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REINVENTING BRAND STRATEGY:

THE HOLISTIC BRAND MODEL

By Erich Joachimsthaler

BRANDS MATTER TODAY MORE THAN EVER.

Unfortunately, the pace of innovation in branding has lagged behind the technological advancements that have transformed our lives and the business landscape. We are confronting exponential change with outdated, logarithmic models. It's like bringing a knife to a gunfight.

The Holistic Brand Model corrects this imbalance by presenting a new framework for building strong brands that elevates the role of the brand as an accelerator of the economic value of the firm. This model is not a rejection of previous scholarship but a natural evolution. It builds on the foundational work of luminaries like Kapferer, Aaker and Keller.[1] While these titans provided the scaffolding for our marketing strategies, it is time for the next important evolution in brand strategy.

What is this scaffolding? It is the evolution of branding as a strategic discipline, captured in the sentence: brand strategy is the face of your business strategy. Figure 1 shows the classic Michael Porter conceptualization of strategy from the 1980s, the wheel with strategy at the core, and functions of the firm such as marketing, innovation or human resources as spokes.

The Emergence of Brand Strategy

Operations
Human
Resources

Human
Resources

BRAND

IT

BUSINESS
STRATEGY
Marketing
Sales

R&D

Customer
Service

Human
Resources

BRAND

Operations

STRATEGY

Marketing
STRATEGY

Sales

Sales

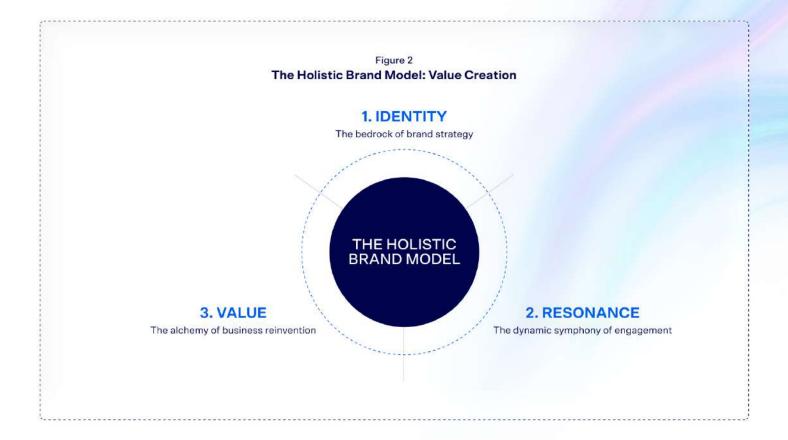
David A. Aaker and Kevin Lane Keller's seminal models emerged as the North Star guiding brand strategists through the murky waters of relevant brand differentiation, brand extensions and consumer engagement. They crafted frameworks that have stood the test of time.

Today branding is largely understood as shown in the Figure on the right. This shift has been significantly helped by two major developments. One is the emergence of the concept of brand valuation by John Murphy in the 1980s that expressed a brand's value in terms of dollars and cents, which helped recognize brands as an asset that requires proactive management David Aaker and I called in our book: Brand Leadership. This evolved into a more rigorous measurement of the brand, called brand equity.

And the other development was the strategy work by Gary Hamel and C. K. Prahalad, who proposed a framework in "Competing for the Future" that linked current capabilities with future opportunities, ensuring a coherent plan for growth and innovation. They envisioned new benefits or features that will be offered to customers in the future, and to determine the necessary competencies to create these benefits.

Yet, in the same breath where we revere these models for their past contributions, we find ourselves at a crossroads, pondering the path forward. The Brand Identity System (BIS) or Brand Vision model by Aaker and the Brand Resonance model by Keller, while indispensable, now seem like chapters from an earlier time that require adaptation to the technology-led epoch we now inhabit.

Let's consider the prospect of expanding branding to ensure its relevance to this new era: Brand as Value Creation. Not merely a storehouse of accumulated equities, but brand as the prime driver of significant (even exponential) economic firm value or intrinsic value. This isn't merely an incremental step in the journey but a leap into a dimension where brand identity, resonance, and value converge to a singular point on the horizon.



1. IDENTITY

The bedrock of brand strategy

The model begins with identity, reminiscent of Aaker's brand identity system or Kapferer's brand identity prism model, yet transcending them.

In today's era of changing technology and the hype and hope thereof, a brand's identity is not just a reflection of its business strategy but its very essence, embedded in the company's culture, capabilities, and values.

Harley Davidson in the 1990s defined the shared beliefs, values and experiences of bikers such as freedom, including personal freedom and freedom from mainstream values and social structures, patriotism, being visibly American, and imagery inspired by the outlaw bikers of some famous Hollywood movies of the 1950s. There are many other examples of this identity-driven perspective. Think Virgin and iconoclasm, and its unique identity crafted around someone that flaunts the rules, with sense of humor and flair, the underdog willing to attack the establishment. Or Birkenstock, with its essence around genuine spirit, craftsmanship and collective individuality. Lego defined an identity-based play promise around the joy of building, and the pride of creation.

