Does brand trust matter to brand equity?

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Abstract

Purpose – The most recent literature on competitive advantage views brand equity as a relational market-based asset because it arises from the relationships that consumers have with brands. Given the fact that trust is viewed as the corner-stone, as well as one of the most desirable qualities in any relationship, the objective of this study is to analyze the importance of brand trust in the development of brand equity. Specifically, the paper examines the relationships network in which brand trust is embedded.

Design/methodology/approach – A quantitative methodology was adopted. The data are based on a survey conducted in a region in the south-eastern part of Spain, resulting in 271 surveys.

Findings – The findings reveal that brand trust is rooted in the result of past experience with the brand, and it is also positively associated with brand loyalty, which in turn maintains a positive relationship with brand equity. Furthermore, the results suggest that, although brand trust does not play a full mediating role as suggested by Morgan and Hunt, it contributes to a better explanation of brand equity.

Originality/value – These results have significant implications. The fact that brand equity is best explained when brand trust is taken into account reinforces the idea that brand equity is a relational market-based asset. Therefore, branding literature may be enriched through the integration with the literature on the resource-based-view of the firm. From a practical point of view, companies must build brand trust in order to enjoy the substantial competitive and economic advantages provided by brand equity as a relational, market-based asset.

Keywords Brand equity, Brand management, Trust, Consumer behaviour

Paper type Research paper

An executive summary for managers and executive readers can be found at the end of this article.

Introduction

Building a strong brand in the market is the goal of many organizations because it provides a host of benefits to a firm, including less vulnerability to competitive marketing actions, larger margins, greater intermediary co-operation and support and brand extension opportunities.

Given this interest in brand building, what actually makes a brand strong? This question has been a significant and recurrent theme in the branding literature over the past two decades, resulting in a vast body of research on the salient concept of brand equity. However, since the late 1990s, new research streams in marketing (e.g. long-term relationships, the creation of added value based on knowledge and experience, the role of marketing resources in firm performance, etc.) have allowed for a new way of approaching the question of what makes a brand strong, thereby enriching our understanding of brand equity. Specifically, it is within a resource-based approach and relationship marketing perspective that we analyze brand equity.

The most recent literature (Falkenberg, 1996; Hooley *et al.*, 2005; Srivastava *et al.*, 1998, 2001) considers brand equity as a relational market-based asset because it exists outside the firm and resides in the relationships of final users with brands. At the same time, the emergence of relationship marketing as a dominant focus of both marketing theorists and practitioners suggests that trust is the main factor on which a relationship is based. Connecting, then, the relationship principles with a resource-based approach to brand equity, we propose the following research question: Does brand trust matter to brand equity?

The study of brand trust in the branding literature has not flourished. Much of the interest in this issue has been conceptual or theoretical in nature, and there has been little empirical research into it. This lack of research is pointed out by Chaudhuri and Holbrook (2001) who affirm that the role of brand trust in the brand equity processes has not been explicitly considered. Nevertheless, its importance has been theoretically highlighted in the branding literature (see Ambler, 1997; Sheth and Parvatiyar, 1995) and in the current brand management practices (see Bainbridge, 1997; Kamp, 1999; Scott, 2000).

On the basis of these considerations, and connecting both the resource-based approach of the firm and the relationship marketing literatures, this study aims to fill this gap by examining the importance of brand trust in the development of brand equity.

To address this objective, the rest of this paper is therefore organized as follows. We begin by analyzing brand equity from a resource-based approach. Its consideration as a relational market-based asset leads us to focus on brand trust. Consequently, we present a definition of brand trust, and

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we discuss the manner in which brand trust contributes to the development of brand equity. Based on this discussion, a theoretical model of brand equity is proposed and the main hypotheses of this study are presented. Subsequently, the data collection, the method used to test the hypotheses and the results are described. Finally, we discuss the results in terms of their implications for managerial practice, their limitations and directions for further research on the branding literature.

Brand equity as a relational market-based asset

A firm's survival and wealth is determined by its ability to create a superior value to the market. From a resource-based view of the firm, the sources of wealth creation are found in the resources endowment that enable the firm to efficiently and/or effectively produce a market offering that has value for some market segments (Hunt and Morgan, 1995). By doing so, the firm achieves superior financial performance that is reflected in higher dividends and value of stocks (Falkenberg, 1996).

