

THEORETICAL ASPECTS OF BRAND CAPITAL MANAGEMENT IN COMPANIES

Eshmatov Sanjar Azimkulovich

DSc., associate professor at "Marketing" department, Tashkent State University of Economics, Tashkent, Uzbekistan

ARTICLE INFO.

Keywords: management, food brand, market, brand, methodological foundations, brand capital.

Abstract

Effective management of brand capital—often conceptualized as brand equity—is increasingly recognized as a strategic imperative for firms seeking sustained competitive advantage in volatile markets. This paper systematizes the diverse theoretical perspectives on brand capital and articulates a coherent management framework that links intangible brand assets to tangible corporate performance. Synthesizing insights from resource-based theory, signaling theory, and stakeholder theory, the study delineates core dimensions of brand capital—awareness, associations, perceived quality, loyalty, and proprietary resources—and shows how each dimension can be strategically leveraged through integrated marketing communications, innovation governance, and data-driven customer experience design. Methodological attention is devoted to the selection and triangulation of valuation techniques—including financial market metrics, consumer-based surveys, and advanced econometric modeling—so that brand capital becomes a measurable and actionable corporate asset.

<http://www.gospodarkainnowacje.pl/> © 2025 LWAB.

Introduction

Currently, there are quite a few studies demonstrating the great influence of brands on the activities of companies in various industries. In particular, having a strong brand improves the financial result of companies' activities [1, 2], increases shareholder value [3, 4], reduces investment risks [5, 6]. Nevertheless, a universally recognized methodology and principles of brand management have not yet been developed. In many companies, brand management is still reduced to the creative and communicative function of marketing, which is only a small part of brand management.

The situation with research in this area is complicated by the lack of universally recognized terminology. Differences in interpretations affect the most basic concepts such as brand and brand equity. This terminological problem leads to serious difficulties related to the integration of the results of individual scientists' works and their results. This makes it difficult to create a full-fledged system of strategic brand management as a key asset of the organization.

The main purpose of this article is to develop a brand equity model that would take into account the contribution of the most significant approaches and could serve as a guide for managers to make

management decisions on brand equity development. To achieve this, the author analyzed the main approaches to such key concepts as brand, branding, brand management, brand equity, and reflected their main advantages and disadvantages.

Analytical literature

In the modern economy, brands represent a significant component of a company's intangible assets and not only make a significant contribution to its market value, but also serve as an object of purchase and sale [7]. Moreover, brands are relative assets, have a stimulating effect on the consumer, and become a kind of guarantee of the reliability of future income for their owner. The value created by a brand by providing these benefits is defined in the literature as brand equity [7].

A number of authors define added value, representing brand equity, as awareness of the brand and a set of associations that the consumer associates with it. Other authors interpret brand equity as the degree of consumer loyalty to the brand, which is expressed in repeated purchases and readiness to pay a premium price for a branded product. Often, brand equity is also understood as a brand's ability to generate income for its owner. In this regard, when comparing the results of various studies in this area, difficulties arise due to the significant variability of approaches to determining and measuring brand equity.

Research Methodology

The article uses methods of analysis and synthesis, a theoretical approach to the concepts of "brand" and "capital brand." In this article, the task was set to develop a system of brand equity indicators that would reflect different understandings of the phenomenon and on the basis of which it would be possible to compare the results of empirical research of brand equity and select the most suitable indicators from the set of measurement goals. At the beginning of the article, an analysis of the prevailing interpretations of added value defining a brand in scientific literature is presented. Further, the main approaches to the classification of brand equity indicators are integrated, and the need to develop a unified system of indicators reflecting the difference in brand perception by consumers, manufacturers, and investors is substantiated. Then, based on the identified criteria, it is proposed to reinterpret the traditional concept of brand equity in order to distinguish its three interpretations and establish connections between them within the chain of brand equity distribution.

Due to the lack of consensus regarding the conceptualization of brand equity, on the one hand, and the stable need for companies to measure brand equity - on the other hand, different interpretations of the concept began to be used simultaneously. In some cases, interpretations are considered mutually exclusive, and sometimes - used together [6]. However, there are almost no models in the literature that systematically consider the relationship between different interpretations of the concept [7].

