Brand Vulnerability: Concept and Influencing Factors

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Abstract

Modern brands function in the markets that are defined by uncertainty. Brand when functioning in the environments characterized by uncertainty has become the vulnerable asset of an organization. Brand vulnerability is the premise for the formation of brand risk. Despite theoretical and practical relevancy of a brand vulnerability conception, brand vulnerability is not developed and a new topic in marketing literature. First of all, it is important to define the concept of brand vulnerability and distinguish factors, potentially influencing it.

The article presents the concept of brand vulnerability, which will be followed and, referring to the analysis of research literature and the deduction method, the premise that brand vulnerability forms due to brand equity is made. By combining these concepts, the concept of brand vulnerability is defined.

In the article, referring to the distribution of the powers influencing brand evolution presented by Tellis and Crawford (1981), the factors influencing brand vulnerability are grouped into two groups. As a result of comparative analysis of research literature, the decomposition of two-factor groups, management decisions and the factors of external environment determining brand vulnerability, is presented.

Keywords: brand vulnerability, brand equity, brand evolutionary cycle, management decisions, macro environment.

Introduction

The research literature acknowledges that a strong brand is the guarantee of organization’s activity success. Modern organizations and their managed brands function in business environment, the most important characteristics of which are fast changing technologies, shortened life cycle of a product, constantly getting more intensive global competition (Lee, Yeung and Cheng, 2008) as well as increasing needs of consumers for customized products (Merschmann and Thonemann, 2007). The presented characteristics of organization’s external environment condition that it is hard for organizations to forecast future tendencies and, referring to them, to make strategic and tactical decisions of brand management. The latter tendency forms the feature of market uncertainty. Thus the brand functioning in the markets characterized by uncertainty has become vulnerable asset of an organization.

Uncertainty is the key dimension characterising modern external environment (Oreja-Rodrı´guez and Yanes-Este´vez, 2007; Ebrahimi, 2000). In scientific literature the concept uncertainty is defined as ambiguity about the outcomes of various actions, when the situation is unpredictable and when information is inconsistent or unavailable (Herzig and Jimmieson, 2006; Ebrahimi, 2000; Wilson, 2009; Geersbro and Ritter, 2010). Hence, organization’s competitiveness, success, and even survival depends on its ability to monitor and adapt to environmental conditions (Ebrahimi, 2000).

In the research literature the authors relate the concept of uncertainty to concepts of risk (Berkes, 2007) and vulnerability (Cardona, 2004).

Risk is an inextricable part of business and society action. Emblemsvag and Kjolstad (2002) point out the origin of the concept analysed by the Italian word riscare, the meaning of which is to dare. Referring to this concept, one may note that risk is an individual’s choice but not duty. Managing a brand in the context of uncertainty means the decision made or the action performed by an organization. Egbuji (1999) and Aven (2009) present two concepts of risk: 1) risk can be defined as the unit of measure for predictable difference between expectations and the reality; 2) risk expresses negative outcomes of the changes, which will manifest in future.

It is important to point out that the prerequisite for risk formation is object (or system) vulnerability (Cardona, 2004). In other words, when the brand has become vulnerable, it becomes unprotected from risk. The latter attitude allows stating that it is important for the organizations understand brand vulnerability concept and factors that influence brand vulnerability. The identification of the latter aspects of brand vulnerability would create the premises to manage the brand so that brand risk would be decreased at the maximum.

In the research literature the methodology of brand vulnerability is in the early development. Therefore, the development of the issue of brand vulnerability lacks methodological integrity. To provide methodological rationale for brand vulnerability, first of all it is important to define the concept of brand vulnerability and distinguish the factors, potentially influencing brand vulnerability.
Only Abrahams (2008) speaks about the definition of brand vulnerability. Abrahams (2008) uses the term brand vulnerability in the context of brand risk, but he does not define it. It is important to point out that the attitudes of the author are based on practical aspects of brand management without theoretical background.

