Bardhi, & Venkatraman, 2010; Yan, Krista, Haipeng, & Subramanian, 2017). It entails the synchronization of all company actions in accordance with the brand vision and position (Urde, 1994), so that the essence of the brand is the same in all activities (Keller, 2000; Lee et al., 2017). Academics and practitioners have identified consistency, fortification, reinforcement, and preservation of brand identity as cornerstones of brand management practice (Beverland, Wilner, & Micheli, 2015). For example, Quelch and Harding (1999) suggest that a consistent and clear positioning, supported by periodic improvements that keep the brand contemporary without distorting is fundamental promise, is essential. Despite tactical changes, company activities should retain the key brand elements and preserve a consistent brand meaning over time (Keller, 2008). When consistency exists in both

communication and operating tasks, synergy is more likely, and the brand's relative advantage should be more apparent to the target market (Lee et al., 2017).

To create value, the brand must be evident at every step of the value chain and coherently transmitted in every customer touchpoint (Keller, 2000). Companies need to realize that every time someone internally or externally touches the brand, there is an opportunity to reinforce the brand's promise or denigrate it (Davis & Dunn, 2002). Success presupposes that companies know every way their brands touch their various stakeholders (Kenyon, Manoli, & Bodet, 2018), but also how to manage them consistently across the various channels and modes of communication, across the entire customer buying cycle, and across firm partners who participate in bringing the brand experience to life.

2.3.3. Brand differentiation

Brand differentiation (BDIF) captures the extent to which the company decisions and actions lead to the creation of brands that customers perceive as distinct and unique relative to competition (Davcik & Sharma, 2015). Through BDIF, the company aims to define the value associated with a brand as fundamentally different from its rivals with the ultimate goal of building a more attractive offer to the customer (Pai, Lai, Chiu, & Yang, 2015). This brand offering can be unique and attractive either by delivering distinct value-for-money products and services or by promising a premium customer experience that justifies a higher price (Davcik & Sharma, 2015; Keller, 2008). Branding should direct attention to the unique characteristics that set a company and its brands apart from its competitors (Coleman, de Chernatony, & Christodoulides, 2015).

Through successful brand positioning decisions, firms can create key brand associations in the minds of customers and other important constituents that differentiate the brand and establish competitive superiority (Keller & Lehmann, 2006). Well-positioned brands occupy

particular niches in customers' minds, by being similar to and different from competing brands in certain reliably identifiable ways (Keller, 2000, 2008). Regardless of how differentiation is formed, if a brand is considered unique, it can command a price premium in the marketplace and/or develop economies of scale attributed to increased customer preference and loyalty (Aaker, 1996b). If not, it will have difficulty in supporting a distinct offering relative to other brands (Netemeyer et al., 2004). As such, brand differentiation and uniqueness are primary facets of brand excellence (Aaker, 1996b).

2.3.4. Brand intelligence

Brand intelligence (BINT) refers to the development of thorough knowledge of customers' perceptions of the company's brands and competitive offerings that provide valuable information for successful brand management (Aaker, 2004; Till, Baack, & Waterman, 2011). To manage brands properly, Keller and Lehmann (2006) suggest that marketers should have a clear understanding of the equity of their brands, by specifying what makes them tick and what they are worth.

In general, strong brands make frequent use of in-depth brand audits and ongoing brand-tracking studies (Keller, 2000; Van den Driest, Sthanunathan, & Weed, 2016). To gain the best returns from brands, firms should not design and implement their branding strategy isolated from what customers think and believe of the brands relative to the competition. Instead, firms must have a clear view of how their brands stand in the market, by continuously auditing their capabilities, evaluating external issues that influence their brands, setting realistic brand-level objectives, and then developing effective strategies to achieve them (De Chernatony et al., 2011; Gromark & Melin, 2011). Bringing the brand to life within an organization involves establishing brand metrics, both internal and external, to monitor,

benchmark, and upgrade brand performance (Brakus, Schmitt & Zarantonello, 2009; Davis & Dunn, 2002; Ewing & Napoli, 2005).

All four brand orientation dimensions uncovered through the literature review reflect Urde's (1999) definition of brand orientation. Establishing the direct parallels between the four proposed dimensions and Urde's broad conceptualization (original definition components in quotation marks), the BIM dimension captures a firm's commitment to build strong brand equity through the "creation and development" of powerful brands; BCON ensures harmony, stability, and coherence in the "ongoing interaction of the brand with target customers"; BDIF corresponds to the organizational efforts to achieve "lasting competitive advantages in the form of brands" over the competition; and BINT safeguards the "protection" of brand equity through monitoring, understanding, and organizing knowledge regarding the brand's environment, customers, and competitors. In essence, the four identified dimensions reflect the organizational attitudes and behaviors of firms that have a strategic approach to branding (Urde, 1999). Such firms adjust their structures and processes in ways that directly manifest in efforts to maximize their brands' importance, consistency, differentiation, and intelligence.

3. Scale development methodology

To develop a scale of brand orientation for effectively measuring the intensity of its presence within an organization, we followed rigorous scale development procedures (Churchill, 1979; Netemeyer et al., 2003) and relied on data from five complementary studies. Table 4 outlines the process, which includes a qualitative study to assist in the development of the conceptual definition, a study aimed at item pool generation and expert review, a quantitative study for the purification of the scale, a quantitative study for the comparison of the new scale with existing ones, and a quantitative study for the finalization of the scale and

the empirical assessment of its psychometric properties. In the following sections, we provide details on the entire process and the criteria used at each stage of the scale development. Appendix A2 provides the full initial list of items of the brand orientation scale as well as its progression through until the end of the scale development process.

Table 4 here

3.1. Study 1: Construct definition and content domain

A construct definition demands a careful examination of the literature (Netemeyer et al., 2003). As discussed in the theoretical section, this study began with a thorough review of the extant branding and brand orientation literature, "organizing" current knowledge and focusing on the integrative way that organizations should work to build and manage powerful brands. Following measurement theory guidelines (Netemeyer et al., 2003), we conducted a qualitative study to complement the findings of the literature review (Papadas, Avlonitis, & Carrigan, 2017). Specifically, we conducted 17 carefully planned in-depth interviews with experts from relevant populations in multinational companies (typically chief marketing officers and senior brand managers) to enhance the accuracy and comprehensiveness of the construct's domain (Netemeyer et al., 2003). Using the list of the largest multinational companies operating in Greece as a sampling frame, we first contacted interviewees via telephone to outline the purpose of the study, and on acceptance to participate, a member of the research team visited each interviewee for an in-depth interview in person. Interviews concluded when brand orientation themes reached saturation (Lee, Mitchell, & Sablynski, 1999).

Recognizing the need for representativeness within the sample, and because branding is a priority for companies in all types of industries and markets (Keller, 2000), we included as many sectors as possible to obtain a sample of key informants from consumer, industrial, and

services industries (Food & Drinks: 4; Cosmetics: 2; Industrial & Manufacturing: 4; Financial services: 2; Airline services: 1; Telecoms: 2; Pharmaceutical: 1; Supermarkets: 1). Most of the informants were 40 years of age or older (M = 41.8 years), held at least one post-graduate degree, and had several years of branding experience (M = 10.2 years) working on the strategy and marketing planning of strong brands (see Table 5 for detailed sample characteristics).

Table 5 here

We encouraged respondents to freely express their views on brand orientation and the way it is manifested in organizations, without discussing with them the findings of our literature review to avoid prompted responses (see Appendix A3 for interview guide). We incorporated their spontaneous insights into the existing knowledge on brand orientation to further clarify the construct and its domain (Netemeyer et al., 2003). Each in-depth interview typically lasted 45–60 minutes, was recorded (with the exception of four interviews in which the interviewees refused to be recorded, and therefore extensive notes were taken instead), and was subsequently transcribed.

We then subjected all interview transcripts to detailed content analysis (Paisley, 1969), to identify and assess the presence and meanings of common themes (Kassarjian, 1977) related to a successful brand orientation strategy. More precisely, we conducted a conceptual content analysis for all interview transcripts through which we could identify the main brand orientation themes and develop relevant conclusions (Krippendorff, 1980). We used NVivo software to systematize, categorize, and code the interview data. Several factors dictated the choice of NVivo, including the sample size (17 interviews), the type of interviews (semi-structured), and our plan for high proximity to the data and meaningful engagement in the analysis process and data interpretation (Sotiriadou, Brouwers, & Le, 2014). Transcripts were coded with the aid of the concepts identified by the individual researchers and the relevant

literature. To ensure inter-coder agreement (Campbell, Quincy, Osserman, & Pedersen, 2013), the research team engaged in an iterative process of group discussion to reach agreement on the final coding. To ascertain external validity, an independent researcher re-coded at a given code all individual passages of interviewed text that the research team had identified as critical for brand orientation (Sandelowski, 2004). A high degree of consensus was achieved, given that the independent rater followed a similar decision trail and arrived at the same or comparable, but not contradictory, conclusions (Sendjaya, Sarros, & Santora, 2008). Specifically, the average inter-rater reliability coefficient was 0.92, which exceeds Miles and Huberman's (1994) recommended rate of 0.70.

Table 6 presents the interview data analysis. For each theme (node in NVivo), the table provides (1) indicative direct quotes from the interviewees to increase "trustworthiness" (Miles and Huberman, 1994), (2) the number of interviews in which the node appeared at least once, (3) the number of individual passages of text within these interviews coded at this node, and (4) the respective inter-rater reliability indicator. Finally, we combined the insights gleaned from the qualitative study with existing knowledge on brand orientation to further clarify the construct and its domain. This process led to a formal definition of each brand orientation dimension (see Table 6).

Table 6 here

Drawing on our review of the brand orientation literature and the findings of the qualitative study, we were able to refine the definition of brand orientation. Specifically, we approach *brand orientation* as a multidimensional superordinate construct (Edwards, 2001) that captures the degree to which an organization strives to (1) adopt an attitude toward brands as important marketing assets (BIM), (2) achieve a brand character that remains consistent and aligned with brand values over time (BCON), (3) develop brands that are distinct, unique, and sufficiently differentiated from the competition (BDIF), and (4) engage

in activities that pool brand knowledge and organize it in a way that sustains the brand's understanding of its target market (BINT).

