

SOURCES OF SUPERIOR BRAND VALUE: THE EFFECTS OF COUNTRY IMAGE, PRODUCT CATEGORY AND BRAND IMAGE

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ABSTRACT

Understanding the determinants of brand value is a key theoretical and empirical issue in the fields of international marketing and international business. Researchers investigating the sources of brand value have most often focused on three primary levels of analysis: (1) brand image; (2) product category; and (3) country image. Despite an extensive literature on brand image, product category and country image effects, an examination based on a theoretical variance decomposition framework for investigating the relative influences of each effect on brand value is lacking. Therefore, acknowledging the increasing important role of brands, this study applies the variance components approach on the BusinessWeek/ Interbrand Best Global Brands database to explore the question of what matters most to superior brand value. In addition, this study also extends recent variance decomposition research by investigating three levels of effects using both the multilevel approach of hierarchical linear modeling and the conventional variance components approach. A variance components model is fitted to a new data set, and findings indicate that brand image effects dominate brand value while product category and country image effects have smaller but important impact on brand value. These findings support the suggestions of resource-based view of the firm.