In the latter decade the discussions on risk kinds emerging for a brand have started (Logman 2007; Martinez and Chernatony 2004; Esch et al., 2006; Wilcox et al., 2008; Dahlen et al., 2009; Money and Gardiner, 2005). Meanwhile in the research literature on branding authors discuss about various factors that adversely affect the brand. The distinguished factors are not systematized and unfold like factors that influence brand vulnerability.

The aim of the paper is to define the concept of brand vulnerability and to present the factors determining brand vulnerability. In order to reach the aim, a comparative analysis of research literature was carried out.

**Theoretical underpinning of the brand vulnerability concept**

Table 1 presents the vulnerability concept in different perspectives. The analysis of different perspectives of the vulnerability concept allows stating that vulnerability can be both positive and negative characteristic of an object or system. Consumer vulnerability is a positive phenomenon because it is the result of consumer’s trust in the brand (Mysen and Svensson, 2011). In all other cases vulnerability is the internal negative feature of a subject, object or system that allows different factors to negatively influence it (Cardona, 2004).

The brand can be called the object, which in research literature is defined as the combination of product features, customer value (the balance of the profit being obtained by a consumer and his/her expenditure being experienced) and values (with what associations the brand is related in consumer’s consciousness) (Simoes and Dibb, 2001; Vukasovic, 2009). In the present concept of the brand the central element is a consumer because specific product features are created in order to satisfy consumer’s needs and expectations as well as positive and negative brand associations are being formed in consumer’s consciousness (this phenomenon is explained by *Cognitive psychology spreading activation theory*). The customer value, which is mentioned in the above presented brand concept, is the concept widely analysed in research literature (Christopher, 1996; Boksberger and Craig-Smith, 2006; Evans, 2002).

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**Table 1**

<table>
<thead>
<tr>
<th>Author, year of publication</th>
<th>Context</th>
<th>Vulnerability definition</th>
</tr>
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<tbody>
<tr>
<td>Oxford Dictionary</td>
<td>Exposed to the possibility of being attacked or harmed, either physically or emotionally:</td>
<td></td>
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<tr>
<td>Cardona (2004)</td>
<td>Holistic perspective</td>
<td>Internal risk factor of the subject or system that is exposed to the hazard and corresponds to its intrinsic predisposition to be affected, or to be susceptible to damage.</td>
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<tr>
<td>Hinkel (2010)</td>
<td>Global environmental change</td>
<td>Measure of possible future harm: 1. Measure of harm refers to a value judgement on the ‘badness’ of a state; 2. Possible future refers to the forward-looking aspect of vulnerability. This future harm may or may not happen.</td>
</tr>
<tr>
<td>Vatsa (2004)</td>
<td>Sociology</td>
<td>Exposure to welfare losses</td>
</tr>
<tr>
<td>Svensson (2002; 2004)</td>
<td>Supply Chain Management</td>
<td>Vulnerability is a condition that is caused by time- and relationships-dependencies in a company’s business activities in marketing channels.</td>
</tr>
<tr>
<td>Mysen and Svensson (2011)</td>
<td>Consumer behaviour</td>
<td>Expression of consumer’s trust when consumers are apt to be vulnerable against organization’s actions.</td>
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**Figure 1.** A Conceptual Framework of Brand Equity (Source: Yoo, Donthu and Lee, 2000)
Brand equity decomposition

<table>
<thead>
<tr>
<th>Dimensions of Brand Equity</th>
<th>Conception</th>
<th>Dimensions of the components of the brand equity</th>
<th>Conception</th>
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<tbody>
<tr>
<td>Brand knowledge</td>
<td>The entirety of descriptive and evaluative information related to the brand contained the consumer’s memory (Berthon, Pitt and Campbell, 2008; Dew and Kwon, 2009; Thomas and Kohli, 2009).</td>
<td>Brand awareness</td>
<td>The brand recognition and consumer’s ability to recover the information on brand recall (Woodward, 2000; Dew and Kwon, 2010; Kim, Jin-Sun and Kim, 2008).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Brand image</td>
<td>The associations of the brand related to the brand are influenced by comprehensible combination of functional, symbolic and experiential features (Janonis and Virvilaitė, 2007).</td>
</tr>
<tr>
<td>Brand attitudes</td>
<td>Consumers’ experience related to the particular brand</td>
<td>Customer value</td>
<td>Relationship between the profit obtained by a consumer and his/her general expenditure (Woodruff, 1997; Dovaliene, 2005).</td>
</tr>
<tr>
<td>Brand relationships</td>
<td>Interaction and relationships between a consumer and the brand (Story and Hess, 2006)</td>
<td>Brand loyalty</td>
<td>Consumers’ trust in the brand as well as their commitment (Crmuk &amp; Secor Consulting).</td>
</tr>
</tbody>
</table>