From a content domain standpoint, most conceptualizations of brand orientation limit themselves to either a behavioral or a cultural perspective. We take the view that a comprehensive construct of brand orientation should capture a basic underlying belief that effectively manifests itself in organizational attitudes, processes, and practices that encompass all aspects of the branding strategy (e.g., Homburg & Pflesser, 2000). From a construct dimensionality standpoint, given that the four brand orientation dimensions are different manifestations of the same construct (Wong, Law, & Huang, 2008) and "eliminating any of them would restrict the conceptual domain of the construct" (MacKenzie, Podsakoff, & Podsakoff, 2011, p. 301), we formally define brand orientation as a reflective second-order construct consisting of four reflective first-order dimensions. In essence, brand orientation reflects an abstract representation of the four dimensions and explains their common variance, or, equivalently, the four dimensions are "subcomponents of a higher order organizing concept", in line with a partial disaggregation model (Bagozzi & Heatherton, 1994, p. 42).

This conceptualization receives support from the three conditions Law, Wong, and Mobley (1998) identify for latent multidimensional constructs. First, the "overall latent construct leads to various dimensions of the construct, because the dimensions are simply different ways the construct is realized" (p. 747). Translated in our context, this means that brand orientation *leads* firms to (1) put importance on brands as strategic assets, (2) build consistent brand values over time, (3) strive to achieve differential competitive advantage over their competitors, and (4) develop knowledge that help manage and grow the brand. Second, "the multidimensional construct exists at a deeper and more embedded level than its dimensions" such that "each dimension of the multidimensional construct is a different manifestation or realization of the construct" (p. 742). In essence, brand orientation is a more

abstract concept than the development of brand intelligence systems or the engagement in competitive efforts that differentiate the brand, that is, organizational behaviors that are more concrete in nature. Third, "under the latent model, only common variances or covariances shared by all dimensions [are] true variances of the construct" (p. 748). Accordingly, in assessing a firm's strategic brand orientation, we are interested not in the unique variance of only one dimension or variance shared by a couple of the dimensions but in the variance shared by all dimensions together, as brand orientation is realized when these behaviors are jointly manifested.

3.2. Study 2: Initial item generation and reduction

Accurately defining brand orientation and delineating its domain allows the development of scale items that can measure the strength with which each dimension is manifested within an organization. To generate an initial pool of items, we conducted an extensive literature search and carefully read all views expressed in the interviews (Churchill, 1979); this process generated 56 items. At this stage, we took several issues into consideration, including wording clarity and response format (Netemeyer et al., 2003). Given the large pool of potential items, we eliminated redundant items and selected items that had good face validity for expert review. In particular, each researcher generated a set of items that was then passed to another team member for initial screening (e.g., redundant items, low face and content validity) to minimize potential bias (e.g., Baldus, Voorhees, & Calantone, 2015).

After this screening, we retained 40 applicable items. We then further established content and face validity by asking 14 judges (10 expert marketing practitioners and four marketing faculty members) to assess the items on a 5-point evaluation scale for representativeness and clarity (e.g., Haynes, Richard, & Kubany, 1995). The judges could

raise any concerns while completing the scale. After this step, we retained 25 items that scored above 4 on the 5-point scale in both criteria (e.g., Bearden, Hardesty, & Rose, 2001). Following the experts' suggestions, we refined some of the remaining items and added two new items. Finally, in a second round of judgments, we asked five marketing doctoral students to use their judgment and assign each of the resulting 27 items to the most appropriate dimension. The average inter-judge reliability (k) for the five panelists was 0.88 ($p < 0.001$), which indicates almost perfect agreement (Landis & Koch, 1977). We used this set of 27 items for the third step of scale development process. Appendix A4 presents the detailed profile of our 14 judges and five doctoral students.

3.3. Study 3: Scale purification

After the item pool was thoroughly judged, modified, and trimmed, we pre-tested the items on a larger sample (100–200) from a relevant population (e.g., Clark & Watson, 1995). This further testing and scale purification helps reduce the items to a more manageable number by deleting items that do not meet certain psychometric criteria. For pre-testing, convenience samples (e.g., university students) may suffice, but a sample from a relevant population of interest is preferable (Netemeyer et al., 2003).

To guarantee sample representativeness, we chose three executive MBA classes from two local universities; at this stage, 134 managers attending part-time programs agreed to participate (see Table 7 for sample characteristics). Given that one of the entry criteria for these executive post-graduate programs included five years' professional experience, we considered the respondents appropriate for the pre-test. More specifically, 71.6% of the respondents worked in consumer companies and 28.4% in business markets, 56.7% were employed in domestic companies and 43.3% in multinational companies, and 53.7% had a marketing-related position (marketing/product manager) and 46.3% other managerial jobs.

The questionnaire, including the 27 brand orientation items, was distributed in person. After familiarizing themselves with the brand orientation concept, respondents evaluated the extent to which the 27 items described behaviors observed in their company.

Table 7 here

Next, we ran exploratory factor analysis (EFA) to reduce the number of items and test the underlying dimensions of the construct. Specifically, we conducted principal components factor analysis with varimax rotation, which revealed a four-factor solution with eigenvalues above 1 (variance explained = 76%), consistent with our expectations of the construct's dimensional structure. Using specific psychometric criteria (Robinson, Shaver, & Wrightsman, 1991), including avoidance of cross-loadings, factor loadings ranging between 0.40 and 0.90, and corrected item-to-total correlations of 0.50 and above, we deleted six items. Thus, we retained a final set of 21 items for the next step of the scale development process. Interpreting the four-factor solution, the items support the four proposed dimensions.

We assessed internal reliability of the four brand orientation dimensions by calculating Cronbach's alpha. All values were satisfactory (BIM: $\alpha = 0.94$; BCON: $\alpha = 0.93$; BDIF: $\alpha = 0.91$; BINT: $\alpha = 0.91$), as they exceeded the accepted reliability thresholds (e.g., Clark & Watson, 1995; Hair, Black, Babin, & Anderson, 2014). All individual items falling within each dimension show an average item-to-total correlation of 0.79 (all exceeding 0.59), indicating satisfactory levels of internal consistency (Bearden & Netemeyer, 1998). Table 8 provides a complete list of all the items retained for the next step, as well as their respective ranges, means, standard deviations, factor loadings, and communalities. Also, we conducted confirmatory factor analysis (CFA) which supported the hypothesized factor structure and the appropriateness of all 21 items. The results of CFA are reported in detail in Appendix A5.

Table 8 here

Having conducted exploratory and confirmatory analyses, we then tested whether the second-order reflective specification is supported using the empirical criteria proposed by Johnson, Rosen and Chang (2011) as well as Johnson et al. (2012). Specifically, these authors outline four empirically testable conditions that must be met for a superordinate, second-order specification to be viable. These conditions were: (1) the indicator variables should have significant and substantive loadings on the second-order factor ($\geq .70$) to ensure that the items fall under the domain of the second-order construct which explains their variance, (2) the higher-order factor model should exhibit acceptable fit, (3) the set of indicators should be unidimensional, with high internal consistency, according to the composite latent variable reliability (CLVR) and (4) the second-order model should show better fit compared to the first-order model. We conducted these additional CFAs and found consistent evidence that our indicators are appropriate as evidenced by high loadings of all indicators to the higher-order factor (when modeled as indicators of a unidimensional latent brand orientation construct), high levels of composite latent variable reliability, as well as satisfactory model fit for the second-order superordinate construct specification (which is also superior to the single-order model with one latent variable explaining variance in the indicators). The results of all these analyses – conducted across all quantitative studies – are reported in detail in Appendix A6.

Additionally, following Edwards (2001), we calculated the total coefficient of determination (R_m^2) – a measure similar to R^2 in typical regression analyses which demonstrates the strength of the second-order latent factor in explaining variance in the four first-order dimensions using the formula of Cohen (1982):

$$R_m^2 = 1 - \frac{|C_{XY}|}{|C_Y| \times |C_X|}$$

Where:

$|C_{XY}|$ is the determinant of the covariance matrix of the multidimensional construct and its dimensions

$|C_Y|$ is the variance of the multidimensional construct

$|C_X|$ is the determinant of the covariance matrix of the dimensions alone

The estimated value for the coefficient was 0.742, exceeding by far Cohen's (1988) threshold for high R^2 effect sizes, thus providing further evidence that a second-order model specification is appropriate.

3.4. Study 4: Scale comparison with existing measures

As part of our scale development process, we conducted another quantitative study with a sample of 118 marketing and brand/product managers. The aims of Study 4 were to assess the new scale in comparison with existing measures of brand orientation, establish convergent and discriminant validity, and provide preliminary evidence of the scale's predictive validity.

We included in the questionnaire the new 21-item scale of brand orientation and two other brand orientation scales proposed by Wong and Merrilees (2007) and Huang and Tsai (2013). Our choice of which existing scales to include for comparison purposes was based on the fact that, to our knowledge, these two scales are the only non-context-specific brand orientation scales proposed in the literature. We also included the 6-item scale of competitive advantage (Chang, 2011) in the questionnaire for predictive validity testing purposes (see Appendix A7 for items of the additional scales).

