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The new name for our journal reflects its continued evolution from the Australian Journal of Market Research, through the Australasian Journal of Market & Social Research to now. First it was the local Australian journal, then it broadened further to include our New Zealand colleagues, then it broadened to include social research. And now we are broadening again and aiming to open up the journal to the world market. This has two aims. The first is to get a wider group of market and social research organisations to adopt the journal as their official outlets. There is potential in Africa, Asia and the Americas for this to occur, as well as the South Pacific. The second is to attract academics from around the world as a vehicle for refereed publication on matters to do with the market and social research industry – its methodology, its methods, its practices, its futures and its history.

Recently the journal has applied to the Australian Business Deans Council to rank the journal as a "B" as it was in the Australian Research Council's ERA1 2010 listing. To practitioners, a journal ranking may seem arbitrary and esoteric, but to academics it counts for a lot. Higher journal rankings have higher status and that brings academic rewards. Higher rankings bring more submissions – a classic double jeopardy phenomenon for those fighting their way up. In some ways this is very antiquated approach. Search through databases like Google Scholar, Proquest and Ebsco is typically topic based. This means journals like ours are accessible to all and quality is judged by the merits of individual articles which the searches produce.

It should be acknowledged that the journal is completely funded by AMSRS which makes all articles freely available for download. In this way the Society is making a significant contribution to the intellectual life of the industry and providing a benefit to all members, especially those who work in academic roles. One key advantage for our journal is the ability to have a rapid turnaround, based on electronic publication. This has meant that the journal can be at the forefront of new research developments, such as smartphone research. In that, we are greatly assisted by the staff at AMSRS, especially our Production Manager, Julie Regan.

David Bednall
Editor
June 2013
1. INTRODUCTION

Current pressures (e.g., return on investment and declining response rates) require market research professionals to keep abreast of the latest developments in tools and techniques. In addition to employing the traditional repertoire of quantitative and qualitative market research techniques, today’s market research professionals (New York AMA Communication Services Inc., 2013) are employing a diverse range of technologies that can analyse available information (web crawl, Google analytics, content analysis of consumer blogs) along with alternate data collection tools (e.g., Internet chat rooms, social media, blogs). Some marketing problems, e.g., new to market product formulations, will continue to rely on traditional research methods to provide the information needed to formulate a product solution to better meet the needs of the market. It is important for market researchers to understand the limitations of traditional quantitative research methods to ensure their clients receive maximum return on investment.

Many quantitative surveys employ simple rating scales, such as Likert scales to establish the extent to which a customer agrees/disagrees with a statement or likes/dislikes a potential new product. Likert scales have been widely used to measure a wide variety of issues including customer satisfaction, customer loyalty, trust, and service quality perceptions. Considerable evidence exists suggesting Likert scales are not sufficiently reliable (see for example Chrzan & Skrapits, 1996; Cohen & Markowitz, 2002; Cohen & Neira, 2003; Louviere, Swait, & Anderson, 1995). This paper considers issues surrounding simple rating scales, such as Likert scales, and then continues by introducing a choice modelling technique, Best-Worst Scaling (BWS) that overcomes many of the reliability issues that are inherent with simple rating scales. Application of a novel pictorial approach aimed at reducing respondent burden is described. An overview of different analysis approaches is presented with reflections on the benefits and limitations of the specific method (BW case 3). Overall this paper...
reflects on both researcher experience gained and respondent feedback received during the conduct of eight pictorial BWS studies conducted over a two year period (2009 through to 2011).

2. BASIC RATING SCALES – TOO BASIC?
Researchers have sought to understand the inherent limitations associated with simple rating based scales for over 60 years signifying that these are subject to many limitations, including, but not limited to, socially desirable responding, acquiescence bias, hypothetical bias and scalar equivalence. These limitations impact on a simple rating scales’ ability to accurately measure across target populations. Given the known limitations of simple rating scales it seems surprising that rating scales remain so widely used in market research. We now consider some of the criticisms directed towards simple rating scales.

Purchase intentions captured through simple rating scales, such as the Likert scale, have long been criticised for their inability to accurately predict customer behaviour (examples include Holdershaw, Gendall, & Wright, 2011 in a blood donation context and; Lockie, Lyons, Lawrence, & Grice, 2004 in an organic food context). As Lockie et al. (2004, p. 141) state “if National Food Choice Survey estimates that organic food has captured about 1% of the Australian food market are accurate, then it would appear that a degree of over-stating has occurred”. This issue is expanded further in a blood donation context by Barkworth, Hibbert, Horne & Tagg (2002) who note the problem with intentions captured through simple rating based scales are that while they are correlated with behaviour, they are not the same as actual donation behaviour. Lusk, McLaughlin & Jaeger (2007, p. 41) conclude: “there is considerable evidence that inconsistencies often exist between what people say they will do and what they actually do” and Holdershaw et al. (2011) suggest that researchers may now need to turn to other methods to predict behaviour.

The mismatch between what survey respondents indicate they will do and what they actually do may be a direct result of biases, including social desirable responding (SDR) and acquiescence bias. The idea underpinning SDR is that most respondents have many limitations, including, but not limited to, socially desirable responding, acquiescence bias, hypothetical bias and scalar equivalence. These limitations impact on a simple rating scales’ ability to accurately measure across target populations. Given the known limitations of simple rating scales it seems surprising that rating scales remain so widely used in market research. We now consider some of the criticisms directed towards simple rating scales.

Scalar, or score, equivalence (Steenkamp & Hofstede, 2002) refers to the fact that rating scores obtained may not be directly comparable across countries or groups of consumers based on cultural heritage (Walley, Parsons, & Bland, 1999). Indeed, as noted by Steenkamp and Hofstede (2002, p. 202): “it is worrisome to note that score equivalence has not received much attention in international segmentation research...We believe that lack of attention to score equivalence is one of the reasons why international segmentation studies often report a heavy country influence”. Many differences observed using simple rating scales may occur due to an individual’s interpretation of the scale’s meaning. There is ample evidence (Baumgartner & Steenkamp, 2001; Chen, Lee, & Stevenson, 1995; Steenkamp & Baumgartner, 1998; Steenkamp, Hofstede, & Wedel, 1999) that countries differ in their response styles. Further, there is additional evidence suggesting that rating scales are susceptible to under- or over-reporting depending on the situation (Bentler et al., 1971; McClendon, 1991; Welkenhuysen-Gybel, et al., 2003). The BWS method may minimize scalar equivalence as survey respondents are simply asked to identify the “best” and “worst” option in a fixed choice scenario, hence culturally dependent differences in the use of rating scales are minimised (Auger, Devinney, & Louviere, 2007).

Simple rating scale items (e.g. Likert scales) have often been shown to be susceptible to an acquiescent response bias (Billiet & McClendon, 2000; McClendon, 1991; Watson, 1992). Acquiescence is commonly defined as the tendency of respondents to show greater acquiescence (tendency to agree) rather than disacquiescence (tendency to disagree) with items irrespective of the content of that item (Baumgartner & Steenkamp, 2001; Billiet & McClendon, 2000; Rossi, Gilula, & Allenby, 2001; Watson, 1992). Related is the
The notion of Extreme Response Style (ERS), which implies the tendency of respondents to disproportionately use the extreme categories in rating scales (Baumgartner & Steenkamp, 2001). Acquiescence bias is particularly prominent in new product development (NPD) research, where respondents give positive connotations to most new ideas (Zikmund, Ward, Lowe, & Winzar, 2007). The authors acknowledge that alternatives, such as Item Specific (IS) Response options (see Saris, Revilla, Krosnick & Schaeffer, 2010), exist to overcome acquiescence bias. However, we caution that IS response options then serve to limit the analytical techniques as the data is categorical. Moreover, IS responses remain incapable of dealing with multi-attribute options, which have been shown to be more realistic of real marketplace choices. Finally, while IS response options may overcome some of the limitations, especially in regards to acquiescence, of our standard Likert scales they still allow a respondent to agree/rate positively or disagree/rate negatively with all options, which is one of the major downfalls of rating scales in market research, especially for NPD and Willingness-To-Pay type research. It is important to note that in stated choice preference literature, these issues are often referred to as hypothetical bias, where respondents report a willingness to pay (WTP) that exceeds what they actually pay using their own money in laboratory or field experiments (Loomis, 2011, p. 363).

Recent research (Weijters, Cabooter, & Schillewaert, 2010) has furthermore found that the number of response categories, for example 5- or 7-point Likert scales, as well as whether all levels have been labelled or not has a significant influence on the overall results and conclusions. A fully labelled scale format was found to lead to higher acquiescence bias and lower ERS; the first due to the clarity provided by labels which strengthens the effect of positivity bias, the latter due to the increased salience and attractiveness of the intermediate options. Weijters et al. (2010, pp. 244-245) concludes that “data obtained with different formats are not comparable, and interpretations of Likert data are always relative: the probability that respondents agree with an item depends on how such agreement can be expressed...The practice of reporting survey results by means of percentages of respondents who agree with a statement (“top two boxes” or “top three boxes”) has to be treated with great caution”.

Taken together, there is considerable evidence that simple rating scales are susceptible to many biases and equivalence issues which questions conclusions drawn from studies employing these measures (examples include Chrzan & Skrapits, 1996; Cohen & Markowitz, 2002; Cohen & Neira, 2003; Louviere, Swait, & Anderson, 1995). It is suggested, that BWS is in fact capable of minimizing biases such as SDR, acquiescence and scalar inequivalence and that BWS may produce better in-market predictions, even across different cultures, due to a unidimensional scale (Auger, Devinney, & Louviere, 2007; Goodman, Lockshin, & Cohen, 2006). Furthermore, recent research concludes that conjoint techniques, such as BWS, provides less dramatic hypothetical bias (Hensher, 2010; Loomis, 2011; Murphy, Allen, Stevens, & Weatherhead, 2005; Özdemir, Johnson, & Hauber, 2009). Taken together, these results suggest alternative methodological techniques including BWS may, indeed, assist market researchers to minimise bias.

With the limitations of simple rating scales in mind we have been using BWS in recent market research projects to establish organic food and baby care product preferences. We now continue by introducing BWS formally.

3. CONJOINT ANALYSIS

The following section will provide an overview of the different conjoint techniques: from the birth of rating- and ranking-based conjoint (classic conjoint approaches), through to choice-based conjoint and finally the method employed: Best-Worst Scaling (BWS). The overarching idea behind all of these techniques, however, is the same: they overcome the majority of the limitations of rating scales addressed above (American Marketing Association, 1992; Walley, et al., 1999), in particular:

- Conjoint analysis is based on the assumption that purchase decisions are not made on a single factor but are based on several factors, or attributes, which are considered conjointly
- Traditional research techniques which aim to establish the importance of various product attributes invariably results in most attributes being classed as ‘extremely important’

Conjoint analysis does not simply ask respondents which attributes are important or which attributes they prefer, rather, it forces them to make trade-offs between the attributes and/or products. Preferences are then revealed through a series of rating (real score), ranking (implicit score) or trade-off decisions and it is argued that conjoint in this way overcomes the problem of respondents saying one thing and actually doing another, thereby providing results with higher validity and reliability as well as being more useful for marketing managers overall (Walley, et al., 1999). Results based on conjoint techniques are also said to provide better prediction and forecasting.
models for consumer behaviour, especially for multi-attribute products or services (Green & Srinivasan, 1978; Wittink & Walsh, 1988).

### 3.1 The birth of conjoint

Back in the 1970’s conjoint analysis as a technique gained foothold as a way of capturing consumer trade-offs among multiattribute products and service. A comprehensive review was written by Green and Srinivasan (1978), and conjoint analysis has since been used extensively in e.g. transportation (see for example: Rose, Hensher, Greene, & Washington, 2011) and environmental evaluation (Alriksson & Öberg, 2008). It is even argued that conjoint analysis “is considered among the major contributions of marketing science to marketing practice” (Netzer et al., 2008, p. 338).

The overarching reason behind this popularity is that conjoint analysis in its basic form is decompositional, hence a consumers’ preference for a given product or service can be decomposed into preference scores (often referred to as marginal utilities) for each component or attribute level (Cattin & Wittink, 1982, p. 46). Additionally, it is argued that by simulating real marketplace situations, conjoint analysis realistically models day-to-day consumer decisions and has a reasonable ability to predict consumer behaviour for multi-attribute products or services (Green & Srinivasan, 1978). It is important to understand that conjoint analysis is based on two underlying assumptions (Jaeger, Hedderley, & MacFie, 2001):

1. Consumer behaviour and subsequent choice is based on utility maximisation
2. Any product or service is basically a bundle of attributes from which consumers gain value

Conjoint analysis in its original form is based on ratings and rankings of alternatives. For a comprehensive overview of conjoint analysis and its early commercial application refer to Cattin and Wittink (1982).

### 3.2 Discrete Choice Experiments

More recently choice-based conjoint, also referred to as a Discrete Choice Experiment (DCE), has gained popularity. The DCE is rooted in Random Utility Theory, a well-tested theory of human decision making hypothesised by Thurstone (1927) and generalised by McFadden (1974). It was established that arbitrary ratings to model choice are not necessary; how often one option is chosen over others is enough (Zikmund, et al., 2011, p. 528). The general technique to reveal the subsequent preferences is based on regression methods such as multinomial logit (MNL), which also provides information about the influence of one attribute over others.

The overarching reason why the DCE has become increasingly popular is that it addresses one of the limitations of standard conjoint: in evaluations of products or services a high score in itself is no guarantee that a product will be chosen (Zikmund, et al., 2011, p. 528). In other words, in the DCE respondents have to make a choice or decision; depending on the application of the method (Jaeger, et al., 2001). Whether results are different between the original rating based conjoint and DCE is subject to debate (Huber, Wittink, Johnson, & Miller, 1992; Karniouchina, Moore, van der Rhee, & Verma, 2009; Moore, 2004; Oliphant, Eagle, Louviere, & Anderson, 1992). However, it would be fair to assume that a choice task would likely be more reflective of actual marketplace behaviour than a rating exercise, simply because making choices is what we all do every day (Huber, et al., 1992, p. 2). It is argued that respondents find it “simpler and easier to compare objects and to simply select the one they would buy” (Zikmund, et al., 2011, p. 532).

The overall question is then why DCE’s are not extensively used in market research? The simple answer is that it is complicated to analyse the results (via MNL) and it is primarily left to expert consultancies to undertake. The simplest way to analyse DCE data is to purchase capable software, but that does not come cheap. The most popular packages are Sawtooth Software (US based) and NLogit (based on Econometric Software in the US but primarily designed by David Hensher and John Rose in Sydney). This leads us to what has been called the “middle ground” BWS (Flynn, et al., 2007).

### 3.3 Best-Worst Scaling – an overview

The central idea behind BW scaling is that participants are presented with a limited set of a larger number of objects/products/concepts, and are required to make two choices: the best (or most attractive, most useful, etc.) and the worst (or least attractive, least useful, etc.) (Zikmund et al., 2007). BWS originates from the same random utility framework that underpins other DCE and ranking studies and is generally seen as a good compromise between the two: more information is obtained with BWS than DCE, yet less burden is placed on the respondent than a full ranking of all choice options (Flynn, 2010, p. 259). Further, respondents are not asked to report how much they prefer different alternatives as with traditional numerical rating conjoint studies, they are merely asked to identify which of a number of options they prefer and which they do not (James & Burton, 2003).

The implication is that no participants are permitted to like or dislike all alternatives, as participants are forced to choose one most and one least preferred option in every scenario. A number of different object
sets are presented, to gather sufficient information about relative preferences from each respondent (Auger, Devinney, & Louviere, 2007; Cohen & Neira, 2003). Although there have been published papers utilising BWS over the past 15 years (Finn & Louviere, 1992), the formal statistical and measurement properties were proven only recently (Marley & Louviere, 2005).