According to Dovaliene (2005), the customer value can be called the basis for all marketing decisions because the greater customer value being provided can be considered one of the most important factors ensuring consumer’s loyalty and increasing competitive advantage. The brand successfully functions in the market only if it creates customer value.

The customer value created by the brand is the essential premise determining costumers’ loyalty to the brand. Loyal consumers guarantee the increasing income as well as the strong position of the brand in the market for an organization. Thus the most important function for the brand is to create organization and customer value. The brand equity conception reveals the latter viewpoint most precisely (Figure 1 and Table 2).

Table 2 presents the decomposition of the brand equity; so it is possible to see that the brand equity contains all attitudes being formed in consumer’s consciousness about the brand and models of purchase behaviour (Wood, 2000). Lassar, Mittal and Sharma (1995) note that particular premises are necessary for the formation of the brand equity: 1) the brand equity forms only when a consumer recognizes the brand and in his/her consciousness positive strong and unique associations with the particular brand form (i.e. brand knowledge component); 2) consumer’s attitudes towards the brand have to involve the entire experience of consumers (which is determined by the customer value) related to the particular brand (i.e. brand attitudes component). If the first and the second conditions exist, the consumers’ loyalty to the brand, i.e. the purchase behaviour in the long-term perspective is formed (Wood, 2000; Rajagopal, 2006) (Table 2).

From organization’s perspective the brand equity can be called the measure helping to match competitors (Anselmsson, Johanson and Persson, 2007). Wood (2000) substantiates the latter viewpoint by stating that from organization’s perspective the brand equity outlines the strength of consumer’s attachment to the brand – i.e. loyalty to the brand. Consumers’ loyalty to the brand ensures the financial expression of the brand equity, which is added in organization’s financial balance after having sold the brand (Wood, 2000; Atilgan, Aksoy and Akinci, 2005; Jung and Sung, 2008).

To sum up the concept of brand equity, one may note that brand equity is an internal feature of the brand, which can be the premise allowing different factors to negatively influence the brand. Referring to this attitude, the following question emerges: what has to happen for the brand equity that the brand would become organization’s vulnerable asset? When applying the deduction method, it is possible to state that one or all components of the brand equity have to be influenced so that on their basis consumers’ loyalty to the brand would not form and (or) would not weaken. In this context the brand vulnerability can be defined as follows: the brand vulnerability – is the internal feature of the brand allowing different factors to potentially negatively influence consumers’ loyalty upon the brand.

In the research literature the functioning of the brand is based on the brand evolutionary cycle offered by Tellis and Crawford (1981) (cited in Thomas and Kohli, 2009). The brand evolutionary cycle is formed by referring to the evolution of living beings influenced by the three most important forces: generative force, selective force and mediative force. Strategic and tactical management decisions are one of the most important factors that influence the brand evolution. Thomas and Kohli (2009)
attach the latter decisions to generative force. Most management decisions related to the brand as well as tendencies of external environment are influenced by competitors’ actions – this is mediative force. All brands are influenced by the tendencies of external environment – this is selective force. Thomas and Kohli (2009) note that this distribution of the forces that influence the brand involves the main factors determining the brand success or withdrawal from the market.

It is important to note that in the context of brand vulnerability there are important factors that affect at least one of the components of brand equity. Therefore, the analysis of the research literature and identifying the brand vulnerability factors will be guided by the following selection principle: both managerial and external environment factors that have a negative impact on at least one of the components of brand equity.