Through online data collection, over a two-week period, we received completed and usable questionnaires from 118 members of the Marketing Science Institute of the country of study. Our sample consisted of marketing managers (38.1%) and brand/product managers (61.9%) working mainly for large companies with more than 50 employees (76.3%), in the fast-moving consumer goods (FMCG) or services sectors (28% and 30.5%, respectively). Appendix A8 presents detailed sample characteristics. Before conducting our main analyses

for convergent, discriminant, and predictive validity, we conducted EFA and CFA to test again our new construct's dimensionality. The results of both analyses confirm our four-factor structure with a high degree of internal reliability. The EFA revealed the same four-factor structure with eigenvalues above 1, explaining 60% of the total variance. All 21 items loaded predominantly on a single factor, with factor loadings ranging from 0.55 to 0.84 and an average item-to-total correlation of 0.63 (all exceeding 0.51). Cronbach's alpha values were also satisfactory (BIM = 0.83, BCON = 0.84, BDIF = 0.86, BINT = 0.83). The CFA showed that the measurement model provided a good fit to the data ($\chi^2 = 258.9$, $df = 185$, $p < 0.001$; CFI = 0.925; RMSEA = 0.058; SRMR = 0.08). The hypothesized factor structure of the construct was again supported. The loadings of items on their hypothesized latent construct were are all positive and statistically significant, ranging from 0.60 to 0.88. The paths from the second-order factor to the first-order dimensions were also positive and significant (brand orientation [BO]→BIM: $\beta = .63$, $p < .001$; BO→BCON: $\beta = .86$, $p < .001$; BO→BDIF: $\beta = .84$, $p < .001$; BO→BINT: $\beta = .55$, $p < .01$). Finally, composite reliabilities (CR) and average variance extracted (AVE) values for all four brand orientation dimensions were satisfactory (BIM: CR = 0.84, AVE = 0.51; BCON: CR = 0.85, AVE = 0.45; BDIF: CR = 0.86, AVE = 0.55; BINT: CR = 0.85, AVE = 0.59). Appendix A5 presents the detailed EFA and CFA results of Study 4 (along with the EFA and CFA results of all the quantitative studies). Finally, similar analyses as those presented in Study 3 to establish the viability of the second-order reflective measurement specification were conducted in this study. The results empirically support the superordinate construct specification (see Appendix A6 for details).

3.4.1. Convergent and discriminant validity

"A measure is said to possess convergent validity if independent measures of the same construct are highly correlated" (Netemeyer et al., 2003, p. 77). Therefore, convergent

validity is evidenced by the significant and strong correlations between different measures of the same construct. The results show significant correlation coefficients of our scale with the scales of Wong and Merrilees (2007) (r = 0.769) and Huang and Tsai (2013) (r = 0.685). The magnitude of these correlation coefficients is high enough to support convergent validity (our scale shares between 47% and 60% of the variance of the other two scales supposed to capture the same concept) but also low enough to suggest that our scale is not identical to the existing measures and thus is not redundant.

As a further test of convergent and discriminant validity, we conducted a series of formal chi-square comparisons with CFA tests. More specifically, we compared the base model (in which the correlation of our new scale with that of Wong and Merrilees [2007] was freely estimated) with two models whose correlation was set equal to 0 (test of convergence) and equal to 1 (test of divergence), respectively. We followed the same process for the comparison of our new scale with that of Huang and Tsai (2013). Table 9 presents the results of our chi-square comparisons. The change in model fit between the base model and the "zero correlation" model is significant ($\Delta\chi^2$ = 98.05, $\Delta(df)$ = 1, $p < .001$; $\Delta\chi^2$ = 64.33, $\Delta(df)$ = 1, $p < .001$), thus confirming convergent validity of our new brand orientation scale. In addition, the significant model fit change between the base model and the model in which the correlation was set equal to 1 provides evidence of discriminant validity for our new scale compared with the existing measures tested ($\Delta\chi^2$ = 3.92, $\Delta(df)$ = 1, $p < .05$; $\Delta\chi^2$ = 4.78, $\Delta(df)$ = 1, $p < .05$).

Table 9 here

3.4.2. Predictive validity

Predictive validity refers to the ability of a measure to effectively predict a subsequent criterion (Netemeyer et al., 2003). According to Urde (1999, p. 117), the aim of brand orientation is to achieve "lasting competitive advantages in the form of brands". Therefore,

we conceptually expect brand orientation to positively affect a firm's competitive advantage. To assess the predictive validity of our new scale compared with the other two existing measures, we tested three respective structural equation models and compared the path coefficients from each brand orientation scale to competitive advantage as well as the model fit statistics. As Table 10 shows, the model estimates suggest that the path coefficient linking the new scale to competitive advantage is stronger ($\beta = 0.718$, $p < 0.001$) than the respective paths between the scale of Wong and Merrilees ($\beta = 0.554$, $p < 0.001$) and that of Huang and Tsai ($\beta = 0.690$, $p < 0.001$) and competitive advantage, showing strong evidence of high predictive validity for the new scale. Notably, the model including the new scale was the only one to obtain RMSEA estimates within acceptable conventional thresholds (i.e., below 0.08).

Table 10 here

Finally, we conducted several usefulness and incremental validity tests following similar scale development endeavors (Kinicki et al., 2013) and in line with the process described in Darlington (1990) to showcase the additional contribution of our scale on top of the existing scales of brand orientation. Specifically, we conducted a series of hierarchical regressions where we tested the increase in prediction in the criterion variable (i.e., competitive advantage) when our new scale is added as a predictor on top of each one of the other two existing scales. Subsequently, we reversed the order of variable inclusion in the regression models, and we conducted another set of hierarchical regression analyses to test what is the additional predictive validity of the existing scales when the criterion variable is already predicted using our own scale (see Table 11 for results).

Table 11 here

The results of the usefulness analysis suggest that the new brand orientation scale explains a significant amount of variance on the criterion variable ($R^2 = .309$, $p < .001$). Also, the

inclusion of the new brand orientation scale in models with the existing scales as first-level predictors leads to explanation of substantial unique variance on top of that explained by the other two scales (55% more than the Wong and Merilees [2007] scale and 16% more than the Huang and Tsai [2013] scale). Finally, the new brand orientation scale exhibits evidence of superior predictive validity compared to the Wong and Merilees (2007) scale as the inclusion of the latter on top of our new scale does not lead to a significant increase in R^2.

3.5. Study 5: Scale validation

We conducted a third quantitative study to finalize the scale, further confirm its dimensionality, and test its psychometric properties. We designed a formal questionnaire to include the developed brand orientation scale, the market orientation scale of Narver and Slater (1990), a scale measuring the power of the marketing department within the organization (Kohli, 1989), and the financial performance scale of Yau, Chow, Sin, Tse, Luk, and Lee (2007).

A representative proportion from different sectors was desirable, and we included large firms with a turnover of more than €10 million in the study population to guarantee the minimum expectation of a branding strategy. To satisfy our criteria, our sampling frame included a list of 1,431 firms from the database of a Gallup subsidiary in Greece. We selected a stratified sample of 500 firms from these companies. A web-based survey collected the data from marketing or brand managers of the selected firms. To maximize the response rate, we also adopted several elements of the "total method approach" to survey design (Dillman, 2007), including a personal letter with signature, a reminder letter, and a summary of the results as an incentive to participate. We received 242 usable questionnaires of the 500 sent, for a response rate of 48.4% (see Table 12 for sample characteristics and Appendix A9 for data collection process details).

Table 12 here

3.5.1. Internal reliability

We assessed internal reliability of the four brand orientation dimensions by calculating Cronbach's alphas and the CRs. The values were satisfactory (BIM: $\alpha = 0.90$, CR = 0.90; BCON: $\alpha = 0.90$, CR = 0.91; BDIF: $\alpha = 0.89$, CR = 0.88; BINT: $\alpha = 0.91$, CR = 0.89), exceeding the accepted reliability thresholds (Hair et al., 2014). All individual items falling within each dimension show an average item-to-total correlation of 0.74 (all exceeding 0.53), indicating satisfactory levels of internal consistency (Bearden & Netemeyer, 1998).

3.5.2. Discriminant validity and construct dimensionality

In this phase of the scale development process, we conducted CFA in which all scale items loaded on their respective construct. The measurement model provided a good fit to the data ($\chi^2 = 334.3$; $df = 185$; $p < 0.001$; CFI = 0.961; RMSEA = 0.059; SRMR = 0.056). Given the model fit statistics (Hair et al., 2014), no re-specification of the brand orientation measurement model was necessary. The hypothesized factor structure of the construct is supported. As Fig. 1 shows, the loadings of items on their hypothesized latent construct are all positive, high in magnitude (from 0.64 to 0.89), and statistically significant, thus demonstrating convergent validity (Gerbing & Anderson, 1988).

Figure 1 here

The paths from the second-order factor to the first-order dimensions are also positive and significant (BO→BIM: $\beta = .75$, $p < .05$; BO→BCON: $\beta = .80$, $p < .05$; BO→BDIF: $\beta = .77$, $p < .05$; BO→BINT: $\beta = .63$, $p < .05$). These results provide evidence in favor of a second-order reflective model specification for brand orientation, in which the superordinate construct of brand orientation explains the significant variance in each of its subordinate

dimensions by representing the "latent commonality underlying all the dimensions" (Law et al., 1998, p. 747). The superordinate construct specification is also supported by further analyses conducted similarly to previous studies (see Appendix A6).

The AVE for each brand orientation dimension exceeded the suggested threshold value of 0.5 (Fornell & Larcker, 1981). More specifically, AVE values ranged from 0.58 to 0.67 (BIM = 0.65, BCON = 0.58, BDIF = 0.61, BINT = 0.67). In addition, the AVE for each brand orientation construct was higher than the squared correlation between that construct and any other relevant construct measured and considered in the nomological network, indicating discriminant validity according to Fornell and Larcker's (1981) criterion. Table 13 shows the statistics used for discriminant validity tests.

Table 13 here

Importantly, using the same criterion, we also assessed discriminant validity between each pair of the different brand orientation dimensions to establish that the four dimensions remain sufficiently distinct, despite being correlated (as they conceptually should be, in line with the reflective second-order model), to rule out the presence of redundant dimensions. The pairwise correlations are far from unity, while none of the squared correlations exceed the minimum corresponding AVEs (Table 13), drawing a fine "line between *high* and *moderate* correlations" required for this type of construct specification (Bagozzi & Heatherton, 1994, p. 42).

3.5.3. Non-response bias and common method bias

We tested for possible non-response bias following the method Armstrong and Overton (1977) recommend. We divided the dataset into two halves, based on the median return date, and compared the answers of early and late respondents. The rationale for this procedure is that late respondents may be more similar than early respondents to non-respondents.

However, t-tests analyses found no significant differences between early and late respondents on key study measures. More specifically, we divided our dataset in two halves (early respondents = 121, late respondents = 121) and tested for significant differences on our main constructs (i.e., marketing department power, market orientation, BIM, BCON, BDIF, BINT, and financial performance). All t-test analyses showed non-significant differences between the two groups, suggesting that non-response bias is not a concern (see Appendix A10 for detailed results).

