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Chapter 1

The Holistic Vision of Brand Management

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Abstract

Over the past several decades, brand management has gone through an evolution from the traditional customer-oriented and firm-focused paradigm toward a wider vision concerning the target and the users of the brand and the process of creation of the brand value. In particular, the brand management literature has endorsed the *stakeholder theory* and *service-dominant logic* principles with reference to the process of determining the brand meanings and the brand value. The aim of this chapter is going over the evolutionary process of the brand management during the latest years in order to get to a holistic vision, considering the brand as a conceptual construction originated by the interaction between the firm and multiple stakeholders and the brand value as the result of a dynamic and social process of co-creation of the brand meanings and functions. Therefore, this chapter is conceptual in nature, and it aims to investigate the state of art of brand management providing conceptual examinations about the way the brand meanings and value originate, with a particular reference to the present economic and competitive contests dominated by the Web-based technologies and by the related interaction processes within a broad stakeholders' ecosystem.

Keywords: brand management, brand value, stakeholder theory, brand value co-creation

1. Introduction

The traditional vision of the brand management had been characterized by two basic elements: the first one is its focusing on consumer, target of the building of the brand, and all its tangible and intangible elements contributing, as a whole, to give a precise identity to products and services that aims to be different from the competitors in consumers' perception; the second element considers the brand value, synthesis of the brand identity, the brand image, the brand positioning, and the brand awareness, as the result of the marketing managers' action.

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On the basis of these two elements, the brand has been defined as "a unique set of brand associations that the brand strategist aspires to create and maintain" [1] or "a long lasting and stable reference" [2]; also, the definition given by the American Marketing Association [3] follows the formulation of the brand as customer oriented and manager focused, according to it, the brand is "a name, term, sign, symbol, or design, or combination of them which is intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors."

These two pillars of the traditional brand management have been both progressively considered old-fashioned from the theoretical and conceptual point of view so as from the managerial [4–7], letting the brand management evolve toward broader analysis prospects related to the brand target and to the process determining the brand value. In particular, the evolution experimented by the brand management during the last decades points out the way the brand is first of all the result of co-creation processes and not of a unilateral generation made by the firm, and moreover, it is the result of a relationship not only with the consumers but also with all the stakeholders the firm interacts directly and indirectly. It follows a further logic consequence which is very important for the conceptual classification of the brand, that is, it must be considered as the result of dynamic and social processes [6, 8] developing among a plurality of stakeholders and in the co-creation perspective [5, 9, 10].

Moreover, a further novelty element coming from the social and technological macro-environment is the creation of virtual communities among the consumers and among the stakeholders facilitating and amplifying the phenomenon of the co-creation of the brand value and its exit from the logic of generation inside the firm. These virtual communities are the result of the modern information and communication technologies and in particular of the Web-based technologies, connecting all the world real time without space and time boundaries. Therefore, according to the latest literary and managerial settings, the brand management has to face new competitions as regard to the past, which gets real through the birth of a new set of issues and managerial choices that the firms have to make in the new outlined scenario.

This chapter is dedicated to the closer examination of these topics with the specific goal to achieve a holistic vision of the brand, where all the sources of the brand value and the internal and external factors of the firm contribute to the building of the brand meanings. In particular, what is underlined is the brand as a conceptual result originating not only by the managerial choices made by the single firm in the customer marketing perspective but also from the whole framework of the relationships the firm maintains with its stakeholders through social processes of the brand value co-creation.

This chapter is organized as follows: the next two sections are going to describe the fundamental evolutionary guiding principles of the brand management consisting first of all in the consideration of all the stakeholders and not only of the customers as target and users of the brand (Section 2) and secondly in the progressive unfastening of the brand from products and services created by the firm with the consequent birth of an autonomous identity of the brand as a result of processes of co-creation involving firm, customers and stakeholders (Section 3). The fourth section analyses the link between the stakeholder theory and the brand management initially from the conceptual point of view and then from the one of the main managerial

implications. The fifth section discusses about the process of co-creation of the brand value in the online context, and the way the social media and the Web-based technologies create dynamic and social processes among stakeholders, becoming the privileged place for the creation of the brand meanings and so of the brand value.

2. Brand management beyond customers

According to the traditional view, the brand has been considered from the firm-customer dyadic relationship perspective, and the traditional questions marketing managers put were "which features constitute the essence of a brand" and "which cognitive emotional and relational processes consumers use to create their associations with products or services" [11]. Therefore, the focus was on consumer, and the tangible and intangible brand dimensions were about the product or the services offered by the firm. According to this perspective, Keegan et al. [12], among others, stated that "brand image can identify a product, give it personality, and influence consumer perceptions." Moreover, the brand dimensions were considered as the result of the marketing managers' action within the building and constant improvement of the brand value.