There is a growing recognition, regarding the resources in which this superior financial performance lies, that a significant proportion of organizational performance is determined by intangible assets such as: the quality and experience of personnel, corporate culture, knowledge, brand equity, and so forth (Falkenberg, 1996; Lusch and Harvey, 1994; Srivastava *et al.*, 1998). As with other intangible assets, brand equity exhibits the qualities required for creating a sustainable competitive advantage. It adds value for customers, helps to create defensible competitive positions, takes time to develop, is inherently complex, and cannot be easily transferred to other organizations (De Chernatony and MacDonald, 1992). Therefore, its value as an asset is reflected in superior financial performance in so it leads to higher margins (Farquhar, 1989), greater sales and market shares (Hooley *et al.*, 2005; Park and Srinivasan, 1994), advertising and promotions that are more responsive (Keller, 1993), earlier market penetration (Robertson, 1993) and cheaper product line extensions (Keller and Aaker, 1992). As a consequence, a positive influence of brand equity on the firm value has also been found by Simon and Sullivan (1993).

The most recent literature (Hunt, 1997; Srivastava *et al.*, 1998, 2001) specifically characterizes brand equity as a relational market-based asset. It is primarily relational because, according to the branding literature (Aaker, 1991; Keller, 1993), much of its value is a result of the brand's external relationships with other members of the value chain (e.g. the distribution system and the final users). This relational nature makes brand equity be an external asset to the firm because it is often merely "available" and not "owned" by the firm. In other words, brand equity ultimately derives in the market place from the set of brand associations and behaviors that have been developed towards the brand.

In summary, as a relational market-based asset, brand equity may be expressed as a function of brand-consumer relationships (Ambler, 1997), and as such the introduction of trust as a key relational variable enriches our understanding of brand equity and may provide better performance predictions and assessment of brand equity.

What is brand trust?

Trust has received a great deal of attention from scholars in several disciplines such as psychology, sociology, economics, as well as in more applied areas such as management and marketing. This multidisciplinary interest has added richness to the construct, but has also made it difficult to integrate the various perspectives on trust and to find a consensus on its nature. Nevertheless, a careful review of the extant literature reveals that confident expectations and risk are critical components of a definition of trust. Trust therefore is defined as the confidence that one will find what is desired from another, rather that what is feared (Deutsch, 1973). It represents the confidence that the relational party in an exchange will not exploit another's vulnerability. Accordingly, to trust a brand implicitly means that there is a high probability or expectancy that the brand will result in positive outcomes for the consumer.

Considering brand trust as expectancy, it is based on the consumer's belief that the brand has specific qualities that make it consistent, competent, honest, responsible and so on, which is in line with the research on trust (e.g. Andaleeb, 1992; Doney and Cannon, 1997; Larzelere and Huston, 1980). This research suggests that trust is based on the dispositional attributions made to the partner about his/her intentions, behaviors and qualities. The key issue, then, is to know which specific attributions form brand trust.

Drawing on the research on brand trust developed by Delgado *et al.* (2003), we consider that these specific attributions have a technical and intentional nature, which is in line with a two-dimensional idea of trust more commonly found in management and marketing literature (see Doney and Cannon, 1997; Ganesan, 1994; Morgan and Hunt, 1994). Therefore, the first dimension of brand trust (reliability) has a technical or competence-based nature, involving the ability and willingness to keep promises and satisfy consumers' needs. The second dimension (intentions) comprises the attribution of good intentions to the brand in relation to the consumers' interests and welfare, for example when unexpected problems with the product arise. Consequently, a trustworthy brand is one that consistently keeps its promise of value to consumers through the way the product is developed, produced, sold, serviced and advertised. Even in bad times when some kind of brand crisis arises.

In summary, brand trust is defined as addressed by Delgado *et al.* (2003):

> The confident expectations of the brand's reliability and intentions.

Brand trust is therefore conceptualized as having two distinct dimensions that reflect different perspectives from which a brand may be considered trustworthy.

The contribution of brand trust to brand equity

To accomplish our aim of analyzing the role of brand trust in the development of brand equity, we examine the relationships network in which brand trust is embedded, and specifically the relationships that have with its main antecedent and the main asset of brand equity: brand loyalty.

Brand trust evolves from past experience and prior interaction (Garbarino and Johnson, 1999) because its development is portrayed most often as an individual's experiential process of learning over time. Therefore it summarizes the consumers' knowledge and experiences with the brand. As an experience attribute, it is influenced by the consumer's evaluation of any direct (e.g. trial, usage) and indirect contact (e.g. advertising, word of mouth) with the brand (Keller, 1993; Krishnan, 1996). Among all these different contacts, the consumption experience is the most relevant and important source of brand trust, because it generates associations, thoughts and inferences that are more self-relevant and held with more certainty (Dwyer *et al.*, 1987; Krishnan, 1996). In this sense, it can be postulated that the overall satisfaction, as a general evaluation of the consumption experience with the brand, generates brand trust (Ganesan, 1994; Selnes, 1998). This leads us to propose the following hypothesis:

H1. The consumer's overall satisfaction with the brand has a positive effect on brand trust.