Table 1 Comparison of the main approaches to determining brand equity [8]

Approach	Brand knowledge (brand capital from the consumer's point of view)	Brand strength (brand capital from the consumer's point of view)	Brand value (brand capital from the consumer's point of view)
Added brand value	A set of perceptions and consumer associations evoked by a brand	Degree of consumer loyalty	Total value of the brand as an independent asset in the event that it is sold or reflected in the balance sheet
Sources of brand capital	Brand awareness and associations	Consumer satisfaction	Current income related to the brand,

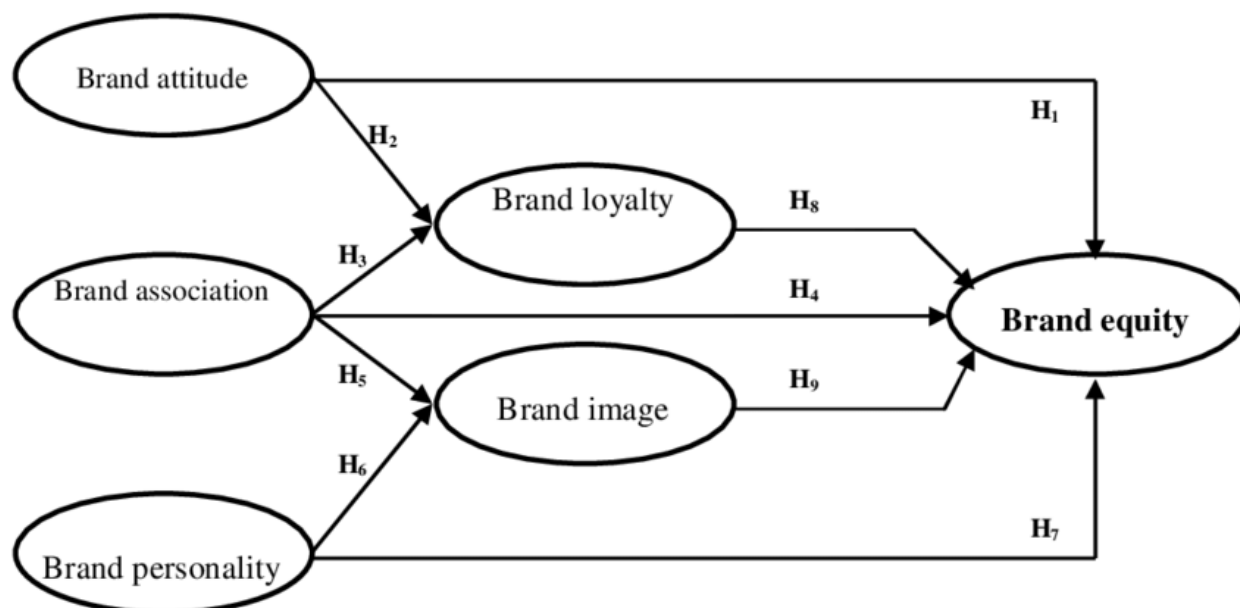
			patents, trademarks, benefits
Consequences of owning brand equity	Brand preference, consideration of the brand among alternative purchase options, intention to make a purchase, trust in the brand	Leadership in the product category, quantity and frequency of purchases, price premium, price elasticity	The brand's ability to generate income in the future

One of the earliest definitions of brand equity was proposed in 1989 by P. Farquhar, who described it as added value that the brand assigns to the product [8]. Subsequently, based on the differentiation of the base for the formation of brand equity, a number of approaches to its determination from the positions of financial assessment [9], company and consumer [7], were formed. According to the authors, this division of approaches was best reflected in the work of P. Feldvik, who proposed dividing the aspects of brand equity using three different terms: brand value, brand strength, and brand description.

Brand value - "brand value," or "brand value" [10] - refers to brand equity considered from a financial valuation perspective and reflects the total brand value determined during its sale or accounting in the balance sheet. Brand strength - "brand strength" refers to brand equity considered from the company's perspective and is defined as the degree of consumer loyalty to the brand. [11] Brand description - "brand description" - refers to brand equity considered from the consumer's perspective and implies a set of associations and perceptions that the consumer associates with the brand.[12]

However, over time, the above-mentioned terms were synonymous to a certain extent, which contributed to the complication of the classification of approaches and the creation of terminological ambiguity. In our opinion, the confusion of these concepts is one of the main reasons why, during the existence of the brand equity concept, a universally recognized system for its measurement has not appeared. Consequently, in this work, we propose to return to the original three-faceted concept of brand equity proposed by P. Feldwijk in order to reinterpret and better systematize the main achievements of scientists who studied the essence of brand equity and methods for its measurement for 17 years after the publication of the author's famous work.