We used the marker variable approach (Lindell & Whitney, 2001) to address the issue of common method variance. Our marker variable measured respondents' beliefs about the technology status in the industry on the same 7-point scale format as the main variables in the model. Specifically, after establishing that this variable is conceptually unrelated to the main constructs (all correlations between this variable and the four main model constructs range between .009 and .100 and are non-significant), we calculated raw inter-construct correlations as well as corrected correlations after partialing out the influence of the marker variable. Comparison of these two sets of correlations reveals no changes in statistical significance, while the correlation sizes are practically identical, with only minor differences at the third decimal digit. These results suggest the absence of common method variance and mean that our results are not driven merely by the format shared among different scales. The results of this test are available in Appendix A11.

3.5.4. Known-group validity

Known-group validity involves a measure's ability to differ as predicted between groups that should score low and high on a trait (Netemeyer et al., 2003). We expect multinational companies, given their long-lasting branding experience, increased market knowledge, and access to information (Swoboda & Hirschmann, 2016), to show higher mean-

level scores on the brand orientation scale than domestic companies. Therefore, we tested for significant differences between multinational (N = 118) and domestic (N = 124) companies on both our brand orientation dimensions and the aggregate measure of brand orientation. All t-test analyses supported our hypothesis as they showed significant differences between the two groups, indicating that multinational firms present significantly higher mean scores on all four brand orientation dimensions than domestic companies. Detailed results are available in Appendix A12.

3.5.5. Nomological validity

An important step in evaluating construct validity for a new scale is to examine the extent to which the scale fits "lawfully" into a nomological network (Cronbach & Meehl, 1955). Evidence of nomological validity is provided by a construct's possession of distinct antecedents and consequences, depicting theoretical relationships between different constructs (Iacobucci, Ostrom, & Grayson, 1995; Islam & Polonsky, 2020). Therefore, we tried to develop a nomological network that includes (1) a critical antecedent that would help explain what makes a firm brand-oriented, (2) a critical consequence representing a potential implication of being brand-oriented, and (3) a related strategic orientation to provide evidence of the distinctiveness between brand orientation and an established related construct such as market orientation. Thus, drawing from relevant literature, we propose that brand orientation nomologically relates to three constructs: marketing department power, market orientation, and financial performance. More specifically, we expect that brand orientation serially mediates the effects of the former two constructs on the latter one.

We provide concrete theoretical predictions for the directionality of these relationships. First, we expect that the power of the marketing department is an antecedent of brand orientation, in line with the mechanisms Feng, Morgan, and Rego (2015) propose—namely,

resource attraction, interfunctional coordination, and top management attention. In organizations in which the marketing department is well-respected and its "seat at the table" is guaranteed, marketing managers can exercise more pressure in budget allocation decisions so that more corporate resources are assigned to marketing activities, which typically include brand-oriented activities. Moreover, strong marketing departments are better able to prioritize branding activities by coordinating the efforts of other departments whose resources are collectively required to strengthen the brand. Finally, when the marketing department is strong enough to attract top management attention, the assets it manages (i.e., typically brands) are likely to be internally appreciated, rendering the whole organization more "brand-focused". Therefore, we hypothesize that:

H1. Marketing department power has a positive effect on brand orientation.

Second, we expect a positive relationship between market orientation and brand orientation. Brand orientation, as a new strategic orientation, can be conceptualized at the same level of abstraction as market orientation (Noble et al., 2002; Urde et al., 2013). We propose, though, that brand orientation, apart from market needs, takes into consideration the organization's mission and values and ensures that the brand will be recognized, featured, and favored in the marketing strategy (Urde, 1999; Wong & Merrilees, 2007). In this sense, brand orientation is conceptualized at an additional degree of sophistication (Urde, 1999) and is regarded as market orientation "plus" (Urde, 1994), meaning that a stronger focus on branding is more likely to be manifested in organizations with higher (vs. lower) levels of market orientation. A market orientation puts the customer at the center of all organizational activities, monitors competitive moves and ensures interfunctional coordination (Narver & Slater, 1990). As such, it provides the necessary mechanisms in order to help a company fulfill its brand promises. When firms have carefully detected customer needs and outlined the competition, they should next be in a better position to develop and implement a brand

orientation that satisfies the customer needs and desires with strong brands. In other words, brand orientation embraces the market orientation concept, but also considers the role of brand in achieving market leadership (Simões & Dibb, 2001). The role of market orientation acting as an antecedent of brand orientation has also received support in prior research (Laukkanen et al., 2016; Reid et al., 2005; Wong & Merrilees, 2007). Thus, we hypothesize that:

H2. Market orientation positively influences brand orientation.

Finally, with regard to the effect of brand orientation on financial performance, the benefits resulting from strong brands include larger margins, increased marketing activity effectiveness, and greater trade support (e.g., Keller, 2008; Rehman, Johnston, & James, 2019). Culture theory (Denison, 1984) suggests that a dominant organizational culture, such as that created through brand orientation, provides cohesiveness and focus in planning and tactical activities. This effectiveness should lead to superior organizational performance. Thus, the cultural impact of a brand focus should enhance overall firm effectiveness (Noble et al., 2002). Furthermore, empirical studies in contexts such as charity (e.g., Napoli, 2006), retail (e.g., Bridson & Evans, 2004), museums (e.g., Baumgarth, 2009), small business (e.g., Laukkanen et al., 2016), and industrial markets (e.g., Baumgarth, 2010; Chang, Wang, & Arnett, 2018) demonstrate a positive relationship between brand orientation and financial performance, and we expect to confirm this effect with the new brand orientation scale. This line of reasoning leads to the following hypothesis:

H3. Brand orientation has a positive effect on financial performance.

To test these predictions and assess the nomological validity of the brand orientation scale, we estimate a structural equation model that includes the relationships of brand orientation to the three aforementioned constructs. For the operationalization of market

orientation, we use the well-established scale of Narver and Slater (1990), while the marketing department power scale was based on Kohli (1989). We adopted the financial performance scale from Yau et al. (2007), measuring company performance relative to competitors in terms of profits, sales, market share, and return on investment (see Appendix A13 for detailed statistics on the additional measures used in the nomological validity assessment). The results of the model estimation ($\chi^2 = 2124.34$, $df = 1196$; $p < 0.001$; CFI = 0.91; RMSEA = 0.057; SRMR = 0.078) show satisfactory overall fit to the data (Davvetas et al., 2020; Hair et al., 2014). As hypothesized, marketing department power has a positive effect on market orientation ($\beta = 0.46$, $p < 0.001$), which in turn has a positive effect on brand orientation ($\beta = 0.79$, $p < 0.001$). Apart from the indirect effect through market orientation, marketing department power has a positive direct effect on brand orientation ($\beta = 0.17$, $p < 0.01$). Importantly, when controlling for the direct effect of marketing department power, market orientation, and several control variables (i.e., company age measured in years, company size measured in number of employees, and firm sector dummies to account for differences associated with industry category), the effect of brand orientation on financial performance is positive and significant ($\beta = 0.54$, $p < 0.01$), suggesting that it serially (and, in our sample, fully, given the absence of significant direct effects) mediates the effect of market department power and market orientation on financial performance. Although we do not claim to have established complete mediation (see Rucker, Preacher, Tormala, & Petty, 2011), we find evidence of an important mechanism mediating how powerful marketing departments and market oriented firms achieve superior performance.[1] We provide an overview of the model estimation results in Table 14 and depict the structural model of the

[1] As a robustness check, we re-estimated the model using brand performance as an outcome variable and obtained similar results.

estimated relationships in Fig. 2. Appendix 14 presents correlations between higher order constructs and multicollinearity statistics.

Table 14 and Figure 2 here

4. Discussion

Given the importance of branding in today's competitive marketplace, the contribution of our study to the literature is threefold. First, we develop a context-free and fully psychometrically assessed instrument to measure an organization's degree of brand orientation using rigorous scale development procedures. Second, we uncover four distinct dimensions of a brand-oriented organizational strategy by juxtaposing the extant literature on branding and brand orientation with fresh qualitative data. By doing so, we extend Urde's (1999) broad definition of brand orientation by unveiling four dimensions that reflect his proposed concept in a more concrete manner. The BIM dimension reflects the level of significance an organization attaches to its brands, BCON mirrors the unvarying delivery of brand values across the multiple touchpoints, BDIF refers to the extent to which an organization's brands are sufficiently distinct from competition, and BINT reflects the organization's level of knowledge about brand perceptions in the target markets. Third, we corroborate previous studies (e.g., Chang et al., 2018) on the positive effect of brand orientation on performance and propose an empirically supported nomological network that links brand orientation with related strategy constructs.

4.1. Theoretical and methodological contributions

This study constitutes a first attempt to re-conceptualize and operationalize brand orientation in higher depth, as well as construct a comprehensive and empirically tested framework of its effects; thus, it contributes to brand strategy research in several ways. First, this research proposed a new and unified conceptual definition of brand orientation that

integrates previous literature findings and is informed by novel qualitative industry data. Given the fragmented insights found in the relevant literature, this contribution is particularly important for the development of a consistent body of work in this area.

Second, from a methodological standpoint, the development of a parsimonious, non-context-specific brand orientation scale benefits organizational branding research by offering a reliable and valid tool for use in branding strategy research. Five studies, including qualitative insights from interviews with managers and three quantitative studies from a relevant population, confirm the reliability, validity, and psychometric properties of the scale and thus offer confidence for its rigorous application in future research endeavors.

Third, our findings extend previous studies on brand orientation (e.g., Ewing & Napoli, 2005) by providing a more integrated and comprehensive investigation on the concept. Our results suggest that a brand-oriented organization is one that has a well-established branding culture and employs branding initiatives to achieve consistency, differentiation, and intelligence. In particular, our research builds on previous studies and provides a holistic measurement tool that captures (1) the perceived importance of brand management as an integral part of business strategy, (2) the consistency of this management across all brand touchpoints, (3) the value of differentiation in brand excellence, and (4) the use of internal and external audits to inform brand strategy (e.g., Beverland et al., 2015; De Chernatony et al., 2011).

Fourth, the results of the nomological validity provide empirical support for the theoretical assertion that market orientation constitutes the foundation of a brand-oriented strategy (e.g., Urde et al., 2013; Wong & Merrilees, 2007). In addition, our findings further support prior empirical research regarding the crucial brand orientation–performance relationship (e.g., Baumgarth 2010; Gromark & Melin, 2011). We corroborate these findings by showing that brand orientation is indeed driven by marketing orientation and may well be

positively linked to better financial performance, enhancing the theoretical belief that brand orientation should be treated as a significant strategic priority.