Considering brand equity as a relational market-based asset implies that building and maintaining trust is at the core of brand equity, because it is a key characteristic of any successful long-term relationship (Garbarino and Johnson, 1999; Larzelere and Huston, 1980; Morgan and Hunt, 1994).

Taking into account the conceptual connections of relationship aspects and the notion of loyalty (Fournier and Yao, 1997), the prevailing idea in these studies (Chaudhuri and Holbrook, 2001; Delgado *et al.*, 2003; Garbarino and Johnson, 1999; Lau and Lee, 1999) is that trust is the cardinal driver of loyalty because it creates exchange relationships that are highly valued. In this context, brand loyalty does not exclusively focus on repeated purchases, but on the internal dispositions or attitude towards the brand, the focus on behavior would otherwise not provide an adequate basis for a complete understanding of the brand-consumer relationship. Consequently, brand loyalty underlies the ongoing process of continuing and maintaining a valued and important relationship that has been created by trust (Chaudhuri and Holbrook, 2001).

This is fairly well supported by several authors in the branding literature. For example, Sheth and Parvatiyar (1995) assert that the logic behind the existence of the brand is to transmit trust to the market, especially when direct contact between consumers and companies are not possible. Another telling argument in support of this viewpoint is that the unique value perceived in a brand by consumers may be derived from greater trust in that particular brand that other brands do not provide (Chaudhuri and Holbrook, 2001).

From a managerial perspective, companies have also begun to consider the idea of wining consumers' trust in order to build a relationship. In the consumer market, there are too many anonymous consumers, making it unlikely that the company could develop personal relationships with each one. Thus, consumers develop a relationship with the brand, which becomes a substitute for human contact between the organization and its customers (Sheth and Parvatiyar, 1995). Trust, therefore, can be developed through this relationship with the brand. The current practices of companies in managing their brands illustrate this idea. For example, MacLeod (2000) considers that much of the vocabulary of modern brand building uses words associated with personal relationships such as trust and Blackston (1992) views trust to be one component of consumers' relationships with brands. More recently, Hiscock (2001, p. 1) has claimed that "the ultimate goal of marketing is to generate an intense bond between the consumer and the brand, and the main ingredient of this bond is trust".

Based on these ideas, we put forward the hypothesis that brand trust will contribute to brand loyalty as the maximum expression of a successful relationship between the consumer and the brand.

H2. The consumer's trust in a brand has a positive effect on brand loyalty.

Finally, one characteristic of brands with high levels of equity is that consumers are very loyal to them. In fact, brand loyalty is the main driver of brand equity because it is considered to be the path that leads to certain marketing advantages and outcomes (e.g. reduced marketing costs, price premiums, market share, greater trade leverage), which have been closely associated with brand equity (Aaker, 1991; Bello and Holbrook, 1995; Park and Srinivasan, 1994). Therefore, we propose another hypothesis describing the relationship between brand loyalty and brand equity:

H3. The consumer's loyalty to the brand has a positive effect on brand equity.

Method

Data collection

The data are based on a survey done in a Region of 1,100,000 inhabitants in the south-eastern part of Spain. A questionnaire was administered through the use of a computer-aided telephone interviewing (CATI) program by a market research firm. The participants were real consumers who reported their consumption experience with one of two different product categories: shampoo and beer. These products were chosen because they are frequently purchased, and most people are familiar with them and have experienced different brands. Respondents were assigned to one product and were asked which brands they used. They were interviewed with reference to one of the brands mentioned. To obtain reliable answers, the sample unit was composed of those individuals who were active decision makers of the brand they consumed.

By random phone-calls with the use of the CATI program, we obtained 271 completed questionnaires (134 for shampoo and 137 for beer), yielding a response rate of 67 percent –a reasonable response rate given that the survey was completely voluntary and the participants received no compensation for answering the questionnaire.

The sample was well balanced in terms of most demographic and socio-economic characteristics (e.g. age, incomes, education) except for gender. Specifically, 23 percent of the sample was male and 77 percent was female. Although a random sampling process was used to select each participant in the study, there is a disproportional representation of women to men. This can be explained by the cultural and social values of the geographical area in which the survey was administered. Significant gender differences still exist in the sense that there is a large proportion of housewives. In addition, both stay-at-home and working women retain the vast majority of traditional responsibilities for the care of the household including most forms of shopping. However, most people are familiar with both shampoo (because it is a personal hygiene product) and beer (because the geographical area of this study is one with the highest levels of beer consumption in Spain).