This identity-driven approach also separates branding, the art and science of managing perceptions in the minds of consumers or stakeholders, from brand strategy that sets the long-term direction for the brand. This approach does more than just skim the surface; it dives deep, anchoring the brand in the bedrock of authenticity, culture, and a belief system and value, and through consistency, it develops a sense of belonging of consumers, employee engagement, shared values, and understanding of its role in the world. Nike, of course, comes to mind immediately, but there are also newer brands that serve as good examples.

Liquid Death is a company and water brand with depth and texture. It is a bold, rebellion-against-convention water brand. It blends elements of irreverent humor, a raw and edgy voice (#MurderYourThirst), with counterculture aesthetics, and an authentic commitment to sustainability. Its slogan #DeathToPlastic is a direct challenge to the water industry's reliance on plastic, that appeals to young consumers that disdain conventional norms. It stands for something bigger than the product.

Being against convention or being exclusive is not necessary; consider Glossier. This ten-year-old DTC or Direct-To-Consumer brand succeeded by connecting directly with consumers via its own ecommerce platform. It embraces natural beauty, inclusiveness, and community. Products feature minimal packaging. It engages with consumers via its direct access to data which enables product development, feedback and the use of usergenerated content. Its marketing reflects its identity as a brand with deep, personal and emotional connections. Glossier shows how authenticity, community and a sense of shared values can be combined to become "Instafamous" and build a brand in a relatively short period of time.

Beyond mere puffery, the identity-driven approach calls for marketers to build the brand by sculpting from the clay of genuine substance, delivering a cohesive and positive customer experience via product design, innovation, customer service, marketing and communications to create an emotional connection through storytelling.



There have been several important expansions of this identity-driven approach to brand strategy, among some important ones are:

- The cultural branding model by Douglas Holt. This model focuses on the cultural significance of brands. Holt suggests that brands should identify and address cultural contradictions. By using symbols, myths, and narratives to communicate the brand message, a brand can continuously adapt to cultural shifts and remain relevant over time. Holt refers often to Nike, Marlboro, Starbucks and Ben & Jerry's.
- The brand architecture model by David Aaker and Erich Joachimsthaler. This model is a comprehensive portfolio strategy and brand architecture model designed to help companies organize and manage their product and brand portfolios effectively. In their book, they describe several successful applications at Ralph Lauren and Marriott International
- The brand experience model. Numerous authors have pioneered a customer-centric approach to brand experiences. Jim Joseph, a marketer in the PR world, Darren Coleman and Martin Lindstrom, thought leaders and practitioners, and Bernd Schmitt, an academic at Columbia University. Lego or Disney or Absolut Vodka are great examples.
- The corporate brand or reputation model. Charles
 Fombrun, Paul Argenti and others focused on corporate
 brands and how successful companies build winning
 reputations. LEGO Group, Rolls-Royce, and Rolex are the
 top entries in 2025.

2. RESONANCE

The dynamic symphony of engagement

The model expands further with Keller's resonance model, a dynamic, four-level pyramid that vibrates with the frequency of modern consumer engagement.

The pyramid is the cornerstone of the CBBE – customer-based brand equity model, which is a comprehensive approach to brand management, and a structured way of building and sustaining strong brands.

This model, rooted in science and the psychology of how brands embed themselves in the consumer's memory, presents a fluid, outside-in, demand perspective, as compared to the relatively static inside-out supply perspective of the identity-driven approach, that mirrors the evolving landscapes of our world today.

Here, brand strategy becomes a two-way street, a dialogue between brand and consumer, orchestrated through the symphony of engagement that defines our contemporary existence. Social media is just one example of consumer engagement; its impact has been conceptualized as social currency, a term I coined in 2009. The CBBE model incorporates these and many others of the newer forms of engagement with consumers.

The brand resonance model is just one part of a larger strategic brand management framework that also includes positioning, and the brand value chain.

Keller's positioning framework builds on the foundations of a larger community of academics and practitioners and advances this important strategic tool in important ways (e.g., Kotler and Keller).

The brand value chain is a conceptual cause and effects model of how marketing investments affect customer mindset, marketplace performance and firm or shareholder value. There is a significant amount of empirical research that Keller, together with co-author Don Lehmann, stimulated in the scientific community. This research shows that strong brands and brand actions correlate with higher firm and financial value.

Major brands have adopted this model, ranging from American Express, Disney, Ford, Miller Brewing Company, Procter & Gamble, and Samsung.

There is really no doubt about the financial value.



Brands deliver 3x the impact on price realization (Kantar).



Advertising creativity drives a 10x effect on price compared to a mere 1x on volume.



Koen Pauwels finds that differentiation increases penetration (customers buying the product) by 22%



Awareness alone increases penetration by 21%.



Kantar confirms these findings, being salient accounts for 40% of predisposition to buy, and being different 60%.