Recently, papers have emerged discussing different types of BWS, namely the object case (case 1), the profile case (case 2) and the multiprofile case (case 3) (Flynn, 2010). In practice case 1 and 3 have been applied in the marketing field (see for example Steve Goodman, 2009 (case 1); Mueller, Lockshin, Saltman, & Blanford, 2010 (case 3)) and case 2 in health economics (see for example Potoglou et al., 2011). Case 2 has primarily been used in valuation studies concerned with general population preferences for e.g. quality of life attributes, and it is generally acknowledged that this approach is most appropriate when respondents have no experience with choice-making in the particular area of investigation, as profiles are presented one at a time (contrary to choice sets of two or more) (Potoglou, et al., 2011, p. 4). We will briefly introduce case 1 and case 3, however, the main focus and associated examples of analyses will be based on a case 3 BWS study to illustrate Case 3 Best Worst to its full extent. The main difference between case 1 and case 3 is that for a case 1 BWS study objects (which might be an attribute or profile) are simply presented as stand-alone measures and evaluated as such, whereas in case 3 studies attributes are bundled into a product/service. Figure 1 shows a simplified example of each case focusing on apples, which will be the product considered later in this paper. Please refer to Flynn (2010) for a detailed explanation of the three different types of BWS, examples and associated analyses.

**Figure 1: Example of case 1 and case 3 BWS(adapted from Flynn, 2010):**

| BWS Case 1: Please consider you are out shopping and want to buy apples. Tick which attribute is most and least important to you. |
|---|---|
| **Best/Most** | **Worst/Least** |
| Production method | |
| Price | |
| Packaging | |
| Appearance | |

| BWS Case 3: Please consider you are out shopping and want to buy apples. Tick which apple product would be the best and worst for you. |
|---|---|---|
| **Apple 1** | **Apple 2** | **Apple 3** |
| Organic | Conventional | Organic |
| AU$8.99/kg | AU$6.99/kg | AU$7.99/kg |
| Packaged | Packaged | Loose-weight |
| B-grade | A-grade | A-grade |
| Best | Best | Best |
| Worst | Worst | Worst |

In regards to case 3 BWS studies, a major strength is that choices are presented in context and explicitly highlight the trade-offs that often have to be made during the decision-making task. In this sense, results are likely to be more reliable and realistic than rating scales or directly elicited willingness-to-pay (WTP)-type questions (James & Burton, 2003). We expect that BWS is likely to be more predictive of actual marketplace choices (Goodman, et al., 2006) as choice scenarios assist to identify the attributes that are in
the uppermost minds of respondents (Baek, Ham, & Yang, 2006). For more in-depth information about BWS in general, please refer to Auger et al. (2007); Goodman, Lockshin & Cohen (2005); Hoek, Wong, Gendall, Louviere & Cong (2010); Jaeger, Jorgensen, Aaslyng & Bredie (2008) as good starting points.

To illustrate the flexibility in the BWS method selected noteworthy social science studies and their overall results are highlighted in Table 1 below.

### Table 1: Illustrative BWS Studies

<table>
<thead>
<tr>
<th>Author</th>
<th>Title</th>
<th>BW Case</th>
<th>Overall results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auger, et al. (2007)</td>
<td>Using Best: Worst Scaling Methodology to Investigate Consumer Ethical Beliefs across Countries</td>
<td>1</td>
<td>BWS is used to examine differences in attitudes of consumers towards social and ethical issues in six different countries with a total of more than 600 respondents. The results show that although there are differences, the most interesting results are the similarities. The most important issues were human rights, child labour and safe and good working conditions. Hence, some universal beliefs about social issues exist.</td>
</tr>
<tr>
<td>D’Alessandro &amp; Winzar (2010)</td>
<td>Do students know best when it comes to assessment? A best/worst analysis of assessment choices</td>
<td>1</td>
<td>Language of schooling combined with work commitments to some extent determines a preference for more group work. Other students (local in particular) do not like to do group work or are indifferent. The paper highlights the difficulty of providing a homogenous education offering to a heterogeneous student population.</td>
</tr>
<tr>
<td>Louviere &amp; Flynn (2010)</td>
<td>Using best-worst scaling choice experiments to measure public perceptions and preferences for healthcare reform in Australia</td>
<td>1</td>
<td>The BWS task forced respondents to discriminate between the 15 healthcare reform principles on offer. Quality and safety was the most important principle. It is suggested that researchers within the area of healthcare should consider applying the BW case 1 method in future studies.</td>
</tr>
<tr>
<td>Mueller, Lockshin, Saltman, &amp; Blanford (2010)</td>
<td>Message on a bottle: The relative influence of wine back label information on wine choice</td>
<td>3</td>
<td>The importance of wine back label information relative to price was examined in a BWS study. Winery history, taste descriptions and food pairing were found to be of most importance to consumers. Ingredient information, on the other hand, had significant negative impact on one segment in particular.</td>
</tr>
</tbody>
</table>

#### 3.4 BW Studies undertaken

In our work, we have primarily focused on case 3 studies. Based on feedback from a 2006 non-pictorial, paper-based BWS study (Adamsen, 2006) where respondents expressed frustration at the repetitive nature of the task (15 choice scenarios with 4 options in each), we have generally applied a novel pictorial representation. The visual nature was chosen to improve task clarity (Adamsen, 2006; Paull, 2006) and to reduce the reliance on words (Louviere, Eagle, & Cohen, 2005, pp. 35-36). Pictorial representation also incorporates the fact that some attributes are difficult to verbally describe (Walley, et al., 1999). We started out with three different studies examining preferences for organic food products, and have subsequently completed another five online pictorial BWS studies for different baby skincare products, nappies and hand sanitiser.
Overall, the pictorial format was well received by the respondents and the response rates were higher than anticipated (based on an email list sampling). This suggests pictorial representation of BW studies is accepted by respondents. From here onwards the focus will be on the Apple study, as an example to illustrate the analysis and nuances of interpretation of both case 1 and case 3 BWS data. An example of the pictorial format can be seen in Figure 2 below.

### 4. ANALYSIS

BWS data can be analysed in different ways and the analytical approaches to be employed are highly dependent on the type of BWS (i.e. case 1, 2 or 3). Generally, for a case 1 BWS study a simple best minus worst calculation and associated investigation of the variance-covariance matrix to reveal consumer heterogeneity is often applied (Flynn, 2010; Steven Goodman, Lockshin, & Cohen, 2005; Mueller & Rungie, 2009), whereas type 3 BWS data is generally analysed through multinomial logit (MNL) and subsequently some clustering technique (e.g. latent class analysis (LCA)) to provide richer preference data. Below, in Figure 2, is an example of a case 3 BWS study examining preferences for (organic) apples. Profiles were developed pictorially with attribute and levels combinations based on a balanced incomplete block design (BIBD). In terms of analysis we have treated the data as a case 1 BWS study using B-W scores (i.e. by analysing the multiattribute profile into a single object without decomposed attributes) followed by a case 3 applying MNL analysis. Refer to Flynn (2010) for a much more detailed discussion of BWS data analysis approaches for case 1 and case 3 BWS studies.

---

*All samples were largely representative of the Australian population when compared with ABS data in terms of family structure, income, level of education and all samples were Australia-wide.*

### Table 2: BWS studies undertaken (2009-2011)

<table>
<thead>
<tr>
<th>#</th>
<th>Industry</th>
<th>Dates survey active</th>
<th># of attributes</th>
<th># of profiles</th>
<th># of choice tasks</th>
<th>Pictorial representation</th>
<th>Response rate</th>
<th>Data source</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Organic food (apples)</td>
<td>12/09-01/10</td>
<td>3</td>
<td>8</td>
<td>14</td>
<td>Yes</td>
<td>29 %</td>
<td>Griffith list</td>
<td>+18’s*</td>
</tr>
<tr>
<td>2</td>
<td>Organic food (beef)</td>
<td>12/09-01/10</td>
<td>2</td>
<td>6</td>
<td>10</td>
<td>Yes</td>
<td>36 %</td>
<td>Griffith list</td>
<td>+18’s*</td>
</tr>
<tr>
<td>3</td>
<td>Organic food (milk)</td>
<td>12/09-01/10</td>
<td>3</td>
<td>8</td>
<td>14</td>
<td>Yes</td>
<td>28 %</td>
<td>Griffith list</td>
<td>+18’s*</td>
</tr>
<tr>
<td>4</td>
<td>Baby shampoo</td>
<td>02/11-03/11</td>
<td>4</td>
<td>9</td>
<td>12</td>
<td>Yes</td>
<td>36 %</td>
<td>Griffith list</td>
<td>[expectant] mothers*</td>
</tr>
<tr>
<td>5</td>
<td>Baby body wash</td>
<td>03/11</td>
<td>4</td>
<td>9</td>
<td>12</td>
<td>Yes</td>
<td>10 %</td>
<td>First Direct Solutions</td>
<td>[expectant] mothers*</td>
</tr>
<tr>
<td>6</td>
<td>Nappies</td>
<td>03/11</td>
<td>5</td>
<td>12</td>
<td>12</td>
<td>Yes</td>
<td>13 %</td>
<td>First Direct Solutions</td>
<td>[expectant] mothers*</td>
</tr>
<tr>
<td>7</td>
<td>Hand sanitiser</td>
<td>03/11</td>
<td>2</td>
<td>9</td>
<td>12</td>
<td>Yes</td>
<td>24 %</td>
<td>Griffith list</td>
<td>+18’s*</td>
</tr>
<tr>
<td>8</td>
<td>Baby shampoo (different brands)</td>
<td>04/11</td>
<td>4</td>
<td>9</td>
<td>12</td>
<td>Yes</td>
<td>14 %</td>
<td>First Direct Solutions</td>
<td>[expectant] mothers*</td>
</tr>
</tbody>
</table>

---

*All samples were largely representative of the Australian population when compared with ABS data in terms of family structure, income, level of education and all samples were Australia-wide.*
4.1 Profile importance – the easy option providing an instant overview

For case 1 BWS data, the standard practice of calculating best minus worst (B-W) scores for each attribute or profile can be applied. For case 1 BWS, this approach has been found to provide results at the profile level comparable to the outcome of the more complicated MNL analysis of DCE data (Auger, et al., 2007; Flynn, et al., 2007; Hein, Jaeger, Carr, & Delahunt, 2008; Jaeger, et al., 2008; Lee, Soutar, & Louviere, 2007; Louviere & Islam, 2008). The B-W score then allows for ranking of the individual profiles. Positive values of B-W indicate that the given profile was chosen more frequently as best than worst and negative values reveal that the profile was chosen more frequently as worst. The average B-W scores are calculated by dividing the B-W score by the number of respondents and the frequency that each profile appears in the design of the choice set (r).

Another way to compare the profile importance is to derive ratio scores, by taking the square root after dividing the total B scores by the total W scores. The resulting coefficient measures the choice probability compared to the most important item (Auger, et al., 2007; Cohen, 2009; Flynn, et al., 2007; Lee, Soutar, & Louviere, 2008; Marley & Louviere, 2005). The square root of (B/W) for all profiles ($\sqrt{B/W}$) are scaled by a factor, such that the most important profile with the highest square root (B/W) becomes Index 100. This allows for easy interpretation and comparison across profiles.

Case 3 BWS data, as we have for the apple study, can be treated as whole profiles and analysed as case 1 using the B-W score (refer to Table 3 below). The complexity of this analysis is low, and no specialist software package is required to undertake case 1 Best Worst analysis.

### Table 3: Example of BW results in table form (preferences for organic apples treated as a case 1 study)

<table>
<thead>
<tr>
<th>Profile #</th>
<th>Prod. method</th>
<th>Packaging</th>
<th>Price per kg AU$</th>
<th>Total Best</th>
<th>Total Worst</th>
<th>B-W score</th>
<th>Ave. B-W</th>
<th>Data source</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>B-W</td>
<td>Ratio</td>
<td>$3.99</td>
<td>1,499</td>
<td>12</td>
<td>1,487</td>
<td>6.38</td>
<td>11.18</td>
<td>100</td>
</tr>
<tr>
<td>1</td>
<td>Score</td>
<td>Index</td>
<td>$3.99</td>
<td>682</td>
<td>37</td>
<td>645</td>
<td>2.77</td>
<td>4.29</td>
<td>38</td>
</tr>
<tr>
<td>6</td>
<td>Organic</td>
<td>Bag</td>
<td>$3.99</td>
<td>489</td>
<td>74</td>
<td>415</td>
<td>1.78</td>
<td>2.57</td>
<td>23</td>
</tr>
<tr>
<td>7</td>
<td>Organic</td>
<td>Loose</td>
<td>$5.99</td>
<td>441</td>
<td>41</td>
<td>400</td>
<td>1.72</td>
<td>3.28</td>
<td>29</td>
</tr>
<tr>
<td>2</td>
<td>Conventional</td>
<td>Bag</td>
<td>$3.99</td>
<td>40</td>
<td>442</td>
<td>-402</td>
<td>-1.73</td>
<td>0.30</td>
<td>3</td>
</tr>
<tr>
<td>3</td>
<td>Conventional</td>
<td>Loose</td>
<td>$5.99</td>
<td>77</td>
<td>483</td>
<td>-406</td>
<td>-1.74</td>
<td>0.40</td>
<td>4</td>
</tr>
<tr>
<td>8</td>
<td>Organic</td>
<td>Bag</td>
<td>$5.99</td>
<td>27</td>
<td>698</td>
<td>-671</td>
<td>-2.88</td>
<td>0.20</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>Conventional</td>
<td>Bag</td>
<td>$5.99</td>
<td>7</td>
<td>1,475</td>
<td>-1,468</td>
<td>-6.30</td>
<td>0.07</td>
<td>1</td>
</tr>
</tbody>
</table>
Results in Table 3 indicate that loose, organic apples at a price of AU$3.99/kg was considered to be the best alternative by respondents. According to B-W analysis four apple alternatives received positive scores (all but one priced at AU$3.99/kg) while four apple alternatives were more frequently chosen as worst than best, subsequently scoring negatively. Case 1 BWS provides producers, retailers and marketers with aggregate level data providing information on alternatives that are most acceptable to the market and alternatives that would likely be rejected by the market. Refer to Figure 3 [representing the indexed B-W score from our case 3 study on apples; data shown in Table 3], where four alternatives receive positive B-W scores and four alternatives negative scores.

B-W scores can also be indexed, as sqrt(B/W), with the most preferred profile indexed at 100. This is visually depicted in Figure 3 below, where Profile 5 has an index of 100, and the second most preferred Profile, 1, is indexed at approximately 40. Profile 1, 6 and 7 are somewhat similar to consumers in terms of preference, whereas profiles 2, 3 and 8 are less preferred, evidenced through negative B-W scores (Table 3). Profile 4 (‘conventional’, AU$5.99 per kg, ‘bag’) is the least favoured profile, with an indexed score of 1, suggesting this profile has almost zero chance of being chosen.

**Figure 3: Example of index scores (apple preferences)**

4.2 Choice heterogeneity

Initial case 1 Best Worst analysis does not show any heterogeneity that may be present in the data. Hence calculations of variance and standard deviations can be used to further inform if choices have been consistent across all respondents, that is homogenous, or not. The standard deviations are calculated based on the individual B-W scores and the results are shown in Table 4 below, along with the a column indicating the ratio of standard deviation to the mean, which represents the extent of heterogeneity [high absolute ratios suggest greater heterogeneity].
All profiles have standard deviations above one, as per the Table 4 above which signifies the existence of consumer heterogeneity for all profiles (Mueller & Rungie, 2009, p. 29). Some profiles tend towards homogeneity. These include the overall most preferred Profile 5 (Stdev/mean=0.23) as well as the overall least preferred Profile 4 (Stdev/mean=-0.25). Profiles 8 and 1 are also relatively homogeneous (Stdev/mean of -0.60 and 0.69 respectively). Other profiles, such as P6, P3 and P7 all have Stdev/mean > 1.0 indicating substantial disagreement, or heterogeneity, between respondents on the relative importance of apple profiles.

