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Evaluation of Emblem' and Interbrand's Brand Ranking Strategies, and Future Recommendations for Emblem to Sustain its Lead as a World-Class Brand Ranking Company

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ABSTRACT OF THE THESIS

Evaluation of Emblem' and Interbrand's Brand Ranking Strategies, and Future Recommendations for Emblem to Sustain its Lead as a World-Class Brand Ranking Company.

by

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World brand ranking is ranking brands and/or companies on a numerical scale. Emblem (denoted as MBLM throughout the thesis text) and Interbrand are two primary, world-leading brand ranking companies. In this research thesis, we explored MBLM' and Interbrand's top 100 brand ranking companies for the year 2017; methods, and strategies used in ranking these brands; and specifically, scrutinize MBLM's current brand ranking methods, presenting our rigorous quantitative finding and provide future brand ranking recommendations for MBLM. In 2017 brand ranking, MBLM predominantly based its rankings on Brand Intimacy, calculating average Brand Intimacy Quotient (BIQ) for brands across different industries worldwide, and ranking them in the descending order of BIQ score on a numerical scale when compared to average BIQ score. We propose that choosing BIQ as a sole measure for world leading brands may not be an optimal measure for

assessing a brand's rank, popularity, and ultimately its value. We chose to address this proposed research question by comparing current MBLM world ranking BIQ method in light of key financial performance variables for top 100 MBLM companies. The financial performance variables that we chose for this project include EPSFX -- Earnings per Share (Diluted) Excluding Extraordinary Items; MV -- Market Value; NI-L -- Net Income (Loss); REVT -- Revenue – Total, and Sales. We compared performance of these financial variables from two previous years, 2015 and 2016. In the first instance, we assessed how these variables performed when compared to BIQ component; and secondly, to specific subcomponents of BIQ including six Archetypes and three Stages.

We found that *BIQ* component as a whole, as well as *Ritual* and *Enhancement* BIQ subcomponents showed statistical significance to all the chosen financial performance variables of interest (***$p \leq 0.001$ *or* **$p \leq 0.01$). In addition, we found that BIQ subcomponents *Indulgence* and *Nostalgia* further showed statistical significance to EPSFX financial performance variable for all chosen companies.

Table of Contents

Appendices

Chapter 1 Introduction

Brand Intimacy is a new concept in Marketing, and is popularly considered as one of the measurements of Brand Equity. Companies, firms, and organizations across the world adopt numerous channels to build customer-based brand equity, and some of the obvious questions that get asked are, *"what makes a strong brand,"* and *"how one builds a strong brand?"*

In this project, we studied three aims including:

(1) Evaluate Emblem's (denoted as MBLM throughout the thesis text) 2017 brand ranking methods and strategies;

(2) Understand and correlate Brand Intimacy Quotient (BIQ) component, and its different subcomponents including six archetypes and three bonding stages; and

(3) Examine if BIQ and its subcomponents have any predictive power for our chosen financial variables of interest including (a) EPSFX -- Earnings per Share (Diluted) Excluding Extraordinary Items; (b) MV -- Market Value; (c) NI-L -- Net Income (Loss); (d) REV-T -- Revenue – Total; and (e) sales; and, if manipulation of BIQ and its subcomponents can be introduced to increase brand equity, resulting in improved brand ranking on an international platform.

The above mentioned third question is of particular relevance in this research project as MBLM's current brand ranking method of BIQ measure mainly accounts for qualitative measures based on market surveys to class top ranking brands in 2017 in the world; omitting the influence of financial performance indices on brand value and its price premium.

Aim and Scope of the Project

The primary aim of this project is to compare and contrast the brand ranking methods for two major world-leading brand ranking companies, MBLM and Interbrand. MBLM is one the most popular brand ranking companies, and we evaluated if MBLM's current brand ranking method is the best reference method for MBLM to rank brands and companies in the world in future. Currently, MBLM primarily uses BIQ method, measuring brand intimacy to rank different brands.

In this research project, we chose to explore how MBLM brands' BIQ performance is correlated to numerous financial variables for selected companies. We chose EPSFX, MV, NI-L, REV-T, and Sales as key financial variables, and collected data for these financial variables for two, 2015 and 2016, years using Wharton Research Data Services (WRDS).

Additionally, we further explored how one or more BIQ subcomponents – the six archetypes namely Fulfillment, Identity, Enhancement, Ritual, Indulgence and, Nostalgia, and three stages including Fusing, Bonding, and Sharing – contributed to overall financial performance of selected financial variables. Finally, based on our research findings, we devised future recommendations for MBLM for sustaining its lead as a brand-ranking company in the world.

On the basis of our research, we recommend that MBLM should incorporate quantitative, financial performance indicators – similar to its competitor, Interbrand – in addition to its current BIQ reference method for improved assessment of a given brand's value, and thereby, the world ranking.

Chapter 2 Theory

Understating the relationship between key customer metrics that drive substantial impact on financial performance of top brands or companies is critical in sustaining long-term growth, and maintaining brand equity. These key customer metrics could be either unobserved or perceptual (e.g., customer satisfaction), and observed or behavioral metrics such as customer retention and lifetime value (Gupta and Zeithaml, 2005).

The unobserved or perceptual customer metrics are dependent on observed behavior, leading to financial gains. For example, customer satisfaction would be expected to result in repurchase behavior which in turn translates into increased sales and profits. The observed to behavioral customer metrics relate to consumer behaviors that typically relate to purchase or consumption of a product of a service. From consumer's perspective, these include the when, what, how much, and where to buy a product. On the contrary, from the firm's perspective, this translates to decisions regarding customer perceptions (e.g., service quality), attitudes towards a product or a service (e.g., customer satisfaction), or behavioral intentions (e.g., intention to purchase). The observed constructs differ from unobserved constructs as, from an economist's viewpoint, the observed constructs are *revealed preferences* compared to *stated preferences* in unobserved constructs (Gupta and Zeithaml, 2005).

Gupta and Zeithaml further reported five empirical generalizations including; (1) improvement in customer satisfaction has a significant and positive impact on a firms' financial performance, (2) the customer satisfaction and profitability relationship is asymmetric and nonlinear, (3) the relationship strength of satisfaction-profitability varies across industries as well as across firms within the same industry, (4) the strength of customer satisfaction directly corresponds to customer retention, and is well-understood compared to other unobserved and observed customer metrics, (5) even though customer satisfaction and service quality are strongly correlated with behavioral intentions, behavioral intentions do not necessarily predict actual behavior, (6) the unobserved and observed metrics show non-linear relationship, (7) marketing decisions based on observed customer metrics such as Customer Lifetime Value (CLV) improve a firm's financial performance, (8) customer retention is one of the key drivers of CLV and firm profitability, and lastly, (9) customer metrics, especially CLV and customer equity provide good basis to assess the market value of a firm (Gupta and Zeithaml, 2005).

In recent times, changes in society at an ever-increasing rate, and increase in Information and Communication Technologies are changing consumers' behaviors, and their relationship to their favorite brands. This paradigm shift has been characterized as *"Marketing 3.0"* in the value-driven era. Papista and Dimitriadis (2012) first introduced the term Marketing 3.0, and emphasized to take care of customers not as mere consumers, but as complex and multidimensional human beings, and initiated *"paradigm shift"* in measuring brand equity. In current marketing era, consumers want to be treated as whole beings with *minds*, *hearts*, and *souls* (Kotler et al., 2010). Marketing 3.0 is a type of marketing that aims to face and respond to current globalization challenges (Kotler et al., 2010).

Prompt to incorporate this *paradigm shift* in their strategic business model, MBLM which is one of the predominant, world-leading company focused heavily on measuring brand intimacy (Natarelli and Plapler, 2017), defining a shift in brand equity measurement methods on a more advanced and *'relationship'* level. Brand intimacy enlists how to establish your brand, connect with customers, and expand market presence, all while increasing sales and consumer satisfaction (Natarelli and Plapler, 2017). Marketing 3.0, instead of linking a brand to a product or a service, links the brand to a set of potential *emotional benefits* that it promises to deliver to consumers. Brands that are ethical elicit positive emotional responses in their consumers, and invoke a stronger level of brand effect with them (Glomb et al., 2011; and Martínez-Cañas et al., 2016).

2.1 Brand Ranking

Brand Ranking is ranking global brands or companies (terms used interchangeably) in a numerical order. Over the past decade, primarily technology companies have remained as leading, top five companies from 2006-2017 (Appendix 1), contributing approximately $3.6 trillion to brand value (Appendix 2). *Brand Intimacy* is one of the newer concepts that MBLM incorporated in their 2017 brand rankings, and is now considered a new dimension of how we, as human beings, interact with our chosen branded products and services in our day-to-day lives.

2.2 Brand Intimacy and its Role in Brand Equity

American Marketing Association defines the Brand Equity as *"The value of a brand. From a consumer's perspective, brand equity is based on consumer attitudes about positive brand attributes and favorable consequences of brand use"* (Ama.org).

Professor David Aaker defined the Brand Equity *as "a set of assets and liabilities linked to a brand, its name and symbol that adds to or subtracts from the value provided by a product or service to a firm and/or to that firm's customers* (Aytm.com).

Brands with significant equity have many associated benefits including; (a) greater customer loyalty, (b) larger margins and less price sensitive customers, (c) increased marketing communication effectiveness, and (d) brand licensing and extension opportunities. Aaker has actively published numerous articles and books on measuring Brand Equity across products and markets in 1996, and introduced the concept of managing a portfolio of brands and markets (Aaker and Keller, 1996). Some of his recommendations included benchmarking against the best, and developing a valid brand equity measurement system. He introduced The Brand Equity Ten Metrics index in which he devised ten measurements under the following five categories;

- *Awareness Measures:* Brand Awareness.
- *Perceived Quality and/or Leadership Measures:* Perceived Quality and Leadership.
- *Associations and/or Differentiation Measure:* Perceived Value, Brand Personality, and Organizational Associations.
- *Loyalty Measures:* Price Premium and Satisfaction/Loyalty.
- *Market Behavior Measures:* Market Share and Price and Distribution Indices (Aaker, 1996).

2.2.1 Awareness Measures

Brand Awareness is an important contributor of brand equity, and can sometimes be undervalued component of brand equity. It can potentially affect perceptions and attitudes, and in some contexts, can be a driver of brand choice and loyalty. A brand recognizes how consumers identify brand in their minds, and have (1) brand recognition, (2) able to recall promptly, (3) top-of-mind, (4) show brand dominance, (5) have brand knowledge, and (6) have opinions associated with a particular brand. Depending upon the brand age and validity, consumers should be able to show above-listed awareness levels in accordance with a brand. For example, for new or niche brands, *'recognition'* is important. For brands such as Chevrolet and Budweiser, *'top-of-mind'* awareness conveys sensitive and meaningful information. Other factors such as brand knowledge and opinions can be used to evaluate brand awareness.