Finally, our nomological validity tests reveal a novel relationship between brand orientation and marketing department power. This finding contributes to an emerging field of research investigating how the status, power, and influence of the marketing department within an organization can affect organizational outcomes (e.g., Feng et al., 2015; Nath & Mahajan, 2011). Specifically, we show that brand orientation mediates the effects of marketing department power (and subsequently market orientation) on financial performance, thus offering an additional mechanism explaining how organizations that value, respect, and empower their marketing departments manage to achieve superior outcomes to their competitors.

4.2. Managerial implications

This study also offers useful insights for practitioners. First, the broad view of brand orientation, represented by the developed brand orientation construct, suggests that a firm competing in today's fierce environment can respond to demanding marketplace challenges by implementing all aspects of a brand orientation. Our findings support the important role of such an orientation in achieving high levels of business performance. As a result, managers need to understand the opportunities that can arise from the development of brand-oriented attitudes and behaviors. In this sense, companies should support the creation of a branding culture, which values brands as significant company assets and, consequently, attaches great importance to branding efforts. Companies that share an understanding that brand values are critical to their success and make significant investments in growing and protecting them are more likely to be successful in the marketplace. Furthermore, managers should guarantee the unvarying delivery of brands' values to the multiple touchpoints through a continuous

coordination and alignment of all marketing activities with the brand values. For example, Burberry, one of the most successful global luxury brands, has one design director based in London who oversees everything offered to customers with no exceptions, as this is the only way to guarantee that the brand experience is the same for all customers across the world (Ahrendts, 2013). In addition, managers should understand that clearly defined and successfully differentiated brands can be effectively communicated to target audiences. In this light, they should try to create unique brands that stand out from the "cluttered" environment in a meaningful way and establish competitive superiority. Our findings also suggest that managers should continuously monitor brand performance to refine branding efforts. A good example is Hewlett-Packard, which implemented a brand audit online by developing a "Business Answers" LinkedIn group to monitor ongoing discussions about its brand (LinkedIn, 2011).

Second, senior managers could use the scale as a diagnostic tool to assess the degree to which their company is brand-oriented, pinpointing areas in which the company scores high but also those in which it falls short or needs to concentrate its efforts to achieve brand excellence. In other words, brand orientation could serve as a guide to help managers build powerful brands and thus obtain significant equity for their company. Considering that brand orientation is not easily imitated, such a strategic orientation could serve as an additional form of sustainable competitive advantage.

Third, our findings suggest that a high degree of market orientation facilitates brand orientation. Placing the customer at the center of the organizational strategy and ensuring an inter-functional integration seems a prerequisite for brand orientation. As such, strong market orientation will give managers the required knowledge on customer needs and competitive activities to adequately guide their branding efforts. Importantly, our findings also suggest that brand orientation is an important mechanism mediating how market-oriented firms

achieve superior performance. Although more studies are needed to further confirm this role, this finding should alert managers that adopting brand-oriented attitudes and behaviors, in addition to being market-oriented, is crucial.

Fourth, our analyses show a significant, positive effect of brand orientation on both competitive advantage and performance. These findings provide additional evidence to managers regarding the benefits attached to a brand orientation, as well as the possibilities offered for performance improvement based on a more consistent adoption of a brand-oriented strategy. In particular, these findings indicate that (1) putting branding among the top company priorities, (2) ensuring consistency of brand values and positioning by coordinating marketing activities to safeguard the brand image, (3) establishing competitive superiority through differentiation, and (4) developing detailed knowledge systems on brand perceptions can benefit company results significantly.

Finally, a finding relevant for top management is that the empowerment of the marketing department is an important condition for the positive effects of brand orientation to materialize. Brand-related activities typically fall under the responsibility of the marketing department, making it an important agent of brand orientation within the organization. Thus, enhancing its resources, access, and influence will more effectively lead to a brand-oriented culture. A strong marketing department with significant influence in the organizational strategy can help the entire organization embrace the brand values and successfully safeguard the branding efforts. This can be achieved through more active participation of marketing executives in inter-functional teams with direct impact on brand performance and the involvement of the chief marketing officer in corporate decision making.

4.3. Limitations and directions for further research

This research is not without limitations. Although three quantitative studies provide extensive evidence of the brand orientation scale's rigor, multiple tests and applications are required to test the scale's stability across contexts.

Having collected data from large companies with at least €10 million and 50 employees, our ability to generalize the reported results to smaller companies is limited. However, in reality, small companies that have a strong brand orientation do exist. Thus, future studies could focus on firms of different sizes, such as small and medium-sized companies, to investigate how brand orientation operates in such a context.

B2B organizations are under-represented in our sample and, therefore, we cannot generalize the research findings with confidence to a B2B context. Building and maintaining strong brands, though, is increasingly becoming a major objective and an integral part of marketing strategy in organizations operating in industrial markets (Seyedghorban, Matanda, & LaPlaca, 2016). As such, a possible avenue for future research is to investigate whether and to what extend a brand-oriented strategy is implemented in a substantially different way in industrial contexts.

Similarly, although we do not expect major differences across countries and cultures in terms of the theoretical content domain of the brand orientation construct or its identified dimensions, our findings derive from (and thus are applicable with higher confidence in) a European context. Future studies on brand orientation in other markets could provide valuable evidence on the degree of its cross-country generalizability and impact. On a similar note, future studies could also offer insights into how brand orientation affects international marketing strategy (e.g., cross-country brand adaptation vs. standardization).

It should also be noted that we used a subjective measure for financial performance. Future studies could either use secondary performance data or assess performance from the

customer's perspective, by collecting relevant primary data on consumer-based brand equity metrics (e.g., image, awareness, reputation, loyalty).

Finally, although we test an original nomological framework for brand orientation in this study, the proposed relationships are by no means exhaustive. Building on our conceptual framework, future research should confirm the novel findings of this study, but also explore the relevance of other external and internal factors to a firm's brand-oriented strategy. In this line, measuring brand orientation antecedents and consequences at different time through multiple waves of data collection would significantly contribute in building a sound theory of brand orientation. We hope that this study serves as a point of departure for future contributions in the brand management field.

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Table 1

Indicative definitions proposed for brand orientation.

Authors, date	Definition
Urde (1999, p. 117)	An approach in which the processes of the organization revolve around the creation, development, and protection of brand identity in an ongoing interaction with target customers with the aim of achieving lasting competitive advantages in the form of brands.
Ewing and Napoli (2005, p. 842)	The organization-wide process of generating and sustaining a shared sense of brand meaning that provides superior value to stakeholders and superior performance to the organization.
Wong and Merrilees (2007, p. 388)	A mindset that ensures that the brand will be recognized, featured, and favored in the marketing strategy (based on Urde 1994, 1999)
Baumgarth (2010, p. 656)	A specific type of marketing orientation, which is distinguished by the high relevance accorded to branding by top management. It also implies a strongly systematic approach to brand management, characterized by an offer that is relatively constant, consistent, relevant to the buyer and clearly differentiated from the competition.
Huang and Tsai (2013, p. 2021)	Brand orientation is a strategic orientation, in which companies seek to create value and increase their competitiveness through building brand equity (based on Urde et al., 2013).

Notes: The table includes all definitions proposed by researchers as part of a scale development procedure for brand orientation (as shown in Table 2), plus the original definition of Urde (1999). Hankinson (2012) adopts Urde's (1999) definition of brand orientation, and therefore we do not include it here.

Table 2

Existing conceptualizations/operationalizations of brand orientation and opportunities for a new scale.

Authors, date	Overview/proposed dimensionality	Indicative items*	Context-specific	Relation to new brand orientation scale
Ewing and Napoli (2005)	Scale conceptualization mainly from Keller's (2000) brand report card. Its operationalization consists of three latent variables: interaction, orchestration, and affect.	Keep "in touch" with our stakeholders' needs Design our integrated marketing activities to encourage our suppliers, distributors, and other key stakeholders to promote our products/services to customers Develop detailed knowledge of what our stakeholders dislike about the brand	Yes: non-profit sector	The new scale incorporates the insights provided by Keller's brand report card but is not limited to it. Takes into account most of the relevant insights in the branding literature, without focusing on a specific context.
Wong and Merrilees (2007)	Operationalization based explicitly on brand orientation's philosophical/attitudinal aspect. The unidimensional construct consists of six items measuring the extent to which branding is a significant issue in business decisions and directions.	Branding flows through all our marketing activities Branding is essential to our strategy Branding is essential in running this company Long term brand planning is critical to our future success The brand is an important asset for us Everyone in this firm understands that branding our product/service is a top priority for our business	No	The "brand importance" dimension of the new scale reflects the attitudinal aspect of brand orientation, but the other three dimensions also reflect its behavioral perspectives, capturing the richness of the concept.
Baumgarth (2010)	Scale largely conceptualized with the existing market orientation model of Homburg and Pflesser (2000), by translating the marketing framework to the branding context. The construct consists of four dimensions: values, norms, artefacts, and behaviors.	We also invest in our brand in times of scarce financial resources We check regularly that the corporate design guidelines of our brand are adhered to Our stands at trade fairs reflect our brand We invest in image advertising	Yes: B2B context	Following relevant suggestions found in literature, brand orientation is conceptualized as a construct distinct from market orientation. This permits investigation of their nomological relationship and the establishment of brand orientation as a new strategic orientation.

Hankinson (2012)	The construct consists of five dimensions: brand culture, departmental coordination, brand communication, brand reality, and brand partnership.	We ensure that all managers within the organization are aware of the marketing activities and support of the brand We have regular team meetings at senior level to try to get things joined up Our brand communications are aimed at a wide range of audiences, not just customers The customer experience is at the heart of all we do To develop our brand, we bring together public and private sector partners under the same banner in support of a common brand	Yes: Destination branding context	The new scale is not context-specific, facilitating the generalization of the scale.
Huang and Tsai (2013)	A one-dimensional scale consisting of five items was developed from the conceptual definition of Urde (1994, 1999) and Reid et al. (2005).	Brand is the core for the company's mission and strategic development The company's objective is to create competitive advantage through brands All members of the company have knowledge of the company's positioning and value and apply the knowledge to their work All company members are aware that the brand differentiates them from their competitors The company integrates various communication channels, conveys information of company brand positioning and value to customers, and establishes added value for the brand	No	The new scale provides a holistic view of brand orientation under a multidimensional structure that better reflects the broadness of the concept. Its operationalization strictly follows measurement theory and is based on five complementary studies.

