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When Place Defines the Brand: A Review of Origin-Bounded Brands

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Purpose: The article builds upon this classic brand equity framework and proposes a new theoretical approach specific to brands that are bounded to their origin. When brands that are bounded to their origins have brand equity, they satisfy distinct values for consumers and the sense of place of the resources can be transferred to the product as perceived at the brand level. At a corporate level, firms with OBBs limit the probability of counterfeit products, have enduring unique selling propositions and benefit from value pricing.

Design/methodology/approach: The proposed conceptual framework looks at transvection as it applies to unique origin resources that are respected during the design, production and assembly of a product and to the marketing of brands, leading to Origin Bounded Brands (OBBs).

Findings: The issues related to building brand equity for OBBs and how to manage these specific types of brands are discussed, as well as managerial implications and future research directions.

Key words: origin, brand equity, consumer behavior, product management

Marketing literature discusses the importance of brand equity at length both from a product and a consumer perspective (Aaker 1991; Keller 1993). By capitalizing on key assets such as brand awareness and loyalty and reducing potential liabilities, brands ensure longevity by building equity (Aaker 1996). Although the research is rich little is known about equity when a brand and its origin become inextricably linked. Clearly, origin can be a property of the brand that it escapes from or elevates in the process of creating brand equity. For example, Keller (1993) states that for brand equity to occur, place and brand associations must be congruent otherwise “new associations may or may not be advantageous for the brand” (p. 12). However while hinting at the idea that some products benefit from origin-product congruency, in-depth literature on brands that are bounded to their origins is noticeably absent.

While most branded products can have a relation to a place, they do not have an obligation to it – Audi is a German car brand but it is not an OBB: the cars are manufactured on numerous sites in Eastern Europe. Audi is a brand with an origin, not a product with an origin. Brands can use place as a core feature of their identity but often this origin can be changed if there is financial pressure to invest elsewhere (Aaker 1996), if the origin markers that are important to consumers are only related to one aspect of the product (i.e. design, manufacture, assembly) (Chao 2001), or if the origin is not the key differentiating product characteristic or essential to the brand identity.