Some problems and cautions associated with brand awareness are that it can be difficult to measure and compare brand awareness across different brands, and categories. Another aspect is that it is important to move beyond brand *'name'* awareness, to awareness of brand *'symbols,'* and *'visual imagery.'*

2.2.2 Perceived Quality and/or Leadership Measures

In Perceived Quality and Leadership Measures, Perceived Quality of a brand is central, forms an integral dimension, and is a core construct in the Total Research approach to measuring brand equity (Aaker, 1996). Aaker reported that Perceived Quality provides a surrogate variable for other more specific elements of brand equity, and can be represented as follows (in comparison to competitors);

- has *high quality* vs. *average quality* vs. *inferior quality*
- has *the best* vs. *one of the best* vs. *one of the worst* vs. *the worst*
- has *consistent quality* vs. *inconsistent quality.*

According to Aaker (1996), some of the perceived problems or precautionary measures for perceived quality measure involve a competitor frame of reference. Another issue for perceived quality measurement is the 'measurement of loyal customers' amongst different loyal customer segments including loyal customers, the switchers, and those who are loyal to another brand will be different. Therefore, he recommends monitoring perceived quality by loyalty segments. In other instances, perceived quality may not be a key driver, and not sensitive or responsive to relevant events (Aaker, 1996).

Other alternative to Perceived Quality is Leadership Variable, and has three dimensions. Firstly, it reflects in part the *'Number 1 syndrome'* which means that if enough customers are buying into brand concept to make it sales leader, then it holds some merit. Secondly, leadership trait also considers the innovation trait suggesting that a product or a service is continuously evolving. Thirdly, leadership taps the dynamics of customer acceptance, and that customers show sole acceptance, and will not be going against the flow. It answers some of the key questions including if a brand is growing popular, and people that are using a particular brand are up-to-date with services and products, and have strong brand following. The scale that answers some of the questions in third dimension for a brand is if the brand is the *leading brand* vs. *one of the leading brands* vs. *not one of the leading brands*; whether a brand is *growing in popularity*; and if it is *innovative* overtime. Some of the issues related to this criterion is that it is not a simple construct, and has not been researched and well-documented as other criteria are, such as loyalty, perceived quality, and awareness.

Aaker further proposed that in certain markets and countries, the price differences may prove irrelevant as a result of local government restrictions and regulations, and/or market forces make it difficult for price differences to emerge in local, national, and/or international markets.

2.2.3 Associations and/or Differentiation Measures

In this metric, close brand associations/differentiation components that are unique to a product class or service, and/or to a brand are considered. Aaker demonstrated that these associations and/or differentiation factors can be structured around three perspectives on the brand, and are 'brand-as-product' (value), the 'brand-as-person' (brand personality), and the brand-as-organization (organizational associations) (Aaker, 1996).

The *'brand-as-product'* focuses on brand value proposition. A brand that imparts on value becomes vulnerable to competitors. This measure provides summary indicators of brand success at creating that value proposition. With focus on value, a brand adds to the quality of life, a measure is created that can ensure whether, (1) the brand provides good value for money, and (2) there are reasons to buy this brand over competitors. Aaker reports that this measure, like others, will be dependent on the set brand used as a frame of reference by the customer. Another substantial issue with this metric is whether *brand value* and *perceived quality* are different constructs. Value of a brand can be considered, at least in some contexts, as perceived quality divided by price. Total Research concluded that some brands' perceived value is more important than perceived quality. Aaker demonstrated that, *"Perceived Quality has a higher association with the prestige and respect that a brand holds, and value relates more to functional benefits that the practical utility of buying and using the brand."* Both value and perceived quality can either be viewed in a combined manner and/or separately (Aaker, 1996).

Brand personality considers *'brand-as-person'* perspective, and if a brand were a *person* how we can associate or differentiate the brand on an emotional and self-expressive benefit as well as a basis for customer/brand relationships and differentiation. This is true in instances where brands only have minor physical differences, and that are consumed in a social setting where a given brand makes a visible statement about the consumer. Brand personality is vital, and communicates with consumers a strong personality, and that the brand is interesting. Some of the problems associated with 'brand-as-person' perspective is that not all brands are personality brands, and using brand personality as an indicator of brand strength will be a distortion for those brands that are positioned with respect to functional advantages and value. Therefore, Aaker suggests using this Brand Equity judiciously, along with other Brand Equity Ten Metrices along with other criteria (Aaker, 1996). Another issue that Aaker brought up for this metric is that if brand personality is sensitive to brand equity, then it will reflect the changes in market dynamics of a brand personality.

In *organizational associations*, a brand is considered as an organization and considers the 'people,' 'values,' and 'program,' that are behind brands. This perspective can be particularly helpful when brands are similar with respect to attributes and, the organizations are visible, or when a corporate brand is involved. For example, Ronald McDonald House adds to McDonald's brand visibility, and communicates that McDonalds as an organization is interested in more than fast food. There are a number of brand attributes that are associated with, and are important bases of differentiation in organizational associations (Aaker, 1996). Consumers trust the organizations that prepare certain brands, admire the brand 'X' organization, and may recognize that organizations associated with a particular brand have credibility. Some issues or caution linked to 'brand-as-organization' is that it may not be relevant for all brands; and therefore, may be potentially misrepresented. This association may further prove to be less beneficial in evaluating brand equity as organizational image is usually difficult to change.

Differentiation assesses how a brand can be differentiated from its competitors, and represents a bottom-line characteristic of a brand. A brand that is 'different' from others can easily withstand price premiums or maintain a price that can potentially support an attractive margin.

Thus, above three brand associations including, 'brand-as-product, -person, and an-organization' can be singlehandedly viewed as if the brand has the ability to achieve differentiation in comparison to its competitors. Brand differentiation is extremely important, and research conducted by Young and Rubicam (Y&R) marketing and communication company showed that up and coming brands were, on average, high on differentiation (in the top one-third brands), and lower on other dimensions such as knowledge, esteem, and relevance (in the bottom 40th percentile). These associations were reversed in brands with fading differentiation, thereby, suggesting that brand differentiation is indeed a significant driver in brand equity (Aaker, 1996).

2.2.4 Measure of Customer Loyalty

Aaker proposed that the Price Premium could be used as the single best measure of brand equity as underlying drivers of brand equity affect the price premium and ultimately represent brand strength. He again emphasized that a given variable that has no direct impact on price premium has a little value as an indicator of brand equity (Aaker, 1996). He recommends that it is our natural desire to obtain an estimate of the financial value of a brand, and knowing a brand's worth or value further helps to calibrate brand-building investments. He further suggests that changes in value can assist in evaluation of marketing programs, and proposed to use Price Premium as a crude estimator for brand value (Aaker, 1996). One of the problems that Aaker identified with using Price Premium as the single best measure for measuring a brand value and/or equity was that the price premium for a product, service and/or a market is defined only with respect to its direct competitors (Aaker, 1996). Thus, in competitive markets with multiple competitors, several sets of price premium measures will be needed, and even then, will not be sufficient. For example, computer giant Compaq used International Business Measures (IBM) Corporation as its primary reference brand. Owing to other market competitors such as Dell and Gateway that were excluded from the analysis, Compaq, over time, represented its inflated brand equity valuation.

In another example, Aaker (1996) compared how price premiums as a measure of brand equity solely based on one defined region may not reflect true brand value. For example, Budweiser brand may have strong presence in one region over the other, and for comparing Budweiser strength in different regions, a composite measure would need to be created in each defined variable context. For example, the average of price premium found with respect to leading private label, regional brand, and the leading national competitor.

In customer loyalty, it directly involves measuring customer satisfaction in existing customers, and those that have used the product or service within a certain time frame. Depending upon customer's contentment with a product or a service, they can be either dissatisfied, satisfied and/or delighted (Aaker, 1996). One of the drawbacks of this measurement method is that it does not apply to non-customers, and does not measure the brand equity beyond current customer base. Other aspects of using this as a brand equity measure is that customer loyalty becomes insensitive and ambiguous overtime.

2.2.5 Market Behavior Measures

Market behavior measures market share, price, and distribution indices. In market share, a brand performance is measured by market share, and often provides accurate and sensitive reflection of a brand's standing with customers, and should remain unchanged if not increase overtime (Aaker, 1996). Aaker (1996) further suggested a number of different problems that are associated with market share that often may focus on short-term strategies undermining brand equity (Aaker, 1996).

In market price and distribution coverage, a relative market price for a brand is used to calculate brand equity as market share during reduced price or price promotions could mislead brand equity. Aaker (1996) defined the market price as *"the average price at which the brand was sold during the month divided by the average price at which all brands in that product class were sold."* This is particularly important when sales change as a result of a brand gaining or losing a market, or expanding into other geographic regions. The distribution coverage, second to market share, can be measured by percentage of stores carrying the brand, and/or percentage people who have access to the brand. Some of the problems or cautions associated with market price and distribution coverage are that it can be difficult to create price-level statistics in a given complex market, and a standard market basket is hard to conceptualize. Another issue that is associated with this metric is that there may be data-gathering and interpretation problems as brands have a host of sizes, varieties, and classes; and in some instances, can be difficult (and expensive) to collect and/or analyze data (Aaker, 1996).

Some of the drawbacks of this model are that there are at least ten different criteria for assessing brand equity, and can be difficult to realistically measure and constitute brand equity in a market within the same country. It is even more difficult for a brand with an international presence, and may require other factors in evaluating international markets (Aaker, 1996). It also brings the need for a unique model of brand equity that reliably, and competently measures brand equity of a brand and/or brand set. Aaker (1996) listed two different ways to achieve this goal, and recommends that key drivers such as price premium, market share, and/or profitability factors can be used to determine brand equity (Aaker, 1996).

2.3 What is Brand Intimacy, and Why is it Important?

In the fast-paced, constantly-evolving world of modern marketplace, Brand Intimacy has become a new paradigm shift in marketing (Natarelli and Plapler, 2017). Brand intimacy focuses on establishing an intimate bond with consumers that ultimately pays dividends, builds strong emotional connections, and commands price premiums. Love or intimacy – our basic and primal needs – is about the degree of emotional closeness we have with an object or another person. Being intimate involves making persons or things as an existence of our own conscious being, making ultimate connection of sharing our heart and soul.

Brand Intimacy is important. The word intimate is derived from Latin word *intima* meaning *'inner'* or *'innermost,'* and in brand context it is about brand love. MBLM, Interbrand, and Y&R are some of the well-known companies that rank world brands, companies, and/or countries. In this project, we hope to understand, develop, and measure brand intimacy parameters that MBLM, a brand intimacy agency, uses in comparison to its other brand ranking companies such as Interbrand, and Y&R. For the purpose of this research project, we shall only focus on MBLM and Interbrand as those are the entities ranking companies according to brand popularity and value. We aim to explore different brand equity methods that MBLM and Interbrand use, compare and contrast with MBLM's current methods and strategies, perform financial variables quantitative analyses for selected MBLM companies, providing future recommendations for MBLM to maintain its competitive advantage and maintain its lead in world-class brand intimacy measuring companies.

2.3.1 Interbrand

Part of Omnicom Group Inc. (NYSE: OMC), Interbrand is a global brand consultancy firm, and publishes highly-influential annual Best Global Brands, Breakthrough Brands reports, and Webby award-winning brand channel (Interbrand.com). In September 2017, Interbrand was recognized as the *Design Firm of the Year* of the Portfolio Awards. Interbrand claims that an organization achieves success with a clear strategy and delivering exceptional customer experiences. Interbrand has achieved these milestones, and have twenty-one offices in seventeen countries. Interbrand Chief Executive Officer (CEO), Vicky Leavitt, said that their exceptional partnerships, and teams' dedication to create brand experiences that promote brand intimacy for transforming the way people engage, shop, and buy products or services (Interbrand.com).