This information can also be presented graphically (see Figure 4), where the bars represent the average B-W scores, and the error bars show the standard deviation around the mean respectively. Hence the error bars span over two standard deviations. For better understanding the mean B-W score is also shown as a label next to the bar. Please note that

Table 4: Variance and standard deviation of profile importance

<table>
<thead>
<tr>
<th>Profile</th>
<th>Attributes</th>
<th>Mean B-W</th>
<th>Var B-W</th>
<th>Stdev B-W</th>
<th>Stdev/ Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>P6</td>
<td>Organic, bag, AU$3.99</td>
<td>1.78</td>
<td>3.86</td>
<td>1.97</td>
<td>1.11</td>
</tr>
<tr>
<td>P3</td>
<td>Conventional, loose, AU$5.99</td>
<td>-1.74</td>
<td>3.14</td>
<td>1.77</td>
<td>-1.02</td>
</tr>
<tr>
<td>P7</td>
<td>Organic, loose, AU$5.99</td>
<td>1.72</td>
<td>3.03</td>
<td>1.74</td>
<td>1.01</td>
</tr>
<tr>
<td>P2</td>
<td>Conventional, bag, AU$3.99</td>
<td>-1.73</td>
<td>2.67</td>
<td>1.64</td>
<td>-0.95</td>
</tr>
<tr>
<td>P1</td>
<td>Conventional, loose, AU$3.99</td>
<td>2.77</td>
<td>3.65</td>
<td>1.91</td>
<td>0.69</td>
</tr>
<tr>
<td>P8</td>
<td>Organic, bag, AU$5.99</td>
<td>-2.88</td>
<td>2.95</td>
<td>1.72</td>
<td>-0.60</td>
</tr>
<tr>
<td>P4</td>
<td>Conventional, bag, AU$5.99</td>
<td>-6.30</td>
<td>2.44</td>
<td>1.56</td>
<td>-0.25</td>
</tr>
<tr>
<td>P5</td>
<td>Organic, loose, AU$3.99</td>
<td>6.38</td>
<td>2.16</td>
<td>1.47</td>
<td>0.23</td>
</tr>
</tbody>
</table>

Figure 4: Profile importance and standard deviations
profiles are presented in numeric order in this output, starting from Profile 1 and ending with Profile 8. The ends of the error bars are marked with a line to increase visibility. Since each profile appears seven times in the design, the maximum value a profile can obtain is bound by +7 and the corresponding minimum value is -7. If a profile was chosen more often as best than worst, it will have a positive score, hence be above zero on the vertical axis ($\sum(B-W) > 0$), and similarly if chosen more often as worst it will be below zero on the axis. In this case Profiles 1, 5, 6 and 7 have positive scores, whereas Profiles 2, 3, 4 and 8 display negative scores ($\sum(B-W) < 0$). The size of the error bars relative to the size of the profile bars graphically represent the profile importance heterogeneity, and profiles with higher standard deviations, implying more heterogeneity, have longer whiskers.

The most important profile, Profile 5 (B-W score of 6.38), lies less than one standard deviation away from the highest possible score of +7. This indicates that a significant proportion of respondents always chose this profile as best when the profile appeared in the choice set. Contrary to this is Profile 4, the least preferred profile with a B-W score of -6.30. This profile’s score is similarly less than one standard deviation away from the lowest possible score of -7, again indicating a high degree of consensus amongst respondents that this is the ‘worst’ choice in the majority of sets it was represented in.

Figure 5 below combines both the dimension of profile importance (B-W score) and heterogeneity (Stdev) in a standard scatter plot. Profiles which show homogeneity and high profile importance are the most favoured by the majority of consumers in the market. Profiles which have a positive mean B-W score and also show a high level of heterogeneity imply some respondent disagreement; hence the profiles may be important to a subset(s) of consumers. Those profiles are found in the upper, right corner of the graph (visualised by the green oval). In this case Profile 6 (organic, bag, AU$3.99), Profile 1 (conventional, loose, AU$3.99) and to a lesser extent Profile 7 (organic, loose, AU$5.99) may be preferred by a subset of consumers. Profiles like 3 (conventional, loose, AU$5.99) and 8 (organic, bag, AU$5.99) display relatively high Stdev’s despite low B-W scores, and may be suitable to a smaller niche segment of consumers.

Figure 5: Positive B-W scores and high level of heterogeneity for apple profiles
4.3 Multinomial Logit – attribute importance

The overall B-W analyses presented so far have focused on average preferences and associated heterogeneity for entire profiles (based on data from a BWS type 3 experiment). This is the analytical procedure used for case 1 BWS studies and a discussion of the analysis of case 1 designs would end here. However, the advantage of case 3 BWS over case 1 is that it can be analysed using MNL and related cluster approaches such as latent class analysis to give separate importance weights for each attribute level, allowing the researcher to rank explode the number of observations to provide richer preference data. In a case 3 situation this analysis allows a direct assessment of the role each attribute level plays on stated choice preferences. A MNL analysis can help map the strength of each attribute and furthermore serve as a basis to estimate WTP for attribute levels, such as organic or loose apples, thereby assisting price setting decisions based on the attributes tested. In this particular example only the ‘best’ choices selected by respondents’ form the basis of the analysis, therefore the data is treated as a standard DCE analysis. Other studies have also followed this approach (Bednarz, 2006), especially since the underlying psychological choice processes underlying best and worst choices may indeed differ.

The DCE has been widely applied in the area of food and drink marketing [see for example Lockshin, Jarvis, d’Hauteville, & Perrouty, 2006; Remaud, et al., 2008; Teratanavat & Hooker, 2006] and prior research has indicated that consumer choices made in a DCE format with visual shelf simulations are strongly related to actual market data (Mueller, Osidacz, et al., 2010). The advantage of using a DCE approach compared to other stated preference techniques is that it is possible to elicit preferences for the product attributes [packaging, price, organic versus conventional] rather than for the mere product as a whole (Bech & Gyrd-Hansen, 2005, p. 1079). A thorough description of the theory and statistics behind DCE’s and Multinomial Logit (MNL) analysis can be found in Hensher, Rose & Greene (2005).

In regards to the specifics of the analysis employed to illustrate the apple data, NLogit software [Econometric Software Australia, 2009] was used to estimate a Multinomial Logit (MNL) model as a linear function of the main attribute level effects. The price attribute was coded continuously, all other attributes were effects coded as per the general recommendation in the literature (Bech & Gyrd-Hansen, 2005; Lancsar & Louviere, 2008). Effects coding is argued to be advantageous over the more commonly used dummy coding approaches as the effects of all levels can be estimated uncorrelated with the intercept for the model (Bech & Gyrd-Hansen, 2005, p. 1082). When interpreting the results based on effects-coded variables, it is worth noting that the estimate of the referent level for the effects-coded attribute is the negative sum of the coefficients estimated for the other levels of that attribute (Bech & Gyrd-Hansen, 2005, p. 1080; Lancsar & Louviere, 2008, p. 670).

Table 5: Multinomial Logit model for the ‘Apple’ study

<table>
<thead>
<tr>
<th>Study</th>
<th>Attribute</th>
<th>β-coefficient</th>
<th>WTP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apple</td>
<td>Organic</td>
<td>0.848* (0.291)</td>
<td>1.244</td>
</tr>
<tr>
<td></td>
<td>Loose</td>
<td>1.392* (0.039)</td>
<td>2.043</td>
</tr>
<tr>
<td></td>
<td>Price (AU$/kg)</td>
<td>-1.363* (0.037)</td>
<td></td>
</tr>
</tbody>
</table>

Standard errors are presented in (brackets) and * indicates the coefficients were significant at the p<0.01 level. BIC = 1.189; Adjusted Pseudo R2 = 0.330

WTP for organic calculated as \(\frac{(0.848-(-0.848))/1.363=1.244}\) and similarly for loose as \(\frac{(1.392-(-1.392))/1.363=2.043}\).

Table 5 presents the results of a MNL model of the best choices for the apple data. The MNL model provides fixed β-coefficient estimates (referred to as part-worths, marginal utilities, or preference weights) for each of the attribute levels included in the model. The relative size and significance of these preference weights indicate the relative importance of the attribute level for alternative choice. In the case of the ‘Apple’
study being able to purchase loose apples rather than apples in a bag (2.784) rated higher than organic rather than conventional (1.696). Similarly, price is very important when consumers shop for apples, as every AU$1 increase in price per kilogram results in a 1.363 reduction in overall utility for the offering. This effect suggests that averaged across all consumers a kilogram of organic rather than conventional apples attracts an AU$1.244 (1.696/1.363) increase in price (shown in the Table as WTP in the last column). However, if the apples are both organic and offered in loose-weight, an increase in price of AU$3.29 ((1.696+2.784)/1.363) could theoretically be sustained without a change in overall utility for consumers.

4.4 Segmentation/clustering
The MNL model indicates the relative importance of different attributes for preferences for an “average” respondent across the sample, and the trade-offs respondents are willing to make between different attributes. In the apple example, the MNL model identified that all attributes included in the current study significantly impacted preferences with organic being valued as one of the least important attributes from a consumer point of view when compared to price and packaging. MNL models do not investigate the consumer heterogeneity this is present in the data. To identify preference heterogeneity, segmentation analysis can be applied based on the Best, Worst or Best-Worst choices obtained in case 3 BW studies. Examples of the application of Ward’s hierarchical cluster method can be seen in Auger et al. (2007), whereas latent clustering has been utilised by Mueller and Rungie (2009). Clustering enables marketers to develop segments of customers based on choice preferences.

A latent class (LC) choice analysis extends the MNL approach to also consider how the relative importance of attributes varies in the respondent group by estimating detailed class memberships and part-worth utility parameters for different preference classes. In a LC analysis, the individual-level choices made [in our example in terms of the ‘best’ profile in every choice set] are regressed against the attribute levels that were presented in that choice set, along with socio-demographic variables (Remaud, et al., 2008, p. 8). The decision in regards to the number of classes is based on minimising the Bayesian Information Criterion (BIC) (Flynn, Louviere, Peters, et al., 2010).

In the illustrative analysis of our apple data, a three class solution was utilised, and six socio-demographic variables (gender, age, children, education, income and spending; all effects coded) were added one by one to the three-class solution to test for increased explanatory value. However, none of the added socio-demographic information improved the overall fit (i.e. the BIC was equivalent to that of the three class model without socio-demographic variables or higher) and the coefficient for the socio-demographic variables was not significant in predicting class membership (p>0.05). Hence the socio-demographic variables did not provide more explanatory power than the standard choice experiment attributes for this model. The estimates for the apple data for a LC model with three classes are presented in Table 6 below.

<table>
<thead>
<tr>
<th>Class description</th>
<th>1. Price driven</th>
<th>2. Loose packaging preferred</th>
<th>3. Organic preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class size</td>
<td>84.4%</td>
<td>7.1%</td>
<td>8.4%</td>
</tr>
<tr>
<td>Organic</td>
<td>1.237*</td>
<td>-0.636*</td>
<td>0.835*</td>
</tr>
<tr>
<td></td>
<td>(0.045)</td>
<td>(0.069)</td>
<td>(0.062)</td>
</tr>
<tr>
<td>Loose</td>
<td>1.668*</td>
<td>1.952*</td>
<td>1.164*</td>
</tr>
<tr>
<td></td>
<td>(0.054)</td>
<td>(0.109)</td>
<td>(0.057)</td>
</tr>
<tr>
<td>Price</td>
<td>-2.032*</td>
<td>-1.325*</td>
<td>0.348*</td>
</tr>
<tr>
<td></td>
<td>(0.063)</td>
<td>(0.079)</td>
<td>(0.046)</td>
</tr>
</tbody>
</table>

Standard errors are presented in (brackets) and * indicates the coefficients were significant at the p<0.01 level.

1 This is calculated as the difference between loose and bagged (due to effects coding, the coefficient for bagged is equal to –1 times the coefficient for loose, hence the difference between the two coefficients is equal to 1.392–(-1.392) = 2.784)
The overall fit of the model, adjusted pseudo-R2, was 0.66, representing a considerable improvement from the overall MNL model provided earlier (adjusted Pseudo-R2=0.33; Log Likelihood ratio test p<0.01). Overall, the most consistent feature of the LC model is being able to choose loose apples, as this attribute had significant and positive coefficients across all three classes. Nevertheless, it can be identified that the three classes differ in a number of ways.

First and foremost is a price-driven Class 1, where respondents prefer to choose their own loose apples (1.668), and they also like them to be produced organically (1.237), and are willing to pay a price premium (AU$1.22 per kg for organic apples; AU$2.86 per kg for organic, loose apples). This is the largest Class representing around 84% of the respondents.

The middle-ground is reflected in Class 2, where organic is seen as a negative product feature (−0.636) as is price (−1.325). This shows that this Class of consumers in fact prefer conventional apples and will not tolerate any price premium for organic products. However, being able to choose their apples is what matters the most to this group of respondents. Roughly 7% of respondents belong to this Class.

Last a marginal, and unexpected, positive price coefficient was estimated in Class 3. Taken together with positive coefficients for organic and loose also, we have discovered a Class of consumers who assign more importance and weight to first and foremost loose apples (1.164), and they also respond positively to organic apple offerings (0.835). This Class constitutes approximately 8% of the overall sample. However, it is worth noting that a positive price coefficient may indicate that the small proportion of respondents in this class either interpreted price as representing quality or did not clearly understand the task, hence caution should be used when describing this particular segment.

Section 4 has illustrated how case 1 and case 3 BWS studies can be analysed to gain insights into consumer preferences. A study examining stated choice preferences for certified organic apples was used to illustrate how whole of profile (or case 1 object) preferences can be examined, both at an aggregate level and to explore the nuances of heterogeneity between consumers. Next case 3 analysis was outlined to show how detailed preference data can be modelled to understand the individual attributes, estimate WTP and to examine segment preferences, all of which are critical in the new product development process. To conclude this paper we will now reflect on what we have learned from conducting a total of eight BWS studies over a two year period.

5. THE BEST, THE WORST AND THE FUTURE

In our first attempts employing visual representations, the organic food studies, we sought respondent feedback to gauge reactions to online surveys employing pictorial BWS. At the end of the first three pictorial online surveys (apples, beef and milk) respondents were asked in the very last question of the survey to provide feedback about the survey itself. We asked respondents to make any comments on the research and provided a box for them to enter comments indicating that any feedback would be appreciated. A total of 64 or 8.5% of all survey respondents chose to provide feedback on the online surveys. In general, the study received positive feedback from respondents. Overall 17% of comments were negative and the remaining 83% of comments were positive.

Many respondents commented on the ease of the online survey employing BWS with some respondents stating the survey was easy to complete, quick, interesting, and user-friendly. This is evident in the following respondent comment “Nice approach. I think this is the first time I’ve seen this kind of imagery in a web survey.” While other respondents commented “A fast survey is a good survey”, “More interesting doing a survey that has pictures” and “Great graphics made it easy...”.

Some respondents commented on the costs involved in downloading the data (as pictorial surveys take up more virtual space and associated download costs), an issue the research team had not considered during the survey design process. Consider the following respondent comment “despite the presence of images, the survey was not too costly to my mobile broadband data charges. Perhaps some indication at the start of the survey about expected megabytes of data required to complete would be helpful for those on expensive connections, especially regional Australia where only Telstra may be available. You may get a higher participation rate by providing this information (without guarantees of course)”. A further issue not considered by the research team in the survey design stage was that some respondents may elect to complete a survey using a mobile data device (e.g. iPhone). One respondent commented “Slightly difficult to choose answers on an iPhone”. These comments suggest that market researchers seeking to maximise response rates must consider all survey platforms and that if maximum response is desired alternative survey versions along with data cost information (e.g. number of megabytes to download) should be provided for respondents.
As noted earlier not all respondents were generally positive towards the online survey. Negative comments focussed on the repetitive nature of the BWS choice tasks (pictorial or not). Consider the following respondent comment “The number of questions were toooo many. Same thing over and over, the temptation is to randomly pick, just so to end it. If it was not for the rewards, I would not have finished it” while another respondent commented “the scenarios seemed very similar...”. Moreover, pilot testing on one baby shampoo survey involving 20 choice scenarios with 4 product alternatives per scenario was deemed too long and repetitive and received extreme negativity forcing a re-design resulting in 12 choice scenarios. Subsequent testing of this shorter design (12 choices with 3 alternatives for each) received positive feedback. We consequently aimed to limit the number of choice tasks in future studies, and overall respondent feedback certainly indicates that 10 to 14 choice tasks in one online survey should be considered as a limit to avoid respondent fatigue and to limit drop-out rates.

From a researchers’ perspective case 3 BWS is a powerful method yielding data that can be used to predict optimum attribute levels (e.g. prices that people are willing to pay). Data needs to be organised manually prior to undertaking data analysis, however this process is relatively quick. Aggregate data reads, showing the most and least preferred profiles, can be obtained in one working day following closure of an online study. In contrast to techniques such as DCE, the advantage of BWS is the amount of information gathered; since the design ensures more than one paired comparisons is obtained from each choice set. Difficulties faced by researchers employing the BWS method centre on research design and the lack of textbooks explaining this technique. It is essential that researchers understand the key attributes for a product and that sufficient attribute levels are selected. For example, omission of a key attribute or a price point that is reflected in the market place would jeopardise the results obtained in the BWS method. However, at the same time researchers are limited in regards to the number of attributes, and related levels, under investigation, as the choice scenarios quickly become too large, complex and time-consuming for respondents. Hence it is a balancing act between what information is essential to address the research question and the necessity to find a pragmatic design to match this.