Table I provides a detailed description of the sample.

Table I Sample information

	%
Gender	
Male	23
Female	77
College degree	
No degree	6.6
Primary education	25
Secondary education	35.4
Higher education	32.8
Work	
Unemployed	4.4
Retired	3.3
Full-time	46.4
Housewife	29.3
Students	15.6
No response	1
Behavioral data	
Buying always the same brand	66
It is important to buy a good brand	70.5
It matters what brand to buy	68.3
Age	
Mean	39.4
SD	14.27

Measures

Brand trust

Based on previous research (Delgado, 2004; Delgado *et al.*, 2003) a set of four items was used to measure each dimension of this construct. As in the case with all of the multi-item measures, each item was framed as an agree/disagree statement.

Brand loyalty

A four-item scale was used to measure the dispositional commitment to maintaining an ongoing relationship with a brand (e.g. Bloemer and Kasper, 1995; Dick and Basu, 1994). Each item was framed as an agree/disagree statement.

Brand equity

Brand equity was measured with a four-item Likert scale developed by Yoo and Donthu (2001) which is in line with the definition of brand equity proposed by Keller (1993). The four items measure the difference in consumer choice between the focal branded product and an unbranded product given the same level of product features. In line with our view of brand equity as a relational market-based asset, this definition explicitly relies on brand knowledge structures in the minds of consumers as the foundation of brand equity.

Overall satisfaction

In line with Anderson *et al.* (1994, p. 54), overall satisfaction is defined as an overall evaluation based on the total purchase and consumption experience with a product or service over time. Therefore, we used an overall satisfaction measure as a summary evaluation of the entire brand use experience (see Table II). This measure involves not only the valence (positive and negative) but also the intensity and is represented by three items measured on a fvie-point scale (Oliver, 1997; Spreng *et al.*, 1996).

Table II also reports information about the reliability and convergent validity of the different measures. Discriminant validity is also indicated since the confidence interval ($\pm$ 2 $\times$ standard errors) around the correlation estimate between any two latent indicators never includes 1.0 (Anderson and Gerbing, 1988).

Results

The proposed structural model is specified by the hypothesized relationships in Figure 1, discussed in the text as *H1-H3*. The path linking overall satisfaction and brand loyalty is also estimated, which is in line with previous research on brand loyalty (see Anderson and Sullivan, 1993; Bloemer and Kasper, 1995; Oliver, 1999)[1]. Conventional maximum likelihood estimation techniques were used to test the model. The fit of the model is satisfactory ($\chi^2_{(146)} = 399.08$; GFI $= 0.87$; SRMR $= 0.046$; RMSEA $= 0.08$; CFI $= 0.92$; TLI (NNFI) $= 0.91$), thereby suggesting that the nomological network of relationships fits our data.

In terms of our hypotheses (see Table III), the findings for *H1* (overall satisfaction $\rightarrow$ brand reliability; $\gamma_{11} = 0.88$, $p < 0.05$; overall satisfaction $\rightarrow$ brand intentions; $\gamma_{21} = 0.55$, $p < 0.05$) suggest that brand trust is rooted in the result of past experience with the brand (i.e. overall satisfaction). As suggested by Singh and Sirdeshmukh (2000), we observe that the effects of overall satisfaction are not specific to a single dimension of brand trust.

Specifically, as the squared multiple correlations (SMCs) reveal, overall satisfaction explains a substantial amount of the variance of brand trust: brand reliability $= 0.78$, and brand intentions $= 0.30$. The fact that brand reliability, as perceived by consumers, relies more heavily on overall satisfaction than brand intentions do is in line with Rempel *et al.*'s (1985) statements about how trust evolves. According to their reasoning, brand reliability is heavily related to the consistency of brand performance as signaled by the overall satisfaction consumers have with the brand. In comparison with brand reliability, brand intentions capture the essence of brand trust that is not securely rooted in past experience. However, the fact that past experience (e.g. satisfaction with the brand) is not an exact barometer of brand intentions does not imply that past experience plays no role in explaining brand intentions.

Continuing with the consequences of brand trust, it is found to be positively associated with brand loyalty, giving support to *H2* (brand reliability $\rightarrow$ brand loyalty; $\beta_{31} = 0.42$, $p < 0.05$; brand intentions $\rightarrow$ brand loyalty; $\beta_{32} = 0.20$, $p < 0.05$).