2.3.2 New kid on the block – MBLM, a Brand Intimacy Measuring Agency

MBLM is an agency that is known as a "brand intimacy" agency. Brand intimacy is *"a new paradigm that leverages and strengthens the emotional bonds between a person and a brand* (Mblm.com)."

In modern day-and-age, increasing number of businesses are realizing the importance of advancements in brand, technology, the science of decision-making, and their respective implications in marketing specialty. A modern marketeer needs to understand their customers as *"whole living beings,"* and monitor their purchasing behaviors and patterns in our complex and dynamic world.

In modern times, customers view brands as almost an extension of themselves, and portray strong behavioral associations with them. Alternatively, it is harder to control a brand and its message because of consumers' inherent mistrust in the corporations or businesses. For understanding a brand, people place higher emphasis on "word-of-mouth" than believing a marketeer. With increased ease of availability of numerous brands, and their constant availabilities through different media further saturate our attention, and increase confusion amongst consumers. With so many brands being available in the market, they often lead to cannibalization.

MBLM and its Current Branding Strategy

MBLM is an international Brand Intimacy agency, and offers its expertise across consulting, branding, experience, and technology to diverse companies, industries, regions, and audiences. Their business is to increase greater intimacy between people, brands, and technology. MBLM has multidisciplinary teams that continuously work to help clients in delivering stronger marketing outcomes and returns for long term. As per MBLM, a brand is a promise, *'delivered,'* and how it adds value in a customer's life.

There are a number of advantages of a stronger brand. On a *Consumer level,* a brand communicates improved perceptions of a product performance, identifies the maker, and signifies quality. On *Financial level,* a strong brand secures price premium, shows more inelastic consumer response, greater loyalty, and serves as a competitive advantage. On a *Company level,* a strong brand simplifies product handling, organize accounting, shows greater trade cooperation, increased marketing communications' effectiveness, and possible licensing opportunities. On a *Competition scale,* a strong brand is less vulnerable to crises, less vulnerable to competitive marketing actions, create barriers to entry, and offers legal protection.

Brand ranking is a concept of ranking worldwide brands and companies on the basis of key contributing measures, which could be qualitative measures such as MBLM BIQ measure, or quantitative, financial measures as that used by Interbrand (Appendix 5). Overall, quantifiable financial or non-financial measures that contribute to price premium for a brand or a company, and thereby, increasing long-term brand equity are valuable in assessing brand popularity, value, and world ranking.

A. Brand Intimacy Parallels Human Intimacy

Natarelli and Plapler, who have extensive background in establishing MBLM company, found that brand and human relationships are similar, and people have strong attachments to certain brands, and essentially go through similar relationship development stages to that of developing relationships with people (Natarelli and Plapler, 2017).

Some of the testimonial that Natarelli and Plapler shared in their book about human beings sharing these relationships are as follows;

"I think of intimacy as a more intense brand relationship." - German consumer

"Audi is practically a member of the family." - German consumer

B. Brand Intimacy Mimics Forms of Human Intimacy

Natarelli and Plapler (2017) further suggest that Brand Intimacy mimics forms and types of human intimacy (Natarelli and Plapler, 2017). One of the greatest examples include Starbucks' ability to engage senses exhibited through their store designs and layout (sight), the music (sound), coffee aroma (smell), the warmth of the cup of coffee in a consumer's hand (touch), and high-quality and distinct coffee flavor (taste). Although these experiences are missing physical intimacy; however, are strong in inducing sensorial-oriented stimulation in consumers (Natarelli and Plapler, 2017). Natarelli and Plapler (2017) categorized the Brand Intimacy into four different intimate states, and include;

1. Physical Intimacy
2. Emotional Intimacy
3. Cognitive Intimacy
4. Experiential Intimacy

Physical Intimacy aligns with sensorial-oriented relationship between a customer and a brand. It develops through engagement of senses. Some of the examples include food and beverages that we ingest, and clothing that we wear on or near the body are often associated with physical aspects of intimacy (Natarelli and Plapler, 2017).

"I found Wen cleansing conditioner almost two years ago and have only used that product to clean my hair. They use a blend of herbs and natural ingredients instead of harsh chemicals that strip your hair of its natural oils. Beside the benefits of using all-natural ingredients, the amazing scent gives you a wonderful aromatherapy session every morning in the shower." - U.S. consumer

Emotional Intimacy is associated with brand intimacy on an emotional level. It characterizes a deep personal relationship between a consumer and a brand, as the consumer feels affirmed and accepted as an individual by wearing or associating with certain branded products and services. One of the examples include the sports brands that inspire consumers through imagery. Emotional intimacy is generally the expression of thoughtful gestures and care (Natarelli and Plapler, 2017).

"For me, it is all about caring. Because I'm so endeared to Southwest, I want them to succeed even though I have no direct relationship. I want the company to do well, I want the employees to be happy, I want their safety record to be spotless - everything that causes a company to surpass others, I wish for them." - U.S. consumer

Cognitive Intimacy emphasizes a more reason-based relationship amongst a consumer and a brand. This relationship is that of intellectual connection, and is often centered on a deep level of affinity and respect for a given brand's values and ethos (Natarelli and Plapler, 2017).

"I feel that brand-intimate companies have different values than those that aren't brand-intimate. I feel that brand-intimate brands are more customer-focused. They are more interested in pleasing the customer over the bottom line and are more likely to provide a quality services and products. They value customers." - U.S. consumer

Experiential Intimacy is about fostering a socially-focused relationship between a brand and a consumer, and develops through a feeling of being a part of a special group (Natarelli and Plapler, 2017).

"Samsung is an electronics genius and very popular with our family. We consider ourselves to be 'of the Samsung tribe.' Everyone has the latest generation of Samsung: TV, landline phone, mobile phone - everything from Samsung, precisely because it is very reliable." - German consumer

C. Reciprocity is the Key

In developing strong brands, reciprocity is the key in building two-way reciprocal nature of brand relationship, and is a new and important way to build consumer-brand bonds. In Brand Intimacy context, it is important for the brand and the customer to have a two-way engagement, and both must be active participants (Natarelli and Plapler, 2017). Some of the ways a consumer demonstrates these behaviors is by opting in for emails, signing up for newsletters, filling up warranty cards, beginning brand conversation through liking brands on Facebook, replying to posts, and sharing branded content (Natarelli and Plapler, 2017).

"Midori milk and Miyoshi soap bring health and happiness to my family and children. They nurture us, so I feel close to the brand - like it's a family member." - Japanese consumer

D. Six Main Archetypes Deliver Brand Intimacy

As part of Brand Intimacy, Natarelli and Plapler (2017) defined six archetypes that were identified to be present in intimate brands. These archetypes identified character and nature of brand relationships. The authors further suggest that a brand can be intimate across more than one archetype, and global brands can be associated with different archetypes in different countries (Natarelli and Plapler, 2017). These are six distinguished archetypes, and following are consumer testimonials listed in Natarelli and Plapler's recent book (Natarelli and Plapler, 2017);

1. Fulfillment:

"I only buy Tide and I rarely look at other brands of laundry detergent. I think it works the best. I get the best results with Tide; I must have eight bottles of it at any given time in my laundry room." - U.S. consumer

2. Identity:

"Apple products are easy to use, stylish and fast. They make me look modern and maybe even cool." - U.S. consumer

3. Enhancement:

"PlayStation has been there for me since I was a preteen. It was a great way to connect with my brother... I have made friends through games, learned how to problem-solve, and even added accomplishing things 'in game' into my list of life achievements." - U.S. consumer

4. Ritual:

"For me, Lavazza coffee is simply the best. Every day, the first thing I do is enjoy my Lavazza coffee. The whole thing had already become a routine, which I won't do without." - German consumer

5. Indulgence:

"I love Lindt for its high quality. This company manufactures its products using only the finest ingredients. This makes it a brand I love to eat and like to give as a gift on special occasions, such as Easter, birthdays, Christmas…" - German consumer

6. Nostalgia:

"I have been fascinated with foreign music since I was a child. I bought foreign music magazines and admired the brands in those magazines. One of the brands I aspired to then was Fender guitars. I have one now, and it brings back all of my great childhood memories." - Japanese consumer

E. Brand Intimacy Happens in Stages or Phases

As it is true in our personal relationships, developing brand intimacy takes time, and requires that a given consumer builds trust, interaction, commitment, and ultimately starts to co-identify. Natarelli and Plapler (2017) identified three key stages that remain consistent during cultivating brand intimacy, regardless of brand, culture, or geography. These stages are sharing, bonding, and fusing, with sharing being the least intimate stage and 'fusing' being the most intimate (Natarelli and Plapler, 2017). Some of the testimonials that Natarelli and Plapler listed in their book to distinguish these stages include;

1. Fusing:

"Red Valentino represents a way of life that is very important to me. Wearing them is an expression of me." - Japanese consumer

2. Bonding:

"I spend a lot of time using computers and I feel intimacy with my mouse. It has never let me down. It is easy to use and helped me accomplish a lot of things. It has also brought me a lot of delight." - Japanese consumer

3. Sharing:

"I feel like Nike understands my needs and I had a good idea what this company stands for and represents." - U.S. consumer

F. Intimacy is Not Permanent (Without Work)

Natarelli and Plapler (2017) suggest that maintaining brand intimacy overtime requires brands to maintain their relationship with consumers, or risk losing them or consumers becoming indifferent to a branded product or service (Natarelli and Plapler, 2017).

"I may be more likely to forgive minor transgression like getting a poor-quality product (once) knowing, or at least thinking, that this is not the norm for this company. If I get more than one disappointment, though, I will likely look elsewhere for next time I need a product that the company offers." - U.S. consumer

G. Indifference is the Opposite of Intimacy

Indifference, *not rejection*, is the opposite of intimacy. Indifference is a sense of irrelevance, feelings of apathy and detachment, or being aloof and disinterested. It is a risk for a brand and a company, and must be considered at all times as this is a significant factor that hurts a brand product/service performance. Another reason that can contribute to a brand indifference is failure to evolve overtime (Natarelli and Plapler, 2017).

"I've outgrown a few brands. They didn't change with the time." - U.S. consumer

"The brand just failed me too many times to remain a valued part of my life." - U.S. consumer

H. Brand Intimacy is Rare

Natarelli and Plapler (2017) believe that brand intimacy is rare as it was demonstrated while they recruited participants for their research (Natarelli and Plapler, 2017).

"These brands all make products that I use, but I don't have an intimate relationship with any of them." - U.S. consumer

"I wouldn't say I'm intimate with any brand." - U.S. consumer

I. Technology Enables - but Also Can Diminish - Brand Intimacy

Natarelli and Plapler (2017) believe that technology can both facilitate, and destroy brand intimacy. While brands are using technology to engage people and create close relationships, the downside is when a brand communicates to you in a way that is uninvited, or feels obstructive or intrusive can push consumers further away. Marketeers must find a *sweet spot* between avoiding annoying, and promoting meaningful communication (Natarelli and Plapler, 2017). Another aspect of technological advancements is to protect consumer privacy, managing any data that a brand or a company is privileged to receive.