As for paying more, meaningfully different accounts for over 90% of the predisposition.

Dale Harrison sums it up rather simply

He asks: would you be willing to buy from a company you have never heard of or you don't trust? It is a "Pay me now or pay me even MORE later" problem! Branding is a good investment because it's the cheapest path to reducing your sales & marketing discount costs! And these investments are like compounded interest, the eighth wonder of the world, according to Einstein. Investments in branding work in similar ways to compounded interests (Corbin).

3. VALUE

The alchemy of business reinvention

The third pillar of the Holistic Brand Model is value – a transformative perspective that positions branding as a catalyst for systemic reinvention and accelerator of the economic value of the firm.

Once regarded in their traditional role as signals or intangible assets confined to goodwill influencing consumer perceptions, brands have evolved into powerful multipliers, amplifying every component of a company's business model, a point of view recently reemphasized by Jonathan Knowles.

BROADENING THE BRAND'S ROLE FROM SIGNALS OF PERCEPTION TO SYSTEMS OF VALUE CREATION

In this new paradigm, brands emerge as central forces, as engines not wrappers, as systems in two dimensions.



First, brands function as value accelerators not just across the firm but the larger business system, including platform ecosystems or networks.



Second, brands are conceptualized not just as something people buy, but strong brands fit into the everyday routines, the 1,440 minutes of everyday life, habits and activities of people.

Accordingly, brands must earn relevance by being present in meaningful ways, aligned with today and future need states and daily contexts – creating a fair value exchange. Brands shift from interruption to interactions enabled by data, analytics and technology, namely AI, mobile and platform dynamics. Let's explore these two dimensions.

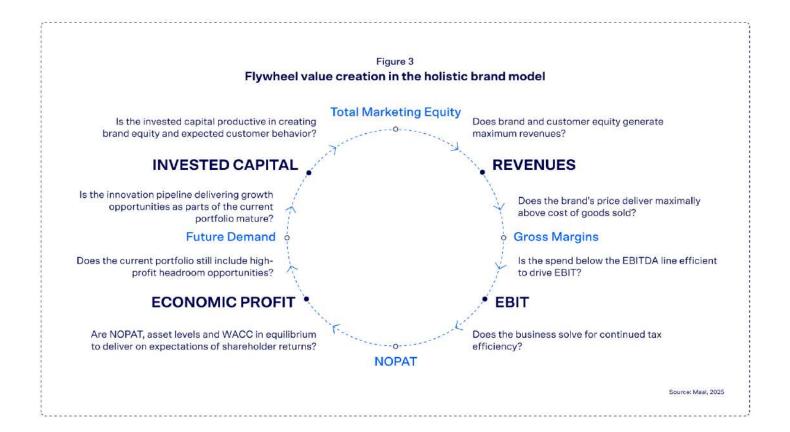
Brands embedded into the business system

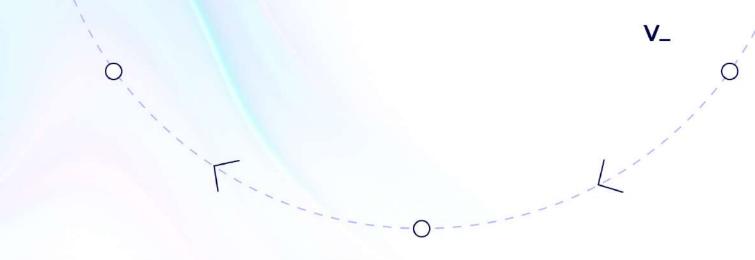
This changes how a brand is managed. It means that brand management or leadership moves from a focus on inputs and activities such as awareness, reach or brand equity towards outcomes, namely financial outcomes like economic value added (EVA) or economic profits and value creation.

Figure 3 illustrates this perspective to branding. Brands are viewed not just as intangible assets. Instead, a financial perspective of economic profit or EVA reframes this to focus on brand contribution to value creation.

In the figure, brands are marketing investments, viewed as *invested capital* with the goal of delivering returns above the cost of capital.

It changes the conversation from: does the brand have strong awareness and loyalty, or what is the role of penetration? to: does the brand generate incremental economic profit beyond the cost base?





This perspective also changes how brand investments, whether they are about advertising, innovation or channel strategy, are justified.

No longer is it about short-term soft metrics like followers, clicks and impressions that are still so popular today among marketers. Instead, campaigns are evaluated based on contribution to capital efficiency, ROI, willingness to pay or WTP and marginal contributions to EVA. Resource allocation becomes financially disciplined. Portfolios of brands are not just evaluated by market share or equity, but by its economic contribution, namely profit per dollar of revenue or capital employed.

Brand strategy is no longer just about emotional attributes, storytelling and purchase, but is directly tied to value creation, such as preference lift, reduced price sensitivity and retention. Brand strategy must enable pricing above marginal costs or create structural cost advantages via lower churn or greater efficiency.