H3 is also supported, with brand loyalty significantly associated with an increase in brand equity ($\beta_{43} = 0.87$, $p < 0.05$). This suggests that the postulated relationship of brand loyalty and brand equity is confirmed.

Nevertheless, the question of interest is to determine the relevance of brand trust in the development of brand equity. For this purpose we specified different models that, from a theoretical perspective, give alternative interpretations of the relative importance attributed to brand trust when explaining the bond between consumers and brands.

Specifically, we test out theoretical model (MT) against alternative model specifications (MA). The alternative models specifications to our theoretical model depicted in Figure 1 are:

- a less parsimonious model MA1 such as the CFA;

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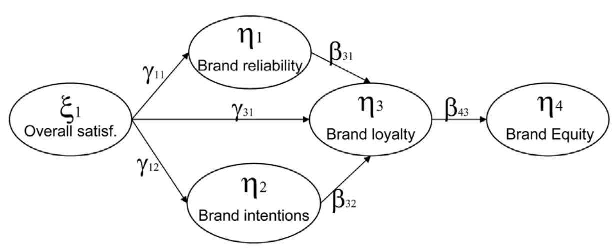
Table II Constructs measurement summary: confirmatory factor analysis and scale reliability

Item description	Standardized loading	*t*-value	Reliability SCR[a]	AVE[b]	Alpha
Brand reliability			0.93	0.77	0.88
[X] is a brand name that meets my expectations	0.94	20.33			
I feel confidence in [X] brand name	0.88	18.20			
[X] is a brand name that never disappoints me	0.78	15.09			
[X] brand name guarantees satisfaction	0.92	19.81			
Brand intentions			0.87	0.62	0.83
[X] brand name would be honest and sincere in addressing my concerns	0.77	14.54			
I could rely on [X] brand name to solve any problem with the product	0.70	12.63			
[X] brand name would make any effort to satisfy me in case of a problem	0.91	18.54			
[X] brand name would compensate me in some way for the problem with the [product]	0.75	13.95			
Brand loyalty			0.75	0.45	0.7
1. I consider myself to be loyal to [X]	0.41	6.73			
2. Only under extreme circumstances would I consider purchasing a brand of this product different from [X]	0.86	16.87			
3. If the store was out of [X], I would go somewhere else to buy some	0.70	12.71			
4. Even when another brand is on sale, I would prefer the brand [X]	0.60	10.44			
Brand equity			0.88	0.66	0.85
1. It makes sense to buy [X] instead of any other brand, even if they are the same	0.81	15.77			
2. Even if another brand has the same features as [X], I would prefer to buy [X]	0.74	13.84			
3. If there is another brand as good as [X], I prefer to buy [X]	0.81	15.86			
4. If another brand is not different from [X] in any way, it seems smarter to purchase [X]	0.88	18.05			
Overall satisfaction with the brand					
Considering all my consumption experience with [X] I am …			0.85	0.66	0.77
1. … Very satisfied	0.91	19.09			
2. … Pleased	0.91	18.92			
3. … Not very disappointed	0.58	10.19			

Notes: [a] Scale composite reliability $(\rho_c = (\Sigma\lambda_i)^2 \mathrm{var}(\xi)/[(\Sigma\lambda_i)^2 \mathrm{var}(\xi) + E\Theta_{ii}]$; Bagozzi and Yi, 1988); [b] Average variance extracted $(\rho_c = (\Sigma\lambda_i)^2 \mathrm{var}(\xi)/[(\Sigma\lambda_i)^2 \mathrm{var}(\xi) + E\Theta_{ii}]$; Fornell and Larcker, 1981); Fit statistics for measurement model of 19 indicators for five constructs: $\chi^2_{(142)} = 389.59$; CFI = 0.92; TLI(NNFI) = 0.91, GFI = 0.87; SRMR = 0.044; RMSEA = 0.080; [X] indicates a brand name

a

Figure 1 Theoretical model of relationships



constrained model (MA2) in which the parameter of the relationship among overall satisfaction and brand loyalty (γ_{31}) is constrained to zero; and

- a second constrained model (MA3) in which the parameters of the relationship among brand trust and brand loyalty (β_{31} and β_{32}) are constrained to zero.

These last two models represent the next most likely constrained alternatives to our theoretical model from a theoretical perspective.