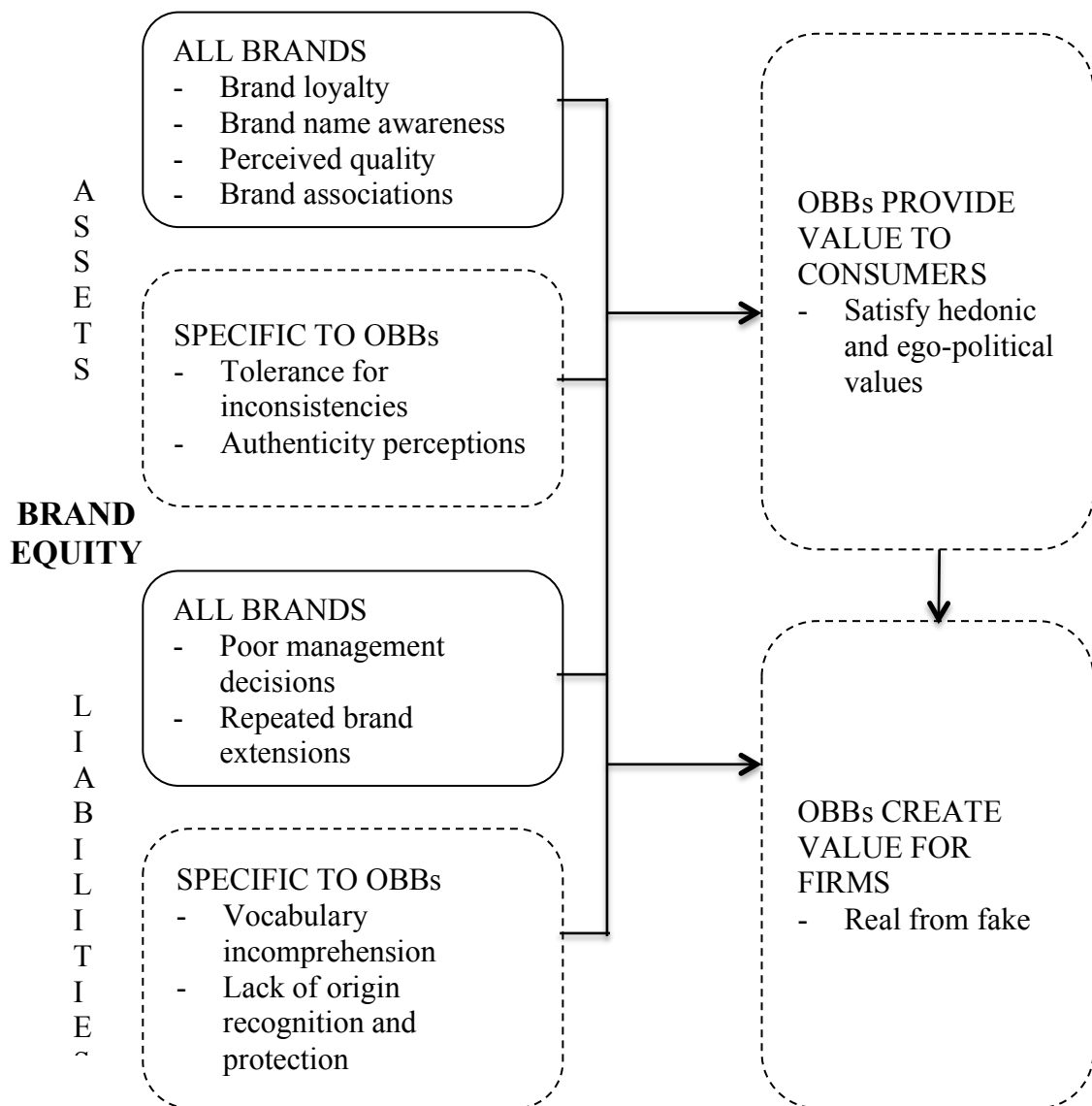
We define origin-bounded brands (OBBs) as brands that cannot be separated from their place of manufacture, design and assembly. All of these key steps occur in the same origin and the origin of the product is associated with the brand, rendering it unique. OBBs reference the notion of transvection - the distinctive resources of a place make a product unique (Alderson and Martin 1965). OBBs are identified by three key features: 1) a clearly identified origin marker (e.g. Made in, Product of, etc.), 2) respect and/or regulation of the origin materials across all design, production and assembly stages and, 3) the explicit use of the origin in the marketing mix related to the product. Pommery champagne comes from Champagne, France and cannot be called champagne if it is produced elsewhere than in Champagne with grapes not originating from Champagne, as regulated by international treaties. The origin indicator Champagne is always included next to and has grafted itself with the brand name Pommery. Such is the case for all champagnes.

The objective of this article is to propose a different conceptualization of brand equity as it applies to brands that are bounded to their origin such as is the case for wine. Reviewing brands from this perspective is useful because it answers certain questions that the current branding literature does not address, such as: How do OBBs create sustainable brand equity when the name, the symbol and the origin of the brand must remain static? What are the benefits and risks to firms of OBBs or those looking to invest in OBBs? The answers to these questions remain obscure because research often reviews brand origin and product origin separately even though congruency between product and brand origin is identified as important (Keller 1993; Usunier 2011). By combining two mainstreams of research, the branding literature and the origin literature, we show the value creation process specific to OBBs. When brands are bound to their origin, the value equation for brand building and equity is slightly different than it is for brands without fixed resources.