Since the publication of first work by Freeman [13] about the role of stakeholders in the strategic management, many of the conceptual paradigms in management matters have been reassessed in the light of a new vision of the firm as plunged in a net of external relationships essential for its survival and success. With regard to the brand management, the application of the stakeholder theory [14–17] has its great impact on showing the need to go beyond the firm-customer dyadic relationship, building the brand value and considering the brand value as created within multiple relationships with all the stakeholders [5].

The movement from the customer-focused-logic to the stakeholder-focused-logic has modified the traditional notions of branding theory [18]. The most significant result of the birth of stakeholder theory is that the brand is not considered as a tool at marketing managers' disposal and under their control anymore, but it is created through the interaction with multiple actors within co-creation processes. As observed by Heding et al. [19], "the brand is subjected to social and cultural changes completely outside the brand manager's control. This means that the marketers are not the only authors behind the brand meanings."

As far as consumers are concerned, it has to be underlined that (1) consumers are not passive recipients of brand meanings, but they are active co-creator subjects, and (2) the brand value creation happens in a more elaborate way than the simple firm-customer relationship, since it is fundamental that the role played by the brand communities creates their identity related to the brand. The same remark has to be made concerning the way stakeholders act during the co-creation of the brand value, since they are not distinct and mutually exclusive, but they interact among them and with the firm in the field of interconnected networks of relationships [20].

It follows that the brand management logic has to be reconsidered considering that the brand is a concept to be seen from the perspective of collaborative processes and co-creation between the firm and its numerous stakeholders and that the brand value is not confined to the one

created for—and perceived by—the consumers, but it stretches to the brand value created for—and perceived by—all the stakeholders. Starting from these assumptions, the brand is a concept that parts from the product or the service [21] and takes the form of a social process resulting from the interaction with stakeholders [6]; the brand goes beyond its association with products or services and survives them through its relational, expressive, and social meanings [22].

3. Brand management beyond product

Recently, one of the most significant conceptual passages in literature and in practice of brand management has been the success of service dominant (S-D) paradigm. Really, it is a paradigm that was born at first in the marketing subject in general, and then, it has been investigated and applied to the specific field of brand management.

The S-D Paradigm has been conceptualized by Vargo and Lusch in the early 2000s [23]; in their work "*Evolving to a new dominant logic for marketing*" in 2004, the authors underline the way the traditional paradigm of good-centered and customer-focused marketing was not suitable in presence of the achievement of services as driver of value creation anymore; in particular, in the era of intangible resources and services economy of the last two decades, the market exchange had become something more complex than a transaction between firm and customers of goods created by the firm. In this obsolete logic that the authors defined "Goods-Dominant" (G-D) [23], firms produced value incorporated in goods. Consumers were exogenous from the process of the value creation, and they were passive subjects, simple target of the value created by the firm. The exchange object between firm and customers were the goods and services created during the productive processes managed by the firm, under the control of the firm and the value of those goods and services materialized in the commercial transaction.

This logic underestimated both the role of integrative services and complementary to the basic good/services in the perception by the consumers of the value received as a whole by the firm and the participation of the customers to the creation itself of that value through the consumer processes (*value in use*). In case of the *business-to-business* sector, this participation was more intense as related not only to the consumer processes but also to the design and realization ones.

In the era of immateriality and services, the market exchange between firm and customer is seen as a mutual exchange of intangible resources, knowledge, and skills, and so it is defined as a "service for service" exchange [24]. Therefore, between the late 1990s and the early 2000s, many marketing concepts and managerial criteria have been affected by new partnership-based and network-based perspectives [25–27], having modified the traditional interpretation of the processes of creation and exchange of value. Therefore, Vargo and Lusch [23] conceptualized the new service-dominant logic (S-D) as a substitute for the G-D logic, which became more and more insufficient for the comprehension of the logics of the value creation and of the factors determining the achievement of competitive advantages.