These models were sequentially compared to one another according to Anderson and Gerbing's (1988) suggestions. These authors recommend this procedure and suggest the use

Table III Construct structural model

Linkages in the model	Hypotheses Number	Sign	Standardized parameter estimates Parameter	Estimate	*t*-value
Overall satisfaction → brand reliability	*H1*	+	γ_{11}	0.88	16.59*
Overall satisfaction → brand intentions	*H1*	+	γ_{21}	0.55	8.12*
Overall satisfaction → brand loyalty	[a]		γ_{31}	0.34	2.62*
Brand reliability → brand loyalty	*H2*	+	β_{31}	0.42	3.31*
Brand intentions → brand loyalty	*H2*	+	β_{32}	0.20	3.22*
Brand loyalty → brand equity	*H3*	+	β_{43}	0.87	6.48*

Notes: [a] No hypothesis is offered; * $p < 0.05$; $\chi^2_{(146)} = 399.08$; GFI = 0.87; SRMR = 0.046; RMSEA = 0.08; CFI = 0.92; TLI (NNFI) = 0.91

of a chi-square difference test (CDT) to test the null hypothesis: $MT - MA = 0$.

In comparison with the theoretical model, the constrained model (MA2) identifies brand trust as the primary precursor of brand loyalty because it plays a full mediating role between overall satisfaction and brand loyalty, which is in line with the commitment-trust theory (Morgan and Hunt, 1994). In contrast, the constrained model (MA3) is in line with the literature that considers overall satisfaction as the key construct in explaining brand loyalty. Consequently, in this model brand trust is only just a peripheral evaluation of the past experience with the brand that does not have further effects on brand loyalty.

The top section of Table IV offers the chi-square fit comparisons among these models. In the first step, the theoretical model (Figure 1) was compared with a less parsimonious MA1. A non-significant CDT would lead to the acceptance of the more parsimonious MT. Table IV reports a non-significant change in chi-square between our model and the CFA, leading us to consider MT as a better specification. Next, we contrasted MT with a constrained model MA2 (i.e. with γ_{31} path equal to zero) and the difference in chi-square fit between the two models was significant. This result leads us to stay with the less parsimonious theoretical model because it has a significant better fit. Finally, we compared MT with an alternative model (MA3) where it is proposed that brand trust has no effect on brand loyalty. In this case we are comparing MT with a more parsimonious model. According to the CDT, the theoretical model (MT) provided a significantly better fit to the data ($p < 0.01$) than the model MA3. Therefore, the theoretical model was deemed the best representation of the network relationships in which brand trust is embedded.

Discussions

The benefits of developing and exploiting marketing resources have been a significant theme in the marketing literature. By leveraging marketing resources, it is argued that firms will be in a stronger position to succeed in the marketplace (Srivastava *et al.*, 1998). Among these resources we identify brand equity, which is viewed as a relational market-based asset because it lies in the relationships between the brand and key external stakeholders for example end consumers. Under this framework we theorized the role of an important relationship variable such as trust in the development of brand equity. We developed a causal model containing three hypotheses and structural equation modeling supported all of them.

Because an emerging consensus in structural equations modeling is that researchers should compare alternative models, not just test a proposed model, we analyzed alternative models. To better know the role of brand trust in brand equity processes we compared the proposed model with other alternative models in which the central nomological status for brand trust and brand loyalty varies. In the alternative model MA2, the direct effect of overall satisfaction on brand loyalty is not allowed. Therefore, brand trust is identified as a key full mediating variable to develop brand loyalty and consequently brand equity. In the alternative model MA3, on the contrary, the direct effect of brand trust on brand loyalty is not identified. Then, brand trust is not allowed to mediate, being overall satisfaction the main driver of brand loyalty, and brand equity.

Compared to these more parsimonious models, the proposed model is preferred because it has a better significant fit. Consequently, although brand trust does not play a full mediating role as suggested by Morgan and Hunt (1994), it contributes to a better explanation of brand equity. These results have significant implications for both scholarship and practice.

Implications for scholarship and limitations

The results obtained about the role of brand trust in the development of brand equity enrich branding literature through the integration with the literature on the resource-based view of the firm. For instance, the empirical evidence about the fact that brand equity is best explained when brand trust is taken into account reinforces the idea that brand equity is a relational market-based asset. Morgan and Hunt (1996) proposed that resources such as loyalty and trust are immobile and cannot be purchased or replicated. These resources can therefore be combined in order to form higher order resources (e.g. brand equity) from which sustainable resource-based competitive advantages will result. Some open questions on this topic warrant further research.

First, stakeholder theory says that the firm is reliant on a network of relations in which it becomes obliged to the members of this network. Therefore, as a relational market-based asset, the analysis of brand equity must also consider the relationships with other members of the value chain, including employees (especially in service companies), investors or even suppliers.