In the research literature a decision is defined as a moment in an ongoing evaluation of alternatives for meeting an objective, at which expectations about a particular course of action impel the decision maker to select that course of action most likely to result in attaining the objective (Harrison and Pelletier, 2000). Harrison and Pelletier quote Simon (1960), who is a classic work on the science of management decision, that it is a process synonymous with the whole process of management. Therefore, in this paper management decisions are synonymous with the decisions made during brand strategic management process. Also it is important to emphasize that authors of the article follow the approach that competitor’s actions are component of the external environment.

Referring to above-mentioned distribution of the forces influencing the brand evolution, the paper will pay most attention to the factors belonging to generative force (management decisions) and selective force (external environment tendencies), which can potentially condition the brand vulnerability.

Management decisions potentially influencing the brand vulnerability

Comprehensive analysis of scientific literature reveal that authors mostly discuss successive management actions that endanger brand equity: short-term reductions of a product price, innovations of customer value as well as the brand development.

The product price for the end customer is one of the central concepts not only of the economics but also marketing theory (e.g. the 4P theory). In scientific literature of marketing it is possible to face three viewpoints to the product price for the end customer.

1. One of the most important aspects of the price in marketing subject: the high price of a product for a consumer is the indicator of higher quality. The latter regularity becomes especially evident when a consumer possesses little reliable knowledge about the product or the brand. In other words, a consumer buys the product, the price of which is relatively high, as well as he/she thinks that the latter product will meet his/her needs and expectations (Skouras, Avlonitis and Indounus, 2005; Kupiec and Revell, 2001). Thus the indicator of product higher quality increases the expectations of consumer’s benefit as well as by this influences the brand attitude of a consumer.

2. The product price, referring to the categories of the brand associations distinguished by Keller (1993), can be attached to the category non-product-related associations (Danes, Hess, Story and York, 2010; O’Cass and Lim, 2002). Thus in the context of brand equity the price of the product marked by particular brand influences the image of the brand, which forms consumer’s knowledge on the brand (Table 2).

3. In his works Aaker (1996) uses the concept of price premium as one of the most of important indicators of consumer’s loyalty to the brand. A loyal consumer is less sensitive against the price and is apt to pay more for the product marked by the particular brand than for the adequate competing product.

The latter three marketing theories related to the product price allow stating that the price of the brand equity influences by all three components; thus it can be evaluated as the important source of the brand vulnerability.

Thomas and Kohli (2009) state that in certain cases management decisions to diminish product prices can be the weighty premise for faster withdrawal of the brand from the market.

Price deal. By pursuing to promote product selling and successful competing organizations often apply price deal strategy (Gamliel and Herstein, 2011). In the research literature authors agree that in the long-term perspective periodical price deals negatively influence the brand equity (Yoo et al., 2000; Villarejo-Ramos and Sanchez-Franco, 2005; Swani and Yoo, 2010). Consumers are apt to precisely enough to memorise the prices of the products they purchase (Mari’a Rosa-Dr’az, 2004). The ability to memorise the price of a particular products is called price knowledge (Aalto-Setala and Rajias, 2003; Xia, 2005). When a customer sees a product of a lower price at the sale place than it is usual for him/her; so the association that the quality of the product marked by the particular brand is constantly changes is being formed: when the price is high, the quality matches the needs and expectations, and vice versa. During short periods of price actions it is hard to form the association of a lower price.

Periodical price deal of products can be called the factor conditioning brand vulnerability. Brand equity is negatively influenced by the component of the brand knowledge because a negative association of the product quality is being formed. The latter association influences both a potential customer and a loyal customer. The potential customer will not make a decision to purchase a ‘low quality’ product. The image of the brand will change in customer’s consciousness and this will result in loyalty decrease.

Customer value innovation. Competitive character of the market requires to review the managed brands and to create greater customer value from organizations.
(Abrahams, 2008; Nasution et al., 2011). Logman (2007) points out that constant customer value increase conditions the attachment of new customer segments. And this can become the factor influencing the brand vulnerability according to the following directions:

1. Having spontaneously formed and conditioned by customer value innovations, a new customer segment can distinguish in different or even opposite characteristics than the target segment of the brand. According to Logman (2007), the new segment having been formed can be called the ‘robber’ of the brand. For example, soft drinks that are marked by the particular brand, which is oriented the target segment of families, are begun to produce with certain tastes, which particularly fit to produce alcoholic cocktails.