Overall, we do believe the BWS method has a significant potential to improve predictability in market research – the response rate and positive feedback from participants is encouraging!

### 6.1 Limitations and future research

BWS studies are bound by the attributes studied and our experience suggests the number of attributes that can be studied must be kept in check to limit the number of choice scenarios. Most case 1 BWS studies in marketing are based on Balanced Incomplete Block (BIB) designs and most BIBs are for just two levels of each attribute [Zikmund, et al., 2011, p. 535]. There are some three-level BIB designs published, but these are sparse. The reality then is that the researcher must choose between reducing the number of levels in the attribute(s) or simply accept a design that is much larger than necessary.

A key limitation of the BWS method is that researchers are not able to comment beyond the attributes studied. In the case of the organic apple study we are not able to comment on the appearance (cosmetic quality) of organic apples compared with conventionally produced apples. Our study findings are limited to price, packaging and production method. In the case of the baby shampoo survey our results are restricted to three brands despite our knowledge that the baby shampoo market consists of more than three brands. Presenting participants with a larger number of brands would have resulted in too large an experimental design for the available sample.

Though BWS has been shown to produce results that are closer to actual in-market behaviour than standard rating techniques [Auger, Devinney, & Louviere, 2007; Goodman, Lockshin, & Cohen, 2006], future research employing mixed methods should empirically test to what extent BWS minimises biases such as SDR, acquiescence, scalar equivalence, ERS and IS responses when investigating consumer behaviour.

Market researchers focusing on multi attribute studies are advised to employ pictorial BW choice tasks as depicted in this paper in Figure 2 as respondents report difficulties in processing information on multiple attributes in word form. A pictorial representation such as that depicted in Figure 2 allows respondents to easily process information on multiple attributes simultaneously much as they would in a supermarket shelf setting. However, it should be noted that pictorial representation may also induce bias because of respondent variation in interpretation and/or perceptions of the images used, and the colour scheme may also influence results. Nevertheless, we do recommend using this visual layout when practically possible, due to the positive feedback from respondents. As one respondent commented “A survey with pictures is better than a survey with 1000 words”.

As noted earlier not all respondents were generally positive towards the online survey. Negative comments focussed on the repetitive nature of the BWS choice tasks (pictorial or not). Consider the following respondent comment “The number of questions were toooo many. Same thing over and over, the temptation is to randomly pick, just so to end it. If it was not for the rewards, I would not have finished it” while another respondent commented “the scenarios seemed very similar...”. Moreover, pilot testing on one baby shampoo survey involving 20 choice scenarios with 4 product alternatives per scenario was deemed too long and repetitive and received extreme negativity forcing a re-design resulting in 12 choice scenarios. Subsequent testing of this shorter design (12 choices with 3 alternatives for each) received positive feedback. We consequently aimed to limit the number of choice tasks in future studies, and overall respondent feedback certainly indicates that 10 to 14 choice tasks in one online survey should be considered as a limit to avoid respondent fatigue and to limit drop-out rates.

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Overall, we do believe the BWS method has a significant potential to improve predictability in market research – the response rate and positive feedback from participants is encouraging!
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The Positioning of premium private label brands

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ABSTRACT
This paper examines whether New Zealand consumers’ perceive Premium Private Label (PL) brands as occupying the same perceptual space as established National brands in FMCG markets. The methodological approach involved the use of Kelly’s Repertory Grid to elicit attributes for brand evaluations and discriminant analysis to graphically demonstrate the brands’ relative positions. In four product categories, the positioning of a Premium PL brand ‘Select’ was compared to that of two National brands and a budget PL brand, using on-line surveys. In none of the categories was ‘Select’ perceived as occupying the same perceptual space as the established National brands, though it was clearly differentiated from its budget counterpart. The findings indicate that, while Premium PL brands such as ‘Select’ may never threaten the market position of a dominant National brand, they could compete for the position currently held by weaker National brands in some product categories.

Keywords: Private Label brands, Brand Positioning, Brand Attribute Elicitation, Kelly’s Repertory Grid, Discriminant Analysis.

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1. INTRODUCTION
In New Zealand, Private Label (PL) brands’ share of FMCG markets has grown from 10% in 2002 (Coriolis Research, 2002) to 18% in 2009 (AC Nielsen, 2011). This PL brand growth reflects a global trend, although the rate of adoption of PL brands varies between countries and New Zealand’s figure is well below that of some other Western economies. For example, PL brand consumption is 46% of FMCG sales in Switzerland, 42% in the United Kingdom, and 28% in France (AC Nielsen, 2011). As a result of this growth in PL brands, competition between PL brands and National brands has intensified. In particular, the decision by retailers to introduce new Premium PL brands has altered the FMCG landscape. More PL brands fill the shelf space previously dominated by National brands. Previously, Economy PL brands were typically placed in the supermarkets’ less desirable lower shelves. Nowadays, Premium PL brands occupy the optimal eye-level shelf spaces, alongside the leading National brands. In some categories it is the weaker National brands that now occupy the lower shelves. Consequently, the Premium PL brands’ packaging and price differential are more obvious to consumers.

Clearly, in New Zealand supermarkets these new Premium PL brands and National brands are competing for the same ‘perceptual space’ in consumers’ minds. Eye catching packaging, eye-level shelf placement, similar pricing in some categories and brand names such as ‘Finest’ are used to imply Premium PL are quality products (Nenycz-Thiel & Romaniuk, 2010). However, even if consumers do perceive the physical improvements in Premium PL brands, thus far little research has examined whether these perceptions are transferred to a Premium PL brand’s overall quality perceptions (Sayman, Hoch & Raju, 2002). While, Nenycz-Thiel and Romaniuk (2010) determined that consumers do perceive quality differences between Economy (Budget) and Premium PL brands, where consumers position Premium PL brands in comparison to National brands has not been established (at least not in reported studies).

Given the growth in Premium PL brand penetration, the success or failure of Premium PL positioning strategies has potentially profound implications for manufacturers and retailers in the FMCG environment. As the competition between manufacturers’ brands and retailer brands intensifies, it becomes more important for adjusting marketing communications to know where these brands are positioned. However, establishing a brand’s position based on share of category sales does not determine what attributes consumers use to position the brands; establishing brand positioning from a consumer’s perspective is much more helpful.

The research reported here was designed to test the extent to which one Premium PL brand has achieved the goal of positioning itself against established
National brands and its cheaper counterpart in the minds of New Zealand grocery shoppers. As well as the findings being relevant to FMCG brand managers, the research should also be of interest to practitioners since it demonstrates the use of a qualitative attribute elicitation method, Kelly’s Repertory Grid, to determine common brand attributes for use in brand evaluations and the use of discriminant analysis to produce a perceptual map of a product space. Combined, these methodologies offer a relatively straightforward application for practitioners wishing to quantify their brand’s positioning.

1.1. Consumers’ perceptions of private label brands

Several studies have found that consumers’ perceptions of quality variations increase or decrease the likelihood of PL brand purchase (Batra & Sinha, 2000; Erdem, Zhao & Valenzuela, 2004; McNeill & Wyeth, 2010; Richardson, Jain & Dick, 1996; Walsh & Mitchell, 2010). These same authors (apart from Walsh and Mitchell, 2010) also concluded that perceived risks influence consumers’ perceptions of PL brands; when consumers believe PL brands have financial, social, or performance risks, they are less likely to have positive perceptions of them.

Another key brand attribute thought to influence consumers’ evaluations of PL brands is product consistency. Erdem et al., 2004 found that if a product is consistent, consumers’ perceived risk of brand quality variations is reduced and their likelihood of purchase is increased. Previously, Richardson et al., 1996 argued that familiarity is the most important brand construct for increasing a consumer’s willingness to buy PL brands. However, more recent studies by Kara, Rojas-Méndez, Kucukemiroglu, and Harcar (2009) and Kwon, Lee and Kwon (2008), maintain that value consciousness is a strong predictor of PL brand purchase. Meanwhile, Nenycz-Thiel and Romaniuk (2012) argue that value-for-money is a key attribute used by Australian consumers to retrieve PL brands from their memories, and, in New Zealand, Parsons, Ballantine and Wilkinson (2011) concluded that PL brands are more likely to have positive perceptions if they are locally sourced and the store they are bought from is locally owned. Previous research, therefore, highlights a variety of characteristics that are thought to influence consumers’ perceptions of PL brands and their willingness to purchase them.

Other research has demonstrated PL brand positions are relative to other brands in the same category. Based on categorisation research by Cohen and Basu (1987), Bettman (1989) and Nenycz-Thiel and Romaniuk (2010) proposed that consumers do not evaluate a brand in isolation, rather a brand is considered in relation to its category. Consumers therefore, “organise their brand beliefs about products around category-relevant factors (e.g., consumption goals, product functions, common properties, clear or ideal instances) rather than a set of single brand attitudes or beliefs” (Cohan & Basu, 1987, p. 470). Furthermore, as Nenycz-Thiel and Romaniuk pointed out, categorisation aids consumers’ information processing by reducing uncertainty around brand judgements. However, when these category beliefs are kept in a consumer’s memory there are links to expectations about a brand’s attributes that, if strong, are difficult to influence.

Nenycz-Thiel and Romaniuk (2010) theorised that the information cues consumers used to categorise brands would reveal any distinctions between Premium and Value (budget) PL brands. In their study, examples of attributes positively linked to Premium PL brands were ‘high quality ingredients’ and ‘would taste good’. By contrast, associations with the attributes of ‘good value’ and ‘down to earth’ decreased the likelihood of a PL brand being a Premium brand. Thus, Nenycz-Thiel and Romaniuk concluded consumers do distinguish between Premium and Value PL brand tiers. However, their research did not examine if the same cues are used to categorise and differentiate between National brands, Premium and Budget PL brands in the same category.

1.2. Private label brand positioning

Brand positioning studies also provided useful theoretical links for this study’s framework. Romaniuk (2001) defines positioning as a central brand activity achieved by selecting specific brand attributes and connecting them to the brand through the use of marketing communications. According to Romaniuk, the theoretical basis for brand positioning is the Associative Network Theories of Memory, whereby consumers take specific pieces of attribute-related information into their memories to create a brand’s image. Associative Network Memory Theory was developed by Anderson and Bower (1973; Bower, 1977). This theory, along with the retrieval cue process, suggests that the more associations a brand has the more likely it will be thought of. However, Romaniuk (2003; 2013) points out that even if a brand has many memory associations it does not necessarily guarantee the brand will be retrieved from memory in the future. Competitive activity may also impact on the strength of the brand associations. Nonetheless, brand associations are important. When a consumer is presented with a stimulus such as an image of a brand, the memory structures associated with that concept help prompt the attributes associated with
the brand. Once common attributes are identified, 
brand evaluations and positioning can be established. 
Green and Muller (2002) subsequently proposed an 
expanded definition of positioning: “the marketing 
decisions and activities that shape and maintain a 
specific brand’s image – based on key attributes and 
relative to competing brands – in the consumer’s mind” 
(p.180). Green and Muller assert brand ‘positioning’ is 
a critical means of brand differentiation, and until 
relatively recently it was accepted that retailers’ PL 
brands occupied a different ‘position’ to established 
National brands. Budget PL brands were positioned 
as a cheaper and of lower quality.

However, attempts to change this cheaper, lower 
quality position by retailers are reported by Sayman, 
Hoch and Raju (2002). They established that United 
States and Canadian supermarkets were using higher 
quality PL brands to target the leading National 
brands. They believe that positioning higher quality PL 
brands against the leading National brands has led to 
greater competition and maximisation of category 
profits. However, Sayman et al. (2002) concluded that 
when higher quality PL brands target National brands 
elicitly, consumers perceive the positioning attempt 
by physical placement, but that this perception does 
not carry over to include similarity perceptions of 
either product quality or overall similarity. What is 
more, they found that a higher quality PL brand is 
more likely to be perceived as similar to the second or 
third ranked National brand, rather than the leading 
National brand.

Several studies have researched optimal positioning 
strategies for PL brands relative to their National brand 
competitors prior to the introduction of Premium PL 
brands. However, few studies have examined optimal 
positioning studies inclusive of low and higher quality 
PL brands and National brands. The exception is Choi 
and Coughlan’s study (2006) which concluded that 
when higher quality PL brands target National brands 
the relative feature positions of National brands 
as well as the relative quality of the PL brand itself” 
(p.89). Further, Choi and Coughlan asserted that 
“When the National brands are differentiated, a high 
quality PL brand should position closer to a stronger 
National brand, and a low quality PL brand should 
position closer to a weaker National brand. When the 
National brands are undifferentiated, the PL brand 
should differentiate from both National brands” (p.79).

Despite the introduction of Premium PL ranges that 
are promoted as higher quality, Nenycz-Thiel and 
Romaniuk’s research concluded that consumers’ 
perceptions of PL brands has not changed from the 
lower priced, lower quality image of the past. More 
importantly, they claim a halo effect occurs in that 
there is an unconscious transfer of the low quality 
perception to any PL brand. They argue that any 
atttempts to change PL brand perceptions would be 
difficult but essential if Premium PL brand positioning 
is to succeed (2009).

2. MATERIALS AND METHODS
Four commonly-purchased FMCG product categories 
were selected: canned apricots, tinned salmon, frozen 
delights and tea bags. Within each category four brands 
were chosen: two leading National brands, and two 
PL brands, Select a Premium PL brand and Home 
Brand, Progressive Enterprises’ ‘budget’ equivalent of 
Select. Other product categories were considered but 
the final choice was based on categories that offered 
four brands of the same size and form.

The qualitative phase of the research aimed to identify 
common attributes grocery shoppers associated with 
the selected brands. A widely used method of perceptual attribute elicitation is Kelly’s Repertory 
Grid, developed by psychologist George Kelly (Buttle, 
1985; Henderson, Iacobucci & Calder, 1998; Piggott 
& Watson, 1991; Marsden & Littler, 2000; Rogers 
& Ryals, 2006; Steenkamp & Van Trijp & Ten Berge, 
1994). Based on the Theory of Personal Constructs, 
Kelly’s method assumes that “people construe some 
things as ‘similar to’ some things and ‘different from’ 
others” (Rogers & Ryals, 2006 p. 597). Its main value 
is that it allows respondents rather than researchers 
to provide the terminology by which respondents 
perceive brand similarities and differences, thus it 
is an ideal tool for identifying the terms grocery 
shoppers use to describe brand attributes.

Kelly’s Repertory Grid was used on a convenience 
sample of 20 grocery shoppers to determine the 
attributes that distinguished between the brands in 
each category. The procedure involved showing 
respondents randomly selected photos of three of the 
four brands and asking how any two of the brands 
were similar to each other but different to the third. 
The process continued until no new attributes were 
elicited. From this process seven common attributes 
for use in the quantitative phase were identified - quality, value for money, consistency, expensive, 
reliability, familiarity and taste. This attribute 
elicitation method results in a pre-determined list of 
attributes for subsequent testing. In some literature 
this approach is criticised because it does not allow a 
respondent free-choice (Steenkamp & van Trijp, 1997; 
Van Ittersum, Pennings, Wansink & van Trijp, 2007). 
However, the Kelly’s Repertory Grid process involves 
free-choice until an exhaustive list of attributes is
found and the brand attributes identified in this research match, or are similar to, the attributes previous researchers have identified, for similar products.

In the quantitative phase, four online surveys of grocery shoppers were conducted. Each survey asked main household grocery shoppers to evaluate the four brands in a category on seven semantic differential scales, representing the attributes previously identified, to rate the overall quality of each brand on a scale from 0 to 10, and to provide some details of their purchase behaviour. The survey samples (range n = 145 to n = 179) were provided by a commercial online panel in September, 2010. While on-line surveys can involve coverage error, in New Zealand this is minimised as 80% of its population is connected to the Internet [AUT University, 2010] and grocery shopping is a ubiquitous activity. Information provided by commercial panellists is self-reported and can be motivated by rewards [Van Ryzin, 2008]. However, any sample bias would need to be very large to change the conclusions drawn from our findings.