Second, because there are interconnections among stakeholders, an interesting point is that a firm might build up strong brand equity based on the relationships developed with consumers that could be undermined by the firm neglecting its relationships with other stakeholders groups. In other words, to what extend does brand equity depend on relationships with stakeholders groups other than the focal group; that is consumers? To what extent is it important to manage each relationship? Is trust the most valued aspect in

Table IV Goodness-of-fit measures for alternative models of brand equity

	Model description	χ^2	df	RMR	NFI	GFI	Model comparison χ^2_d	df	Accepted
MA1 (CFA)	Figure 1	389.69	142	0.044	0.089	0.87			
MT	$\gamma_{31} = 0$	399.08	146	0.046	0.89	0.87	9.39*	4	MT
MA2	$\beta_{31} = 0$	404.59	147	0.047	0.89	0.86	5.51**	1	MT
MA3	$\beta_{32} = 0$	424.5	148	.053	0.88	0.86	19.91***	2	MT

Notes: * Not significant at $p < 0.05$; ** Significant at $p < 0.05$; *** Significant at $p < 0.01$

all of relationships? If that is the case, then, how is trust defined?

Third, research on branding industrial products has been limited. The fact that, in today's competitive business environment, industrial firms are increasingly using branding to differentiate their products and also develop relationships with their customers makes apparent the need of expanding the body of knowledge of the subject. A point of departure is to examine the research on consumer branding. Therefore, our findings offer industrial branding researchers some ideas that can be applied in the industrial sector.

On a more general level, there is also room for additional studies that overcome the limitations of this research. The sample is not representative of the entire population of consumers. As discussed previously, the sample was randomly selected by phone-calls interviewing only those individuals who were active decision makers in the products analyzed. This resulted in a disproportional representation of women versus men. Being so, our results may reflect a gender bias that limits the external validity of this study. The generalizability of the results could be extended by considering other demographic groups. Finally, the generalizability of the results could be extended by broadening the list of products, for example durable goods and services in which brand trust may be even more important in developing brand equity.

Implications for practice

This study has several managerial implications regarding brand equity. First, in order to enjoy the substantial competitive and economic advantages provided by brand equity as a relational market-based asset, companies must build brand trust. To that purpose a promise-centric approach is needed when managing the brand. It implies to position the brand as a promise, as a set of expectations that the brand offers a certain type and level of value. Providing this value on a consistent basis is at the heart of building strong relationships with consumers because they develop a sense of trust that the brand will continue to deliver that value. When this happens, the brand can serve as a catalyst for strengthening the relationship and for forming a bond that competitors will find difficult to break. This will be the foundation for the ongoing success and sustained competitive advantage.

However, companies must take care not to promise everything for all people. They have to consider their own capabilities and the desires of their target consumer segments before defining their promises of value. Once they are defined these promises have to be kept consistently, especially when things change quickly and buyers face great uncertainty.

Second, since trust is built through experience, the more positive experiences the consumer has with the brand, the more trusting he or she is likely to become. As such, investments in satisfaction programs, complaint handling and in the design of communication and merchandising strategies, that aid in creating and informing consumers about the responsive attitudes and behaviors of the brands, are ways of building brand trust.

Third, history has proven that consumers will give second chances to brands they trust (Harvin, 2000). The consumer outrage at contaminated Coca-Cola cans in some western European countries in 1998 and Perrier mineral water containing unacceptable levels of benzene in 1990 are cases in point. Because of the strength of both brands they continue to enjoy a substantial reputation despite of the unexpected product-harm crises. Consequently, as far as the branding literature suggests that trust is the essence of the value that a strong brand provides for consumers, paying attention to how much consumers trust in a brand might be considered as a tool to manage brand equity. This is particularly important in healthcare, legal services and in durable products.

Our findings are of special relevance in the business-to business arena as far as a number of studies (see Henthorne *et al.*, 1993; McQuiston and Dickson, 1991) have shown that industrial buyers will choose recognized brand names from established companies as a way to reduce both corporate and personal risk.

Finally, companies with trusted off-line brands also benefit from a "halo effect" in trying to establish a presence on the web. The anonymity of the Internet makes branding more crucial because consumers are likely to be more receptive to trying on-line offerings from a trusted brand name. In other words, having a trusted brand gave companies a relatively smooth and successful transition to the Net as in the case of Barnes & Noble and Toys R Us (Harvin, 2000).