The service-dominant logic is based on the assumption that at the core of the exchange relationship between firm and markets, there are "services" and not simple outputs of productive processes as "goods or services." Therefore, the market exchange is seen as a collaboration process between firm and customers, where customers take an endogenous position during the process being involved in the creation of value and not just target of it. Using the S-D logic, the vision of the unilateral creation of value by the firm with the consumers as target and users of this value is passed by the adoption of a vision of co-creation of value through collaborative processes and a mutual exchange of services (knowledge and skills) between firm and customer. But there is something more in the S-D logic that the exchange whose protagonist is that the firm does not occur just with its consumers but with all the stakeholders, the firm interacts with more or less directly and more or less intense [28]. Therefore, it can be considered not a *value-in use* referred just to consumers but a *value-in-context* to include multiple stakeholders and multiple markets in the concept of created value.

All these concepts elaborated at first by Vargo and Lusch [23] related to marketing in general have been subsequently investigated and applied also to the specific brand management context, considering the fact the relational dimension of the brand was emphasized so as its "identification" functions both for the producer and the user. From this perspective, the brand gets progressively away from the goods and the services created by the firm, becoming an autonomous exchange entity between the firm and its reference markets. The goods and the services consequently become simple vehicles for service provision within the entire firm relational framework. For these reasons, there is a shift from the logic of the transactional exchange to the relation exchange and to the linked statement of the principle that firms cannot deliver value but only make "value proposition" [25, 29].

3.1. The evolution of brand management logic

Also in the light of this new analysis perspective, Merz, He, and Vargo [6] identified four phases of the evolutionary process of brand logic, whose final result includes all the concepts contained in the S-D logic; in short, the brand is not firm provided and goods centered anymore, but it is conceptualized as a collaborative value co-creation activity of firms and all of their stakeholders.

In particular, the four phases identified by the authors are the following (**Figure 1**):

1. *Individual Goods-Focus Brand Era* (1900s–1939s);
2. *Value-Focus Brand Era* (1939s–1990s);
3. *Relationship-Focus Brand Era* (1990s–2000s);
4. *Stakeholder-Focus Brand Era* (2000 and forward).

In the *Individual Goods-Focused* phase, the brand is considered as "identifier," that is to say what it allows the consumer to identify a particular product and the firm to differentiate it from the competitors' one. The brand value is included into the products, and the consumers are passive subjects, target of the firm offer, and exogenous from the process of value creation.

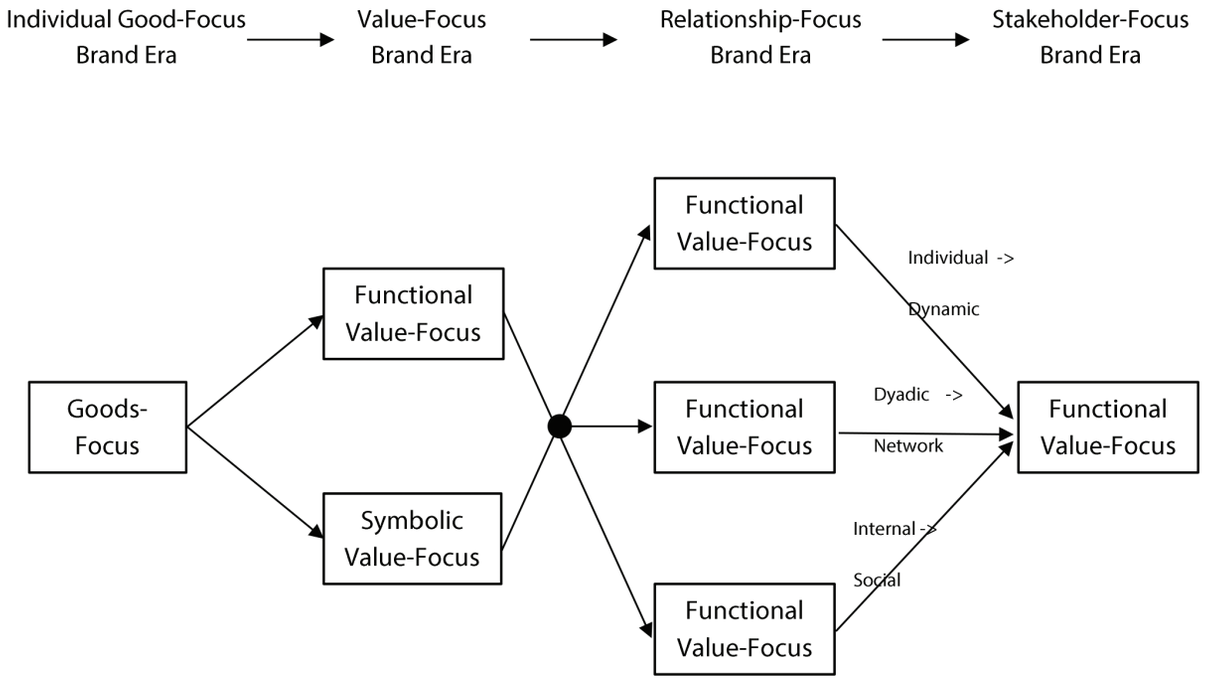


Figure 1. The evolutionary phases of brand logic. Source: Merz et al. [6].