2. The situation when an organization creating the customer value innovations consciously pursue to attract new customer segments is possible. The associations of the new brand being formed can negatively influence the associations of loyal customers about the brand. Logman (2007) assumes that one of the most important marketing questions is ‘Can the brand attract new customers and form the loyalty of the present customers at the same time?’

3. Finally, organizations concentrate on some aspect of the brand equity by not developing other aspects possessing the potential. The latter limitation decreases the number of the loyal customers.

Thus, when implementing customer value innovations of the brand successfully functioning in the market, it is expedient that in the consciousness of the target segment the image of the brand and the product marked by it can associate with negative aspects and thus in the long-term perspective it can condition the loss of the target loyal customers. This is the solid premise for the formation of the brand vulnerability.

**Brand extension.** In scientific literature of marketing a lot of attention is focused on the influence of the brand extension upon the parent brand. According to Martinez and Chernatyony (2004), the strategy of the present brand extension is popular among the organizations managing the brands due to two reasons: 1) the creation of the new brand requires solid investments; 2) the greater probability that the product will also be successful if the new product is marked by the known brand exists. However, theoretical and empirical researches disclose that a new product can negatively influence the image of the basic brand; and this negatively influences the products marked by the parent brand (Martinez and Chernatyony, 2004; Sur, Daf and Anghelcev, 2011). In the research literature the latter phenomenon is called cannibalization and is defined as the process, during which the new product ‘takes away’ the part of selling from the product already existing in the market.

The higher or lower decrease of product selling means that the loyal customers do not take a repeated decision to purchase the product, and the potential customers – the primary decision to purchase. In both cases the competing product substitute is chosen.

**The external environment factors potentially influencing brand vulnerability**

The analysis of research literature allowed distinguishing of three basic management decisions able to determine the brand vulnerability: consumer perceived risk, consumer mistrust, consumer complain behaviour.

**Consumer perceived risk.** Consumer perceived risk is one of the topics of consumer behaviour most developed in research literature. The latter concept is closely related to the concept of customer value (Snaj, Korda and Mummel, 2004; Lacey, Bruwer and Li, 2009; McCarthy and Henson, 2004).

The probable result of customer’s decision to purchase the particular product is that the product will not satisfy the customer’s needs and expectations (Mitchell, 1999; Stern, Lamb and MacLachlan, 2007; Snaj et al., 2004; Stone and Gronhaug, 1993). In other words, when making the decision to purchase, a customer experiences certain risk degree. The considered research literature points out that the customer perceived risk is the phenomenon based on customer subjectivity (Boksberger and Craig-Smith, 2006; Mitchell, 1999). The customer perceived risk can be called the multidimensional concept, which contains financial, functional, physical, psychological, social risks distinguished by Murphy and Enis (1986) and the temporal risk distinguished by Mumel (1999) (Snaj, Korda and Mummel, 2004; Boksberger and Craig-Smith, 2006; Boksberger, Bieger and Laesser, 2006).

The **customer perceived financial risk** reflects the probability to experience financial expenditure if the product does not match the needs and expectations of the customer. **Functional risk** can be defined as customer perceived probability that the purchased product will not function as he/she hopes. **Physical customer perceived risk** characterizes the probability that, when using the product, the latter can injure the customer and (or) the surrounding people. **Psychological risk** is conditioned by the loss of customer self-esteem by using the purchased product. **Social risk** is related to the probability to experience shame when purchasing the product marked by the particular brand. The perceived **time risk** is determined by the probability to lose time due to the incongruity of the product to the needs and expectations of the customer (Lacey et al., 2009; Boksberger and Craig-Smith, 2006).