Note

1 Recently, researchers have begun to document that this satisfaction-loyalty relationship is not a simple linear effect (Oliva *et al.*, 1992). However, as pointed by Singh and Sirdeshmukh (2000), sufficient research does not exist to specify the nature of this no linearity or to suggest conditions that favor it. Consequently, we specify a directional relationship only.

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Executive summary

This executive summary has been provided to allow managers and executives a rapid appreciation of the content of this article. Those with a particular interest in the topic covered may then read the article in toto *to take advantage of the more comprehensive description of the research undertaken and its results to get the full benefit of the material present.*

Getting and protecting brand trust – a challenge for marketers

Those of you who followed the recent UK General Election will know that during the campaign a great deal of time was devoted to the question of "trust" (as in "Do you trust Tony Blair?"). The argument goes that if we cannot trust Tony Blair to be straight and honest on one issue (the Iraq war), how can we trust him on other important domestic issues? The consensus was that, while Mr Blair's "brand" was damaged, the damage to the bigger Labour "brand" was limited allowing Mr Blair to win – albeit with a smaller share of the vote.

We know – at least intuitively, that the extent to which we "trust" a brand influences our propensity to purchase that brand. And this mistrust therefore impacts on brand equity. However, as Delgado-Ballester and Munuera-Aleman point out, there is limited empirical study – and hence understanding – of the connection between brand trust and brand equity. We take the relationship on trust!

Keeping our promises

Any brand contains – either implicitly or explicitly – a promise or promises. Sometimes these promises are tangible and measurable, but more often the promise contains a significant element of intangibility. When a car manufacturer makes claims about safety these can be substantiated (e.g. as a result of crash testing) and the buyer – one hopes – is not intending to put such claims to deliberate test! On the other hand promises that imply glamour, status or other self-image benefits are less measurable.

As brand managers we need to consider the extent to which our brand promise is realistic and deliverable. A trusted brand is one that, as the authors here conclude: "… that consistently keeps its promise of value to consumers through the way the product is developed, produced, sold, serviced and advertised". If we do what we say we will do – more often than not – we will benefit from this through being more trusted.

It is all in the consumer's mind!

Brand equity sits in the mind of the consumer consisting of those associations, attitudes and behaviors linking to the brand. And we want the consumer to know that our promise is what we say it is not for that consumer to disbelieve what we say. When the consumer is confronted with our brand we want a positive response to the message conveyed by the brand and for that consumer to trust our promise.

The evolution of trust in this context not only increases the attention given to our brand claim, but also offers a degree of protection to our brand that a less trusted brand would not receive. As the authors here point out, trusted brands are more likely to be given a second chance by the consumer following a failure or bad publicity. For example, it is interesting to note the continuing brand strength of Nescafé despite a long-term campaign by various pressure groups against the company. The brand promise (consistently high quality instant coffee) protects against the accusations of unfair trade and third world exploitation.

A less well-trusted brand lacks this protection. Rover, for example, was unable to take full advantage of the patriotic appeal of being the last British-owned mass car manufacturer because prospective buyers did not trust the wider brand appeal – reliability, image, style, etc. Past impressions of unreliability, labour unrest, poor service and unattractive styling afforded the brand little or no protection.

You only get trusted over time

At the beginning of a brand's life, it should sit in a neutral space – neither trusted nor mistrusted. This might be qualified where the new brand is associated with or extended from an existing brand but it provides the basis for decisions about brand trust. However, while messages that imply trustworthiness can be applied, the measure of trust requires (as ever) for the consumer to believe the claim.

Trust is engendered on one level by product or service performance (it does what it says it does), by the consistency of this performance and by other objective factors. At the same time less tangible aspects of brand communication can act to generate trust – this represents those aspects of value that cannot be assessed in utilitarian terms.

All this takes time and effort especially since it is far easier to destroy trust than it is to create trust. As the authors observe, trust is determined only by experience – we base our assessment as to the extent of trustworthiness on what has happened in the past. If we have no experience, we accept that we are taking a risk. Subsequent brand experience allows us to become more comfortable with the brand and to begin trusting – assuming that the brand meets its promises.

Brand managers need to recognise the importance of trust and to factor it into planning for brands. It is important that we are prepared for the occasion when, for whatever reason, there is a failure to deliver a promise. A prompt response is vital and it will be sensible to remind consumers of the brand's history of delivering on promises. Loss of trust is a major risk to brand equity and brand managers must work to prevent such losses and to store up levels of trust that can accommodate occasional failures.

(A précis of the article "Does brand trust matter to brand equity?". Supplied by Marketing Consultants for Emerald.)