Many authors consider a brand from the point of view of creating value for the consumer. Thus, according to the views of L. de Chernatoni, "a brand is an identifiable product, service, person, or place strengthened in such a way that the buyer or user perceives their relevant, unique, added values that fully correspond to their demands and needs" [11]. Consumer benefits provided by the brand can be subdivided into functional benefits (purchased by consumers to satisfy functional needs), emotional benefits (emphasis is placed on what consumers feel, what impressions they have when interacting with the brand) and symbolic benefits (characterized by buyers seeing in them a unique set of associations or image) [14]. Taking into account the last remark, the definition of a brand takes the following form: "A brand is an easily recognizable product/service through effectively developed verbal and visual identifiers, providing consumers with unique and relevant values (functional, emotional, symbolic), maximally meeting their needs" [10].



The success of leading global brands is the result of a firm's correct business model, and branding is only a part of this model, which is as important as others. As J. N. Kapferer rightly notes in his work, "for building a brand, one branding is not enough"[3].

Taking into account the comments made, we can offer the following definition of brand management. Brand management is a scientifically based synthesis of the processes of creating, maintaining, and developing a system of tangible and intangible characteristics unique to each brand, generating value for the company, ensuring the achievement of its strategic goals by creating, maintaining, and developing unique and relevant value for consumers and other stakeholders.

Brand management as a concept of strategic brand management in its evolutionary development has gone through four main stages:

- management of the promotion of a branded product: 1930-1950s;
- brand image management: 1950-1980s;
- brand identity management: 1980-1990s;
- brand equity management: 1990s - present.

Having analyzed domestic and foreign literature on brand management (monographs, textbooks, scientific articles, conference materials, etc.), the authors identified the indicated stages and determined their time intervals based on the identification of specific management functions.