Note: The table includes all proposed operationalizations of brand orientation that presented critical reliability and validity assessments. Research efforts for scale development that presented only preliminary dimensionality tests (i.e., only EFA) are not reported.
***** For the full list of items of previous brand orientation scales, see Appendix A1.

Table 3

Brand orientation dimensions based on extant literature

	Literature Sources (examples)
Brand Importance	
-"An internal culture must first be created that makes upholding the brand and its implicit promises and representations everyone's very raison d' être" (Davis, 2005; p. 227) *-"… top management members should be actively involved in brand building efforts, treat branding issues as being of high priority and continuously work across the organisation to ensure enthusiasm in delivering the brand values" (Piha and Avlonitis, 2018; p. 18).* *-"…brands cease to be tactical tools that are owned by marketing departments and instead become strategic resources that permeate an entire organization" (Gromark and Melin, 2011; p. 400). "…strong brands should be associated with good profitability, brand management should be perceived as a core competence, and brand building should be an integral part of the company's business model" (p. 401).* *-"Brand managers should understand the culture of their target consumers and investigate the symbols and behavior which represent their values and norms, to integrate these aspects within the brand culture" (Fritz, Schoenmueller, & Bruhn, 2017; p. 340).* *-"Firms that are good at developing strong brands usually have a strong brand-building culture, including clearly defined rules, norms and organizational symbols. Brand building is accepted in these firms… and actions that put brands at risk are questioned as a matter of course" (Aaker, 1996; p. 343).* *-"…strategic decisions should be driven by the brand, which is a central focus of a firm" (Wong and Merrilees, 2008; 372).* *-"The most successful brands begin internally with a strong, accepted, and omnipresent organizational brand culture. And, at its core, that culture needs a clearly articulated and lived mission that captures the commitment of every person in the organization" (Mecklenburg, G. A., 2005; 304).*	Aaker, 1996a Davis & Dunn, 2002 Davis, 2005 de Chernatony, 2001 Douglas, Craig, & Nijssen, 2001 Fritz, Schoenmueller, & Bruhn (2017) Gromark & Melin, 2011 Gupta & Kumar, 2013 Keller, 2008 M'Zungu, Merrilees, & Miller, 2010; 2017 Mecklenburg, G., 2005 Mosmans & van der Vorst, 1998 Piha & Avlonitis, 2018 Urde, 1999 Wong & Merrilees, 2007; 2008
Brand Consistency	
-"… brand managers should therefore implement a policy that presents an unchanging/enduring brand image/identity that covers the brand's values, norms and mission as well as all its communication activities. In particular, to avoid the pitfalls of inconsistent brand behavior and to ensure a brand's authenticity, companies are advised to abstain from some – often short-termed – marketing actions: no brand can afford to engage in implementing short-term price-campaigns, aggressive or unsubstantiated advertising campaigns, unbelievable testimonials, use communication instruments or distribution channels that conflict with its original essential identity" (Fritz, Schoenmueller, & Bruhn, 2017; p. 340). *-"When a brand makes good use of all its resources and also takes particular care to ensure that the essence of the brand is the same in all activities, it is hard to beat" (Keller, 2000; p. 152).* *-"…the strategic positioning of many leading brands has remained remarkably consistent over time. A contributing factor to their success is that despite tactical changes, certain key elements of the marketing program are always retained and brand meaning has remained consistent over time" (Keller, 2008; p. 549).* *-"When marketing mix elements are consistent with both communication and operating tasks and complementary to one another, synergy in the marketing mix is more likely. If the mix successfully coordinates communication, the brand's*	Aaker, 1991; 1996 Baumgarth. 2010 Bedbury, 2002 Brexendorf, & Keller, 2017 Davis & Dunn, 2002 Dunn & Davis, 2003 Fritz, Schoenmueller, & Bruhn, 2017 Keller, 2000; 2008 Kenyon, Manoli, & Bodet, 2018 King, 1991 Lee, O'Cass, & Sok, 2017 M'Zungu, Merrilees, &Miller, 2010 Napoli, 2006 Park, Jaworski & Maclnnis, 1986 Piha & Avlonitis, 2018

relative advantage should be apparent to the target market (Park et al., 1986; p.138). *-"The image of the brand-oriented company is a reflection of all its actions. Accordingly, it is vital that all its operations and all communication are synchronized in accordance with the brand vision. Uniform, harmonized and consistent communication with the target group should be strived for" (Urde, 1994; p. 31).* *-" Training and development programs are essential to […] bring consistency to the external brand experience" (Piha and Avlonitis, 2018; p. 5).* *-" …in order to create value, the brand must be evident at every step in the value chain, from the processing of raw materials to the final product. Communication, which follows on from the brand-building process, must be coherently and effectively transmitted whenever there is contact with the various publics" (Simoes and Dibb, 2001; p. 220).* *-"Consistent investment in brand improvements enhances a brand's perceived superiority, provides the basis for informative and provocative advertising, increases the brand's sustainable price premium over the competition, and raises the costs to private-label imitators who are constantly forced to play catch-up" (Quelch and Harding, 1999; p. 39).* *-"The brand experience should be consistent across the various channels and modes of communication that customers may use to interact with the brand, across the entire customer buying and ownership cycle, and across all the firm's partners who participate in bringing the brand experience to life" (Sawhney, 2005; p. 223).* *-"Consistent, clear positioning – supported by periodic improvements that keep the brand contemporary without distorting its fundamental promise – is essential" (Quelch and Harding, 1999; p. 39).*	Quelch & Harding, 1999 Sawhney, 2005 Schultz, Tannenbaum, & Lauterborn, 1993 Simoes & Dibb, 2001 Tilley, 1999 Urde, 1994
Brand Differentiation	
- "Brand differentiation seeks to define the value associated with a brand as fundamentally different from its rivals… with the ultimate goal of building a more attractive brand to the customer" (Anderson and Carpenter, 2005; p. 178). *-" Differentiation, based on market and technology innovation, drives the brand performance output (e.g., price premium)." (Davcik & Sharma, 2015; p.13)* *- "The key to branding is that consumers perceive differences among brands in a product category. These differences can be related to attributes or benefits of the product itself, or they may be related to more intangible image considerations" (Keller, 2008; p. 10).* *-"Industrial marketers have increasingly recognized the value of brands and actively create brand differentiation to face challenges brought by escalating competition in globalization" (Pai, Lai, Chiu, & Yang, 2015; p 685). …"Recently, many business marketers have begun to recognize the value and potential of brands as a way to create competitive advantages by establishing differentiation. Brands differentiation is valuable as it is difficult for the competitors to imitate, and brand thus creates important competitive advantages for B2B marketers. (p 687).* *- "Brands that are well positioned occupy particular niches in consumers' mind. They are similar to and different from competing brands in certain reliably identifiable ways. The most successful brands in this regard keep up with competitors by creating points of parity in those areas where competitors are trying to find an advantage while at the same time creating points of difference to achieve advantages over competitors in some other areas (Keller, 2000; p. 150)* *-"Brand positioning involves establishing key brand associations in the minds of customers and other important constituents to differentiate the brand and establish competitive superiority" (Keller and Lehmann, 2006; p. 740).*	Aaker & Joachimsthaler, 2000 Aaker, 2004; 2010 Anderson & Carpenter, 2005 Baumgarth, 2010 Bedbury, 2002 Bridson & Evans, 2004 Coleman, de Chernatony, & Christodoulides, 2015 Coolidge, 2005 Davcik & Sharma, 2015 Doyle, 1989 Keller & Lehmann, 2006 Keller, 2000; 2008 Keller, Sternthal & Tybout, 2002 McAlexander, Schouten, & Koening, 2002 Pai, Lai, Chiu, & Yang, 2015 Simoes & Dibb, 2001 Urde, 1994; 1999

- "Cracking your brand's genetic code is not strictly about product, about the past, or even about things – it is about tapping into an essence and an ethos that defines who you are to the folks who matter: your core customers, your potential customers, and your employees" (Bedbury, 2002; p. 41).	
- "A strong brand should have a rich, clear brand identity – a set of associations the brand strategist seeks to create or maintain" (Aaker and Joachimsthaler, 2000; p.40)	
-"In building brands the principle is to invest in markets which are highly differentiated or where such differentiation can be created" (Doyle, 1989; p. 88)	
Brand Intelligence	
- "The brand strategy needs to be viewed from three perspectives: a customer analysis, a competitor analysis, and a self-analysis. The objective of a brand strategy, after all, is to create a business that resonates with customers, that avoids competitor strengths and exploits their weaknesses, and that exploits its own strengths and neutralizes its weaknesses. To create such a business, it is necessary to understand the viewpoints represented in these three analyses" (Aaker, 1996; p.190).	Aaker & Joachimsthaler, 2000 Aaker, 1991; 1996; 2004 Brakus, Schmitt & Zarantonello, 2009 Davis &Dunn, 2002 de Chernatony, Drury & Segal-Horn, 2003 de Chernatony, McDonald, & Wallace, 2011 Ewing & Napoli, 2005 Gromark & Melin, 2011 Hankinson, 2001 Keller & Lehmann, 2006 Keller, 2000; 2008 Till, Baack, & Waterman, 2011 Vallaster & de Chernatony, 2005 van den Driest, Sthanunathan, & Weed, 2016
- "To choose which favorable and unique associations to link to the brand, marketers carefully analyze the consumer and the competition to determine the best positioning for the brand" (Keller, 2008; p. 58).	
- "To gain the best return from their brands, firms must have a well-conceived vision for their brands and not just focus in isolation on tactical issues of design and promotion. Instead, they need to audit the capabilities of their firm, evaluate the external issues influencing their brand and then develop a brand plan that specifies realistic brand objectives and the strategy to achieve them" (de Chernatony et al., 2011; p.57).	
"In order to decide possible changes needed, companies should track brand equity over time, including awareness, perceived quality, brand loyalty and brand associations. …Especially note areas where the brand identity and position are not reflected in the brand image" (p.357).	
-"To manage brands properly, marketers should have a clear understanding of the equity in their brands – what makes them tick and what they are worth" (Keller and Lehmann, 2006; 744).	
-"It is critical for firms to implement a consistent measurement and reward system that allows companies to monitor, benchmark, and upgrade their brand performance" (Davis and Dunn, 2002; p. 5). …Bringing the brand to life within your organization has to include establishing brand metrics, both internal and external" (p.195).	