"I think the interactions you have either with email or a website can really affect how you feel about the brand." - Japanese consumer

"The ideal brand would use technology to establish a regular communication channel with me. This would usually be email, and offer regular rewards for my loyalty, provide an easy way for me to submit feedback and give the brand an opportunity to show an appreciation for my feedback." - U.S. consumer

In Summary, Mario Natarelli, MBLM's managing partner, shares: *"Our report once again reveals that the bonds created between a brand and a consumer deliver greater economic growth. Brand growth starts and ends with emotion and the quantity, quality and character of the bonds formed with customers."*

Additionally, Interbrand appears to support brand intimacy, and believes that getting Event Strategy right ensures that customers are experiencing brand in "full dimensions," and enjoy the "real thing." Interbrand further poses question that, *"why do people still crowd around Mona Lisa at Louvre Museum in Paris when they can Google it at any time?"* Being in close proximity and tangibility build intimacy, with authenticity evoking *emotional* response, further adding to brand value and/or equity.

Chapter 3 Method

3.1 Data Materials

For conducting project research analyses, MBLM kindly provided us BIQ data for the year 2017 for the top 100 companies. Using online resource, Wharton Research Data Services (WRDS), we obtained data for numerous financial variables of interest for the years 2015 and 2016 and, include EPSFX, MV, NI-L, REV-T, and sales. In this research project, we hypothesized that MBLM's BIQ measure and its subcomponents significantly contribute and/or share associations with overall financial performance of all the above listed financial variables for a given brand or a company.

3.2 Data Collection for Financial Performance Variables for MBLM

We used WRDS online resource for collecting financial variables performance for top 100 MBLM brands for 2017. We collected data for 2015 and 2016 (January to December for years 2015 and 2016). The data was obtained as follows: after logging into to WRDS online platform, the *"Get Data," "CRSP,"* the *"CRSP/Compustat Merged,"* and *"Fundamentals Annual"* tabs were selected. On this platform, under the option *Step 1*, Date Ranges of 2015- and 2016-01, to 2015- and 2016-12 were chosen for the years 2015 and 2016. Under the option *Step 2*, after selecting TIC, company Ticker symbols were added for the chosen companies. Under numerous options listed in *Step 4*, we chose the Query Variables including EPSFX -- Earnings per Share (Diluted) Excluding Extraordinary Items, MV -- Market Value, NI -- Net Income (Loss), REV-T -- Revenue – Total, and sales. After selecting Ticker Symbol, and Company Name, the final output format of that of an "*Excel Spreadsheet"* was chosen in *Step 5* (Wrds-web.wharton.upenn.edu).

The selected five different financial performance variables for the companies including, EPSFX, MV, NI-L, REV-T, and Sales are defined as follows:

EPSFX -- Earnings per Share (Diluted) Excluding Extraordinary Items: There are two types of Earnings per Share, the *basic* and *diluted* earnings.

Basic EPSFX is a simple method and is defined as ratio of net income applicable to common shares for a specific period to average number of outstanding shares for that same period. The objective of basic EPSFX is to measure performance for the reporting period by dividing income available to common shareholders by the weighted average number of shares outstanding (Meeting, Law and Luecke, 1997).

Diluted EPSFX is adjusted basic EPSFX incorporating all potential dilution, that if triggered at present prices and conditions, would result in the reported EPSFX being lower than they otherwise would have been. EPSFX is calculated to show, on a *pro forma* basis, per share earnings for the period available to common shareholders assuming the exercise or conversion of all securities that are exercisable or convertible into common stock and which would either dilute or not affect basic EPSFX (Journalofaccountancy.com).

Market Value: Market Value is defined as a price at which a security is trading and could presumably be purchased or sold. It is also defined as a value that investors believe a firm is worth, and is calculated by multiplying the number of shares outstanding by the current market price of a firm's shares (Nasdaq.com).

Net Income (Loss): Net income is the excess of revenues over expenses. This measurement is one of the key indicators of company profitability, along with gross margin and before-tax income.

A common calculation for net income is:

Net revenue - Cost of goods sold - Administrative expenses - Income taxes = Net income (Accountingtools.com 2017).

Revenue – Total: Revenue is the income a firm retains from selling its products once it had paid indirect tax. Revenue of a firm is measured in three ways including Total Revenue, Average, and Marginal Revenue.

For the purpose of this project, we used Total Revenue, and is the total income inflow to a firm from selling a given quantity of output at a given price, and less tax going to the government. It is calculated by multiplying price of the product by the quantity sold (Economicsonline.co.uk).

Sales: Any of a number of activities designed to promote customer purchase of a product or a service (Ama.org).

By conducting market surveys, companies gain perspective on their targeted marketing group. There are a number of ways to conduct market surveys such as telephone, email, mail, in-person and, administrative techniques that have slightly changed because of technology, showing decrease in mail surveys and increasing electronic surveys (Hulland et al., 2017).

MBLM conducted online surveys to assess Brand Intimacy and included the following findings in their recent book (Natarelli and Plapler, 2017).

MBLM calculated intensity of relationships by using the following;

Intensity of Relationship = ((A X Weight A) + (B X Weight B) + (C X Weight C) + (D X Weight D)) = Intensity of Relationship

A=indifferent B=Sharing C=Bonding D=Fusion. Weights are chosen based of on brands performance against the six Archetypes.

MBLM conducted an online survey of 3,000 people that were chosen from an online database from the ages of 18-64, with an annual income of $35,000 or more. MBLM constructed a model with six "Archetypes," and using Structural Equation Model, they measured relationship intensity in terms of sharing, bonding, and fusing (Natarelli and Plapler, 2017). MBLM calculated an average BIQ across nine different business sectors, and ranked their top ten brands in reference to this score, with highest BIQ score associated with the topmost brand (Appendix 4).

Interbrand ranked their brand ranking based on a Brand Capability Value (BCV) financial model. This model measured value of a brand generated from cash flows of a particular brand multiplied by Role of Brand Index (RBI) (Rendón and Morales, 2013; Appendix 5).

Brand Capability Value Model

Interbrand used the BCV model in enlisting brand ranking for the year 2017. BCV is a financial approach that looks at companies operating after tax profits and subtracts invested capital. The difference is then multiplied by RBI (Rendón, and Morales, 2013, Appendix 5). The RBI is mainly determined through primary sources from market research, where the goal is finding the percentage at which the purchasing decision is generated by the brand instead of other determinants such as price or product attributes (Rendón, and Morales 2013). From these calculations, Interbrand took the next five years of projected earnings and used the Present Value at a discount rate, taking into consideration the Brand Strength Score.

For this project, we categorized the brands and companies in electronics, automobile/airline, retail, food, finance, and entertainment categories. The retail industry formed the largest group in MBLM's top 100 companies followed by fifteen electronics companies, and just over ten companies for other industry groups.

We used Statistical Package for the Social Sciences (SPSS), and Statistical Analysis System (SAS) softwares to analyze the data. Using MBLM raw data, we defined five different industry-specific dummy variables for our companies. After taking natural *log* for all our selected financial variables, we performed regression analyses to study if *BIQ component itself*, as well as its *individual subcomponents* were significantly correlated with financial performance of selected financial variables. In addition, we constructed four regression models to determine BIQ, key archetypes and bonding stages' interrelations with our financial variables of interest. Depending on these research findings, we aim to suggest best brand ranking reference method for MBLM in future to improve its brand ranking process by incorporating financial data in addition to its current BIQ method.

Chapter 4 Results

4.1 Descriptive Data Results

We analyzed the data using least-squares regression analyses. We categorized the analyses into four different models, and named them from 1-4. Model 1 accounted for:

(1) Financial performance for the year 2015;

(2) The industry-wide components including Food (FOOD_F1), Finance and Airlines (FIN.AIRLINE_F2), and Retail and Entertainment (RETAIL.ENT._F3); and

(3) Six BIQ archetypes including Ritual and Enhancement (RITUAL.ENHAN._F1), Identity and Fulfilment (IDENT.FUL_F2), and Indulgence and Nostalgia (IND.NOS._F3).

Models 2 and 3 incorporated all the above-mentioned components omitting a given financial performance variable for the year 2015 and, the BIQ component in model 2; and 2015 financial performance variable, and BIQ subcomponents, incorporating the BIQ component only in model 3 respectively.

Model 4 comprised 2015 financial performance variable, the industry-wide components (FOOD_F1, FIN.AIRLINE_F2, and RETAIL.ENT._F3), and the BIQ component, excluding all BIQ archetype subcomponents (RITUAL.ENHAN._F1, IDENT.FUL_F2, and IND.NOS._F3).

In evaluating the performance of selected dependent variables in relation to defined independent variables including dummy variables, BIQ and, BIQ archetypes, we found no direct correlation with any characterized independent variables EPSFX, MV, NI-L, REVT, sales as shown in Appendices 8a and b.

4.2 Factor Analyses for Different Industries and BIQ

We performed factor analyses for BIQ Archetypes, and characterized them into three different factors including Factor 1, comprised of Ritual and Enhancement; Factor 2, included Identity and Fulfilment; and Factor 3, being formed of Indulgence and Nostalgia (Appendix 9). The factors were classed on the basis of one of more archetypes' strong correlation with other archetype(s), as shown in bold text in Appendix 9.

Factor Analyses for 'BIQ Stages' subcomponents showed that Bonding and Sharing showed strong correlation with each other in our sample, and were grouped as Factor 1, and Fusing comprised Factor 2 as shown in Appendix 9.

In model 1, we studied the correlation of six different BIQ archetypes to our chosen financial variables of interest for the year 2016, and were characterized as independent variable in each model. In this model, we defined *t-1* period selected for chosen dependent variable. Model 2 is same as model 1; however, without the *t-1* period selected for chosen dependent variable, i.e., the financial performance for chosen variable for the year 2015. In model 3, we understood the correlation of predefined industry-wide dummy variables with BIQ component. In model 4, we incorporated *t-1* period for understanding the correlation of dependent variables, i.e., financial performance for the year 2015, and industry-specific dummy variables with that of BIQ component.

A. Earnings per Share model output

We found that that Indulgence and Nostalgia, dependent on 2015 EPSFX performance, significantly contributed to 2016 EPSFX performance (***$p \leq 0.001$). Ritual and Enhancement BIQ subcomponents showed statistical significance with EPSFX performance for 2016 (*$p \leq 0.05$), independent of 2015 EPSFX performance. BIQ measure as a whole showed statistical significance to 2016 EPSFX performance independent of 2015 EPSFX performance (*$p \leq 0.05$), and was not observed when *t-1* period; i.e., EPSFX15, was added to the regression model in model 4 (Appendix 10a).

B. Market Value model output

We found that that MV for the year 2015 (***$p \leq 0.001$), Ritual and Enhancement BIQ components showed statistical significance with MV performance for 2016 (***$p \leq 0.001$), independent of 2015 MV performance. BIQ measure as a whole showed statistical significance to 2016 MV performance independent of 2015 MV performance, and was not observed when *t-1* period; i.e., MV15, was added to the regression model in model 4 (Appendix 10b).