As well as comparing respondents’ quality ratings of each brand, discriminant analysis of the semantic differential scales was used as a form of multidimensional scaling to create a perceptual map of each product category. Discriminant analysis was used because of its ability to provide linear combinations of differentiating attributes that can be plotted as attribute vectors in the same space as group centroids. In this case, the groups were the four brands in each category; plotting the group centroids for the brands and the attribute vectors illustrated the relationship among the brands in each category and between the brands and the attributes that defined them. The advantages of discriminant analysis as a perceptual mapping tool are that it shows the relationship between objects [in this case, brands] and each of the attributes on which the mapping is based. It also allows the axes of the perceptual map created to be interpreted in terms of underlying attributes.

In three of the four product categories the first discriminant function explained more than 80% of the variance among the brands so the perceptual ‘map’ was reduced to a single dimension. Nevertheless, the locations of the brand group centroids on this dimension provided another measure of the ‘positioning’ of each brand, and the discriminant function coefficients for the evaluation scales allowed the dimensions to be labelled. The frozen beans category, however, allowed the construction of a two dimensional perceptual map (see Figure 1) as it had two significant discriminant functions. (With a larger number of brands a two-dimensional solution would have almost certainly resulted in all four categories).

3. RESULTS
A comparison of the demographic characteristics of the four samples revealed no significant differences, thus the results for each product category were not confounded by differences in the characteristics of those grocery shoppers who responded to each survey.

The market structure, overall quality evaluations and group centroids for each brand in each category are shown in Tables 1, 4, 5 and 6.

Frozen Beans
Watties dominates the frozen bean market; Select accounted for less than 5% of main brand share and was bought by only 19% of respondents in the previous 12 months. Watties was rated as the highest quality brand, significantly higher than McCain, Select and Home Brand in that order (see Table 1).

<table>
<thead>
<tr>
<th>Table 1: Frozen Beans (n=179 category users)</th>
</tr>
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<tbody>
<tr>
<td>Brand</td>
</tr>
<tr>
<td>Watties</td>
</tr>
<tr>
<td>Price ($)</td>
</tr>
<tr>
<td>Bought in the last year (%)</td>
</tr>
<tr>
<td>Main Brand (%)</td>
</tr>
<tr>
<td>Overall quality rating</td>
</tr>
<tr>
<td>Group Centroids on First Dimension</td>
</tr>
</tbody>
</table>

Note: Significant differences between means denoted a, b, c, and d (p<.05)
Discriminant analysis in the frozen beans category showed that, on the first significant dimension which explains 82% of the variance of the original variables, high quality/expensive attributes are at one end and poor value-for-money and unreliable are at the other end, hence the dimension was labelled ‘quality/price’. The second significant dimension explains 13% of the variance and has the high consistency attribute at one end with the unreliable attribute at the other end, hence it was named ‘always the same’ (see Tables 2 and 3).

Table 2: Frozen Beans Discriminant Functions

<table>
<thead>
<tr>
<th>Function</th>
<th>Eigenvalue</th>
<th>% of Variance</th>
<th>Canonical Correlation</th>
<th>Wilks’ Lambda</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.617</td>
<td>82.2</td>
<td>.618</td>
<td>.544 p &lt; .000</td>
</tr>
<tr>
<td>2</td>
<td>.097</td>
<td>12.9</td>
<td>.297</td>
<td>.879 p &lt; .000</td>
</tr>
</tbody>
</table>

Table 3: Frozen Beans Canonical Discriminant Function Coefficients

<table>
<thead>
<tr>
<th>Function</th>
<th>1</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality</td>
<td>.552</td>
<td>.149</td>
</tr>
<tr>
<td>Value for Money</td>
<td>-.543</td>
<td>-.098</td>
</tr>
<tr>
<td>Consistency</td>
<td>.228</td>
<td>1.103</td>
</tr>
<tr>
<td>Expense</td>
<td>.313</td>
<td>-.311</td>
</tr>
<tr>
<td>Reliability</td>
<td>-.029</td>
<td>-1.038</td>
</tr>
<tr>
<td>Familiarity</td>
<td>.047</td>
<td>.490</td>
</tr>
<tr>
<td>Taste</td>
<td>.094</td>
<td>-.204</td>
</tr>
</tbody>
</table>

Table 4 displays the four brands’ distinguishing attributes on the two significant dimensions.

Table 4: Frozen Beans Functions at Group Centroids

<table>
<thead>
<tr>
<th>Frozen Bean Brand</th>
<th>Function</th>
<th>1</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Watties</td>
<td>.957</td>
<td>.366</td>
<td></td>
</tr>
<tr>
<td>Select</td>
<td>-.452</td>
<td>-.196</td>
<td></td>
</tr>
<tr>
<td>McCain</td>
<td>.518</td>
<td>-.397</td>
<td></td>
</tr>
<tr>
<td>Home Brand</td>
<td>-1.023</td>
<td>.227</td>
<td></td>
</tr>
</tbody>
</table>

The perceptual map of frozen beans (see Figure 1) illustrates the positions of the four brands relative to their distinguishing attributes. It clearly confirms Select is not positioned in the same perceptual space as Watties, McCain, or Home Brand. Value-for-money and reliability are the attributes consumers believe best describe Select. Watties is described by the attributes quality, familiarity, and consistency. McCain is described by taste and expense. The perceived quality of Select was significantly lower than for the two leading National brands; however, its distinguishing attributes demonstrate a clear quality separation from Home Brand.
Canned Apricots
The canned apricot market is also dominated by the Watties brand; Select accounted for only 17% of ‘last year’ sales and less than 5% of main brand share (see Table 2). Overall, Watties was rated the highest quality brand; there was no significant difference between the ratings for Oak and Select, but these brands were rated as significantly higher in quality than Home Brand.

Table 5: Canned Apricots (n=145 category users)

<table>
<thead>
<tr>
<th>Brand</th>
<th>Watties</th>
<th>Oak</th>
<th>Select</th>
<th>Home Brand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price ($)</td>
<td>2.20</td>
<td>2.19</td>
<td>1.79</td>
<td>1.09</td>
</tr>
<tr>
<td>Bought in the last year (%)</td>
<td>63</td>
<td>38</td>
<td>17</td>
<td>26</td>
</tr>
<tr>
<td>Main Brand (%)</td>
<td>51</td>
<td>12</td>
<td>5</td>
<td>13</td>
</tr>
<tr>
<td>Overall quality rating</td>
<td>8.1a</td>
<td>6.2b</td>
<td>5.8b</td>
<td>5.3c</td>
</tr>
<tr>
<td>Group Centroids</td>
<td>1.07</td>
<td>.27</td>
<td>-.32</td>
<td>-1.01</td>
</tr>
</tbody>
</table>

Note: Significant differences between means denoted a, b, and c (p<.05)

In the canned apricot category, 87% of the variance in the attribute ratings was explained by the one statistically significant dimension. At one end of this dimension are the attributes ‘high quality’ and ‘expensive’ and at the other end ‘poor value-for-money’ and ‘unreliable’, hence the dimension was labelled ‘quality/price’. On this ‘quality/price’ dimension Watties is clearly located well apart at one end; Select is positioned below Oak but above Home Brand. Clearly, Select is not a serious contender for the category leader position of Watties but appears to be threatening the position of the weaker National brand, Oak. These relative brand positions are consistent with the overall quality ratings, but suggest that there are greater perceptual differences between the brands than implied by the overall quality ratings.

Canned Salmon
Sealord and John West are the main brands in the canned salmon market; Select accounted for only 19% of ‘last year’ purchases and just 3% of main brand share. John West and Sealord were rated the highest quality brands and had significantly higher mean quality ratings than Select, which in turn was significantly higher than the mean for Home Brand (see Table 3).
In the canned salmon category, 96% of the variance in the brands was explained by one statistically significant dimension. At one end of this dimension are ‘superior taste’ and ‘expensive’, and at the other end is ‘poor value-for-money’, hence the dimension was labelled ‘taste/price’. On this taste/price dimension close together at one end are Sealord and John West. Select is positioned well apart from these two brands towards the other end of the dimension, but well apart from Home Brand. This signals that Select is not a rival for either of the manufacturers’ brand positions in this category.

**Table 6: Canned Salmon (n=158 category users)**

<table>
<thead>
<tr>
<th>Brand</th>
<th>John West</th>
<th>Sealord</th>
<th>Select</th>
<th>Home Brand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price ($)</td>
<td>3.31</td>
<td>3.01</td>
<td>2.55</td>
<td>1.97</td>
</tr>
<tr>
<td>Bought in the last year (%)</td>
<td>57</td>
<td>53</td>
<td>19</td>
<td>21</td>
</tr>
<tr>
<td>Main Brand (%)</td>
<td>37</td>
<td>34</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Overall quality rating</td>
<td>7.9a</td>
<td>7.7a</td>
<td>5.7b</td>
<td>5.1c</td>
</tr>
<tr>
<td>Group Centroids</td>
<td>.72</td>
<td>.78</td>
<td>-.43</td>
<td>-1.07</td>
</tr>
</tbody>
</table>

Note: Significant differences between means denoted a, b, and c (p<.05)

In the tea bags category, one statistically significant dimension explains 92% of the variance. At one end of this dimension is ‘high familiarity’ and at the other end ‘low value-for-money’ and ‘inferior taste’, hence this dimension is labelled ‘familiarity/taste’. On this ‘familiarity/taste’ dimension Bell and Choysa are located at one end, while at the other end is Home Brand, with Select positioned between it and Choysa. As with the beans, and canned salmon categories Select’s position does not threaten the National brands in the tea-bags category, but is clearly positioned as better quality than its budget counterpart.

**Table 7: Tea Bags (n=174 category users)**

<table>
<thead>
<tr>
<th>Brand</th>
<th>Bell</th>
<th>Choysa</th>
<th>Select</th>
<th>Home Brand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price ($)</td>
<td>4.49</td>
<td>4.20</td>
<td>4.79</td>
<td>2.48</td>
</tr>
<tr>
<td>Bought in the last year (%)</td>
<td>62</td>
<td>37</td>
<td>6</td>
<td>13</td>
</tr>
<tr>
<td>Main Brand (%)</td>
<td>39</td>
<td>15</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Overall quality rating</td>
<td>7.7a</td>
<td>7.0b</td>
<td>4.8c</td>
<td>4.1d</td>
</tr>
<tr>
<td>Group Centroids</td>
<td>.98</td>
<td>.72</td>
<td>-.57</td>
<td>-1.13</td>
</tr>
</tbody>
</table>

Note: Significant differences between means denoted a, b, c, and d (p<.05)

4. DISCUSSION

Despite retailers positioning strategies of eye level shelf placement alongside well known National brands and more up-market packaging, in the four product categories tested we found little evidence that the Premium PL, Select, is perceived as a direct competitor to any of the well-known National brands. These results suggest that when Premium PL brands target National brands explicitly, consumers perceive the positioning by physical placement, but this perception does not carry over to include perceptions of either product quality or overall similarity. It also highlights the difficulty of changing perceptions of a brand using only extrinsic cues.

Besides demonstrating a separate position from the National brands, in all four categories tested Select was also clearly separated from its budget counterpart, Home Brand, on overall quality ratings. This confirms that consumers do perceive quality differences between Premium and Budget PLs and this is consistent with Nenycz-Thiel and Romaniuk’s (2010) findings. Jointly these results indicate retailers
need to maintain this quality separation to avoid any cannibalisation between their PL brands.

This current research found Select’s position relative to the National brands varied in the four categories tested, which suggests the degree of success in positioning PL brands is category dependent. Previous research supports these findings, and as Choi and Coughlan (2006) concluded, “the optimal positioning of PL brands depends on the relative positions of National brands, as well as the relative quality of the PL brand itself” (p. 89). PL brand category variation was determined by Batra and Sinha (2000) and also confirmed by Nenycz-Thiel and Romaniuk (2010), who found consumers do not evaluate a brand in isolation. Instead, they take into account category relevant factors.

Also consistent with the findings of this study, is Hoch, Montgomery and Park’s (2004) research that determined it was the smallest brands in a category that lose the most market share to PL brands. Similarly, Pauwels and Srinivasan (2004) found evidence that weaker National brands are being affected by PL brands. Their study found weaker National brands had to fight PL brand effects by lowering prices and increasing promotions. Other research by Soberman and Parker (2006) found that when PL brands are included in a category, the variety of brands offered decreases. Schreijen (2011) also confirmed minor National brands were losing market share to PL brands and, as a consequence, predicted that many product categories will offer only PL brands and one National brand in the future. For retailers this means the competition between their PL brands and National brands will intensify, and there is greater risk of cannibalisation between the PL brands increasing. Leading manufacturers’ brands have the opportunity to communicate their quality and trustworthiness, taking advantage of consumers’ historical and sentimental associations with their brands. Consumers, however, may not benefit from the increased competition due to reduced brand choice.

5. CONCLUSIONS AND RESEARCH CONTRIBUTIONS

Overall, the findings of this study confirm the positioning of Premium PL brands relative to established National brands and Budget PL brands in the minds of New Zealand grocery shoppers. Premium PL brands are not threatening well established National brands but could compete for positions held by weaker National brands. Previous studies have determined that consumers perceive quality differences between Premium and Economy PL brands, or between National brands and Economy PL brands, but have not examined perceptual differences between National brands and Premium and Economy PL brands. By including the three different brand levels, this research adds to current understanding of the structure of FMCG markets in New Zealand. While these findings may be familiar to brand managers, the changing dynamics in FMCG, where Premium PL brands are becoming more prevalent, are not so well-known amongst academics. Furthermore, this research used simple, well supported methodologies that quantified brand positions in categories based on distinguishing attributes as perceived by consumers. This methodology provides practitioners with an easily-replicated, empirically-evidenced example of how to determine a brand’s positioning from a consumer perspective.

6. LIMITATIONS AND FUTURE RESEARCH

This study had some limitations that suggest opportunities for further research. The method of attribute elicitation assumed the right attributes were identified, and these attributes were not measured by their relative importance. Future research could replicate this research using free-choice to elicit the descriptive attributes and determine their relative importance before use. Alternatively, research could measure the importance of the attributes in the quantitative phase and weight the attributes by their importance.

The research involved a limited number of brands and product categories. It included only the leading and one lesser known National brand, and the two PL brands represented only one of the two major supermarket chains in New Zealand. Testing more brands would allow for more discriminant validity, and allow further clarification of which tiers of National brands are being threatened by Premium PL brands. The use of more categories would provide further confirmation of the perceived positioning differences between categories. All four product categories tested were food items, where the perceived risk is greater than for a commodity item. A wider variety of categories would help confirm whether the results found were generalizable across other categories.

Finally, while this research found PL brands’ positions varied across the four categories tested, it did not determine the underlying causes of this variation. Choi and Coughlan (2006) suggested that where PL brands position themselves is determined by the degree of differentiation among the National brands. Future research could be undertaken to measure PL brand positioning relative to the differentiating features among competing National brands.
REFERENCES


Discovering brand meaning: Deriving the domains of a sub-brand

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ABSTRACT
Due to the high rate of new product failures (Evanschitzky et al., 2012), new products are increasingly introduced to the market using a sub-branding approach (e.g., Sony PlayStation), which involves combining an established company's name with another name in an existing or a different product category to develop a product or service that has its own brand identity in terms of a given market segment. Although the notion of sub-branding is advanced in the literature (Rahman et al., 2009), what is missing is the sources of brand meaning – where do the brand associations come from? This paper demonstrates how five distinct meaning domains forming a sub-brand are derived, using an approach known as “associative group analysis” (Marsden, 2002; Szalay, Carroll, & Tims, 1993) that employs the free association method in a systematic fashion. A sample of 58 individuals recorded associations for 17 Australian and international sub-brands across nine product categories. The resultant 3514 brand associations yielded the following brand meaning domains: parent company (PARENT) associations, product category (CATEGORY) characteristics, semantics of brand elements (SEMANTICS), sub-brand unique identity (SUB-BRAND), and reference to competitors (COMPETITORS). To assess their clients’ sub-brands, market researchers and branding practitioners can apply the techniques detailed in this study for generating free association data from a sample of respondents and categorising the associations into the five meaning domains. Implications for practitioners are offered.

Keywords: free association methods, brand meaning, sub-brand, brand architecture

1. INTRODUCTION
Sub-branding involves combining an established company’s name with another name in an existing or a different product category to develop a product or service that has its own brand identity in terms of a given market segment. For example, not only is the powerful linkage between Apple and its sub-brand iPhone synergistic but also the association of each benefits the image of the other. According to Aaker (1996, p. 248), a “sub-brand is a brand that distinguishes a part of the product line within the brand system”. For example, Holden uses the sub-brand Commodore to distinguish a specific model, including its characteristics and its personality, from another model such as the Barina. Both are Holdens, and both enjoy the brand equity of the Holden name, but each is a distinct product with a separate brand identity. According to Aaker, a sub-brand should add value by describing offerings, structuring and clarifying offerings, and modifying identity by changing associations.