New metrics matter related to margin expansion, pricing power, customer lifetime value (CLV), and brand elasticity to EVA, and traditional metrics are less relevant, such as awareness or consideration without conversion or monetization.

This reframing elevates branding's role to that of a strategic imperative of value creation.

Research underscores a brand's transformative power: A firm with a strong brand on average delivers 3x higher economic value than an equivalent weakly branded competitor (Stewart Stern and Knowles). Why? Because it accelerates the performance of the underlying business, and it creates an ever harder impenetrable moat (Worthington) – a new standard for building strong brands. CMOs become stewards of long-term value creation, not just storytelling.

Value creation, as illustrated in Figure 3, is akin to the well-known flywheel, originally popularized by Jim Collins in Good to Great. He described a heavy wheel that takes effort to get moving, but once in motion, it builds its own momentum and becomes nearly unstoppable.

In Figure 3, the cycle begins with invested capital into brands or portfolios of brands of a business or entire ecosystem and that delivers economic profits that then is invested into high growth opportunities with profit potential to capture future demand through a broad range of innovations. The more you cycle through this flywheel, the more you create a competitive advanta

Brands embedded in consumers' lives: New ways to building strong brands

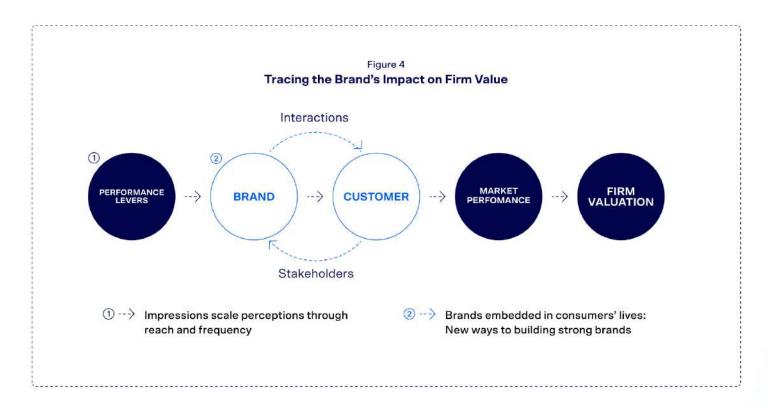
We also have arrived at a new way of how strong brands are built.

First, was the traditional approach to brand value creation, built around mass media and isolated impressions and one-size-fits-all strategies. This historical model followed a linear path – marketing investments (e.g., advertising, product innovation) led to brand impressions (awareness and trust), which influenced consumer behavior and, ultimately, firm performance (see Path 1 in Figure 4). While this remains relevant today, we have experienced over the past decades the second way.

Technological advancements, the rise of social media, search engines, programmatic advertising, and AI, have enabled a customer-centric model that is hyper-targeted, data-driven, and democratized.

This evolution transformed consumers into loyal ambassadors, extending the brand's reach and relevance.

However, this customer-centric model is also facing challenges, and appears to run out of steam (call it, the enshittification of everything (Cory Doctorow). Branding that is locked into identity or fixed positioning statements, brand pyramids, archetypes and campaign platforms, storytelling, and messaging across consumer touch points don't cut it anymore. Recent studies at Oxford University reveal that only 1% of campaigns achieve exceptional results, while the majority yield mediocre outcomes (Bell, Thomaz, and Stephen). Static brand books or identity or design guidelines don't build brands anymore.



There is now a new way of building strong brands, one of embedding brands deeply in consumers' lives or customers' workflows.

To succeed today and in the future, brands, so argues Joachimsthaler in his book The Interaction Field, must embrace a new model and path of continuous engagement, participation, collaboration and meaningful exchanges or interactions among multiple stakeholders. This is the third way, a new path to brand building and value creation – one that relies on data, analytics and technology (see Path 2 in Figure 4).

This approach generates network effects, where the value of a brand or platform increases as more participants join, viral effects, where content spreads organically, amplifying engagement, and learning effects, where insights from interactions drive continuous improvement, innovation and exponential growth.

Brands like Sephora, Airbnb, and OpenAl exemplify this new path and transformation of how brands are built and create value.

It is true that in part, Airbnb's "belong anywhere" promise is brought to life via brand campaigns, but more importantly, are the millions of host-traveler interactions, building trust and reinforcing its community-driven ethos, even micro-interactions like a comment or note from a host matter.

It is the interactions rather than impressions through advertising that build the brand with multiple stakeholders, beyond just travelers and hosts.

Smaller businesses and influencers now compete with established corporations, while platforms foster brand communities and advocacy.



BRANDS AS ECOSYSTEM MULTIPLIERS

In the new paradigm, the multiple stakeholder or actor or participant perspective changes where and how value is created by brands; they now act as value multipliers across entire ecosystems, called interaction fields.