Moreover, the brand value is determined during the value-in-exchange, which is realized through a commercial transaction where firm and customers are opposing subjects each one driven by its specific goals.

In the *Value-Focused* phase, the brand is enriched by meaning and functions going beyond the one as simple identifier; the concept of brand image asserts itself [30–32] with a double profile, the *functional image* and the *symbolic image*. The brand image is conceptualized as the set of perceptions associated by the consumer in the process of selection and choice in consideration of the functional and symbolic value given to the single competing goods [33]. Nevertheless, the brand value is still essentially created through a traditional process of trade, and the consumer can be seen as a target of the creation by the firm of the functional and symbolic elements associated to the products. What emerges in this phase is that the brand starts to be perceived as a medium of symbol more than functionalities, so that it starts to distance itself from a specific product and to assume its autonomous and dematerialized value.

In the *Relationship-Focused* phase, the brand is analyzed in the light of the relationships established between firm and customers [1, 34, 35], between customer and brand [36, 37], and between firm and brand [38, 39]. The brand is so considered as the core of multiple relationships, where it comes from including the meanings and the functions made in those relationships. During this phase, the consumer changes significantly his/her relationship with the brand, taking a determining role within the process of value creation. First of all, it is not the passive target of the offer anymore, but it becomes a co-creator of the brand value, since the brand value creation takes place in the mind of customers through the perceptive process every consumer experiences during his/her personal relationship with the brand.

So the brand value is not just the result of the action of the firm marketing managers, but also the result of the interaction between the customer and the brand; this means moving from an output-centered logic to a process-centered one in determining the brand characteristics [37]. It follows that the brand value, synthesizing the brand identity, the brand awareness, and the brand image, is determined in the customers' perceptive processes, through the general set of the associations every single consumer makes in his/her emotional, cognitive, and behavioral relationship with the brand.

With regard to that, Aaker's [36] formulation of the concept of brand personality and its association to the human personality one is very interesting. According to the author, the brand has its own specific personality as every person has his/her one. What is important during the process of brand value creation is the way the personalities of the single consumer and the brand one contact each other and in particular the adequacy the consumer recognizes between these two factors. In other words, the consumer sees the brand as the chance to build/strengthen/consolidate its own specific personality in the vision he/she has got about his/herself.

In detail, Aaker [36] identifies the following five big dimensions of brand personality: sincerity, excitement, competence, sophistication, and ruggedness, and for each of these, he identifies some specific facets. Referring to Aaker's work [36] for more insights on the subject, it is sufficient for the purposes of this study to point out the translation Aaker made of the dimensions of human personality to brand personality, through which it becomes more simple to understand the reason why the consumer forms his/her preferences: in a nutshell, this reason may be summed up in the word "identification." Consequently, the more consistent the consumer's personality is with the brand, the likelier it is for the consumer to develop a preference for that given brand.

In the consumer's perspective, the perception of brand personality is formed directly and indirectly. In direct mode, the consumer picks up the brand personality through physical and visual contact with the product, experiencing the technical, functional, material, and esthetic attributes (product design, logo); indirectly, the consumer perceives brand personality through the associations of symbols and values that are created by the name, content, and forms of advertising, by the other consumers that use the brand, by endorsements, and, in general, by marketing communication.

Moreover, the way consumers perceive brand personality is also conditioned by their social, economic, and cultural characteristics. As discussed earlier, the consumers' preferences for a given brand are formed through a process of identifying their personality with the brand, and all the dimensions of the individual personality thus enter into play. It follows that consumers with social, economic, and cultural characteristics that differ from one another form their opinions on brand differently, because their needs differ, as does, consequently, the way in which they prioritize the brand's meanings and attributes.

Differently from the two previous phases, when the brand value is determined in the exchange processes as *value-in-exchange*, in the relationship-focused brand, the brand value is determined in the relationship between customer and brand as *value-in-use*. So the consumer is not

an exogenous subject concerning the process of the value creation anymore, but it becomes an endogenous element through the described process of co-creation of the brand value.