What is missing in the literature on sub-branding is the source of brand meanings – where do they come from? Because sub-branding involves fusion of one or more constituents, the sources of brand meaning for a sub-brand can include a range of domains. For example, Apple’s iPhone includes the parent company (Apple), the sub-branded product (iPhone), the category in which the sub-branded product operates (smart phones), the associated brand elements in relation to iPhone (brand name as “iPhone”, logotype, design elements etc.) (Rahman et al., 2009). In the branding literature, these meaning domains or sources are generally identified via brand associations. Keller (1993) defined brand associations as the informational nodes linked to the brand node in memory and containing the meaning of the brand for consumers. Krishnan (1996), for example, identified various characteristics of brand associations including origin (advertising, direct experience, word-of-mouth), number, uniqueness, and valence of associations and examined differences between high and low equity brands. The results showed that high equity brands, compared to brands with low equity, have a greater number of associations and more net positive associations. Despite these attempts to understand sources of “brands” in general, the
sources making up a sub-brand have not been studied. The objective of this research is to determine the domains of brand meaning that make up a sub-brand and to work out their levels of importance. Due to the immense competition in the marketplace together with increasing globalisation and privatisation, companies have been compelled to design specific sub-brands in order to sustain their market share and attract new customers (Kotler et al., 1996). Yet marketers have had mixed success establishing brand identity and equity for their sub-brands. Despite considerable investment in new product development, success rates are generally below 25% (Evanschitzky et al., 2012), and a large number of products are increasingly introduced to the market in the form of brand extension and line extensions, and many tend to adopt a sub-branding approach. Hence it is critical for marketers to understand the domains of meaning of a sub-brand. Using data from a case study that examined brand equity in sub-brands in the services sector, this paper demonstrates how five distinct meaning domains making up a sub-brand were derived, using an approach known as “associative group analysis” (Marsden, 2002; Szalay et al., 1993).

2. LITERATURE REVIEW: BRAND ASSOCIATIONS, BRAND ARCHITECTURE AND SUB-BRANDS

Brand equity is defined as a set of assets linked to a brand’s name that adds to the value provided by a product to a firm and/or that firm’s customers (Aaker, 1991). The major assets can be grouped into five categories: brand loyalty, name awareness, perceived quality, brand association and other proprietary assets such as patents and channel relationships (Aaker, 1991). From a customer-based perspective, Keller (1993) defined brand equity as the differential effects of brand knowledge on consumer response to the marketing of that brand. Brand knowledge consists of brand awareness and brand associations, traditionally known as ‘brand image’ and sometime referred to as ‘brand meaning’. Many authors tend to agree with Keller (1993) that brand equity is supported in great part by the associations that consumers make with a brand (Biel, 1992; Blackston, 1995; Krishnan, 1996). As Blackston put it, “because brand value depends on brand meaning, changing brand meaning is equivalent to changing the value of the brand” (Blackston, 1995 p. RC2). Therefore, a deeper understanding of brand association becomes more critical when building strong customer-based brand equity.

The underlying value of a brand is often the set of associations – its meaning to people – anything connected in memory to the brand name (Aaker, 1991). Krishnan (1996) argued that associations could be used as a general term to represent a link between any two nodes which suggests an association in the consumer’s mind. Associations are the “the heart of brand-building” [Aaker & Joachimsthaler, 2000a, p. 263]; they come in all forms and can reflect characteristics of the product or aspects independent of the product itself. Associations are hard [functional] and soft [emotional] clusters of attributes that consumers connect to the brand name (Biel, 1992).

Researchers have proposed different ways to categorise brand associations. In his seminal work, Keller (1993) conceptualised that brand associations could be classified into three major categories of increasing scope: attributes, benefits, and attitudes. Attributes are those descriptive features that characterise a product or service and describe what a consumer thinks the product or service is or has, and what is involved with its purchase or consumption. Benefits are the personal values consumers attach to product or service attributes – that is, what consumers think the product or service can do for them. Brand attitudes are defined as consumers’ overall evaluations of a brand. Alternatively, Farquhar and Herr (1993) suggested that the types of brand associations include product category, product attribute, customer benefits, and usage occasion. As Marsden (2002) contends, brand associations represented by nonverbal symbols could carry stronger link to the brand. For example, the name of colour (purple) in the case of Cadbury Dairy Milk could identify the source of the product.

Researchers have also suggested that distinctions should be made between specific brand-related associations and corporate or organisational associations (Aaker, 1996; Brown & Dacin, 1997; Chen, 2001). Brand-specific associations tend to range from very functional attributes to non-functional associations like feelings and images. Corporate associations range from corporate ability associations, such as innovativeness and trustworthiness, to corporate social responsibility associations such as sponsorship of charities. Since sub-brands consist of corporate associations as well as brand-specific associations, the distinction between the two plays an important role in this research. For example, Virgin is associated with a range of associations unique to Virgin as a corporate brand [e.g., UK, Richard Branson, success]. Virgin Blue (Virgin Australia from 2011), while sharing some associations with Virgin, may be associated with a different set of associations that are distinct from Virgin as a whole [e.g., cheap flights, sexy air-hostess, online ticket].
Despite brand associations being categorized under several dimensions, in common to all of them is that these associations could be “anything ‘linked’ in memory to the brand” [Aaker, 1991 p. 109]. The present study takes this view of ‘anything connected in memory’ and efforts are made to derive empirically sub-brand association profiles that are meaningful. Thus, the next section of this review focuses on understanding the concept of sub-brands and the pros and cons of implementing such strategies.

In this research, sub-branding is defined as combining an established company’s name with another name in an existing or a different product category to develop a product or service that has its own brand identity in terms of a given market segment. Sub-brands generally evolve, in part, due to a firm’s effort in building brand architectures. Brand architecture is a set of inter-linked building blocks reflecting the levels of branding from top level corporate brands to bottom level product sub-brands and the linkages amongst them [Uncles et al., 1996]. Lederer and Hill (2001) proposed a ‘brand portfolio molecule’ of companies which includes all the brands that factor into a consumer’s decision to buy, whether or not the company owns them. Olins (1989) proposed three approaches to structure corporate identities. Monolithic structures have the corporation using one name and a visual style throughout its portfolio of services. Endorsed structures have the corporate identity being used in association with the name of subsidiaries whose visual styles can be quite diverse. Branded identities have products under totally different brand names and appearances. Laforet and Saunders (1994) content-analyzed 20 brands sold by Britain’s top 20 suppliers and established a brand hierarchy. They found that corporate dominant brands tend to use either corporate brand names, such as Heinz and Kellogg’s, or house brand names, usually a subsidiary’s name, such as Quaker using Fisher-Price on its toys division. They also found that a significant proportion of brands were of composite or mixed nature, with either dual brands reflecting an equal prominence of the constituents [e.g., Cadbury’s Dairy Milk] or an endorsed brand reflecting a brand being endorsed by corporate or house identity [e.g., Lux by Lever].

To place the notion of sub-brands in the context of parent brands and stand-alone brands, Aaker and Joachimsthaler (2000b) proposed an alternative view of brand architecture, calling it the “brand relationship spectrum”. At one end of the continuum, emphasis on the corporate brand is called the “branded house” (corporate brand) strategy, and at the other end the focus on individual product brands is labeled the “house of brands” (stand-alone brand) strategy. The brand relationship spectrum includes five different versions of “sub-brands”: master brand as driver (Dell Dimension), co-drivers (Gillette Mach3), strong endorsement (Obsession by Calvin Klein), linked name (Nestea), and token endorsement (Universal Pictures, a Sony Company) between the two extremes of corporate and stand-alone brands. The primary distinction between these different types of sub-brand is the relative salience of connection between the parent brand and sub-branded offer. With “endorsed brands”, the company name is secondary, as in Courtyard by Marriott, whereas with “sub brands” the company name tends to be more dominant, as in Telstra Big Pond. The token endorsed sub-brand reflects the widest separation from a parent brand and is usually communicated by a phrase like “a Sony Company” (Aaker & Joachimsthaler, 2000b, p. 13). On the other hand, “master brand as driver” reflects the closest connection between the parent brand and sub-branded offer, which is usually communicated by having the parent brand name appear prominently through a logo and the overall visual style. Sometimes well established brands are able to provide credibility, meaning and substance to a new brand by simply becoming an endorser through introducing a new brand. Sheraton is an endorser of Four Points by Sheraton. Endorser brands usually represent companies rather than products. Endorsed brands, such as Four Points by Sheraton, suggest a wider degree of separation of the new brand from the parent brand name than sub-brands. While both sub-brands and endorsed brands can be used to capitalize on corporate brand equity, endorsed brands can create associations that are further removed from corporate brand associations than in the case with sub-brands (Sheinin, 1998). Despite some variations between these types of sub-brands, in common to them are that they “permit brands to stretch across products and markets, address conflicting brand strategy needs, conserve brand building resources in part by leveraging existing brand equity, protect brands by being diluted by over-stretching, and signal that an offering is new and different” [Ugglal, 2006, p. 787]. As noted, although researchers have attempted to understand sources of brands in general [e.g., Krishnan, 1996], the sources making up a sub-brand have not been studied in spite of their importance. At times, companies are compelled to introduce sub-brands to gain market share and attract new customers [Kotler et al., 1996]. Due to the high rate of new product failures [Evanschitzky et al., 2012], new products are increasingly introduced to the market using a sub-branding approach.
Keeping this background, the following research questions are advanced:

RQ1: What are the sources of brand meaning of a sub-brand?

RQ2: How to derive the sources of brand meaning underlying a sub-brand?

RQ3: What are the implications of these sources to the brand manager?

3. METHOD
As Blackston (1995) argued, the sum total of a brand is a lot more than the sum of its parts, and many researchers have considered an indirect measurement technique to be useful when a rich and insightful brand meaning profile is required (Aaker, 1991; Keller, 1993; Supphellen, 2000). The free association method, an indirect technique, allows consumers from various backgrounds to respond freely in their own terms with whatever verbal form they feel is most appropriate. Several researchers have used the free association technique to understand marketing phenomena: Friedmann and Lessig (1986) used it to understand the psychological meaning of products, and Boles and Burton (1992) used it to measure feelings evoked by TV advertisements. Researchers also contend that free association techniques are methodologically sound as they are less artificial in terms of researcher intervention than traditional quantitative techniques, in that they neither provide leading questions nor impose answers (Friedmann & Zimmer, 1988; Marsden, 2002).

The research reported here involved coding 3514 brand associations elicited from a sample of undergraduate students, for 17 Australian and international sub-brands across nine product categories. Two sub-brands were selected from each of nine different services sectors: telecommunications, banking, car rental, fast food, airlines, credit card, broadcasting, hotels, and insurance. Two well-known sub-brands in each of these services categories were selected based on the judgement of the researcher. Some of the logos included additional brand elements such as a slogan, as they were part of the logotype. Thus subjects were exposed to the actual set of brand elements including name, logo, and colour. The respondents were 58 male and female undergraduate students enrolled in a marketing course at a major university in Australia, who participated in this study for course credit. The use of this student sample precludes conclusions that the results of this study reflect generally held meaning profiles of sub-brands. However, this sample is useful to show that common meaning profiles for sub-brands exist in a homogeneous population, regardless of the target market of interest.

The design involved two different groups of 30 and 28 respondents. Four different morning and afternoon session times were available to the respondents, who signed up for a session of their preference. The sign-up sheets resulted in 13 to 16 respondents per session. Sessions were conducted during a 1-week period. Each respondent received a package containing a cover page, an instruction page, nine brand association sheets, and an additional sheet seeking demographic information. The respondents received the following set of instructions:

- In this questionnaire you will find nine actual sub-brands. Each sub-brand is presented in a separate page along with the actual logo. Your facilitator will show the colour version of the logo as you proceed.
- Please consider every sub-brand carefully. This research is concerned with the associations that come to mind when you think of the sub-brand.
- Write down anything that comes to mind when you think of the sub-brand no matter how irrelevant it may seem. There is no right or wrong answer.
- Please write your answers as clearly as possible in a legible fashion in the form of words and short phrases.
- You will be given 3 minutes for each association task. Please do not move to the next association task until instructed to do so.
- After you have completed all nine association tasks and demographic and other relevant information, a debriefing session will be held. This session will be approximately 5 minutes long and part of its purpose is to receive feedback from you on how you have perceived the sub-brands overall and the experiment on the whole.

Respondents were asked to read the instructions carefully, and their questions with regard to the association task were answered. The researcher then gave a particular example of word association (the example was the same for each group). After they completed the example, subjects’ remaining questions about the task were answered. Brand association sheets contained the actual sub-brand elements including brand name and logo in black and white in the upper middle part of the sheet, and the instruction, “Please write down ANYTHING that comes to mind when you think of ... [brand name]. You
have 3 minutes for this task’. The association task for the nine brands was completed first, after which the researcher directed the subjects to the last page of the package and asked them to complete demographic information. In all, 3514 individual brand associations were generated. Table 1 presents the study design.

Table 1: Study Design

<table>
<thead>
<tr>
<th>Category</th>
<th>Sub-brand 1</th>
<th>Sub-brand 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telecommunications</td>
<td>Telstra MobileNet</td>
<td>GROUP 2 (n = 30)</td>
</tr>
<tr>
<td>Banking</td>
<td>Commonwealth Dollarmite</td>
<td>Orange by Hutchison</td>
</tr>
<tr>
<td>Car rental</td>
<td>AVIS Preferred Service</td>
<td>ANZ Progress Saver</td>
</tr>
<tr>
<td>Fast food</td>
<td>McDonalds McCafé</td>
<td>Thrifty Blue Chip</td>
</tr>
<tr>
<td>Airlines</td>
<td>Qantas Frequent Flyer</td>
<td>Burger King Big Kids</td>
</tr>
<tr>
<td>Credit card</td>
<td>VISA Electron</td>
<td>Virgin Blue</td>
</tr>
<tr>
<td>Broadcasting</td>
<td>Triple J by ABC</td>
<td>American Express Platinum</td>
</tr>
<tr>
<td>Hotels</td>
<td>Homewood Suites by Hilton</td>
<td>2Day FM Hot30 Countdown</td>
</tr>
<tr>
<td>Insurance</td>
<td>AMP FirstCare Insurance</td>
<td>Four Points by Sheraton</td>
</tr>
<tr>
<td></td>
<td></td>
<td>NRMA Points by Sheraton</td>
</tr>
</tbody>
</table>

4. ANALYSIS: DEVELOPMENT OF THE MEANING DOMAINS

In analysing the data, this study used the method of associative group analysis, advocated by Szalay and his colleagues (Szalay et al., 1993; Szalay & Bryson, 1974; Szalay & Deese, 1978; Szalay & Maday, 1973) in the field of social psychology and later adopted by researchers in marketing (Friedmann & Zimmer, 1988; Marsden, 2002; Phillips, 1996). According to associative group analysis, one way of identifying meaning from free association is to place the responses obtained in categories based on their semantic relationship to the stimulus. The approach of Szalay and colleagues to meaning creation from free associations involves three aspects: associations, themes, and domains. The associations generated by respondents in response to a stimulus (e.g., a word) are grouped into themes based on their semantic relatedness. Then these themes are categorised under a domain of meaning domains when similarities are found between themes. For example, the “value cafe” theme was tentatively categorised under the domain of “sub-brand identity”. Then, other themes that appeared similar in meaning to “value cafe” were brought together under the domain of “sub-brand identity” domain. For example, the themes of advertisements, servicescape, value coffee, and word-of-mouth all were categorised under the domain of “sub-brand identity” for the McDonald’s McCafé brand. Common to these themes was the unique identity of the sub-brand. Respondents clearly indicated genuine knowledge of the McCafé brand as distinct from other meaning domains. Other domains were developed using the same association-to-theme and theme-to-domain procedure (see Figure 1). Responses that did not fit any theme were labelled “miscellaneous” and categorised as a separate domain.
Initially, the domains of meaning domains were not fixed. Thus, meaning domains of different brands resulted in domains that were somewhat different. For example, the Orange by Hutchison brand had domains labelled “sub-brand identity”, “semantics of brand elements”, “service category”, and “parent company associations”, whereas McDonald’s McCafé had all of those plus an additional domain called “servicescape”. Since the domain structure was somewhat different among the brands, development of the meaning domains was discussed among the researchers over a series of meetings. Disagreements were resolved only when all three members agreed on a solution.