A brand's influence now extends to suppliers, partners, and stakeholders, platforms and agents, and the entire network of interactions enhances the performance and value at every level. For example, Nike's brand equity commands premium supplier relationships, ensuring consistent demand and profitability. Nvidia's reputation strengthens its ability to secure long-term contracts in the B2B.

This aligns with the notion of the inverted firm model by Van Alstyne and Parker, where value creation shifts from internal control within a single organization or firm to external orchestration in an ecosystem, an entire field of interactions.

Brands like Apple and Amazon illustrate how orchestrating trust, loyalty, and differentiation beyond their organizations within a broader ecosystem creates enduring competitive advantages and value.

Tim Cook, the CEO, has not invented the iPhone, but he made the iPhone much more useful by building a powerful network or ecosystem of partners and collaborators.

In the new model, brand building happens through connections, participation in a network, where interactions multiply exponentially through network and viral effects.

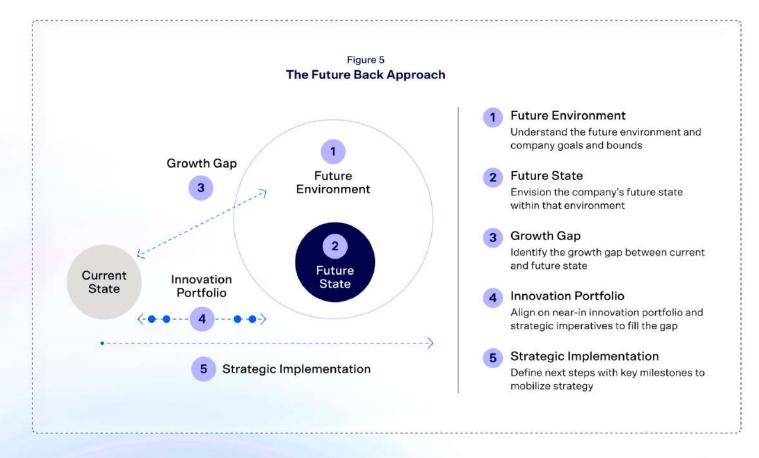
Brand building extends beyond messaging to consumers or customers and beyond campaigns.

A FUTURE-BACK APPROACH TO BRANDING

This pillar also emphasizes the importance of a future-back approach – a proactive, long-term foresight perspective that anticipates future need states based on projecting observable behaviors and moments rather than reacting to current trends or projecting preferences, attitudes or needs.

After quantifying the economics of future need states into consumer life scenarios three to five years ahead, brands can work back from that future and identify today's strategic moves for brands, alternative paths that ensure strategic optionality.

Brands can adapt, interact, and evolve in real time. This contrasts to and fundamentally differs from the static projection and pursuit of a future brand vision in the traditional brand building processes in the first and second pillars.



THE BRAND OPERATING SYSTEM OR ARCHITECTURE

In a future-back framework, branding shifts from marketing products to consumers to marketing to situations, routines, rituals, lifestyles, and workflows.

Consumers don't live in categories, they live in moments, episodes, and contexts. And their needs emerge from those lived moments, not from categories of similar products or static segments.

Branding in the future is not just about reach or frequency to build brand value. Instead, it is about embedding the brand into the workflows, behaviors or cultures, those moments that consumers live in (see Al report: Unlocking Genuine Customer Value).

Growth happens through participation, not just perception. Brand building will require building a living and adaptive brand operating system or architecture that orchestrates, not controls. Instead of activating the brand across static touchpoints, the system operates a continuous process of sensing, responding, acting and learning. It is essentially an adaptive system of interactions powered by AI and agentic AI.

In this world, brands no longer just market to consumers. Instead, they participate in a system with them and other actors – powered by agents, mediated by algorithms, and shaped by interactions.

The question is no longer: how do we communicate our brand? Instead, we ask: how should our brand behave in a network of interactions, participation and engagement, a living and adaptive operating system that includes a large set of stakeholders or actors, including autonomous agents, much like Klarna and Shopify already deploy agents for purchase, service and personalization, or how e.l.f. beauty engages with consumers via the Color e.l.f.nalysis of color matching Al?

This new approach to building strong brands comes with many benefits but also risks. Agents and algorithms can produce content that is off-brand, and that can make consumers feel manipulated; content might feel inauthentic, over-automated and lacking human creativity, or over-personalized and too predictable, resulting in reduced consumer trust in a brand.

One solution is to carefully assess the brand, what is being measured and how. It requires a system to detect these potential risks.

The static concept of brand equity will be replaced by measures that more meaningfully assess the health of a living brand operating system, it will measure dynamic interaction equity, the cumulative effect of useful, relevant, meaningful exchanges that create value for consumers but that is also accretive to the economic value of the firm.

This also changes brand strategy. It makes brand strategy and brand building a system design problem and not a communications, messaging or visual identity issue. It requires thinking in interactions, behavioral rules, and network dynamics, not just attributes, feelings, emotions and tone.