Another important aspect characterizing the *Relationship-Focused* phase concerns the role of the firm employees within the process of brand value creation. As observed by King [38] and de Chernatony [39], the employees are an important part of the brand value co-creation process, since they play a very important role in the customers' experience. This is very important in the world of services, but also concerning the manufacturing products, the presence and the interaction moment with the customer are frequent. During the interaction with the customer, the front-office staff contributes to the creation of experience of purchasing and/or of using a specific good or service by the consumers, and so, it is an important element determining the brand value. Berry [40] states strongly that "in labor-intensive service business, human performance, rather than machine performances, plays the most critical role in building the brand." de Chernatony [39] suggests that the brand has to be seen also as the vision and the culture of the specific firm, and in a sense, it represents "a promise" the firm makes to its markets; the internal staff with their behavior, their values, and their goals are part of this promise.

In the fourth and current *Stakeholder-Focused* phase, the brand is observed within social dynamics involving a great number of firm stakeholders. Beyond the consumers and the employees (external and internal customers' brand), many scholars underline how all the firm stakeholders take part in determining the brand meanings [5, 41, 42]. In particular, the brand is seen as a "social process," and its value is going to be determined in the field of a wide group of opinion makers and stakeholders. In this way, a very wide community including not only the customers strictly speaking but also the admirers and the stakeholders spreading ideas and evaluations concerning a specific brand is determined. This exchange and sharing of experiences, evaluations, and ideas concerning the meanings, the functions, and the general characteristics a brand has got is called "brand community," and so the brand value is determined by the set of all the stakeholders' perceptions.

In this perspective, the process of brand value co-creation that in the previous phases concerned just the customers spreads toward the stakeholders. The brand communities concerning just the customers spread also toward the admirers, the no-customers, and all the ones taking part in this process of brand creation and perceptions. It follows that the *dyadic relationships* in this process of brand value creation are substituted by *network relationships* among customers and other stakeholders. As observed by Iansiti and Levien [43], the brand value is created through social relationships and interactions inside the ecosystem of all the stakeholders.

Concerning the way and the moment in which the brand value develops, the *value-in-use* mechanism, seen before with reference to the relationship-focused phase, spreads toward the other stakeholders. So the brand value is determined within a common interest of social sympathy characterized by wider boundaries involving every possible mover who can contribute more or less intensely and more or less directly to the formation of the brand perceived value-in-use.

In conclusion, the evolution of the brand logic in the described four phases allows to define the principal aspects of brand management according to a holistic vision considering all the factors the brand value comes from. The salient points of this approach are:

1. The brand is more than an identifier embedded into goods; it is beyond the products and services arranged by the firm, and it includes meanings and functions taking shake inside a network of relationships among firm, customers, and stakeholders;
2. Consequently, the brand is not under the exclusive control of marketing managers and firm, but it is the result of social and relational processes of co-creation (from "output orientation" to "process orientation");
3. The mechanism of determining the brand value is in the brand perceived value-in-use determined by all stakeholders;
4. The relationships between the brand and the stakeholders cannot be defined as dyadic relationships but as network relationship, since there is a network of common relationships each one influenced by the others.

4. Linking stakeholder theory and brand management

As said before, the brand management unfastened from the consideration of the customers only, evolving including the principles of the stakeholder theory and allowing an important progress of the knowledge about the way the brand value and the brand equity are determined [5].

The stakeholder theory represents a milestone of the studies about the strategic management and the value creation theory, as it rules that the success of the firm depends on the qualities of the relationships established with all its stakeholders. In particular, the stakeholder theory states that the firm has to be able to identify and satisfy the expectations the stakeholders have as regard its activity considered as a whole (products, services, productive methods, and managerial methods), and that the firm has to set this goal as essential condition for its survival and development. It follows that the concept of value created by the firm is referred to the "global value" created for all the stakeholders considering that firm is a unit of the social and the economic system, which interacts with other system to achieve its institutional goals.

In brand value terms, this means that the meanings of the brand have to be coherent not only with the customers' expectations but also with all its stakeholders. As already said before, the creation of the brand meaning is a well-organized process, which materializes through all the stakeholders' contribution through dynamic and social interactions and within co-creation processes (**Figure 2**). In this framework of social relationships, the stakeholders bring a great variety of ideas, opinions, expectations, and evaluation criteria becoming cognitive heritage of all the participants and that form the sources of the brand value; they are not passive subjects target of contents created by the firm but endogenous subjects in the process of brand value creation [44].