Table 4

Scale development process.

Stages of scale development process	Details
Study 1: Construct definition and content domain	• 17 in-depth interviews • Qualitative analysis of interview transcripts to further clarify the construct and its dimensions • This process results in the confirmation of the four-dimensional construct according to the literature review • Formal definitions of construct and its dimensions
Study 2: Initial item generation and reduction	• Generation of 56 items based on the four dimensions • We retain 40 items after initial screening, content and face validity check • 10 expert marketing practitioners and four marketing faculty members judge items for representativeness and clarity • We retain 25 items and add two new items following experts' suggestions • Five marketing doctoral researchers judge items for dimensionality • We retain 27 items for the next step
Study 3: Scale purification	• Survey to 134 managers • 21 items meet the psychometric criteria for the next step • Initial reliability assessment • Dimensionality assessment
Study 4: Scale comparison with existing measures	• Survey to 118 marketing practitioners • All 21 items meet the psychometric criteria for validity tests • We compare the new scale with existing measures • Convergent validity • Discriminant validity • Predictive validity
Study 5: Construct validation	• Survey to 242 firms • All 21 items meet the psychometric criteria for validity tests • Internal reliability • Convergent and discriminant validity and construct dimensionality • Known-group validity • Nomological validity

Table 5

Study 1: sample characteristics.

		(*N* = 17)	%
Company geographic scope	Multinational	17	100%
	Domestic	0	0%
Company sector	Food & Drinks	4	23.5%
	Cosmetics	2	11.8%
	Industrial & Manufacturing	4	23.5%
	Financial Services	2	11.8%
	Airline services	1	5.9%
	Telecoms	2	11.8%
	Pharmaceutical	1	5.9%
	Retail (Supermarkets)	1	5.9%
Position of interviewees in company	Chief marketing officer	9	52.9%
	Senior brand manager	8	47.1%
Gender	Male	10	58.8%
	Female	7	41.2%
Age of interviewees	35-40	4	23.5%
	>40	13	76.5%
Educational level	Graduate degree	3	17.6%
	1 Post-graduate degree	11	64.8%
	>1 Post-graduate degrees	3	17.6%
Professional experience in marketing-/branding-related position	<5 years	0	0%
	5–10 years	8	23.5%
	11–15	4	35.3%
	>15 years	5	41.2%%

Table 6

Study 1: Analyzing interview data/coding scheme (brand orientation dimensions as reported by chief marketing officers and senior brand managers).

First-order themes	**Indicative quotes of interviewees**	**Distribution of nodes within and across transcripts**		
		Files (Number of Interviews where the theme/node appeared at least once)	**References** (Individual passages of text within interviews coded at a given node)	**Inter-rated reliability**
BIM: *The level of importance an organization attaches to its brands.*	"...our brands constitute an unseparated part of our firm's value and we consider them an important strategic asset. [...] They can even be argued to be the driver of our whole strategic planning process." – M4 "We view brand building as a critical element of our whole business strategy, directly attached to our company's vision." M7 We don't see branding as a marketing communication issue. […] For us it is strategic and perceived as a core competence." – M12	12	21	0.90
BCON: *The extent to which an organization continuously coordinates all marketing activities in a way that guarantees the unvarying delivery of the brand values to the multiple touchpoints.*	"[...] everything we do with our brand – every piece of paper, every ad, every press release, even the music that callers hear when placed on hold – are always connected to our brand values." – M11 "Our marketing mix elements are always coordinated to make sure that our brand's relative advantage is clear and apparent to our target market." – M7 "Consistent and clear positioning is essential. [...] We try to coherently communicate our brand promise wherever there is contact with our customers." – M9 "No matter how many employees come and go, our brand values remain the same." – M1	15	32	0.94
BDIF: *The extent to which an organization differentiates its brands and establishes competitive superiority.*	"We try to give our brands unique personalities [...] without being different, there is no chance of success." – M2 "The key to successful branding is that customers perceive our brand as standing somehow out from competition." – M11 "Our brand positioning is clear in how our brand is superior to competitive offerings." – M13	14	25	0.88

BINT: *The extent to which an organization develops a thorough knowledge about brand perceptions.*	"It is critical to continuously identify any gaps between our customers' brand perceptions and those of ourselves. [...] We run such surveys once a year and not more frequently, so that customers have the time to assimilate our branding activities." – M5 "Just as important as creating and developing brands is the ability to continually understand how they are perceived by our various publics." – M8 "To manage our brands effectively, we should always feedback our brand strategy with relevant data from our target markets." – M10	11	20	0.95

Table 7

Study 3: sample characteristics.

		(*N* = 134)	%
Market	B2C	96	71.6%
	B2B	38	28.4%
Firm's geographic scope	Domestic	76	56.7%
	Multinational	58	43.3%
Job position of respondents	Branding-/marketing-related position	72	53.7%
	Other managerial position	62	46.3%
Age of respondents (in years)	21–30	45	33.6%
	31–40	49	36.5%
	41–50	31	23.2%
	51–60	9	6.7%
Gender	Male	60	44.7%
	Female	74	55.2%
Professional experience	>5 years	134	100%

Table 8

Study 3: scale items, descriptive statistics, factor loadings, and communalities.

Factor item *Range:* 1–7	**Mean**	**SD**	**λ**	**Communality**
BIM *(alpha = 0.94)*				
1. Our brand is among our most valuable assets.	5.87	1.46	0.84	0.825
2. We believe that branding is one of the most important ways to acquire and maintain a good market position.	6.07	1.27	0.83	0.834
3. Our brand provides, in large, the reason for the existence of our company.	5.82	1.46	0.82	0.819
4. Branding is a top priority in our company.	5.81	1.36	0.80	0.818
5. For us a brand is much more than just a name and a logo.	6.22	1.21	0.77	0.775
BCON *(alpha = 0.93)*				
1. Our marketing activities are constantly coordinated so that a unified image regarding our brand is given to our customers.	5.77	1.18	0.81	0.795
2. One can identify our brand's values in every marketing activity we do.	5.65	1.29	0.75	0.781
3. Even when we are really stressed about sales and numbers, we do not proceed to activities that may endanger our brand's image.	5.60	1.46	0.75	0.667
4. Anything that may affect our brand's image is aligned with their positioning.	5.61	1.37	0.74	0.658
5. No matter what changes are taking place in our firm, our brand values remain constant.	5.93	1.28	0.73	0.694
6. We make sure our brand's image does not get muddled with conflicting marketing messages.	5.72	1.37	0.69	0.701
7. Before making any change in our organizational strategy, we take into serious account the effect it may have on our brand.	5.60	1.36	0.65	0.684
BDIF *(alpha = 0.91)*				
1. We make sure our brand has distinct competitive advantages.	5.44	1.35	0.82	0.819
2. We differentiate our brand from competition in an easily identifiable way.	5.27	1.39	0.75	0.765
3. Our brand's positioning establishes competitive superiority.	5.51	1.26	0.70	0.765
4. We create brands with unique identity.	5.43	1.28	0.68	0.716
5. We have clearly defined our brand's core values.	5.35	1.38	0.65	0.691
BINT *(alpha = 0.91)*				
1. We periodically monitor customers' perceptions regarding competitive brands.	4.65	1.74	0.88	0.916
2. We develop detailed knowledge of customers' perceptions for our brand.	4.75	1.73	0.88	0.924
3. We run market studies on a frequent basis to define where we have to refine or redirect our brand building efforts.	4.75	1.64	0.85	0.860
4. We have a continuous system in place to monitor our employees' perceptions regarding our brand.	4.21	1.73	0.55	0.567

Table 9

Study 4: chi-square comparisons.

Correlation between new scale and Wong and Merrilees (2007) scale	$\chi 2$	df	p	$\Delta\chi 2$
Freely estimated (base model)	511.971	319	*p<0.001*	
Restrained to 0	610.376	320	*p<0.001*	98.405
Restrained to 1	515.886	320	*p<0.05*	3.915
Correlation between new scale and Huang and Tsai (2013) scale				
Freely estimated (base model)	512.769	294	*p<0.001*	
Restrained to 0	577.097	295	*p<0.001*	64.328
Restrained to 1	517.502	295	*p<0.05*	4.733

Table 10

Study 4: statistics for predictive validity tests.

Structural models						
Path tested (direct effects)	*Standardized estimate (t-value)*	*χ2*	df	p	CFI	RMSEA
New brand orientation scale → Competitive advantage	0.718 (3.62)***	476.602	319	p<0.001	0.911	0.065
Wong and Merrilees (2007) scale → Competitive advantage	0.554 (4.25)***	97.697	53	p<0.001	0.922	0.085
Huang and Tsai (2013) scale → Competitive advantage	0.690 (5.01)***	136.782	43	p<0.001	0.844	0.137

*** $p < 0.001$.

Notes: t-values in parentheses.