Brand management is no longer assessed through a static PowerPoint deck or playbook and a brand equity survey, but the ability to create interaction quality, relevance, and outcomes in a large network or interaction field. Brands are no longer managed like museum artifacts but orchestrated in a living system, a network of interactions.

Branding is no longer just a marketing job, it is a job for marketing, product, data, ops, and the CFO's office, a cross-functionally managed discipline.

A living brand operating system also means that marketers need to stop thinking in terms of brand storytelling and a messaging calendar or static campaigns.

Brand strategy is no longer merely a playbook resulting from the traditional brand planning process, it is a living platform and system.

They need to decide on the interaction architecture that builds the brand, what interactions the brand should facilitate, what data signals define that moment or life episode, how does this moment fit into other moments of consumers' lives or workflow, what response (content, service, message) creates value?

Instead of a fixed creative brief and static ads, the challenge is to create a library of adaptable assets that can be used in the process of signal-based orchestration, with the help of a set of Al-based tools that let the brand see, decide, and act in milliseconds – thousands of times a day, per user.

Emerging examples of brands deploying this new way of brand building do exist already.



Duolingo is a language-learning platform that enables branding through interactive experience loops, including game mechanics, notifications, personalized learning, and social amplification, which I termed social currency over 15 years ago.



Liquid Death, the fan-identity brand built on strongly held beliefs and values, is also a good example of this new brand building. It does not push messages. It embeds itself in meme culture or even subcultural memes such as heavy metal and punk and uses technology to amplify that reach.



OpenAl which encourages to interact with the product, namely ChatGPT, not the marketing message.

Such a living brand operating system also has enormous advantages in terms of driving new growth beyond the core. Xiaomi, for example, has strong expertise in consumer electronics and offers a range of smart home products. In 2024, Xiaomi scaled its business exponentially by entering the EV car market, leveraging its platform to produce 130,000 vehicles in just nine months.

From a brand perspective, the category extension into cars is logical. Xiaomi integrates its EVs with its smart home products, helping manage or control the home remotely. It meaningfully alters and enhances the value proposition of Xiaomi as a technology provider for consumers living a connected lifestyle.

Does selling hundreds of thousands of cars make Xiaomi a car company?

At least, this example shows how this new holistic brand model calls into question even the wellproven traditional brand architecture and portfolio and brand or category extension principles.

By aligning with evolving lifestyles and challenges, by embedding deeply into the workflows or activities of daily life, brands change how consumers perceive their relevance or importance in life. In the future, this can give brands permission to monetize the value they create in new ways, while deeply connecting with them. In the language of finance, there is new potential of monetizing value creation, for example, by monetizing outcomes rather than products.

Xiaomi could be paid for cost savings on energy for the home, for example, further driving business reinvention.

THE ROLE OF BRANDS IN REINVENTION

The third pillar, the Holistic Brand Model, also redefines branding as a driver of systemic reinvention, not just a tool for perception management or managing a portfolio of brands. By integrating long-term vision, ecosystem collaboration, and future-forward thinking, brands

become transformative forces capable of creating value for entire networks. This is the alchemy of business reinvention: envisioning the future, orchestrating change, and leading companies and industries toward sustainable, exponential growth and value creation.

There is growing evidence that this new perspective is taking hold:

Shift from brand-centric to customer-centric activities:

There's a clear movement towards understanding how a brand influences customer behavior throughout their entire experience, from usage to the activities, workflows, behaviors, or cultures. Traditionally, brand strategy focused heavily on the top of the purchase funnel. Today, the brand's role extends much deeper. Innovation teams now focus on the entire customer journey, not just segments or personas, seeking

opportunities to create new concepts. The idea of a living brand operating system actually makes customer journeys and touchpoint activation irrelevant. Brands no longer just orchestrate a defined customer experience, instead, they orchestrate a flow of interactions in an adaptive system that are deeply personalized, context-aware, anticipatory and scalable.

The new consumer contract of brands.

More than ever, consumers demand a fair value exchange for engaging with brands or buying from them, while years ago, the exchange involved a price for a product or a service. Strong brands could charge a price premium. Around the year 2000, this changed when Salesforce offered its software on a subscription basis, basically asking customers to pay for access, on a per seat basis, similar to Netflix's pricing model in streaming. Today, with the emergence of Al as well as the focus on solving problems or challenges of consumers, and marketing to situations or workflows, instead of targeting

consumers themselves, new value exchanges emerge. Instead of charging for access, consumers only pay for work delivered or success achieved. Imagine L'Oreal charging a teenager for successfully solving dermatology issues of a teenager. Zapier automates tasks and workflows for over 2 million customers and charges based on tasks automated. These new business models change the fair value exchange and perceptions of consumers, while also significantly impacting firm valuation, and the role of the brand.