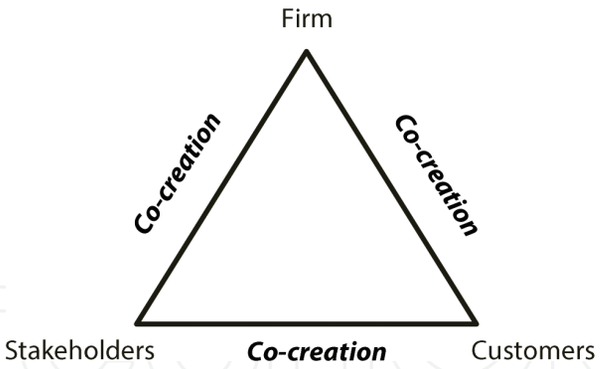


Figure 2. The co-creation process through stakeholder-firm-customers relationships.

Moreover, the relationship established between the brand and the stakeholder is bidirectional, since the stakeholders contribute to the formation of the meanings and of the brand value, but vice versa, the brand contributes to the building of the stakeholders' identity. In fact, as observed by Schlenker [45] and Scott and Lane [46], in the different forms of social interaction, the stakeholders are simultaneously engaged in the construction of their individual identity, and the decisions of what and how sharing certain contents with others is functional to the self-definition of their own identity.

According to Jones [5], the consideration of the stakeholders in the brand management field allows to affirm that:

- The created value lies in the interaction between the brand and all the stakeholders;
- The way the value is created consists in the identification and the consequent satisfaction of the stakeholders' expectations which have to be made consistent with the business mode and the firm goals;
- The interaction between brand and stakeholders is bidirectional, and reciprocally influencing in the sense that the managers' action on the brand influences the stakeholders' perceptions about the meanings of the brand, and the stakeholders' action influences the overall perception of the brand.

The entry of the stakeholder theory into the brand management allows to better understand how, in the present economic and competitive systems, the brands take different meanings. In particular, so as the stakeholders' expectations about the brands are wider and more differentiate and involve the economic, social, and environmental profiles; also, the brand meanings have to be seen from the economic, social, and environmental perspective at the same time [47–51].

In conclusion, the brand value is underlined as reflecting the collocation of the firm in the economic and social system, because it measures the degree of acceptance by all the stakeholders (customers, suppliers, employees, public administration, category associations, NGO, trade unions, etc.) not only and not particularly of the firm product proposals but also of the behavior of the firm according to the multidimensional evaluation criteria (economic, social, and environmental ones).

4.1. Some managerial implications

The holistic vision of the brand management originating from the consideration of the stakeholders as co-creators of the brand value has important managerial implications for marketing managers. The first step to do is identifying before everything else the stakeholders of the firm having a link with the brand and who so can be potential participants of the value creation process [52]. In fact, it is clear that the stakeholders are a universe with very varied subjects inside, and so they express needs and interest toward the brand which are very different each other, interacting with the brand more or less directly and with different intensity.

Moreover, some of them have steady relationships with the brand, while other ones have occasional relationships and linked to particular aspects. The most important aspect is identifying the kind of exchange generated between the stakeholder and the brand, and so the potential existing in this exchange in order to create the brand value (**Figure 3**).

After having reconstructed the relationships framework with the stakeholders, the marketing managers have to determine an order of priority of the stakeholders based on their importance in order to improve the brand value. Therefore, the stakeholders who mainly influence the determination of the brand value and with whom there is the chance to establish short and long-term relationships will be considered; according to Doyle [53], the brand value is a concept seen not only as short term but also most of all as long term.