In the analysed research literature the above-mentioned risks are treated as consumer perceived risk dimensions/indicators/constructs, due to which it is possible to empirically measure the customer perceived risk (Boksberger et al., 2006; Stone and Gronhaug, 1993; Lopez-Nicolas and Molina-Castillo, 2008).

In the context of the brand vulnerability it is especially important to perceive how the customer perceived risk influences the components of the brand equity.

In the analysed scientific literature the authors follow the attitude that the customer perceived risk is one of the most important factors determining the customer decision to purchase the particular product (Mitchell, 1999; Lacey et al., 2009; Yeung, Yee and Morris, 2010). According to

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Mitchell (1999), the customer perceived risk influences every stage of the decision-making process. At the first stage of problem/need identification a customer has to make the strategic decision, the result of which must be to satisfy his/her needs and expectations at the maximum. The importance of the decision conditions the formation of the perceived risk. At the second stage of the decision-making process to purchase a customer searches for information about the product being planned to purchase. At this stage the customer perceived risk can get stronger due to his/her mistrust in information sources or (and) due to the obtained incorrect information. At the third stage a customer assesses product alternatives, whereas at the fourth stage – he/she makes the decision to purchase the product marked by the particular brand. After having purchased the product, customer behaviour gets into the post-purchase stage.

It is important to point out that at the second and third staged of the decision-making to purchase a customer applies risk relievers (Cunningham, Gerlach, Harper and Young, 2005; Mitchell, 1999). Risk relievers can be classified as follows: word of mouth, past experience (McCarthy and Henson, 2004), information search, brand loyalty, buying a well-known brand, buying from a reputable retailer, price, brand reassurance (Lacey et al. 2009; Samadi ir Nejadi, 2009). Referring to McCarthy and Henson (2004), it is possible to state that in fact risk relievers are the information helping increase the probability that the purchased product will satisfy the needs and expectations of the customer. Thus customers are more apt to buy the products marked the brands they know more – this diminishes their experienced risk to get disappointed (Cheung and Chan, 2009).

As Table 2 shows, the entire information cumulated by the customer about the brand forms customer knowledge on the brand. What the customer knows about the brand is influencing his/her perception, preferences, reaction to different stimuli of the brand and is conditioning the purchase behaviour (Lee and Back, 2009; Richards, 1998). If a potential customer when using risk decrease strategies recognises and relates the brand to negative aspects, the organization will not form customer loyalty because the customer will make the decision to buy the product marked with other brand. Also a ‘lost’ customer will spread the possessed negative information to other potential customers.

Negative consumer behaviour. Chylinski and Chu (2010) present the classification of negative consumer behaviour manifestation ways: consumer complaints, negative word of mouth, exiting from brand/product/seller, switching and compensation pursuit. Each of these behaviour forms negatively influences the creation and development of the brand equity. The customer, whose needs and expectations have not been met by the purchased product marked by the particular brand, can influence the brand equity in two aspects. 1) Negatively behaving customers begin to use the competing product – the organization loses the customer loyal to the brand. 2) The ex-loyal consumer of the product spreads negative information and his/her experience about the brand – the negative knowledge about the brand is being formed for potential and present customers.

All ways of negative consumer behaviour manifestation distinguish in one important feature – consumer cynicism in the marketing context the discussions about the phenomenon of consumer cynicism have not been widely spread yet. The analysed research literature describes consumer cynicism by the constructs of distrust, dissatisfaction and disconfirmed expectations (Chylinski and Chu, 2010). Chylinski and Chu specify the concept of consumer cynicism in the marketing context – this is the process consisting of related cognitive, behaviour and affective reactions manifesting in customer mistrust, defence against different actions of marketing as well as not purchasing the particular brand or product. Roberts and Alpert (2010) refer to consumer cynicism as one of the most important negative factors of external environment.

As Figure 1 shows, marketing actions are the essential premise to form the components of brand equity. The tendency of consumer cynicism makes for organizations particularly complicated conditions to form brand equity because customers ignore the marketing actions. Thus consumer cynicism is a solid factor able to influence the brand vulnerability.