C. Net Income (Loss) model output

We found that NI-L for the year 2015 (Appendix 10c) (***$p \leq 0.001$), Ritual and Enhancement BIQ subcomponents showed statistical significance with NI-L performance for 2016 (**$p \leq 0.01$), independent of 2015 NI-L performance. BIQ measure as a whole showed statistical significance to 2016 NI-L performance (**$p \leq 0.01$), both independent and dependent of 2015 NI-L performance (Appendix 10c).

D. Revenue-Total model output

Similar to MV, NI-L, and REV-T for the year 2015 (Appendix 10d) (***p ≤0.001), Ritual and Enhancement BIQ components showed statistical significance (***p ≤0.001) with REV-T performance for 2016, independent of 2015 REV-T performance. BIQ measure as a whole showed statistical significance to 2016 REV-T performance independent of 2015 REV-T performance (***p ≤0.001), and was not observed when t-1 period; i.e., REV-T15, was added to the regression analyses in model 4 (Appendix 10d).

E. Sales model output

We found that that Sales for the year 2015 (***$p \leq 0.001$), Ritual and Enhancement BIQ components showed statistical significance (***$p \leq 0.001$) with Sales performance for 2016, independent of 2015 Sales performance. BIQ measure as a whole showed statistical significance to 2016 Sales performance independent of 2015 Sales performance (***$p \leq 0.001$), and was not observed when *t-1* period; i.e., Sales15, was added back to our model (Appendix 10e).

Chapter 5 Summary of Research Findings

Briefly, we found that BIQ measure as a whole, and one and/or more of its subcomponents significantly contributed to financial performance of our chosen variables of interest including EPSFX, MV, NI-L, REV-T and sales with a statistical t-value higher than 2 (Appendix 10a).

For EPSFX financial variable, we found that *Indulgence*, *Nostalgia*, *Ritual*, and *Enhancement* BIQ subcomponents, and BIQ component as a whole significantly contributed to EPSFX performance in the year 2016 for a group of eighty-five companies.

We found that EPSFX financial performance for the year 2015 was significantly affected by Indulgence and Nostalgia BIQ subcomponents, and the effect was not observed when *t-1* period was removed from the analyses. In addition, we further studied industry-specific effects on BIQ measure for *t* and *t-1* period. We did not observe any industry-specific significance to BIQ for both 2015 and 16 years (Appendix 10a).

Additionally, MV for the year 2015 did not contribute significantly to overall BIQ performance, and we did not observe any industry- and/or BIQ subcomponents-specific effects on overall Market Value performance for the year 2016 (Appendix 10b).

For our chosen financial variables of interest, we found that *Indulgence* and *Nostalgia* during the year 2015 significantly contributed to EPSFX performance in the year 2016, and BIQ significance was independent of 2015 EPSFX performance which is not observed when *t-1* period is added in model 4 (Appendix 10a).

Overall, we found that *Ritual* and *Enhancement* BIQ subcomponents, and BIQ measure as a whole significantly contributed to all the chosen financial variables of interest EPSFX, MV, NI-L, REV-T, and Sales. Indulgence and Nostalgia were two additional key subcomponents that showed statistical significance with EPSFX financial performance variable (Appendix 10a). This is a significant and novel finding as MBLM can identify and capitalize on integral Ritual and Enhancement BIQ subcomponents, and BIQ component as a whole to promote financial performance for a given brand; and in turn, can devise a positive satisfaction mechanism for these factors among its consumers to gain higher revenues and earn profits. Concomitantly, approximately eighty-five brands that were evaluated in this research study can also benefit from our research findings, and can purposefully and quantitatively increase the BIQ component comprised of six archetypes and stages; and specifically, potentiate the Ritual, and Enhancement BIQ measures for its consumers, ultimately improving their brand popularity, value; and thereby, worldwide ranking.

These are important findings as on the basis of these findings MBLM and individual brands or companies can incorporate quantitative measures in addition to its existing qualitative methods to gain advantage over its competitors, increase brand value long-term, ultimately achieving higher ranking on World Brand Ranking scale. In future, it would be important to research if MBLM's current BIQ component on its own as well as its specific subcomponents show strong associations with other additional key financial performance measuring indices, such as Price/Earnings (P/E) ratio and operating cash flows, and/or if additional, improved BIQ subcomponents can be further characterized to assess consumer interactions with their chosen brands and/or companies.

5.1 Quantitative Analyses Results for MBLM, and Interbrand for Measuring Brand Intimacy

MBLM conducted an online survey of 3,000 people that were chosen from an online database from the ages of 18-64 who had an annual income of $35,000 or more. MBLM constructed a model with six "Archetypes," and using Structural Equation Model, they measured relationship intensity in terms of sharing, bonding, and fusing (Natarelli and Plapler, 2017). Throughout this process, MBLM calculated an average BIQ across nine different business sectors, and ranked top ten brands in reference to average BIQ score (Appendix 4).

Interbrand ranked their brand ranking based on a financial BCV model (Appendix 5). This model measured value of a brand generated from cash flows of a given brand multiplied by RBI (Rendón and Morales, 2013; Appendix 5).

5.2 Qualitative Results for MBLM, and Interbrand for Measuring Brand Intimacy

For qualitative analyses, MBLM primarily used six archetypes including fulfillment, identity, enhancement, ritual, nostalgia, and indulgence. Based on survey results for these archetypes, they categorized three stages of brand intimacy including sharing, bonding, and fusing. MBLM calculated an average BIQ score across different industries to obtain a numerical value, using it as a reference value for ranking different brands. As per MBLM's 2017 Annual Report, MBLM's top ten ranked companies are; Apple, Disney, Amazon, Harley Davidson, Netflix, Nintendo, Samsung, Whole Foods, BMW, and Toyota (Appendix 4) (Mblm.com).

In comparison, Interbrand did not incorporate any of the above brand intimacy measuring elements in ranking world's top brands, and based their ranking on BCV financial model. The top ten Interbrand rankings are as follows; Apple, Google, Microsoft, Coca-Cola, Amazon, Samsung, Toyota, Facebook, Mercedes-Benz, International Business Machine (IBM) (Interbrand.com).

Additionally, MBLM primarily used brand intimacy measures, and actively considered *'emotional'* aspects and interactions of brand users for final brand ranking (Natarelli and Plapler, 2017). On the contrary, Interbrand used tangible, financial performance-based BCV model which focuses on measuring present value of operational cash flows for a given brand (Rendón and Morales, 2013; Appendix 5).

By comparing top 100 2017 brand rankings for both MBLM and Interbrand, we found that only one thirds of the same brands or companies are ranked in the top 100 positions for both companies, with some brands or companies (shown in red text in Appendix 6) not securing any place in the top 100 positions (Appendix 6). To further elaborate on the discrepancies that we observed in MBLM and Interbrand's 2017 brand ranking, we listed top 10 MBLM companies, and compared it to Interbrand rankings for the year 2017 (Appendix 7) further showing significant discrepancies in brand ranks for both MBLM and Interbrand for the year 2017. These discrepancies further made us question the methods and strategies that these companies employed for ranking the world brands, and the key factors and parameters that resulted in the invariabilities in brand rankings in 2017.

One of the explanations for the discrepancies seen in the top 100 brand ranking could be the use of different reference model for rankings, with MBLM primarily basing its ranking on the *Intimacy* quotient, not necessarily including the financial performance as a contributing factor in overall ranking for a given brand or a company. On the contrary, Interbrand omitted the intimacy component in ranking the brands or companies for the year 2017, and in retrospective may have omitted an important aspect of brand users' interaction; i.e., emotional relationship or intimacy with their selected products or services.

Chapter 6 General Discussion and Conclusions

MBLM and Interbrand are two well-known brand ranking companies. MBLM measured brand intimacy across different business sectors, and ranked different brands on the basis of BIQ score for each brand, comparing it to an average BIQ score calculated across different industries. Comparatively, Interbrand used BCV model to assess financial brand value, and ranked brands in the order of a maximum value that a given brand added, enhancing brand equity. MBLM's prior team members, Natarelli and Plapler (2017) published extensively on factors and behaviors that contribute to brand intimacy, and ultimately to brand equity (Natarelli and Plapler, 2017). They argued that brand intimacy is hard to measure because intimacy is how the customer *feels* about a certain product and, conversely how the product *makes* a particular customer feel, and is a two-way relationship (Natarelli and Plapler, 2017). It identified 386 brands across 15 industries based on emotional connections that brands have with consumers, and listed top ten most intimate brand in the U.S. These brands are Apple, followed by Disney, Amazon, Harley Davidson, Netflix, Nintendo, Samsung, Whole Foods, BMW and Toyota (Appendix 4). MBLM further proved brand intimacy to be a key factor in premiumization as more intimate brands created greater revenue (Appendix 3), with these brands carrying *intimacy quotient* that further makes it difficult for the consumers to live without these brands.

Secondly, depending on our understanding of MBLM's current brand ranking strategies, MBLM used BIQ score measure to rank brands or companies across the world. It collected the BIQ data based on market surveys sent to product or service users that owned one or more brands or companies. In this research project, we studied how BIQ and its subcomponents significantly contributed to a pre-defined quantitative measure for a brand or a company including EPSFX, MV, NI-L, REV-T, and sales. We found that *BIQ component as a whole*, as well as *Ritual* and *Enhancement* BIQ subcomponents showed statistical significance to all the chosen financial performance variables of interest for the selected companies, suggesting that marketers can incorporate these parameters in increasing financial performance for brands and companies. In addition, we found that *Indulgence* and *Nostalgia* BIQ subcomponents showed statistical significance to EPSFX variable performance.

Lastly, in this project, we compared the predictive power of MBLM brand valuation technique with that of Interbrand, and found that brand valuation measures that MBLM had used capture the financial performance of the firm very well. Thus, researchers and marketers can use MBLM measure as a replacement of and/or as an indicator of financial performance of a brand.

However, MBLM measure does not offer any additional explanation of the financial performance over and above the financial measures reused in the study including EPSFX, MV, NI-L, REV-T and sales (please refer to Chapter 1 and Section 4.2 for more details).

Chapter 7 Potential Limitations of the Research Study, and Recommendations

MBLM is one of the world-leading, triple-silver award winning, innovative, brand intimacy measuring company with rich history, and distinguished reputation over the span of four decades. In this research study, we primarily researched how BIQ and its subcomponents were correlated to key financial performance variables including EPSFX, MV, NI-L, REV-T and sales. We found that MBLM can consolidate its brand ranking model by incorporating some of these financial variables in its brand ranking model.

Some of the notable limitations of this research study include:

(1) Lack of multiyear, time-series data for MBLM to incorporate into our analyses as we had data for only one year and MBLM is a new brand intimacy agency;

(2) Absence of data on consumer-perspective, and how consumers responded to brand ranking and corresponding statistical distribution;

(3) Lack of availability of financial performance data for privately-traded and international brands and/or companies that MBLM included in their brand ranking list;

(4) Limited availability of data on some of the U.S.-traded brands; and

(5) Our inability to incorporate P/E ratio performance in research data analyses for this particular project.

For future work and recommendations, based on our current findings, we recommend that MBLM – in addition to incorporating various emotional aspects of brand ranking – must also consider brand financial performance for future brand ranking. In this research project, we have successfully showed that collective BIQ component and Ritual, Enhancement, Indulgence, and Nostalgia BIQ subcomponents showed statistically significant relationship to one or more of our selected financial performance variables. Additionally, financial performance is the most commonly used method for assessing added *"value"* to a product or a service, and we believe that eliminating financial performance in measuring brand equity may have serious consequences in succinctly assessing overall company growth and actual *value*.