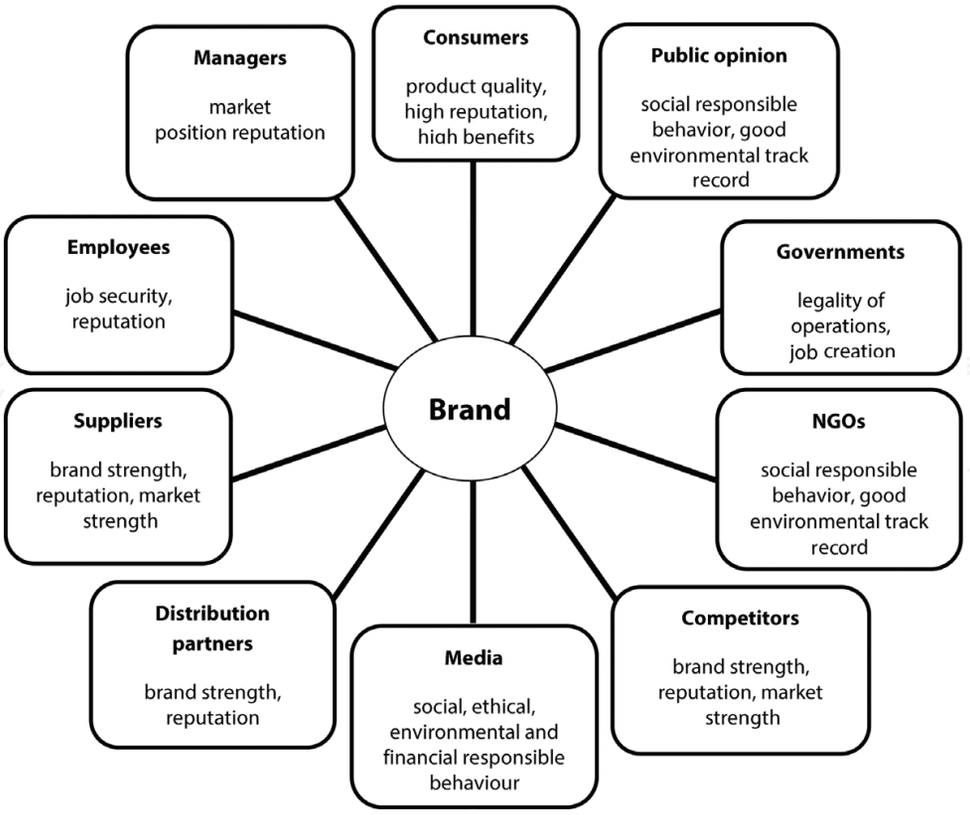


Figure 3. The daisy wheel of brand equities. Source: Jones [5].

5. Brand value creation in the online context

A particularly important aspect of the brand management in the present competitive contexts concerns the mechanism of construction of the brand value in an online context, putting together the offline relational dynamics with the online ones occurring not only among the customers but also among the several stakeholders [54–56]. The spreading of Internet and social media is a phenomenon having a big impact on the brand management and on all the relational and interactive processes between customers and brand, firm and customers, and firm and brand. Social media and Internet amplify the relational processes occurring among a multitude of stakeholders, and so they consolidate significantly what said by now, that is, the meanings of the brand and its value are the result of social relational processes of co-creation. The online platforms (company websites, brand community websites, anti-brand websites, online forums, and weblogs) allow the starting up of the relational dynamics, where the stakeholders can exchange, clearly and accessible by everyone, information, knowledge, experience, and opinions about the products, the services, and the firms; therefore, this social exchange process represents the way the online multistakeholder brand meaning co-creation occurs [8, 57].

The stakeholders in these relational networks introduce new and further elements merging with the brand value because they intervene with their specific culture, their values, and their expectations toward the brand [58], giving all the subjects taking part in the network further elements of reflection, criteria of evaluation, and perspectives of observation. All this increases the sources of brand value. The meanings and the functions of the brand can originate from and increase the number of subjects who have been in the end the co-creators of the brand value.

This exchange of information, evaluations, and experience occurring on the online platforms consolidates more and more the fact that the brand meanings develop, for an important part, out of the control of the marketing managers and the firm. This fortifies the mechanism of co-creation of the brand value as a result of dynamic and social interactions taking place among customers and other stakeholders. From one side, the marketing managers are just one of the subjects taking part in the process of the brand value co-creation, from the other side customers and stakeholders are not the recipients of the meanings and the functions created by the firm, but they become protagonists and endogenous elements in the process of brand value creation, playing the role of co-producers.

The social media and the other Web-based technologies allow the creation of brand communities where this exchange and sharing of contents happen. The brand communities are not physical but virtual masses of consumers and stakeholders, sharing some interest about the brand. Muniz et al. [41] define them "a specialized, nongeographically bound communities based on a structured set of social relationships among admirers of a brand." The brand communities make the interaction easier connecting whoever desires to take part in these social relationships and the exchange. The diffusion and the comparison of information, ideas, and experience become mechanisms of brand meanings co-creation.

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As observed by Muniz and O'Guinn [59], through these online platforms, the stakeholders share meanings for brands, co-creating brand value. Moreover, these online social processes produce other important effects in favor of consumers and firms. For the consumers, it is the minimization of the risk of purchase specific goods or services, the reduction of research and comparative evaluation costs, the rise of the degree of trust toward the firm, and its offer [60]. For the firms, the brand communities are a facilitating e-commerce factor and a context where the links between the firm and its markets strengthen. From this point of view, the brand communities can be considered as a tool of communication marketing available for the firms in order to increase trust, reputation, image, and corporate value.