After this process was concluded for all the brands under investigation, the research team agreed on the following five meaning domains that were equally applicable to all of the brands: Parent company (PARENT), service category (CATEGORY), semantics of brand elements (SEMANTICS), sub-brand unique identity (SUB-BRAND), and reference to competitors (COMPETITORS). There was also a miscellaneous (MISCELLANEOUS) domain.

As an example, those domains resulted in the following brand profile for McDonald’s McCafé sub-brand. Verbatim associations under the SUB-BRAND unique identity included a range of associations representing unique knowledge of McCafé (McCafé uniform, not for relaxing, drive through coffee, coffee shop in McDonald’s, there is McCafé around the corner near my place, value café, would never drink coffee there, cheaper than Starbucks). PARENT company associations included primarily the products offered at McDonald’s (Big Mac, 40 cent cone, nice chicken foldover, not too bad for French fries, new salad plus program), and other associations (fast service, eat it all the time, Ronald, a place I loved to go when I was little). CATEGORY associations included generic reference to cafe or coffee in general (coffee, coffee shop, cafe, I don’t drink coffee, coffee shops are better in Europe). SEMANTIC associations included comments on the logo and colour (red and yellow colour, brown suits cafe) and some inference (cafe means coffee). Reference to COMPETITORS included mere mentioning of competitor brands (Hungry Jacks, Starbucks, Gloria Jean’s, KFC etc.).

5. FINDINGS: UNLEASHING THE MEANING DOMAINS

Table 2 presents the aggregated (by brand) and disaggregated frequencies of associations for each domain. In the following sections the results of the study are detailed in terms of the development of the five brand meaning domains.
Table 2: Number of associations per respondent across meaning domains and brands

<table>
<thead>
<tr>
<th>Brand</th>
<th>SUB</th>
<th>PAR</th>
<th>CAT</th>
<th>SEM</th>
<th>COMP</th>
<th>MISC</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telstra MobileNet</td>
<td>2.36</td>
<td>2.54*</td>
<td>2.21</td>
<td>0.14</td>
<td>0.61</td>
<td>0.43</td>
<td>8.29</td>
</tr>
<tr>
<td>2DayFM Hot30</td>
<td>4.33*</td>
<td>1.27</td>
<td>1.57</td>
<td>0.67</td>
<td>0.50</td>
<td>0.18</td>
<td>8.52</td>
</tr>
<tr>
<td>Commonwealth Dollarmite</td>
<td>2.75*</td>
<td>0.61</td>
<td>1.00</td>
<td>1.32</td>
<td>0.19</td>
<td>0.43</td>
<td>6.30</td>
</tr>
<tr>
<td>ANZ Progress Saver</td>
<td>0.50</td>
<td>1.80</td>
<td>1.67</td>
<td>1.83*</td>
<td>0.37</td>
<td>0.33</td>
<td>6.50</td>
</tr>
<tr>
<td>VISA Electron</td>
<td>0.50</td>
<td>1.71*</td>
<td>1.43</td>
<td>1.39</td>
<td>0.61</td>
<td>0.39</td>
<td>6.03</td>
</tr>
<tr>
<td>Hilton Homewood Suite</td>
<td>0.57</td>
<td>2.29</td>
<td>0.75</td>
<td>2.39*</td>
<td>0.23</td>
<td>0.24</td>
<td>6.47</td>
</tr>
<tr>
<td>AVIS Preferred Service</td>
<td>1.04</td>
<td>1.04</td>
<td>1.21</td>
<td>1.46*</td>
<td>0.28</td>
<td>0.33</td>
<td>5.36</td>
</tr>
<tr>
<td>Burger King BigKids</td>
<td>0.60</td>
<td>2.70*</td>
<td>1.97</td>
<td>1.87</td>
<td>0.83</td>
<td>0.26</td>
<td>8.23</td>
</tr>
<tr>
<td>AMP FirstCare Insurance</td>
<td>0.21</td>
<td>2.39*</td>
<td>1.57</td>
<td>1.36</td>
<td>0.21</td>
<td>0.39</td>
<td>6.13</td>
</tr>
<tr>
<td>NRMA Insurance</td>
<td>2.00</td>
<td>3.03*</td>
<td>1.20</td>
<td>0.20</td>
<td>0.07</td>
<td>0.23</td>
<td>6.73</td>
</tr>
<tr>
<td>Thrifty Blue Chip</td>
<td>0.47</td>
<td>0.90</td>
<td>0.47</td>
<td>2.47*</td>
<td>0.03</td>
<td>0.80</td>
<td>5.14</td>
</tr>
<tr>
<td>Orange by Hutchison</td>
<td>4.10*</td>
<td>0.40</td>
<td>1.03</td>
<td>0.73</td>
<td>0.27</td>
<td>0.19</td>
<td>6.72</td>
</tr>
<tr>
<td>Four Points by Sheraton</td>
<td>2.83*</td>
<td>2.23</td>
<td>2.37</td>
<td>0.40</td>
<td>0.10</td>
<td>0.18</td>
<td>8.11</td>
</tr>
<tr>
<td>McDonald’s McCafe</td>
<td>3.57*</td>
<td>1.89</td>
<td>1.57</td>
<td>0.32</td>
<td>0.06</td>
<td>0.08</td>
<td>7.49</td>
</tr>
<tr>
<td>American Express Platinum</td>
<td>1.67</td>
<td>3.17*</td>
<td>2.27</td>
<td>0.83</td>
<td>0.40</td>
<td>0.27</td>
<td>8.61</td>
</tr>
<tr>
<td>Virgin Blue</td>
<td>3.53*</td>
<td>1.80</td>
<td>2.10</td>
<td>0.93</td>
<td>0.28</td>
<td>0.09</td>
<td>8.73</td>
</tr>
<tr>
<td>Qantas Frequent Flyer</td>
<td>2.11</td>
<td>1.50</td>
<td>3.00*</td>
<td>0.39</td>
<td>0.23</td>
<td>0.08</td>
<td>7.31</td>
</tr>
<tr>
<td><strong>Mean</strong></td>
<td><strong>1.95</strong></td>
<td><strong>1.84</strong></td>
<td><strong>1.61</strong></td>
<td><strong>1.10</strong></td>
<td><strong>0.31</strong></td>
<td><strong>0.29</strong></td>
<td><strong>7.10</strong></td>
</tr>
</tbody>
</table>

Note 1: *Dominant domain is the association domain with the highest frequency of associations for that brand.
Note 2: SUB = sub-brand unique Identity meaning, PAR = parent company meaning, CAT = service category meaning, SEM = semantic meaning, COMP = competitors meaning, MISC = miscellaneous responses.
Note 3: ABC Triple J is not included in the table as it was heavily used in practice coding sessions by the three-member research team.

Table 2 presents the summary of frequencies of associations across categories by the brands under consideration. The average number of associations ranged from 5.14 (for Thrifty Blue Chip) to 8.73 (for Virgin Blue) with a grand mean of 7.1 associations per brand. Quantitatively, two different measures are considered important in understanding brand meaning domains. First, mean score is the average of the number of associations categorised under a particular meaning domain across 17 sub-brands. Second, dominant score is the most dominant meaning domain for a brand. Instances of dominance across 17 brands were also considered as a measure.
As a preliminary outcome, according to the summary statistics presented in Table 2, the SUB-BRAND identity meaning domain was at least as influential as the PARENT company in forming the sub-brand. It ranked highest in terms of mean number of associations per respondent (1.95) and ranked equal to the PARENT company in terms of dominance (6 of the 17 brands for each meaning domain): 2DayFM Hot30, Commonwealth Bank Dollarmite, Orange by Hutchison, Four Points by Sheraton, McDonald’s McCafe, Virgin Blue. In terms of the mean number of associations, the PARENT company meaning domain was a little lower than the SUB-BRAND unique identity meaning domain (1.84 versus 1.95) and the PARENT company meaning domain had the same number of dominant instances as SUB-BRAND identity (6 of 17 brands): Telstra MobileNet, VISA Electron, Burger King BigKids, AMP FirstCare Insurance, NRMA Insurance, American Express Platinum. The service CATEGORY meaning domain ranked third in terms of mean number of associations (1.61) and demonstrated only a single instance of dominance, with Qantas Frequent Flyer. This preliminary finding as to the number of associations alone indicates that there was a strong presence of CATEGORY associations. Interestingly, relative to other meaning domains, there was some evidence of SEMANTIC meaning associations in terms of the brands under consideration. For example, about 15% of all associations were of this type, and in four instances sub-brands were dominated by this brand meaning domain: ANZ Progress Saver, Hilton Homewood Suite, AVIS Preferred Service, and Thrifty Blue Chip. However, reference to competitors was minimal on average (mean 0.31). This domain also produced no instances of dominance. Each of the meaning domains is discussed in detail in the following sections.

5.1 Sub-Brand Unique Identity Meaning (SUB-BRAND)
The first major meaning domain in the sub-brand profile were associations related to the specific sub-brand under consideration. First, the most prominent type was the whole range of associations emanating from the overall marketing efforts attributed to a sub-brand. For example, evidence of exposure to advertising campaigns, promotional activities, retail outlets, comments about the core service, pricing, value for money, quality, image and prestige-related associations occurred frequently. Second, some associations hinted at direct experience or contact with the brand under consideration. Related to direct experience were associations hinting at word-of-mouth information in terms of the sub-brands. Third, there were associations with global evaluations, such as “good”, “interesting”, “love it”, “hate the thing”, and “crap”.

Although the different types of associations noted above could have been separated, such as experience versus marketing effort associations, the researcher determined that in many cases it was not possible to specify whether an association originated from experience or from overall marketing efforts. For example, “sexy girls” in response to Virgin Blue could have come from the experience of flying Virgin Blue or simply from the marketing activities of the company. Table 3 presents specific sources of associations under this meaning domain.

Table 3: Sources of associations under SUB-BRAND identity meaning domain

- Any kind of association that indicates direct contact with the sub-brand by respondents or their acquaintances. Respondent’s direct experience with the target sub-brand
- Word-of-mouth (e.g., a friend’s experience with the sub-branded service) and responses to advertising campaigns
- Any kind of knowledge about the sub-branded service, including thoughts, feelings and memories
- The actual [core] products / services [offers] of the sub-brand
- Characteristics / features / attributes of the sub-brand
- People, process, physical evidence
- Integrated marketing communications (IMC) about the sub-brand
- Distribution channels, retail outlets, and related locations about the sub-brand
- Pricing / value
- Associations such as no charges, cheap, expensive
- Reference to usefulness / uselessness, benefits / drawbacks / faults
- Perceived quality, any quality-related association, e.g., good quality, bad quality
- Reference to superiority, credibility, reliability, durability, serviceability
- Reference to effectiveness, efficiency
- Reference to specific users and usage occasions of the sub-brand
- Reference to style and design of the sub-brand
- Reference to image, prestige, social class, status, etc.
- Certain inferences that do not arise from or go beyond the semantic elements of the stimulus
- Overall / global evaluations (e.g., I like it, I hate it, etc.) specific to the sub-brand
5.2 Parent Company Meaning (PARENT)
The PARENT company meaning domain was conceptualised as anything judged to be mentioned about the parent company in response to the sub-brand. These included category associations of the parent company, other products of the parent company, advertising and sales promotion efforts, and services-related associations of the parent company. For example, with regard to Telstra MobileNet, any association referring to Telstra that was irrelevant to the MobileNet service was categorised under PARENT company meaning. Such associations included, for example, telephone company, oldest telecom company, multinational, and privatising. Similarly, for McDonald’s McCafe, associations attributable to McDonald’s but not McCafé included fast food, burger, fat, new taste menu, fries, Ronald McDonald, drive through, and golden arch. Table 4 presents the PARENT company associations from different sources.

Table 4: Sources of associations under the PARENT company meaning domain

- Direct experience with the company or its other products/services
- Strengths and weaknesses of the company
- Feelings and attitudes towards the company
- Image/prestige-related associations of the company
- Quality-related associations of the company
- Distribution and retail outlets of the company
- Prices and pricing of the company
- Advertising, promotion, publicity of the company (IMC)
- Charity and community-related references to the company
- Reference to other product categories under which the parent company operates
- Reference to other sub-brands of the company
- Associations about the owner or conglomerate corporation
- Stock-market / share-market related associations of the company
- Any specific reference to the industry in which the parent company operates
- Country / region associated with the company

5.3 Generic Category Meaning (CATEGORY)
The next meaning domain consisted of generic associations with the specific product CATEGORY under consideration. These associations included reference to the product category and its attributes, characteristics and features in any form. These associations could apply to any competitor in the product category as well as the target sub-brand. They were usually elicited because of the respondents’ knowledge of the product category. For example, with the Telstra MobileNet stimulus, some respondents said “mobile phone” since it belonged to the category of mobile telephone. But if someone responded “telephone company” it belonged to the PARENT company meaning domain, as it specifically referred to the parent company. Other related features, attributes, or characteristics of MobileNet included associations about mobile phones in general, such as SIM card, SMS, plans, rates, network connection, coverage, satellite, camera phone, and phone number. Such associations were elicited because respondents thought of the service category. Finally, generic comments also included general usage contexts regarding the service category. Examples were “talking” in response to Telstra MobileNet, “good conversations” in response to McDonald’s McCafe. Table 5 presents the sources of associations under the CATEGORY meaning domain.

Table 5: Sources of associations under the generic CATEGORY meaning domain

- The specific service category of the sub-brand (but not specifically about the company): These associations are usually elicited due to the clue of service category. When Telstra MobileNet is mentioned, people may say “mobile phone” since it belongs to the category of mobile telecommunications.
- Other generic comments, characteristics, features, attributes, etc. of the service category or industry in general: Other related features/attributes/characteristics of MobileNet would include associations about mobile telecommunications in general, such as Sim card, SMS, plans, rates, network connection, coverage, satellite, camera phone, phone number, etc.
- Generic comments regarding usage contexts: Examples are “shopping” in response to credit cards, “sight-seeing” in response to hotels.
5.4 Semantic Meaning (SEMANTICS)

There was also some evidence of associations related to the semantics of brand elements. The SEMANTIC meaning domain included associations referring to the general semantics of the parent and sub-brand’s brand name, font, logo, colour, visual style and slogan that did not indicate any specific knowledge of the underlying sub-brand. Since the actual “brand elements” were presented as part of the stimulus, respondents tended to react to those elements. For example, the McDonald’s McCafé stimulus shown to the respondents was exactly as it appeared in the promotional materials, including the McDonald’s name, the McCafé name, the logotype, the red, yellow and brown colours, and the slogan, “I’m lovin’ it”. So, a respondent who had never heard of McDonald’s could say “funny logo” or “yellow” in response to the logo. Thus, these associations were reactions to the stimulus presented on the page respondents saw, regardless of their prior knowledge of the actual sub-brand under consideration.

Associations belonging to this meaning domain were generic comments about the way the logo appeared, the dictionary meaning of one of the words, some inference or guessing about what it meant, and comments on some aesthetic characteristics of one of the characters or logo. Examples include associations like “network”, “movement” and “mobility” in response to Telstra MobileNet. Even people who had never heard of Telstra MobileNet would be able to make those responses, because they could respond to or infer certain things about what was presented.

In addition to general reactions, SEMANTIC meaning also included incorrect inferences about what respondents thought the sub-brand was. A respondent who had never heard of Telstra MobileNet might say “mobile internet” and this association would be simply an inference. A respondent who did not know much about McDonald’s McCafé might infer certain associations related to a coffee shop from the word “Cafe” alone. Table 6 provides a set of examples in the SEMANTIC meaning domain.