For future brand ranking, we recommend MBLM to incorporate some of these financial indicators so that MBLM measure offers additional explanation of the financial performance over and above the financial measures commonly available e.g., EPSFX, MV, NI-L, REV-T and sales. Such improvements can further provide better cumulative ranking profiles for brands or companies worldwide by incorporating both the *emotional* and *financial* aspects of consumer-brand relationships that ultimately determine brand value.

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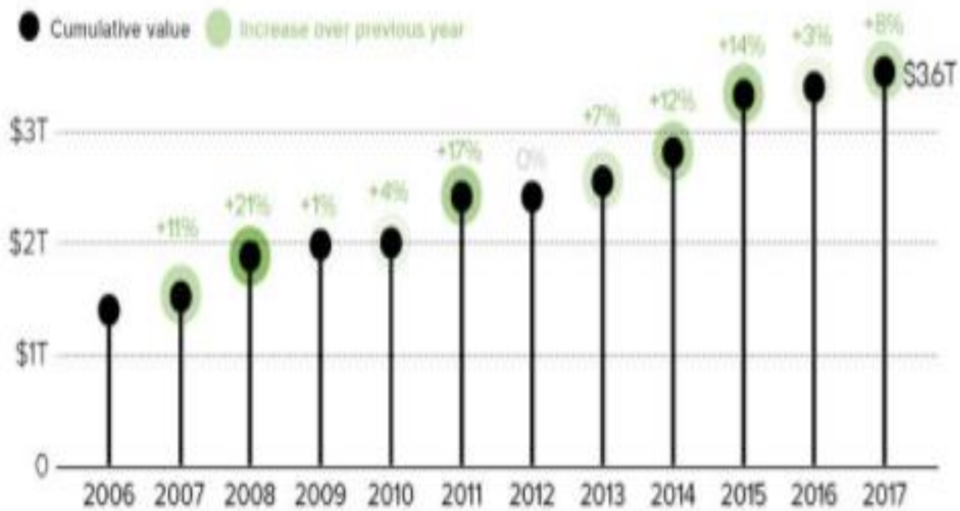
Appendices

Appendix 1 Change in world's most valuable brand ranks over the last decade from 2006-2017.

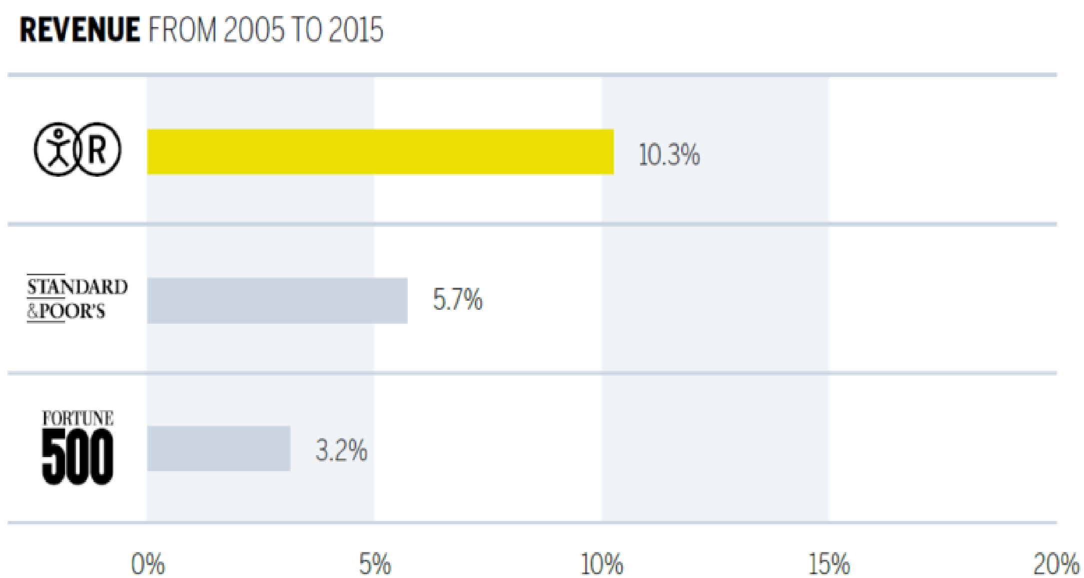
Appendix 1 represents changes in brand *industry* over the past ten years from 2006 – 2017. In 2017, all five *technology* companies comprised the top five positions in comparison to only one technology, Microsoft, company in 2006 (Businessinsider.com).

Appendix 2 **Cumulative Brand Value for top 100 companies from 2006 – 2017.**



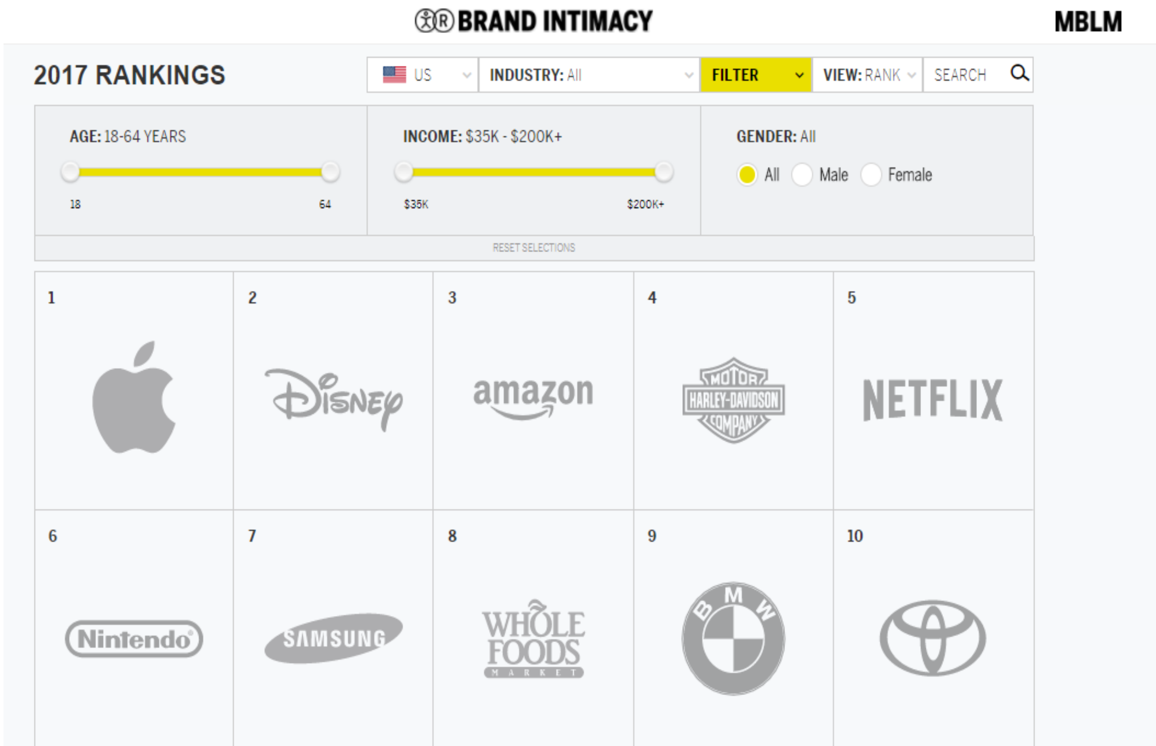
Appendix 2 represents the change in cumulative brand value overtime, with total value amounting at $3.6 trillion. It shows consistent increase over the past ten years (Forbes.com).

Appendix 3 Revenue growth for MBLM's top brands vs. S&P 500 vs. Fortune 500.



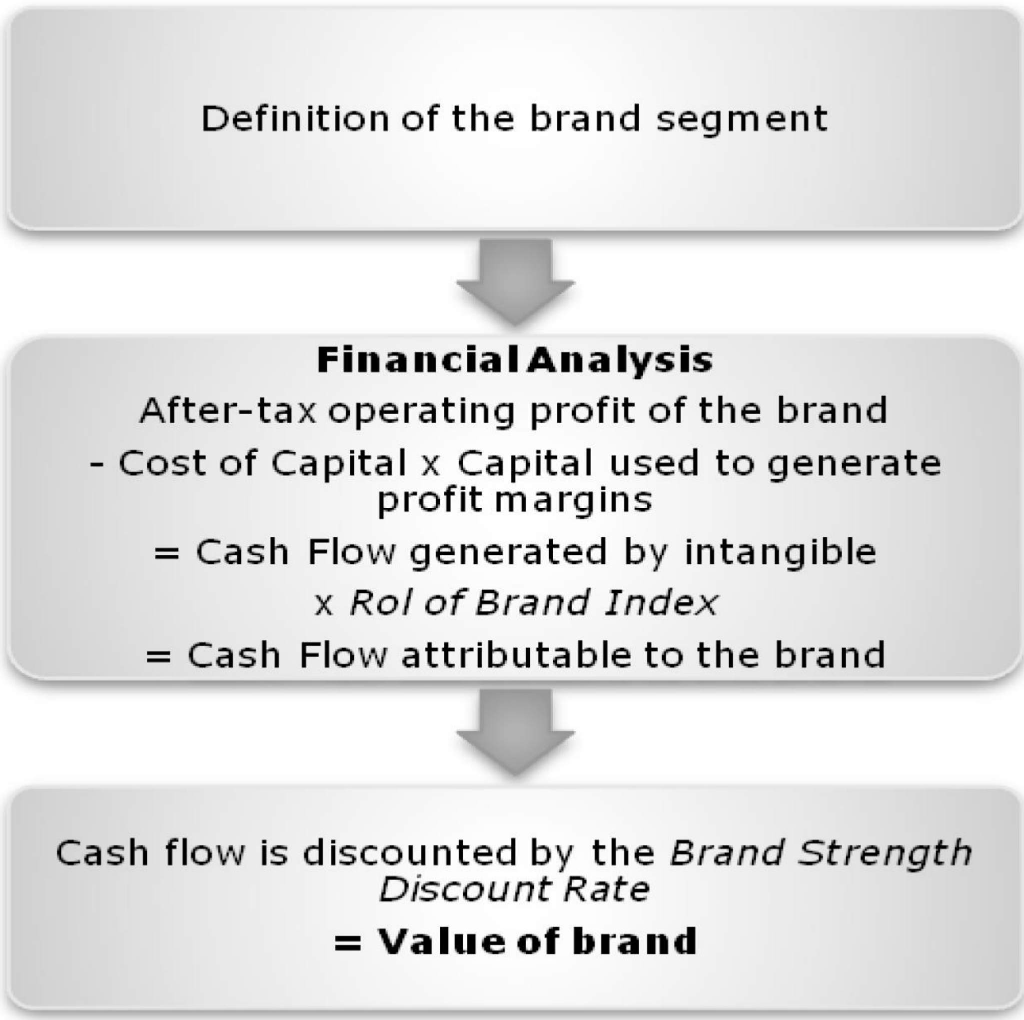
Appendix 3 shows that MBLM's top-ranking companies showed 10.3 percent growth in revenue over a decade from 2005-15, compared with nearly half in S&P's top companies, and only one-third growth in Fortune 500 companies (Mblm.com 2017).