Shift in branding responsibilities beyond the CMO:

There's also a noticeable redistribution of branding responsibilities across organizations, not surprising the crisis that CMOs are facing (Knies). Some companies, like UPS, have even replaced the Chief Marketing Officer (CMO) role with more strategic positions like Chief Growth Officer, Chief Experience Officer, Chief Data and Technology Officer, or Chief Customer Officer. In other cases, the CMO role has evolved, as seen with Coca-Cola, where expanded responsibilities and new skills are

needed to thrive in a data-driven era, improving customer engagement and business outcomes. It is McKinsey that has shown that companies with a single customer- or growth-oriented role in an executive committee (such as a CMO, chief commercial officer, chief revenue officer, or chief growth officer) see up to 2.3 times more growth than those with multiple roles. It recommends: pull the CMO back to the center, have them align with the CFO, and get everyone moving in the same direction.

A DYNAMIC PROCESS

The paradigm has shifted from static brand definitions to a dynamic process. Now, brand strategy is an ongoing narrative driven by data, analytics, and technology like a two-step tango, with frequent interactions creating meaning and perceptions through impressions.

Brand-building is no longer a process of communications or creating customer experiences across touchpoints, but it is about designing, managing, and orchestrating a living brand operating system or architecture, call it a BrandOS that enables a network of interactions and interaction points.

This approach delivers value through learning, virality, and network effects when interactions are captured by technology, and effectively attracts consumers and other stakeholders, pulling them towards the brand.

This changes the role of the brand from merely a means to come easy to mind during purchase to an accelerator or multiplier of the economic or financial value of the business. It's a holistic journey that guides the customer from the first

With Apple's market cap at \$3 trillion, a comprehensive analysis of decades of empirical study by Srinivasan and Hanssens has shown the brand effect to be 0.33. This means that for every 1% increase in brand strength, Apple adds about \$10 billion to its market cap or firm value.

In this new era, our holistic brand model is not just a theoretical construct, a justification for the latest spray and pray campaign or a romantic dream of hopeful value creation through H2 or H3 innovations, but a practical toolkit for navigating the complex interplay of identity, resonance, and value creation. It offers a blueprint for brands to not only declare their role in the world but to act upon it, creating a legacy of value that resonates through the annals of time.

As we enter this new era, let us embrace the holistic brand model as our compass, guiding us through the uncharted territories toward becoming relevant in future need states, with the help of the amazing frontier of today's emerging surviving but thriving in the Age of Automation, Augmentation and AI, here every brand has the potential to become a beacon of non-linear or for meaning and connection.





A JOURNEY THROUGH THREE BRANDING ERAS

Era	Madmen	Brand Leadership	Value Creation
Timeframe	1950s – 1990s	1990s - 2010s	2015 onwards
Description	Brand as signal (of quality, etc.) or source, a shorthand to consumer perceptions and image, a symbolic construct	 Brand as declaration of intent and aspiration or purpose, static elements Fixed identity, value creation is communicated 	Brand as a system of actions and interactions, the brand is not what it says but how the brand works as a system where value creation is dynamic, interactive and co-created
Basics	What you sell?	What you stand for?	What you solve for?
Goals	 Create awareness and a memorable, enduring image Easy to come to mind in relevant situations Perceptions through reach and frequency 	 Create relevant differentiation and brand knowledge Spurs actions (path to purchase) or response (brand equity) 	 Improve people's lives and deliver tangible consumer outcomes Create interactions with others (self- motivated), including stakeholders, perceptions through social dynamics
Brand Model	USP	Brand Strategy	Holistic Value Model
Brand Architecture	Single product, service, or corporate brand	Portfolio of brands, limited to the firm's scope, static	Expanded portfolio beyond the scope of the firm, dynamic, customer-based
Brand-building Approach	Inside-out, messaging of product features, including tangible and intangible benefits	 Outside-in and inside-out Defining brand values that match consumers' needs and wants 	 Dynamic interactions between multiple stakeholders Every interaction counts, micro, intent-driven, episodes
Process	 One-way communications (e.g., advertising) of how the brand satisfies individual needs and wants Campaigns delivering impressions through exposure frequency Impressions build familiarity Indirect feedback loop only 	 Two-way communications and relatively static experiences, cumulatively create brand equity, a stock Reinforcing touchpoints along the customer journey Consumers as targets Consistency is king Controlling how and where the brand shows up 	 Embed into workflows, routines, lifestyles, enabling always-on, multi- directional interactions, a flow Interactions build connection Beyond individual needs and wants, consumers contribute, real-time feedback Real-time orchestration, a new operating system for brands
Type of Engagement	 Cultivating affinity/loyalty group, often passive like rewards programs Structured programs to foster transactional relationships Relevance and preference are earned by shouting louder 	 Building communities, fostering relationships, support and shared experiences Membership-driven, shared content, relevance earned by showing up in key moments of life 	 Shared value creation, a system where value is contributed to by participants, amplified by network effects via interactions, architecture, governance rules Orchestration, a continuous process of sensing, responding, adapting, powered by agentic Al
Customer Journey	 Funnel or customer journey logic, step-by-step Multiple paths or channels, linear, systematic Streamlining across channels and touchpoints through static guidelines 	 Omnichannel, non-linear, fragmented, dynamic Coordination, integration and reinforcement across channels, a unified customer experience 	 Beyond customer journeys Activating interaction points and designing a field of interactions, a living, adaptive system, deeply personalized, context-aware, and anticipatory and scalable
Growth Model	 Expansion across product categories (supply logic), brand or category extensions Brand valuation as symbolic equity, surveys & perceptions 	 Demand landscape based on moments and need states, future-back approach with multiple vectors of optionality Future life domains or demand spaces estimation 	 Agentic AI detects moments of need continuously An operating system that delivers firm value Brand valuation based on interaction behavior, business outcomes, firm value

