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Abstract

Firms exhibit or “manif e of brands, or mixed branding. These strategies differ in their essential structure and in their potential costs and benefits to the firm. Prior research has failed to understand how these branding strategies are related to the intangible value of the firm. The authors investigate this relationship using five-year data for a sample of 113 U.S. firms. They find that corporate branding strategy is associated with higher values of Tobin's q, and mixed branding strategy is associated with lower values of Tobin's q, after controlling for the effects of several important and relevant factors. The relationships of the control variables are consistent with prior expectations. In addition, most of the firms would have been able to improve their Tobin's q had they adopted a branding strategy different from the one their brand portfolios revealed. The authors also discuss implications and future research directions.

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