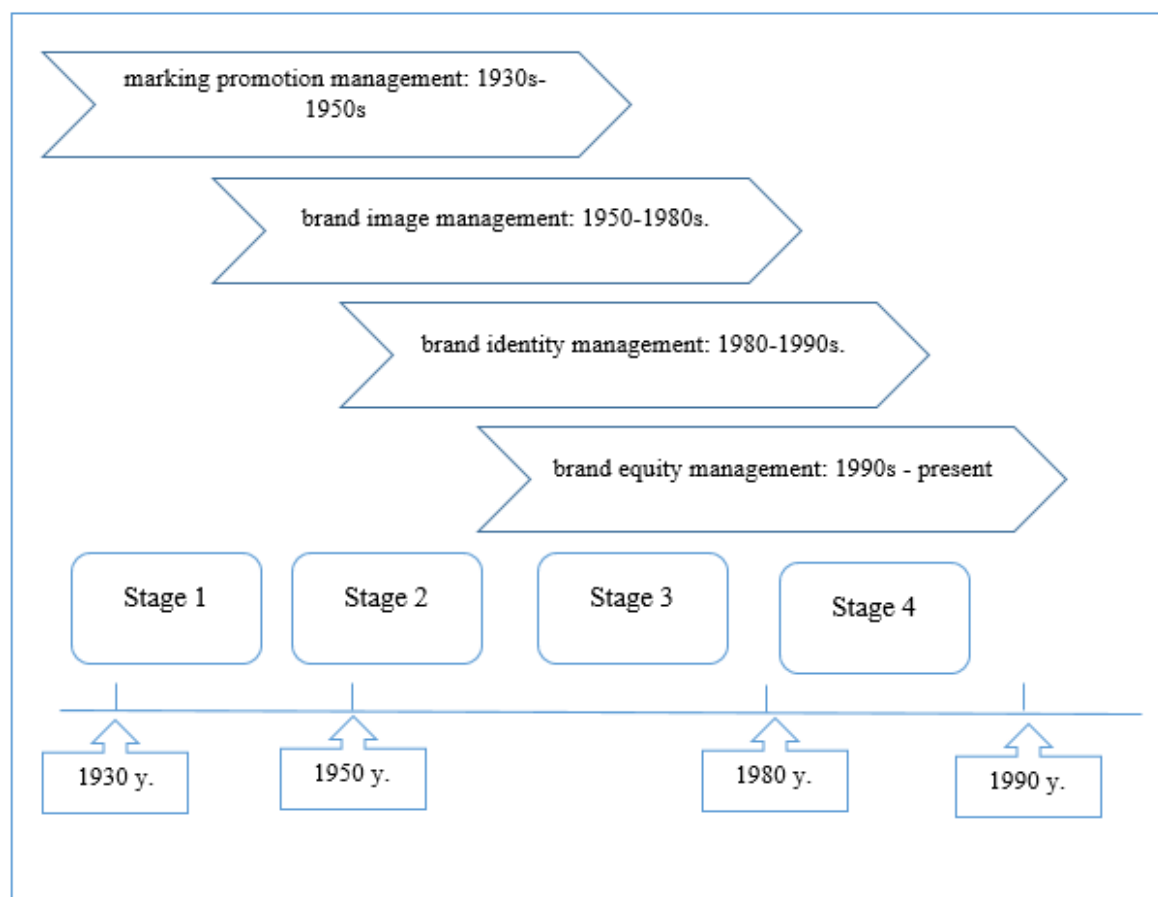


Fig.1. Stages of brand management development

Source: Author's development.

F. Kotler and K. Keller divide the process of strategic brand management into four stages:

1. determination of the market position of the trademark;
2. planning and implementation of trademark marketing;
3. evaluation and interpretation of trademark performance indicators;
4. Increasing and maintaining the value/value of the trademark" [9].

Let us dwell in detail on the analysis of the fundamental aspects of brand management concepts.

Stage 1. Management of Marked Product Promotion: 1930-1950s. The development of brand management as a comprehensive activity for brand management began in the 1930s. In the 20th century, when such a concept was first used in the American company Procter & Gamble[14].

Stage 2. Brand image management: 1950-1980s. In the 1950s, after the Second World War, economic growth began in many countries, and numerous advertising agencies began to open and actively develop. New advertising media (television, etc.) appeared, and the advertising product no longer informed potential consumers about the consumer properties of the product, as before, but focused on the emotional involvement of consumers in the process of purchasing and consuming the product. Thanks to the efforts of advertising agencies, the main concept has become the brand image.

Stage 3. Management of Brand Identity: 1980-1990s. In the 70s and 80s of the last century, more and more specialized companies began to open, providing various services in the brand market. These are branding companies that develop strategies and concepts for brands, consulting companies, research

firms that conducted marketing research, advertising and PR agencies, design studios, etc. Through the efforts of these outsourcing companies, it was possible to develop the brand image concept in the opposite direction: the main thing is not how the brand is perceived and evaluated by potential consumers (brand image), but how it should be perceived and evaluated (brand identity).

Stage 4. Brand equity management: 1990s - present.

As T. Ambler and K. Stails clarified, until the mid-1980s, the term "brand equity" was not used in marketing literature (see: [Feldwick, 2005]). It became widespread at the end of the 80s of the last century, when several large transactions took place, which attracted the close attention of business representatives to the ability of brands to bring significant income⁴. The concept of "brand capital" was introduced into scientific circulation by P. Farkuyar in 1989 [8]. The concept of "management of market capital" was formed by 1991 after the publication of two publications.

In 1988, Ranks Hovis McDougall, in order to prevent unfriendly conditions for acquiring a controlling stake in Goodman Fielder Wattie, valued its brand portfolio at £678 million and placed them on the company's balance sheet as intangible assets. In this way, this unfavorable transaction was prevented. In the same year, the American company Philip Morris paid \$12.9 billion for Kraft Foods intangible assets, of which about 90% constituted the value of the brand portfolio. The British company Grand Metropolitan acquired Pillsbury, paying \$990 million for the brand, which constituted 88% of the total transaction amount. The Swiss concern Nestle acquired Rowntree for 5 million pounds sterling, with more than 4 million - 83% of the total transaction amount paid for the brand. In the same year, 1988, the prestigious Marketing Science Institute (USA) popularized the concept of brand equity by holding a conference dedicated to the problems of brand equity and its valuation.