Moreover, the brand communities are also a source of innovation for firms since in the discussions involving several stakeholders' new ideas, new market needs, new functions, and new use of products and services, so as new business opportunities can emerge. So the firms need to activate and take part in these relational processes in order to control the processes of formation of the brand meanings, being aware of representing just an actor among many within the whole process of value co-creation.

A last aspect deserving of being underlined concerns the fact that the discussions occurring online can be activated either by the firm or by a third party (customers or other stakeholders). About this aspect, Christodoulides and de Chernatony [61] observed that online discussion sites are an important online marketing tool and affect significantly on the online brand value. Moreover, an empiric study done by Czerwinski et al. [24] shows that the firm-generated discussion sites are more effective and incident on the construction of the online brand than the discussions made by the third party. So, the firms have to play an active and positive role in the creation and the management of the discussion sites and monitoring attentively what happens in these virtual communities.

6. Conclusion

In this chapter, it has been investigated the evolution of the brand management during the last decades through the analysis of the prevailing branding literature concerning the process of determination of the brand meanings and the brand value. It has been underlined the way the conceptual formulation of the brand management has been influenced by the *stakeholder theory* and by the *service-dominant logic*, getting to outline a holistic vision of the brand management parting significantly from the traditional and more reductive customer-oriented and firm-focused vision. In particular, the new following conceptual foundations, on which the branding theory is founded, emerged:

1. The brand cannot be observed anymore in the light of a firm-customer dyadic relationship, where the firm defined the meanings and the functions of the brand including them in the created goods and services, but it has to be observed in the light of dynamic e-social processes in which multiple stakeholders take part in from a brand meanings and brand value co-creation perspective. Therefore, the brand is not targeted to firm customers only

but to all its stakeholders who have to be considered as subjects with special need and expectations toward the brand functions and meanings that turns to be a passage from a customer-oriented vision to a stakeholder-oriented one with the consequent enlargement of the brand concerning functional, social, and relational dimensions going to impact on the whole stakeholder ecosystem;

2. The brand meanings have been progressively got away from the good or service created by the firm, and consequently, the brand value is not determined within the traditional trade relationship (*value-in-exchange*) but within a social and economic exchange between the firm and multiple stakeholder (*value-in-use*), among these—and not only—the customers. Moreover, neither the consumers nor the stakeholders can be considered as exogenous subjects as regard the brand value creation process, but they are endogenous subjects taking part at the goal of maximizing their interest toward the brand;

3. The brand meanings determined through the interaction between brand and stakeholders gain consequently an autonomous identity getting away from the goods and services and that is determined instead in the social and relational processes (from "output orientation" to "process orientation"); therefore, the brand value is the result of the interaction among multiple stakeholders;

4. The brand value is not under the exclusive control of the marketing managers anymore, but it is the result of a co-creation process all the stakeholders take part in; the brand is so seen as a "social process" involving firm, employees, customers, and stakeholders, in the light of not dyadic but network relationships. Every subject of these has an important role to define the brand meaning and the consequent brand value seen from several perspectives.

Starting from these new conceptual assumptions, in the chapter, it has been explained the existing link between the stakeholder theory and the brand management in the light of the service-dominant logic, allowing to understand the way nowadays the brand assumes economic, social, and environmental meanings broadening enormously the brand management range. From the managerial point of view, this implies the need of the firms to register and satisfy a wide spectrum of needs and expectations coming from all its stakeholders and the need to face a process of brand meanings and brand value creation, which goes out of their complete control. As a consequence, it is necessary for the firms to develop wide relational skills with all their stakeholders, being very careful to the inevitable prioritization of the expectations toward the brand.

Finally, starting from the assumption that the brand meanings and the brand value originate from co-creation processes and not unilateral creation processes, in the chapter, wide room has been dedicated to the analysis of the brand value creation process in the online context. In the online brand communities, stakeholders can participate with variable intensity and differentiated interests. Nowadays, the Web-based technologies allow everyone interested to share ideas, opinions, brand evaluation criteria, and prospects taking part so at the creation of its meanings and functions. It follows that the brand communities have to be considered as a fundamental marketing communication tool in the construction

of the brand value, and thus, the firms have to become an active part in the discussions concerning the brand. Avoiding the online discussion will occur out of their control and participation.

Notice

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