Table 6: Sources of SEMANTIC meaning with examples

<table>
<thead>
<tr>
<th>Examples of inference</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Telstra MobileNet – “mobile internet” (inference from MobileNet)</td>
</tr>
<tr>
<td>• McDonald’s McCafé – “must be a café business” (inference from McCafé)</td>
</tr>
<tr>
<td>• ABC Triple J – “3 DJs working together” (perhaps inferred from the words Triple J and the three drumsticks on the logo)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Examples of brand name associations (direct word meaning)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Telstra MobileNet – “mobility” (meaning of mobile)</td>
</tr>
<tr>
<td>• McDonald’s McCafé – “my uncle’s name” (McDonald is a person’s name)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Examples of font and visual style associations</th>
</tr>
</thead>
<tbody>
<tr>
<td>• McDonald’s McCafé – “smooth curvy script” (reacting to McCafé logotype)</td>
</tr>
<tr>
<td>• Telstra MobileNet – “Telstra writing looks very youthful” (reacting to the stylish font/ logotype)</td>
</tr>
<tr>
<td>• ABC Triple J – “Triple J script looks ugly” (reacting to the script)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Examples of logo recognition</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Telstra MobileNet – “handset on the T” (reacting to Telstra logo)</td>
</tr>
<tr>
<td>• ABC Triple J – “Drum and sticks suits name” (reacting to drums and sticks)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Examples of colour recognition</th>
</tr>
</thead>
<tbody>
<tr>
<td>• McDonald’s McCafé – “boring colour” (perhaps reacting to colour of logo)</td>
</tr>
<tr>
<td>• Telstra MobileNet – “nice blue” (logo is blue)</td>
</tr>
<tr>
<td>• ABC Triple J – “red and black” (logo contains red and black)</td>
</tr>
</tbody>
</table>
5.5 Competitor Meaning (COMPETITORS)
Finally, there was evidence of reference to competitors or their products. Associations included here were not only about sub-brands but also about the parent brand. For example, in response to ABC Triple J, respondents might refer to competitors of the ABC in general, such as other TV channels like Channels 9, 7, 10 and SBS. They also might refer to competitive radio stations like Triple J, 2Day FM, Nova, MMM, Classic FM, and even some AM radio stations like 2GB and 2UE.

However, if a particular association referred to a comparison with a competitor, it was placed in one of the previous categories. For example, if a respondent said “better than Nova” for ABC Triple J [Nova and Triple J are both FM radio stations], then this association would be placed under SUB-BRAND identity domain. Here, although making a reference to a competitor, the respondent was effectively evaluating the focal sub-brand. In response to ABC Triple J, if a respondent said “Channel 9 TV is better”, this was assumed to be a reference to the ABC, the parent TV station, and hence was placed under the PARENT company meaning domain.

5.6 Miscellaneous Associations (MISCELLANEOUS)
Associations that could not be categorised under any of the previous five meaning domains were placed in the miscellaneous category. These included irrelevant comments that had nothing to do with the sub-brand under consideration. As expected, according to the summary statistics presented in Table 2, the miscellaneous domain was the least prevalent (4% of all associations) and did not produce any instances of dominance. Since miscellaneous associations are meaningless to the sub-brand, it was expected that this category would not be important to sub-brands.

6. DISCUSSION: IMPLICATIONS OF THE MEANING DOMAINS

6.1 SUB-BRAND identity domain
A close examination of the nature of associations included in the sub-brand meaning domain revealed that they were the unique associations in terms of the sub-brand under consideration. For example, associations that referred to specific marketing communications, consumers’ direct experience and global evaluations were not applicable to other products operating in the industry. Furthermore, a substantial prevalence of associations in this domain would be evidence to support the contention that sub-brands may have equity and may be capable of creating and retaining equity. According to the summary statistics presented in Table 2, the SUB-BRAND identity meaning domain was at least as important as the PARENT company in forming the sub-brand concept.

The associations listed in Table 3, such as direct experience with the brand and word-of-mouth communications about the brand, generally have a strong influence on brand attitude. Experience with an object has been identified as an important variable in affecting attitudes towards that object (Chaiken & Stangor, 1987). Fazio and Zanna (1981) presented a series of studies showing that attitudes formed through direct behavioural experience with an object were more influential than attitudes developed via non-behavioural experiences. In the branding context, O’Cass and Grace (2003), in a multi-method study of services brand associations, found that employees, services facilities, experience and word-of-mouth were the most significant drivers of brand attitude. Berry (2000), in his conceptual model of service brand equity, considered that customers’ experience with the company and external brand communications such as word-of-mouth and publicity were drivers of brand equity. Accordingly, the SUB-BRAND domain is likely to be the most important meaning category of a sub-brand.

6.2 PARENT company meaning domain
The implications of the parent company meaning need to be considered. On the one hand, as associations referring to the parent company play a supportive or endorsing function, they have been called “secondary associations” (Keller, 1999). Hence, it is sometimes suggested that such associations are secondary to those generated by the SUB-BRAND meaning domain in terms of how consumers generally feel about a sub-brand. According to the summary statistics in Table 2, the PARENT company meaning domain had the same number of dominant instances as SUB-BRAND identity domain (6 of 17 brands). In terms of the mean number of associations, the PARENT company meaning domain was a little lower than the SUB-BRAND identity meaning domain (1.84 versus 1.95).

Several authors in the marketing literature have found that parent or corporate meaning is an inevitable domain of its products or sub-brands. Despite its secondary nature, this “who makes it” information is almost always potentially available to consumers. Thus, when asked to comment on a sub-brand, consumers would provide associations about who made it or where it came from. Aaker (1996) distinguished between organisational associations and brand associations. As part of
product-specific brands, organisational associations such as community orientation, innovativeness, credibility and global presence are often listed by consumers. As Kapferer, (1992) showed, at the corporate level, companies are largely dominated by stockholders, regulatory authorities, issues groups and the media. At the product level, companies are dominated by customers, employees and suppliers. Hence, as Brown and Dacin (1997) conceptualised, corporate associations include corporate ability associations and corporate social responsibility associations, while product-related associations are separate from corporate associations. For example, as Aaker (2004, p.258) pointed out, Dell Inspiron might elicit corporate associations like direct sale, customising, Michael Dell in addition to the specific associations about the Inspiron sub-brand. Hence, this meaning domain is considered to be the second most important to sub-brands.

6.3 Service CATEGORY meaning domain
The implication of the service CATEGORY domain warrants attention. Service category characteristics are considered somewhat important, as these associations play a role in categorising the sub-brand as a member of a product category, although they are not unique to the sub-brand. On the one hand, elicitation of a relatively large number of associations indicates that respondents are aware of the product’s operation in a particular product category. However, it does not show that the particular product has genuine equity, since these associations are equally applicable to any competitor in that category.

According to the summary statistics presented in Table 2, the service CATEGORY meaning domain ranked third in mean number of associations (1.61) and demonstrated only a single instance of dominance. Despite their strong presence, however, service CATEGORY associations are considered a somewhat important but non-unique meaning domain. The marketing literature supports the notion of “product category knowledge” in different points of view. Knowing the product category and its attributes in some detail leads to knowing the brands on offer in that product category (Farquhar & Herr, 1993). Thus when a respondent is asked for free associations with a particular brand, some associations are inevitably about the product category under consideration.

Myers and Shocker (1981) paid some attention to understanding the nature of product/service related attributes. Their schema consists of product referent, outcome referent and user referent attributes of products. Product referent attributes refer to physical characteristics or properties of a product, which are used to describe a product or service. Outcome referent attributes refer to perceived outcomes, benefits or advantages from using a product/service. User referent attributes refer to “what usage of the product or service implies or says about the person who is selecting or using it” (p. 213). These attributes usually indicate how the product itself represents the user to other people. User referent attributes are not intrinsic to the product itself as they need to be suggested by some promotion.

One shortfall of the Myers and Shocker (1981) schema was that they did not distinguish product attributes from brand-specific attributes. As Keller (1993) implied, several of the attributes belonging to products/services could also be about specific brands under consideration. For example, if a very specific expressive association like “gives me a sexy look” (a user referent attribute) is elicited in response to a particular brand (e.g., American Express Platinum) rather than a product category in general (e.g., upscale credit card), that attribute may be categorised under the brand-specific associations rather than generic attributes. This discussion implies that the CATEGORY meaning component is the third most important to a sub-brand.

6.4 SEMANTIC meaning domain
The implications of the SEMANTIC domain also need to be considered. Some associations may depend on the semantics of brand elements. Indeed, the selection of brand names, logos, etc. is often intended to attach meanings of “neutral” words and images to the brand (Lutz & Lutz, 1977), but by themselves these associations reflect a lack of brand awareness. Hence, these associations are less important domains of meaning, since they reflect lack of genuine brand-related knowledge at the sub-brand level. Consequently, if the SEMANTIC domain dominated brand knowledge, the implication would be that neither the sub-brand nor the parent company meant anything to respondents except for the fact that they could comment on various aspects of the brand’s name and logo.

Accordingly, noting the results presented in Table 2, relative to other meaning domains, there was some evidence of SEMANTIC meaning associations in terms of the brands under consideration. For example, about 15% of all associations were of this type, and in four instances sub-brands were dominated by this brand meaning domain. Accordingly, the SEMANTIC meaning domain is the second least important to the make-up of a sub-brand.
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6.5 COMPETITOR reference meaning domain
As per Table 2, although there was some variation among the brands studied, reference to competitors was minimal (mean 0.31). This domain also failed to produce any instances of dominance. However, the paucity of such associations does not necessarily mean that they are unimportant in determining the meaning of the sub-brand. Nevertheless, it is the least important domain to a sub-brand. This indicates, on top of the free association method, other additional questions may have to be asked of the respondents to capture the real value of such domains of meaning. One possible application is to use this and other meaning domains to predict overall attitudes towards the sub-brand. In that case, the meaning domains need to be quantified in some fashion, and the overall attitudes also need to be measured. As suggested by Szalay and Deese (1978), dominance (the proportion of associations most attributed to a meaning domain) could also be used to gain some insight into the nature of the sub-brand.

7 APPLICATIONS, LIMITATIONS, FUTURE RESEARCH
Using data from a case study that examined brand equity in sub-brands, the objective of this research was to determine the domains of brand meaning that make up a sub-brand and work out their levels of importance. Listed in decreasing levels of importance: The SUB-BRAND meaning domain captured the notion of genuine brand equity at the sub-brand level as it included anything judged to be mentioned about the sub-brand. The PARENT company meaning domain was conceptualised as anything judged to be mentioned about the parent company. Generic associations with the specific service CATEGORY included reference to the service category and its attributes, characteristics and features in any form. The SEMANTIC meaning domain included associations referring to the general semantics of the sub-brand’s brand name, font, logo, colour, visual style and slogan that did not indicate any specific knowledge of the underlying sub-brand. Finally, there was evidence of reference to COMPETITORS in response to the sub-brand stimulus.

This research makes a useful contribution to understanding the sources of five brand meaning domains forming a sub-brand. It is empirically shown that, across a sample of 17 brands, the five different meaning domains contributed to the contents of the sub-brand. Given the fundamental purpose in developing a sub-brand is to leverage the equity built in a parent company to sub level brands, the method demonstrated in this article may be used to assess whether the expected leveraging has in fact happened. Hence, in terms of practitioner relevance, the usefulness of this research lies in its capacity to generate insight and provide a creative tool for assessing sub-brands. Branding practitioners may assess their own sub-brands simply by applying the techniques used in this study to generate free association data from a sample of respondents, and categorising the associations into the five meaning domains. It is critical for brand managers to understand the stronger versus weaker associations of their brands. The techniques proposed in this research can be used qualitatively and quantitatively to understand the deeper meanings of sub-brands, and with this understanding brand managers can take necessary and timely actions to remedy any problem in a given meaning domain. For example, when careful marketing efforts directed at sub-brands, the SUB-BRAND meaning domain should result in not only as a dominant category, but also in rich, meaningful, and favourable brand associations. This was the case with McDonald’s McCafé which produced rich associations like “value coffee” and “nice McCafé uniform” uniquely attributed to the sub-brand. However, if the meaning domain is dominated by product CATEGORY characteristics [as found with Qantas Frequent Flyer], the implication is that perceived uniqueness of the brand is missing as the brand associations are equally applicable to all competitors in that category. Yet, as Aaker (2004) posits, product category knowledge is still important because “the problem may not be that the customer picks the wrong brand, but rather the wrong product category or subcategory [and brand set] is picked” (p. 103). Hence, managing a balance of product category knowledge as well as that of the core sub-brand knowledge is important for brand managers. Similarly, if a sub-brand’s associations are dominated by SEMANTIC meaning, as with Burger King BigKids, it can be interpreted that the brand has not generated awareness in the marketplace, and corrective action is urgently necessary. As Keller (2008) posits, the test of the brand building ability of brand elements is what consumers would think or feel about the product if they only knew about its brand name, associated logo, and other characteristics. Hence, it is not that semantic meaning is unimportant but it should not be the dominant domain of a sub-brand’s meaning. For example, if consumers responded to the Commonwealth Bank logo only with ‘vegemite on a biscuit’, then there is no customer based brand equity for Commonwealth Bank in the Australian consumer market.

Another possible application of this technique is to understand the meaning of sub-brands when another sub level architecture is introduced under a sub-brand. For example, recently, Holden introduced a third level to the brand architecture by branding
and advertising specific packages within each model. Hence, the Holden Commodore Omega can be distinguished from the Holden Commodore Berlina on several features such as rear parking assist, Holden-iq CD Ripping, etc., and the two versions of the same basic model have distinct marketing programs targeted to different segments of the market (Motoring magazine, 2006). Although this idea has been recognised in the literature (‘modifier branding’ by Uggla, 2006; ‘ingredient branding’ by Desai and Keller, 2002), how to measure such second level sub-branding with our technique is an interesting avenue for future research.

However, the expected impact of these meaning domains needs to be interpreted within their fair share in proportion. As noted in brand relationship spectrum (Aaker and Joachimsthaler, 2000b), the link between the parent company and the sub-brand can vary significantly depending on the specific strategy undertaken by the brand manager. Although KitKat’s Nestle endorsement is very clear in its packaging label, many consumers may know KitKat very well in its own right, but be unsure or unaware of its corporate ownership. Further, as KitKat is a brand that Nestlé has acquired from Rowntree, some older consumers may be confused and they may conceivably still associate it with its original corporate owner, Rowntree. Similarly, although Jaguar’s parent Tata motors is disguised in its marketing communications, a brand association study might still produce associations in terms of its link to “Indian owner” because the acquisition story became news in many circles in 2008 (Srivastava, 2009).

The following measures might be useful in further evaluating sub-brands. Branding research contends that the higher the number of associations linked in memory to a brand the higher the level of its equity (Aaker, 1991; Chen, 2001; Keller, 2003; Krishnan, 1996). Hence, the average number of associations categorised under each domain can be used as a measure of the strength of each meaning domain.

Although exploratory in nature, with some limitations, this research opens up interesting avenues for future research and discussion. First, the findings of this study, the five domains, need to be validated by replication. Even though the content validity was established to a large extent by the free association method and expert agreement combined in this type of research (Marsden, 2002), it is also critical to establish construct validity and reliability in a formal way, an imperative for future research. In developing the meaning domains, this research relied on data collected from students. Perhaps the same five meaning domains would have been developed using a non-student sample, but the actual associations elicited from experienced consumers could have been richer and more insightful. This research used a sample of sub-brands from the services sector. Intuitively it is claimed that the five meaning domains developed in this research would be equally applicable to sub-brands in manufactured goods such as Sony PlayStation and Nestlé KitKat, as these were developed using the same branding principles. This contention needs to be empirically validated, again a future research option. Finally, it is important to note that consumer buying and repeat buying decisions vary across high and low involvement situations hence the future research needs to examine such differences.

In relation to the method employed in this research, one critical factor is to identify how consumers spontaneously understand the relationship between parent brand and the sub-brand. Specific instructions like “please consider every sub-brand carefully” are likely to have shaped the way in which the respondents thought about the brands presented. For example, a respondent who thinks of youth broadcaster Triple J as a brand in its own right with no associations relating to the ABC [a likely scenario for many young listeners] is told that Triple J by ABC is a “sub-brand” and instructed to consider it carefully, with likely consequences for the free associations elicited. Hence, when it comes to practitioners applying the proposed meaning domains to individual brands, it is important to consider the existing relationship between the parent brand and the sub-brand within the brand architecture. An alternative technique, in such situations, may be to present the sub-brand name [Triple J] alone and see if respondents elicit associations in regards to the parent ABC, again another option for future research.

Finally, when it comes to applying the proposed meaning domains to individual brands, it is important to consider the intended positioning of the brand within the brand architecture. For example, even though Nestlé KitKat includes Nestlé’s endorsement, the parent Nestlé meaning cannot be expected to be a dominant domain because marketing efforts have positioned the KitKat sub-brand to be dominant. If the results showed that the Nestlé domain was dominant, it would be food for thought for the KitKat brand manager.
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