1. BUILDING BRAND EQUITY FOR OBBS

Once a brand is built, it possible to begin to gauge the equity of that brand in relation to how its assets and liabilities are managed. In the branding literature, the most frequently discussed brand assets are brand loyalty, brand name awareness, perceived quality, brand associations, and any other asset that garners a competitive advantage. The most common liabilities are poor management decisions, repeated brand extensions and increased competition (Aaker 1996; Pitta and Katsanis 1995). For OBBs, the same assets apply but there are additional assets that are distinct to OBBs: tolerance for inconsistencies, authenticity perceptions and origin loyalty. Furthermore there are liabilities specific to OBBs that also need to be outlined: vocabulary incomprehension and lack of origin recognition and protection. As a result of these assets and liabilities, the value perceived by firms and consumers is slightly different than what is proposed in the current brand literature. A conceptual model is presented in Figure 1 outlining how brand equity for OBBs leads to value creation. The following sections will detail the propositions represented in the conceptual model.

Figure 1: Value Creation from Origin-Bounded Brand Equity



1.1 Assets specific to OBBs

1.1.1. Product inconsistencies common to OBBs are tolerated.

When the relationship between origin and brand is well established, a brand is able to garner loyalty as well as increased consumer confidence (Bruwer and Johnson 2010; Obermiller and Spangenberg 1989; Tseng and Balabanis 2011). Origin allows consumers to have expectations about products and establish quality perceptions that remain somewhat flexible because they make the distinction between a product's stylistic consistency and simple duplication (Beverland 2005; Huber and McCann 1982). OBBs represent "not consistent content, but a consistency of quality and the ability to deliver up to and beyond expectations that is crucial for the brand" (Charters 2009, p. 288).

Origin reputation and brand reputation work in tandem for OBBs and lead to augmented value perceptions, and thus more leniency regarding product or brand discrepancies (Charters 2009). Wines are an excellent example of OBBs that can be inconsistent: different vintages will produce different wines from the same producer. Thus for OBBs when the physical features of an origin yield an inconsistent product, the strength of the brand helps buoy the image of the product. Likewise when the brand suffers from poor management or production determined factors (e.g. price increases due to scarcity (Schamel 2006)), the quality of the product allows consumers to be more indulgent and loyal toward the brand.

1.1.2. OBBs garner long-lasting authenticity perceptions.

Brands that have specific origins, although they may simply have headquarters in a specific place, can appear authentic via the signals they communicate, by the country associations inferred by their brand name or the origins that figure in their history (Aaker 1991; Thakor and Kohli 1996). Authenticity can be perceived at a brand level through many dimensions. Iconic authenticity is centered on the essence of a brand and what it conveys (Grayson and Martinez 2004). Authenticity can also be symbolic and cultivated by brands as a "socially negotiable concept that is relative, contextually determined, and ideologically driven (Leigh, Peters, and Shelton 2006, p.483).

When authenticity is derived from the true origin of a product, it has a connection to history with factual and temporal features that are considered indexically authentic (Grayson and Schulman 2000). Authenticity of an origin product is related to the purity of the product and "a continuance of historic practices, including means of production, place of production and product styling." (Beverland, Lindgreen and Vink 2008, p.7). This literal authenticity is confirmed when products are linked to an origin because they appear to be more genuine (Stewart 1993).

Origin makes OBBs indexical; the corresponding place of production makes the link between the product and the place genuine, and the indisputable link between origin and final product makes it difficult to copy. At a brand level, the socially negotiated concept of authenticity is validated by the genuine origin-derived perceptions of authenticity. Authenticity perceptions for OBBs are thus strongly defined and long lasting (Leigh, Peters and Shelton 2006; Stewart 1993).

1.2. Liabilities specific to OBBs.

1.2.1. Marketing actions for OBBs can lead to vocabulary incomprehension.

The particular nature of OBBs, the dedicated link between origin and brand, requires consumers to have a certain amount of knowledge or to be involved with the product in order to evaluate the origin-based claims properly (Perrouty, d’Hauteville and Lockshin 2006; Verlegh, Steenkamp and Meulenberg 2005; Zaichkowsky 1994). If consumers do not have a clear understanding of what is being communicated regarding an OBB, brand devaluation or misattribution of quality to the product is likely to occur (Lapoule 2007). Consumers react by focusing their attention on only some parts of the advertising message, by having an incomplete understanding of what the brand is attempting to communicate or by paying less attention to the communication piece (Verlegh, Steenkamp and Meulenberg 2005; Wirtz and Bateson 1995).