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[1] Before these academics, branding was largely a practice of advertising. Remember the era of the mad men or the golden age of advertising. Bill Bernbach, David Ogivly, Lee Clow, Mary Wells Lawrence, Al Ries and Jack Trout and Leo Burnett come to mind. Remember the Marlboro Cowboy, Kellogg's Tony the Tiger, or Jolly Green Giant from Leo Burnett who introduced us to create memorable symbols that humanize the brand. The other area of branding belonged to great graphic designers like Walter Landor, Paul Rand and Wally Olins whofocused on logo design.

[2] The author thanks Anne Olderog, Senior Partner at Vivaldi for contributing to this model.

ABOUT THE AUTHOR



Erich Joachimsthaler

Founder & CEO, VIVALDI

Over the last 20 years, Erich has led Vivaldi in helping companies to build strong brands, identify their innovation and growth opportunities, and fully realize their potential by evolving their industries and categories from the traditional economy to the platform economy (Fourth Industrial Revolution, Artificial Intelligence, or Web 3.0).

Erich is a rare combination of consultant, entrepreneur, academic, researcher, author, and positive contrarian. His areas of expertise are leveraging new tech, innovation and growth strategies in the context of industries under deep disruption and transformation due to rapidly changing customer expectations.

Erich's extensive experience and thought leadership in strategy, business models, and innovation have informed his latest book, The Interaction Field: The Revolutionary New Way to Create Shared Value for Businesses, Customers and Society, which describes the emergence of what the next generation of successful companies and brands will look like. In it, Erich presents "a thrilling new way of looking at a successful business model for the future," predicting that successful companies will shift from transactional businesses to an interactional model. This new model goes further than solely extracting value for the benefit of investors or shareholders — it creates value for all participants engaged in the Interaction Field, as well as society at large. It was published by Public Affairs/Hachette Group in 2020 and won the Bronze medal of the prestigious Axiom Business Book Awards.

Prior to his work at Vivaldi, Erich has held academic faculty positions at The Darden School at the University of Virginia, the University of Southern California, and the Instituto Estudios Superiores de la Empresa (IESE) in Barcelona — which he first joined as a full-time professor in 1989 and, time permitting, he still serves as a Visiting Adjunct Professor of Business Administration. He has guest lectured at over 25 business schools.

Throughout his career, Erich has published over 100 articles in highly respected academic journals and in best-selling, award-winning books. Together with David A. Aaker, he wrote some of the most seminal articles on brand strategy and brand architecture in the Harvard Business Review and the California Management Review. His book Brand Leadership, co-authored with David A. Aaker, was first published by The Free Press in January 2000 and republished in 2009 by Pocket Books London. It describes the new leadership paradigm of building strong brands and has been translated into 14 languages.

His book on innovation and growth strategies from a consumercentric perspective, Hidden in Plain Sight: How to Find and Execute Your Company's Next Growth Strategy, was published by the Harvard Business School Press, has been translated in 10 languages, and won the AMA-Berry Best Marketing Book of the Year Award

Erich has received numerous awards of distinction for his work. He won the Best Dissertation Award for his pioneering work on solving the mathematical classification problem. In 2017, he was inducted as an ISBM Fellow, recognizing him as a senior scholar/thought leader, having made significant contributions to the advancement of the theory and practice of B2B marketing. There are only 27 academics and scholars exist worldwide who have been awarded this distinction. Erich also was voted to the Top 50 Chief Digital Officer CDO Influencer list, which is a ranking of global superstars in the fields of digital technology and in the adoption of data-driven culture.

Erich is an internationally recognized authority on the impact of technology on strategy, the digitalization of industries and categories, and the role of innovation and branding, and is quoted regularly in major media. He is one of the most indemand keynote speakers in industry conferences and company meetings in Europe, Asia, and the U.S. He conducts conferences, speeches and workshops in English, German, and Spanish

Erich holds degrees in economics, statistics, and business administration, with minors in computer science from both German and U.S. universities, having received a Master of Science degree in quantitative methods and marketing and a Ph.D. in Business Administration, with an emphasis in statistics and consumer behavior from the University of Kansas. He joined Harvard Business School as a Post-doctoral Fellow.

Reinventing Brand Strategy: The Holistic Brand Model

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