Appendix 4 Comparison of Brand Intimacy Quotient performance for MBLM's top ten brands.



Appendix 4 shows MBLM brand ranking in 2017 (Mblm.com 2017).

Appendix 5 Brand Capability Value Financial Model overview.



Appendix 5 shows schematic diagram for Interbrand's Financial Brand Capability Value Model (Rendón and Morales, 2013).

Appendix 6 **List of top 100 Interbrand companies or brands for MBLM and Interbrand for 2017.**

2017 BRAND RANKINGS	INTERBRAND BRANDS/COMPANIES	MBLM BRANDS/COMPANIES
1	Apple	Apple
2	Google	BMW
3	Microsoft	Toyota
4	Coca Cola	Amazon
5	Amazon	Harley Davidson
6	Samsung	Disney
7	Toyota	CocaCola
8	Facebook	WholeFoods
9	Mercedes-Benz	GMC
10	IBM	Samsung
11	General Electric	Jeep
12	MacDonalds	Nintendo
13	BMW	Chevrolet
14	Disney	Xbox
15	Intel	Sephora
16	Cisco	Google
17	Oracle	Ford
18	Nike	Target
19	Louis Vuitton	Starbucks
20	Honda	Mercedes-Benz
21	SAP	WWE

22	PEPSFXi	Verizon
23	H&M	Chrylser
24	Zara	Costco
25	IKEA	Netflix
26	Gillette	Honda
27	American Express	PizzaHut
28	Pampers	Chanel
29	UPS	Nordstrom
30	J. P. Morgan	Clinique
31	Budweiser	Bare Minerals ByBE
32	Hermes	Playstation
33	Ford	Lexus
34	Ebay	Hyundai
35	Hyundai	Estee Lauder
36	Nescafe	Lego
37	Accenture	Olay
38	Audi	Intel
39	Nissan	Nike
40	Volswagen	Bose
41	Phillips	Chipotle
42	AXA	MAC
43	Kellogg's	Ebay
44	Goldman Sachs	YouTube
45	L'oreal	Dove

46	Citi	PayPal
47	HSBC	Fidelity Investments
48	Porsche	ATandT
49	Allianz	Hersheys
50	Siemens	Levis
51	Gucci	Nascar
52	Canon	Universal Theme Parks
53	HP	Kraft
54	Danone	LLBean
55	Adidas	Under Armour
56	Adobe	Neiman Marcus
57	Hewlett Packard Enterprise	AnnTaylor
58	3M	Microsoft
59	Nestle	Sony
60	Starbucks	Walmart
61	Sony	LG
62	Colgate	Lancome
63	Morgan Stanley	Adidas
64	Visa	Loreal
65	Cartier	Kelloggs
66	Thomson Reuters	Lipton
67	Lego	Quaker
68	Santander	iTunes
69	KIA	BobbiBrown

70	Huawei	British Airways
71	Master Card	HP
72	FedEx	Macys
73	Land Rover	IBM
74	Johnsons and Johnsons	Ikea
75	Panasonic	Audi
76	DHL	Spotify
77	Harley Davidson	Kiehls
78	Netflix	CoverGirl
79	Discover Channel	Southwest
80	PayPal	LouisVuitton
81	Tiffany & Co.	Chase
82	Jack Daniels	JetBlue
83	KFC	HandM
84	Salesforce	HBO
85	Heinken	PEPSFXi
86	Burberry	CharlesSchwab
87	Mini	Facebook
88	Ferrari	General Mills
89	Caterpiller	BenandJerrys
90	Sprite	WellsFargo
91	Shell	Puma
92	John Deere	Citibank
93	Corona Extra	The Home Depot
94	Prada	Tide

95	Dior	GEICO
96	Johnie Walker	MetLife
97	Smirnoff	Lays
98	Tesla	Express
99	Moet & Chandon	Nivea
100	Lenovo	American Express

Appendix 6 represents list of top 100 brands for Interbrand and MBLM for 2017. In the last column, it shows comparison of Interbrand and MBLM brand rankings, and how Interbrand ranked its brands in comparison to MBLM. (Text in red shows the brands and/or companies that were not included in top 100 Interbrand rankings for the year 2017.)

Appendix 7 Comparison of top 10 MBLM companies and/or brands vs. Interbrand ranking.

MBLM 2017 Rank	*Interbrand Rank in comparison to MBLM*	*Interbrand Companies*	*MBLM Companies*
1	1	Apple	Apple
2	16	Google	BMW
3	58	Microsoft	Toyota
4	7	Coca Cola	Amazon
5	4	Amazon	Harley Davidson
6	10	Samsung	Disney
7	3	Toyota	CocaCola
8	87	Facebook	WholeFoods
9	20	Mercedes-Benz	GMC
10	73	IBM	Samsung

Appendix 7 represents list of top 10 brands for Interbrand and MBLM for 2017. In the second column, it shows Interbrand ranking comparison to that of top 10 MBLM companies. (Text in red shows the brands and/or companies that were not included in top 100 Interbrand rankings for the year 2017.)

Appendix 8 Descriptive statistics for financial performance variables.

Appendix 8a **Descriptive statistics for financial performance variables.**

Variables	*N*	*Range Statistic*	*Minimum*	*Maximum*	*Mean Standard Error*
Rev15	85	6.91939	-.67956	6.23983	.10846522
NIL15	85	6.89212	-1.10325	5.78887	.10846523
Sales15	85	6.99735	-.67208	6.32527	.10846529
EPSFX15	85	8.62719	-1.47823	7.14896	.10846516
Rev16	82	6.68865	-.69616	5.99249	.11043153
NIL16	82	5.64334	-.67607	4.96727	.11043150
Sales16	82	6.80678	-.68973	6.11705	.11043153
EPSFX16	82	9.01490	-.85046	8.16444	.11043157
Rev15 (Log)	85	5.14981	-3.13641	2.01340	.10846522
lnSales15	85	5.18046	-3.14516	2.03530	.10846524
lnRev16	82	5.26840	-3.28690	1.98150	.11043153
lnSales16	82	5.28314	-3.28042	2.00272	.11043152
lnEPSFX15_scaled	85	8.79441	-4.82064	3.97377	.10846523
lnNIL15_scaled	85	9.62177	-7.73515	1.88662	.10846520
lnEPSFX16_scaled	85	7.44971	-3.02716	4.42255	.10846527
lnNIL16_scaled	85	7.03564	-5.04402	1.99162	.10846521

Table represents Descriptive statistics for financial performance variables.

Appendix 8b **Correlation between financial performance variables.**

Financial Variables and Measures	***Rev15***	***Rev16***	***MV15***	***MV16***	***EPSFX15***	***EPSFX16***	***NIL15***	***NIL16***
MEAN	9.76	9.87	10.28	10.40	2.16	1.65	8.81	7.70
STD	1.65	1.62	1.75	1.72	0.45	0.55	1.14	1.53
N	85.00	82.00	78.00	77.00	85.00	85.00	85.00	85.00
Rev15	1.00	0.99	0.86	0.84	0.39	0.49	0.44	0.74
Rev16	0.99	1.00	0.88	0.86	0.36	0.46	0.43	0.73
MV15	0.86	0.88	1.00	0.99	0.30	0.50	0.36	0.72
MV16	0.84	0.86	0.99	1.00	0.28	0.48	0.36	0.73
EPSFX15	0.39	0.36	0.30	0.28	1.00	0.75	0.70	0.46
EPSFX16	0.49	0.46	0.50	0.48	0.75	1.00	0.41	0.65
NIL15	0.44	0.43	0.36	0.36	0.70	0.41	1.00	0.54
NIL16	0.74	0.73	0.72	0.73	0.46	0.65	0.54	1.00

Table represents Financial Variables and Measurement.

Appendix 9 Factor Analyses for BIQ Components.

BIQ Components Factor Analyses

Archetypes	Factor 1: Ritual and Enhancement	Factor 2: Identity and Fulfilment	Factor 3: Indulgence and Nostalgia
Factor 1: Ritual and Enhancement			
Ritual	**0.79**	0.31	0.06
Enhancement	**0.77**	0.21	-0.44
Factor 2: Identity and Fulfilment			
Identity	0.15	**0.72**	0.06
Fulfilment	0.32	**0.68**	-0.09
Factor 3: Indulgence and Nostalgia			
Indulgence	-0.18	0.23	**0.69**
Nostalgia	0.01	-0.13	**0.55**

Stages	Factor 1: Bonding and Sharing	Factor 2: Fusing
Factor 1: Bonding and Sharing		
Bonding	**0.96**	0.29
Sharing	**0.96**	0.29
Factor 2: Fusing		
Fusing	0.29	**0.96**

Appendix 9 represents factor analyses for all six BIQ archetypes including Ritual, Enhancement, Identity, Fulfilment, Indulge nce, and Nostalgia; and three Stages including Bonding, Sharing, and Fusing.

Appendix 10 Impact of BIQ factors on financial performance variables.

Appendix 10a **Earnings per Share model output.**

	MODEL 1		MODEL 2		MODEL 3		MODEL 4	
VARIABLES	Estimate	*t-value*	Estimate	*t-value*	Estimate	*t-value*	Estimate	*t-value*
INTERCEPT	0	-0.01 *n.s.*	0	0.03 *n.s.*	0.01	0.07 *n.s.*	0	0.02 *n.s.*
EPSFX15	0.72	10.1***					0.7	9.49***
FOOD_F1	-0.06	-0.51 *n.s.*	-0.03	-0.16 *n.s.*	-0.06	-0.43 *n.s.*	-0.04	-0.39 *n.s.*
FIN.AIRLINE_F2	0.02	0.16 *n.s.*	0.12	0.72 *n.s.*	0.25	1.68 *n.s.*	0.11	1.09 *n.s.*
RETAIL.ENT._F3	-0.16	-1.61 *n.s.*	-0.25	-1.63 *n.s.*	-0.25	-1.67 *n.s.*	-0.16	-1.57 *n.s.*
BIQ					0.26	2.37*	0.14	1.8 *n.s.*
RITUAL.ENHAN._F1	-0.02	-0.2 *n.s.*	0.28	2.12*				
IDENT.FUL._F2	-0.02	-0.15 *n.s.*	0.11	0.75 *n.s.*				
IND.NOS._F3	0.72	10.1***	-0.03	-0.16 *n.s.*				
N	85		85		85		85	
ADJ. R^2	0.63		0.07		0.09		0.57	

Table represents Earnings per Share model output.

Appendix 10b **Market Value model output.**

	MODEL 1		MODEL 2		MODEL 3		MODEL 4	
VARIABLES	Estimate	*t-value*	Estimate	*t-value*	Estimate	*t-value*	Estimate	*t-value*
INTERCEPT	-0.04	-0.33 *n.s.*	-1.49	-10.06***	-1.48	-9.04***	-0.01	-0.06 *n.s.*
MV15	0.93	17.76***					0.94	20.49***
FOOD_F1	-0.05	-0.44 *n.s.*	0.23	0.97 *n.s.*	0.18	0.77 *n.s.*	-0.03	-0.37 *n.s.*
FIN.AIRLINE_F2	-0.02	-0.18 *n.s.*	0.30	1.24 *n.s.*	0.71	3.07**	-0.02	-0.23 *n.s.*
RETAIL.ENT._F3	0.10	0.99 *n.s.*	-0.17	-0.77 *n.s.*	-0.19	-0.82 *n.s.*	0.11	1.12 *n.s.*
BIQ					0.42	2.49*	-0.04	-0.50 *n.s.*
RITUAL.ENHAN._F1	0.04	0.41 *n.s.*	0.85	4.54***				
IDENT.FUL._F2	-0.09	-0.90 *n.s.*	-0.04	-0.17 *n.s.*				
IND.NOS._F3	-0.04	-0.35 *n.s.*	-0.35	-1.50 *n.s.*				
N	85		85		85		85	
ADJ. R^2	0.86		0.30		0.14		0.86	

Table represents Market Value model output.