Recently, the word *terroir* has appeared in communication pieces for OBBs. Unfortunately, producers and consumers cannot agree on how to define *terroir* and there remains no consensus about how and when to use the word *terroir* (Spielmann and Gélina-Chebat 2013). In consequence, involved consumers are more likely to establish a different understanding of *terroir* from less involved consumers (Santos, Fernandez and Fernandez 2006; Spielmann and Gélina-Chebat 2013). The various market interpretations of the word may lead consumers to renegotiate the origin-brand associations they have made regarding an OBB and compromise the brand’s equity.

1.2.2. Lack of origin recognition and protection can devalue OBBs.

Production method guarantees exist for brands such as ISO standards, and certain labels recognize a production method (e.g. food alliance, certified humane, fair trade, organic) but these labels are applicable to all brands and products, even those without a static origin. In contrast origin-based labels indicate a guarantee and recognition of an origin and a consistent style capable of influencing value (Barham 2003; Teuber 2009). A legal label leads consumers to have stronger attitudes toward OBBs, and in consequence consumers demonstrate lower price sensitivity and experience higher quality perceptions toward these (van Ittersum, et al 2002).

For OBBs, referencing issues occur when an origin is not protected and when the product from the place of origin becomes a brand apart from its origin or a commodity name. For example, real cheddar cheese originates from Southwestern England, in the counties of Dorset, Somerset, Devon and Cornwall. The official PDO name is West Country Farmhouse Cheddar. Unfortunately, the name cheddar alone is not legally protected, which is why cheese with this name is produced all over the world. Losing control over the origin name has made the value of real West Country farmhouse Cheddar cheese harder for consumers and producers to establish and has made Cheddar a commodity brand name.

2. VALUE OF OBBS

2.1. OBBs Provide Value to Consumers

When consumers seek out products, they may not be looking to satisfy functional needs (e.g. buy at the best price), but may also seek to indulge themselves (e.g. engage in a pleasurable experience) (Babin, Darden and Griffin 1994). When consumers value the relationship between a product and an origin, certain consumption values become more important and each is related

differently to the brand and the product: instrumental values (price and label), expressive values (price and brand), hedonic values (appellation and brand) and ego-political values (label, slogan and brand) (Gabriel and Urien 2006). For OBBs, it is irrelevant to propose instrumental and expressive consumption values, since consumers of OBBs prefer to use indexical authenticity cues (e.g. traditions, production process, historically accurate advertising) when evaluating OBBs and appreciate the moral values these products represent (e.g. respect for the craft, producer engagement, purity of components) (Beverland 2005; Beverland, Lindgreen and Vink 2008). Likewise, consumers associate higher value with OBBs because they are related to the origin (Landon and Smith 1997) and the tangible and intangible features that the congruence between origin, brand and product represents are important to them (Perrouy, d'Hauteville and Lockshin 2006). Thus using hedonic and ego-political values is more appropriate and beneficial. Perceived hedonic benefits lead to increased delight, word of mouth and repurchase intention (Chitturi, Raghunathan, Mahajan 2007) and ego-political values allows consumers to become more aware of the symbolic as well as the functional benefits of OBB products (e.g. higher levels of quality, sustainable production processes) (Johnson and Bruwer 2007; Perrouy, d'Hauteville and Lockshin 2006).

2.2 OBBs Provide Value to Firms

As a consequence of their scarcity and/or uniqueness, OBBs are products that are liable to be copied or faked by competitors using clever marketing slogans or cultural references without overtly stating origins (e.g. Italian-style) (Boyle 2003). The origin of manufacture of a genuine product has an influence on the evaluation of its counterfeits by consumers (Chakraborty, Allred and Bristol 1996; van Ittersum et al. 2002). With OBBs the comparisons between original and counterfeits are easier to make, as explicit identifiers are present on the product itself. A watch made in Switzerland must carry the Swiss Made or Swiss label (use of the Swiss-Made label has been regulated since 1992 by the Federation of the Swiss Watch industry). A counterfeit watch may have similar branding cues to a real Swiss watch but will never have the identifiable origin label on it.