Consumer mistrust. The construct of consumer trust is critical in the context of the brand equity. The customers mistrusting the particular brand in the environment of intensive competition will not be loyal to the latter brand (Ball, Coelho and Macha’s, 2004). In general sense, trust can be defined as the belief that another person/product/brand is trustworthy and based on honesty principle (Dagger and O’Brien, 2010). Customer trust in the brand is the belief that the product marked by the particular brand will meet his/her needs and expectations at the maximum.

According to Delgado-Ballester and Munuera-Alema’n (2005), consumer trust in the brand is formed customer positive experience and accumulated knowledge on the brand. The dimension of customer experience forms associations, thought and generalisations about the brand. Whereas the dimension of customer knowledge about the brand is formed by customer direct (e.g., use of the product) and indirect (e.g., advertisements, word of mouth) contacts with the brand.

In research literature the authors analyse the tendency of decrease in consumer trust. Lantieri and Chiagouris (2009) distinguish the following reasons for the decrease in consumer trust in brands: more cynical consumers: frequent consumer recalls, emphasis on the needs of business ownership over the needs of consumers, company structure as a barrier to building trust, uneven advances in product quality, service quality declines, too many undifferentiated choices, and pseudo-relationships. Lantieri and Chiagouris (2009) also distinguish macro forces influencing all brands in the world: the development of private labels, the burst of the Internet bubble, the fall of international organizations (e.g., Enron), and the production of the products marked in strong brands at the third world countries.
Consumer trust is one of the most important reasons influencing consumer loyalty. It is evident that the tendency of decrease in consumer trust will influence brand vulnerability. Drawing on the review of factors that influence brand vulnerability, one may note that management decisions like customer value innovation and brand extension, influence brand vulnerability thought brand equity component-brand relationships (loyalty). Meanwhile prise deal precludes formation of positive associations about brand in consumer mind.

External environment factors determinate brand vulnerability thought brand knowledge, brand relationships (loyalty) and marketing efforts. Consumer perceived risk influence brand vulnerability through consumer loyalty towards brand – consumers would not make initial and repeated buying decision. Consumer mistrust determines brand vulnerability through brand knowledge component, because it obstructs the formation of positive brand knowledge, whereas consumer negative behaviour complicates the formation of brand equity (Figure 1). The emerging phenomenon of brand vulnerability in the context of external environment uncertainty is relevant both for academics and for practitioners. However, as mentioned above, this is a new and non-discussed branding theory topic. The knowledge that brand vulnerability is a prerequisite for the formation of brand risk should lead to a discussion on how to manage a brand to protect it from vulnerability.

Conclusions
The most important function of brand is to create customer value which is the condition for customer loyalty for the brand. Customer loyalty ensures sustainable competitive advantage in the market as well as growth of the income for the organization that manages the brand. The latter viewpoint is the most precisely disclosed by the concept of brand equity.

Referring to the above-mentioned theoretical attitudes, one may note that brand equity is a critical feature of the brand, due to which brand vulnerability forms. Thus brand vulnerability can be defined as the internal feature of the brand, which allows different factors to potentially negatively influence customer loyalty to the brand.

The factors influencing brand vulnerability can be distinguished into two groups: management decisions and external environment factors. The following basic factors belonging to the group of management decisions have been distinguished: price deal, customer value innovation and brand extension. The factor of price deal forms brand vulnerability through the dimension of brand knowledge component of brand image. Management decisions like customer value innovation and brand extension, influence brand vulnerability through brand equity component of brand relationships (loyalty).

The following basic factors influencing the brand vulnerability can be prescribed for the group of brand external environment tendencies: consumer perceived risk, consumer complaint behaviour and consumer mistrust. As consumer perceived risk influences brand vulnerability through consumer loyalty towards brand, consumers would not make initial and repeated buying decision.

In further theoretical and empirical research it is important to distinguish all possible direct and indirect factors influencing brand vulnerability. Comprehensive research would help academicians and practitioners answer the relevant question: how to manage a brand in order to decrease brand risk to the maximum? The consumer negative behaviour and consumer mistrust influence brand vulnerability because it does not allow the formation of positive brand knowledge.
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