Appendix 10c **Net Income (Loss) model output.**

	MODEL 1		MODEL 2		MODEL 3		MODEL 4	
VARIABLES	Estimate	*t-value*	Estimate	*t-value*	Estimate	*t-value*	Estimate	*t-value*
INTERCEPT	-0.01	-0.14 *n.s.*	-0.02	-0.16 *n.s.*	-0.01	-0.11 *n.s.*	-0.01	-0.10 *n.s.*
NI-L15	0.43	4.96***					0.42	4.67***
FOOD_F1	0.00	-0.02 *n.s.*	-0.03	0.00 *n.s.*	0.97	-0.26 *n.s.*	-0.02	-0.18 *n.s.*
FIN.AIRLINE_F2	0.20	1.44 *n.s.*	0.34	0.22 *n.s.*	0.06	3.44***	0.35	2.79**
RETAIL.ENT._F3	-0.20	-1.67 *n.s.*	-0.20	-0.17 *n.s.*	0.10	-1.63 *n.s.*	-0.21	-1.68 *n.s.*
BIQ					0.33	3.32**	0.23	2.52**
RITUAL.ENHAN._F1	0.35	3.28**	0.20	0.36 *n.s.*	0.00			
IDENT.FUL._F2	0.05	0.43 *n.s.*	-0.17	0.09 *n.s.*	0.43			
IND.NOS._F3	-0.06	-0.46 *n.s.*	-0.23	-0.03 *n.s.*	0.82			
N	85		85		85		85	
ADJ. R^2	0.41		0.22		0.21		0.37	

Table represents Net Income (Loss) model output.

Appendix 10d Revenue-Total model output.

	MODEL 1		MODEL 2		MODEL 3		MODEL 4	
VARIABLES	Estimate	*t-value*	Estimate	*t-value*	Estimate	*t-value*	Estimate	*t-value*
INTERCEPT	-0.04	-3.62***	-0.03	-0.31 *n.s.*	-0.03	-0.26 *n.s.*	-0.04	-3.65***
REV-T15	1.00	70.89***					1.00	72.65***
FOOD_F1	-0.01	-0.41 *n.s.*	0.06	0.40 *n.s.*	-0.07	-0.52 *n.s.*	-0.01	-0.78 *n.s.*
FIN.AIRLINE_F2	0.00	-0.20 *n.s.*	0.26	1.68 *n.s.*	0.50	3.67***	0.01	0.31 *n.s.*
RETAIL.ENT._F3	0.00	-0.18 *n.s.*	-0.20	-1.42 *n.s.*	-0.22	-1.57 *n.s.*	0.00	-0.20 *n.s.*
BIQ					0.37	3.66***	0.02	1.13 *n.s.*
RITUAL.ENHAN._F1	0.02	0.99 *n.s.*	0.35	2.90**				
IDENT.FUL._F2	0.00	0.22 *n.s.*	0.18	1.26 *n.s.*				
IND.NOS._F3	-0.01	-0.52 *n.s.*	-0.21	-1.41 *n.s.*				
N	85		85		85		85	
ADJ. R^2	0.99		0.24		0.24		0.99	

Table represents Revenue-Total model output.

Appendix 10e **Sales model output.**

	MODEL 1		MODEL 2		MODEL 3		MODEL 4	
VARIABLES	Estimate	*t-value*	Estimate	*t-value*	Estimate	*t-value*	Estimate	*t-value*
INTERCEPT	-0.04	-4.34***	-0.03	-0.32 *n.s.*	-0.03	-0.26 *n.s.*	-0.04	-4.38***
SALES15	1.00	85.50***					1.00	86.85***
FOOD_F1	-0.01	-0.46 *n.s.*	0.07	0.42 *n.s.*	-0.06	-0.46 *n.s.*	-0.01	-0.45 *n.s.*
FIN.AIRLINE_F2	0.00	0.25 *n.s.*	0.28	1.80 *n.s.*	0.51	3.77***	0.01	0.67 *n.s.*
RETAIL.ENT._F3	0.00	0.12 *n.s.*	-0.22	-1.54 *n.s.*	-0.24	-1.69 *n.s.*	0.00	0.21 *n.s.*
BIQ					0.36	3.66***	0.01	1.15 *n.s.*
RITUAL.ENHAN._F1	0.02	1.49 *n.s.*	0.35	2.89**				
IDENT.FUL._F2	-0.01	-0.48 *n.s.*	0.18	1.26 *n.s.*				
IND.NOS._F3	0.00	-0.26 *n.s.*	-0.20	-1.33 *n.s.*				
N	85		85		85		85	
ADJ. R^2	0.99		0.24		0.24		0.99	

Table represents Sales model output.

Appendix 11 List of Abbreviations.

BIQ	Brand Intimacy Quotient
BCV	Brand Capability Value
CEO	Chief Executive Officer
CLV	Customer Lifetime Value
EPSFX and, EPSFX15 and EPSFX16	Earnings per Share (Diluted) Excluding Extraordinary Items and, EPSFX for years 2015 and 16
FIN.AIRLINE_F2	Finance and Airlines_Factor 2
FOOD_F1	Food_Factor 1
IBM	International Business Measures
ICTs	Information and Communication Technologies
IDENT.FUL._F2	Identity and Fulfilment_Factor 2
IND.NOS._F3	Indulgence and Nostalgia_Factor 3
MBA	Master of Business Administration
MBLM	Emblem
MV and, MV15 and MV16	Market Value and, Market Value for the years 2015 and 16
NI-L and, NIL15 and NIL16	Net Income (Loss) and, Net Income (Loss) for years 2015 and 16
RBI	Role of Brand Index
RETAIL.ENT._F3	Retail and Entertainment_ Factor 3

REV-T and, Rev15 and Rev16	Revenue-Total and, Revenue-Total for years 2015 and 2016
RITUAL.ENHAN. _F1	Ritual and Enhancement Factor 1
SAS	Statistical Analysis System
Sales15 and Sales16	Sales for the years 2015 and 2016
S&P	Standard and Poor's
SPSS	Statistical Package for the Social Sciences
TIC	Ticker
UC	University of California
WRDS	Wharton Research Data Services
Y&R	Young and Rubicam

Appendix 12 List of Technical Definitions.

Basic EPSFX: Basic EPSFX is a simple method and is defined as ratio of net income applicable to common shares for a specific period to average number of outstanding shares for that same period. The objective of basic EPSFX is to measure performance for the reporting period by dividing income available to common shareholders by the weighted average number of shares outstanding (Meeting, Law and Luecke, 1997).

Diluted EPSFX: Diluted EPSFX is adjusted basic EPSFX incorporating all potential dilution, that if triggered at present prices and conditions, would result in the reported EPSFX being lower than they otherwise would have been. EPSFX is calculated to show, on a *pro forma* basis, per share earnings for the period available to common shareholders assuming the exercise or conversion of all securities that are exercisable or convertible into common stock and which would either dilute or not affect basic EPSFX (Journalofaccountancy.com).

Market Value: Market Value is defined as a price at which a security is trading and could presumably be purchased or sold. It is also defined as a value that investors believe a firm is worth, and is calculated by multiplying the number of shares outstanding by the current market price of a firm's shares (Nasdaq.com).

Net Income (Loss): Net income is the excess of revenues over expenses. This measurement is one of the key indicators of company profitability, along with gross margin and before-tax income (Accountingtools.com 2017).

Revenue – Total: Revenue is the income a firm retains from selling its products once it had paid indirect tax. Revenue of a firm is measured in three ways including Total Revenue, Average, and Marginal Revenue (Economicsonline.co.uk).

Sales: Any of a number of activities designed to promote customer purchase of a product or a service (Ama.org).

Brand: A combination of attributes that gives a company, organization product, service concept, or even an individual, a distinctive identity and value relative to its competitors, its advocates, its stakeholders, and its customers (Doyle, 2011).

Brand Equity: The total value that the brand brings to a company over and above its net book value (Doyle, 2011).

Brand Value: The value of a brand name to a company as a reflection of the market penetration the brand has achieved and the brand loyalty it has acquired. The brand values of a company's range of products may be of importance in a takeover bid; they may be shown in a company's balance sheets as intangible assets (Law, 2016).

Premium: An item, other than the product or service itself, which is offered free or at a nominal price as an incentive to purchase the advertised product or service (Doyle, 2016)

Unobserved or Perceptual Metrics: The unobserved or perceptual customer metrics are dependent on observed behavior, leading to financial gains (Gupta and Zeithaml, 2005).

Observed or Behavioral Metrics: The observed constructs are revealed preferences compared to stated preferences in unobserved constructs (Gupta and Zeithaml, 2005).

Paradigm Shift: Paradigm shift simply means a radical change in the generally accepted viewpoint or structure to a new one based on a complete change in thinking, or belief system that allows the creation of a new paradigm that stands in opposition to the previous paradigm (Doyle, 2016).

Marketing 3.0: The concept of taking care of customers not as mere consumers, but as complex and multidimensional human beings (Papista and Dimitriadis, 2012).

Brand Intimacy: A new paradigm that leverages and strengthens the emotional bonds between a person and a brand (Natarelli and Plaper, 2017).

Market Price: The average price at which the brand was sold during the month divided by the average price at which all brands in that product class were sold (Aaker, 1996).

Physical Intimacy: Physical intimacy aligns with sensorial-oriented relationship between a customer and a brand. It develops through engagement of senses. Some of the examples include food and beverages that we ingest, and clothing that we wear on or near the body are often associated with physical aspects of intimacy (Natarelli and Plapler, 2017).

Emotional Intimacy: Emotional intimacy is associated with brand intimacy on an emotional level. It characterizes a deep personal relationship between a consumer and a brand, as the consumer feels affirmed and accepted as an individual by wearing or associating with certain branded products and services. One of the examples include the sports brands that inspire consumers through imagery. Emotional Intimacy is generally the expression of thoughtful gestures and care (Natarelli and Plapler, 2017).

Cognitive Intimacy: Cognitive intimacy emphasizes a more reason-based relationship amongst a consumer and a brand. This relationship is that of intellectual connection, and is often centered on a deep level of affinity and respect for a given brand's values and ethos (Natarelli and Plapler, 2017).

Experiential Intimacy: Experiential intimacy is about fostering a socially-focused relationship between a brand and a consumer, and develops through a feeling of being a part of a special group (Natarelli and Plapler, 2017).

Reciprocity: Reciprocity is the key in building two-way reciprocal nature of brand relationship, and is a new and important way to build consumer-brand bonds (Natarelli and Plapler, 2107).