Products with origins may also use scarcity or limited supply as a means to encourage consumers to perceive their value but especially origin labels (Schamel 2006; van Ittersum et al. 2002). Uniqueness perceptions are the result of brand associations that cannot be replicated by competitive brands (Keller 1993). The congruence between brand cues and signals (i.e. brand name, brand history) and the origin stated on the product allows consumers to clearly identify OBBs. With OBBs, the tangible product attributes are related to a static origin and cannot be replicated, which is why consumers are less prone to purchasing fake version of these products; the origin is impossible to imitate.

3. DISCUSSION

This article introduces the concept of origin-bounded brands, defined as brands that use origin-driven transvection as their unique selling proposition. An origin label guaranteeing that the design, manufacture and assembly all take place in one specific origin identifies OBBs and the marketing actions related to OBBs convey the originality of this distinct intermingling of place and product.

Brands can compete on product attributes, pricing and distribution, but a unique origin that encompasses inimitable resources at the core of a product is a more long-term driver of future marketing actions. This fundamental feature of OBBs means that this sort of brands, as opposed to other branded products, must consider the scope of their resources, maximize their use, but without compromising them due to short-term objectives or sudden competition. OBBs can create new versions of their products, and innovate their offer, but within the limits of the origin and the resources. For example food-products that are origin-based may improve the quality of their product by offering an organic version of their product. OBBs may also consider proposing new consumption occasions for their products.

The article discusses at length how to reap the benefits of such equity for OBBs. Origin is a property of an OBB that it can escape but at its own peril. OBB designation is not a matter of degree but a nominal label – brands are OBBs or they are not. Origin-based brand equity can be lost when firms succumb to the typical difficulties of brand building such as outsourcing materials or process or creating message and product strategies that do not reinforce the origin. OBB qualification is lost if the limits of the origin are renegotiated in order to reap financial objectives. Dilution of the origin value can occur if the physical boundaries of the origin are widened. For example, current debate in the region of Champagne is whether or not to increase the number of hectares of vines to be considered within the appellation of Champagne. By adding hectares, more champagne can be produced, but the scarcity and the authenticity of the product is also reduced. Dilution of the OBB value can also occur when the core product associated with the origin and thus to the brand is used to leverage new products within a similar category but not legally recognized as bounded to the origin.

3.1 Directions for Future Research

A key research priority is to understand how consumers react to, gravitate around and negotiate with the concept of origin-bounded brands. Ethnographic studies, such as those conducted for brand communities (e.g. Schouten and McAlexander 1995) could be conducted into the online activities of numerous brands belonging to a specific origin (e.g. forums of wine producers from Sonoma or their Facebook pages – for example D’Argenzio Winery has over 4,000 friends on their Facebook page with a wall full of comments). Similarly, studies on communities based on a lifestyle surrounding OBBs (e.g. cigar forums or coffee cultures) could be conducted similarly to Kjeldgaard and Ostberg (2007). It appears that the datasets for this sort research are available, but remain to be analyzed.

In terms of understanding how marketers can capitalize on, create and preserve OBBs, certain research directions can be explored. Due to the nature of OBBs, they can be directly sourced from one origin and represent workmanship that is linked to an origin. It would be relevant to know how and at what level affective and cognitive origin image perceptions differ when one or another of these assets is promoted. As Ballantyne (2011) asserts, an origin has both social and technical features. The relationship of the brand building process with the stated moderators warrants more attention, especially in terms of the promotional positioning of OBBs. For example, are consumers more dogmatic towards OBBs that require workmanship; does dogmatism relate only to the product or to the user image?

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Figure 1: Value Creation from Origin-Bounded Brand Equity