Table 11

Study 4: usefulness test

	Explained variance using only the predictor of Step 1 (R^2)	**Change in explained variance following the inclusion of the predictor in Step 2 (ΔR^2)**
Step 1: Wong and Merrilees (2007) scale	0.200^{***}	
Step 2: New Brand Orientation scale		$+0.110^{***}$ (+55%)
Step 1: Huang and Tsai (2013) scale	0.327^{***}	
Step 2: New Brand Orientation scale		$+0.051^{**}$ (+16%)
Step 1: New Brand Orientation scale	0.309^{***}	
Step 2: Wong and Merrilees (2007) scale		$+0.001^{ns}$ (+0%)
Step 1: New Brand Orientation scale	0.309^{***}	
Step 2: Huang and Tsai (2013) scale		$+0.069^{***}$ (+22%)

Table 12

Study 5: **s**ample characteristics

		(*N* = 242)	%
Sales Volume (in m. €)	10 – 30	56	23.1%
	31 – 50	37	15.3%
	51 – 100	44	18.2%
	101 – 300	60	24.8%
	More than 300	45	18.6%
Number of Employees	50 – 99	51	21.1%
	100 – 199	52	21.5%
	200 – 399	61	25.2%
	More than 400	78	32.2%
Market	B2C	150	61.9%
	B2B	51	21.1%
	Both	41	17.0%
Sector	FMCG	91	37.6%
	Services	68	28.1%
	Wholesale/Retail	24	9.9%
	Industrial products	39	16.1%
	Other	20	8.3%
Firm's geographical scope	Domestic	124	51.2%
	Multinational	118	48.8%
Age of company (in years)	5 – 10	15	6.2%
	11 – 20	39	16.1%
	21 – 40	65	26.9%
	More than 40	123	50.8%
Job position of respondents	Marketing Manager	145	59.9%
	Group Brand Manager	35	14.5%
	Brand / Product Manager	62	25.6%
Gender of respondents	Male	130	53.7%
	Female	112	46.3%
Age of respondents (in years)	21 – 30	50	20.7%
	31 – 40	129	53.3%
	41 – 50	54	22.3%
	51 – 60	9	3.7%

Notes: B2C = business-to-consumer.

Table 13

Study 5: discriminant validity test.

Construct	**AVE**	**Squared correlations**			
		1	2	3	4
1. BIM	0.65				
2. BCON	0.58	0.45			
3. BDIF	0.61	0.43	0.52		
4. BINT	0.67	0.15	0.24	0.21	
5. MKTDP	0.62	0.16	0.18	0.25	0.18
5. CUSTOR	0.64	0.31	0.50	0.37	0.11
6. COMPOR	0.59	0.32	0.47	0.34	0.27
7.INTCO	0.69	0.29	0.46	0.44	0.21
8. FP	0.70	0.20	0.19	0.21	0.07

Fit statistics

χ^2 = 1579.88, *df* = 909; CFI = 0.93; RMSEA = 0.056; SRMR = 0.068

Notes: MKTDP: Marketing department power, CUSTOR: Customer orientation, COMPOR: Competitor orientation, INTCO: Inter-functional coordination, FP: Financial performance

Table 14

Study 5: statistics for the paths of nomological validity test.

Structural model

Path tested (direct effects)	*Standardized estimate (t-value)*	*Hypothesis*	*Result*
Marketing department power → market orientation	0.46 (5.55)***		
Marketing department power → brand orientation	0.17 (3.11)**	H1 (+)	Support
Market orientation → brand orientation	0.79 (7.25)***	H2 (+)	Support
Brand orientation → financial performance (FP)	0.54 (2.61)**	H3 (+)	Support
Market orientation → financial performance	0.01 (0.04)		
Marketing department power → financial performance	-0.09 (-1.27)		
Indirect effects	*Standardized estimate [95% confidence interval]*		
Market orientation → financial performance	0.44 [0.13; 1.13]		
Marketing department power → brand orientation	0.37 [0.28; 0.46]		
Marketing department power → financial performance	0.30 [0.21; 0.46]		
Controls	*Standardized estimate (t-value)*		
Firm's age → FP	0.03 (0.37)		
Firm's size → FP	-0.02 (-0.31)		
Sector (reference: Other)			
FMCG → FP	-0.02 (-0.22)		
Services → FP	-0.03 (-0.39)		
Wholesaler/retailer → FP	-0.04 (-0.63)		
Industrial products → FP	-0.13 (-2.00)*		

Model Fit

$\chi^2 = 2124.34$, $df = 1196$; CFI = 0.91; RMSEA = 0.057; SRMR = 0.078

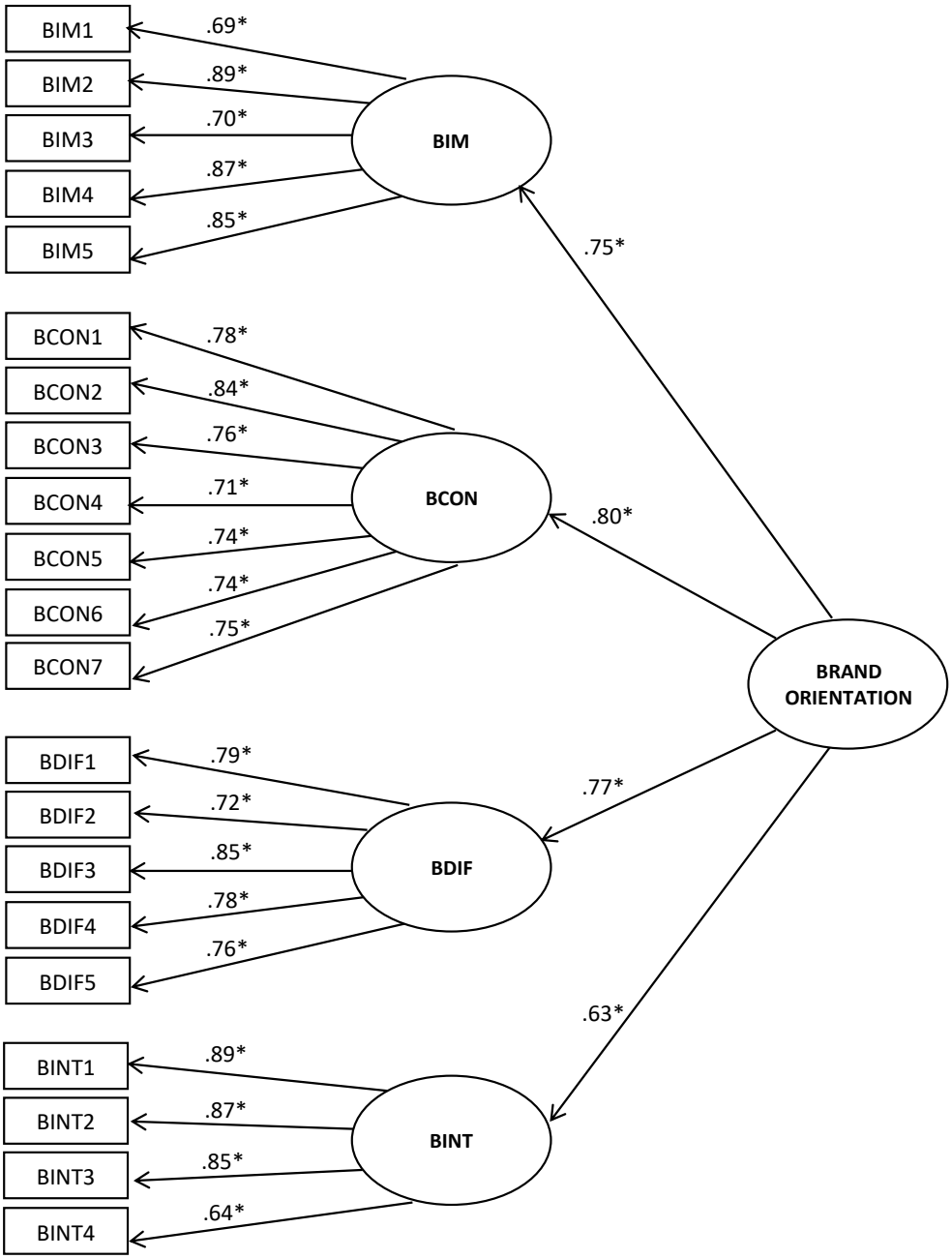
Notes: The significance of the indirect effect was estimated with bootstrapping 95% confidence interval based on 5,000 bootstrap samples (e.g., Hayes, 2009). t-values are in parentheses, confidence intervals are in brackets.

*** $p < 0.001$.

** $p < 0.01$.

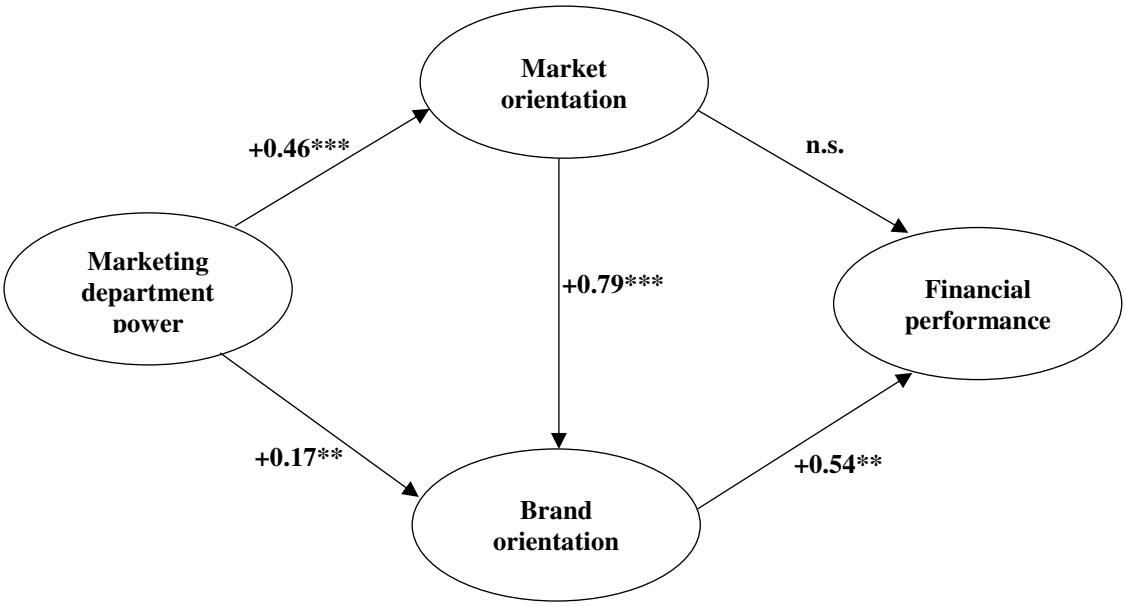
* $p < 0.05$.

Fig. 1. The second-order reflective construct specification.



Notes: all coefficient values are standardized and appear above the associated path.
*p < 0.001.

Fig. 2. The structural model for nomological validity assessment.



Note: For indirect effects and control variables' estimates, see Table 14.
***$p < 0.001$. ** $p < 0.01$. *$p < 0.05$.