For successful implementation of the brand in the company's activities, effective branding management, it is extremely important to align branding strategies with business strategy. This means that the company needs to carry out a set of measures to explain the essence of the brand and branding, which should be understandable not only to marketers, but also to employees of all departments, and first of all - its top managers. As directions for further research on the problem of brand management, we can propose: clarifying the classifying features and expanding the list of criteria for a deeper analysis of the evolution of brand management concepts; using modern data mining technology to analyze the essence and specifics of each stage of changing brand paradigms, determining the time limits of these stages; researching the specific opportunities for business that the implementation of a certain brand management concept provides.

In this article, the main modern interpretations of such concepts as brand, brand management, and brand equity were analyzed. The presence of a large number of definitions of relevant concepts significantly hinders both scientific research in this area and the development of practical tools for managing company brands. The author attempted to comprehensively consider the brand's capital and presented a model that integrates various aspects of this concept.

References:

1. Kim H., Kim W. G. The Relationship between Brand Equity and Firms' Performance in Luxury Hotels and Chain Restaurants // *Tourism Management*. 2005. Vol. 26. N 4. P. 549-560.
2. Kim H., Kim W. G., An J. A. The Effect of Consumer-Based Brand Equity on Firms' Financial Performance // *Journal of Consumer Marketing*. 2003. Vol. 20. N 4. P. 335-351.
3. Keiningham T. L., Perkins-Munn T., Heather E. The Impact of Customer Satisfaction on Share-of-Wallet in a Business-to-Business Environment // *Journal of Service Research*. 2003. Vol. 6. N 1. P. 37-50.
4. Krishnan H. S. Characteristics of Memory Associations: A Consumer Based Brand-Equity Perspective // *International Journal of Research in Marketing*. 1996. Vol. 13. N 4. P. 389-405.

5. Ratnatunga J., Ewing M. T. An Ex-ante Approach to Brand Capability Valuation // Journal of Business Research. 2009. Vol. 62. N 3. P. 323-331.
6. Madden T. J., Fehle F., Fournier S. Brands Matter: An Empirical Demonstration of the Creation of Shareholder Value Through Branding // Journal of the Academy of Marketing Science. 2006. Vol. 34. N 2. P. 224-235.
7. Keller K. L. Conceptualizing, Measuring, and Managing Customer-Based Brand Equity // Journal of Marketing. 1993. Vol. 57. N 1. P. 1-22.
8. Farquhar P. Managing Brand Equity // Marketing Research. 1989. Vol. 1. N 3. P. 24-33.
9. Kotler P., Armstrong G. Principles of Marketing. Global ed. Harlow: Pearson Education Limited, 2014.
10. Старов С. А. Применение модели марочного капитала К. Келлера для разработки мероприятий по оздоровлению бренда // Вестн. С.-Петерб. ун-та. Сер. Менеджмент. 2006. Вып. 3. С. 22-43.
11. De Chernatony L. 1999. Brand management through narrowing the gap between brand identity and brand reputation. Journal of Marketing Management 15 (1): 157-179.
12. De Chernatony L., Drury S., Segal-Horn S. 2004. Identifying and sustaining services brands' values. Journal of Marketing Communications 10 (2): 73-93.
13. Feldwick P. What Is Brand Equity Anyway, and How Do You Measure It? // Journal of the Market Research Society. 1996. Vol. 38. N 2. P. 85-104.
14. Ikramov, M., Eshmatov, S., Samadov, A., Imomova, G., & Boboerova, M. (2021). Management marketing strategy for formation of local brand of milk and dairy products in the digital economy. Revista gintece-gestao inovacao e tecnologias, 11(2), 443-466.
15. Eshmatov, S. (2024). Relationships Between Marketing Mix And Corporate Image Of The Dairy Products: In Case of " Bio Natural Food" LLC. Asian Journal of Technology & Management Research (AJTMR) ISSN, 2249(0892).
16. Eshmatov, S. (2023). Econometric Analysis for Relationships with The Marketing Mix and Corporate Image of The Dairy Products Manufacturer. Asian Journal of Technology & Management Research (AJTMR) ISSN, 2249(0892).