



THE IMPACT OF COMPANY KNOWLEDGE ON BRAND VALUE

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Abstract

Companies have acknowledged the fact that in the light of more and more competition the success of their operations and competitiveness is to a large extent dependent on the knowledge in the company; this is why the survey deals with the influence of knowledge in the company on the brand value. The survey focuses on the influence of implicit and explicit knowledge; both forms of knowledge are used and integrated into the processes and activities for producing high-value brands which furthers their competitiveness. A successful trademark brings good reputation for the company but the company needs certain kinds of knowledge for achieving this goal. The main aim of the survey is to establish how certain kinds of knowledge in the company influence the brand value; this value is very important for maintaining competitiveness of brand. The result of the survey should be the understanding how the implicit and explicit knowledge in medium-sized and large companies influences the brand value. For the purposes of the survey research goals have been developed. These are the analysis of the role of knowledge in the company, the influence of implicit and explicit knowledge on the brand value as well as making suggestions for companies as how to further the brand value with the use of knowledge. The survey is based on the positivistic paradigm and is limited to the quantitative research of the influence implicit and explicit knowledge has on the brand value.

Key Words: Knowledge, implicit (tacit) knowledge, explicit knowledge, brand, brand value

Topic Groups: Entrepreneurship, Marketing and consumer behavior

INTRODUCTION

Companies have acknowledged the fact that due to increasing competition the success of their performance and competitiveness is to a large extent dependent on the knowledge existing in the company. The need for knowledge is going to grow and only companies with the right knowledge will be able to maintain their level of competitiveness. This is especially true for those companies which are subjected to sharp international competition in the period of globalization. Knowledge is the most important factor of competitiveness, while factors such as capital, financial resources, labour, etc. are less important. These factors do not represent a distinctive advantage of companies any more since they are generally achievable. One of knowledge definitions divides company knowledge into implicit (tacit) knowledge and explicit knowledge and these two forms of knowledge are the subject of this survey. Implicit knowledge is hard to be formally defined. It belongs to each individual and has its roots in personal experiences, values and acts. On the other hand, explicit knowledge is documented knowledge of a company. Both types of knowledge influence the processes and activities in the company. The research focuses on the impact of both types of knowledge on the brand value. The companies use and transfer both types of knowledge into processes and activities to create high brand values and thus increase their competitiveness. A highly successful brand increases the company's reputation with the clients, suppliers, shareholders, banks and other external stakeholders, but the company needs certain type knowledge to achieve this goal. The company brand represents a vital part of the company assets, therefore it is necessary to maintain or increase its value. Strong and established company brands bring differentiation from the competition's products or services.

THEORETICAL STARTING POINTS

Definition of knowledge and its meaning in the company

The authors Davenport and Prusak believe that knowledge is a "mixture of experiences, values, coordinated internal information and expert insights that allows reasonable anticipation, decision making, evaluation and intuitive assessment. It is formed in an individual and collective mind and is being developed through experience, success and failure" (Davenport and Prusak, 1998). According to Nonaka and Takeuchi (1995) knowledge is evaluated true belief perceived as a dynamic human process of evaluation of personal beliefs directed to the knowing of the truth. Eppler and Will (2001) treat knowledge as strategic resource that represents the skills and abilities of individuals, teams and organizations, directed at solving problems. Bizjak's definition of knowledge is that "knowledge is a set of information achieved that allows an individual to understand and solve all known and unknown problems" (Bizjak, 2008). As we can see, knowledge is of great importance in a modern society in all fields of human activity. Drucker (1993) thinks knowledge is extremely significant and claims that basic economic resources such as production resources, property and work do not represent the capital any more. The capital is knowledge and the situation is expected to be the same in the future, too. Brooking (1997) states that there are more and more companies whose material resources are insignificant. Other resources, such as intellectual property created by their employees prevail. We face the growth of companies based on knowledge.

Attention recently paid to research of knowledge and knowledge management is certainly not purely academic; it is the consequence of the awareness that knowledge about knowledge represents a critical factor in company growth or even in its existence (Gomezelj, 2009).

The companies are becoming aware that there is a lot of untapped knowledge inside a company and that knowledge is the key to competitive advantage. All this encouraged the companies to start dealing with knowledge and manage it. Knowledge management is a part of the company management. It involves the company knowledge as a whole and coordinated knowledge of each individual company member. Knowledge management is also realization of knowledge through personnel activities, motivation, communication and knowing. There is a systematic analysis, planning, acquisition, creation, development, storage and application of company knowledge (Gomezelj, 2009). The authors Foster, Morgan and Richards (1998) claim that the concept of brand management tends to redirect the leading brand organizations from the content to the process and from data to tacit knowledge.

Professional literature states different knowledge divisions. Walsh and Ungson (Gomezelj, 2007) speak about two types of knowledge from the perspective of organizations, namely, individual and collective knowledge. Individual knowledge is typical of an organization which consists of individuals. Such knowledge is usually specialized and specific. Collective knowledge, they state, comprises different manners the knowledge is transferred and disseminated among the employees and is typical of the so called collective understanding of the organization. There is another knowledge division in professional literature, commercial and uncommercial knowledge. The former is defined as knowledge needed for successful performance of an organization. The latter is for example scientific research knowledge, which is not intended to be used for successful performance, but for the basic research on certain topics (Bizjak, 2008).

Somehow the most important division of knowledge in organizations is the one into implicit and explicit knowledge. Nonaka and Takeuchi (1995) divide knowledge into implicit and explicit knowledge. They claim that explicit knowledge is generated through formal education and available to others when it becomes tangible. On the other hand, implicit knowledge is knowledge that each individual generates through experience and practices in different life situations and has its roots in different activities.

Implicit and explicit knowledge

Explicit knowledge – this type of knowledge is the least interesting for the organization since it rarely represents a permanent source of competitive advantage. It can be expressed using the symbols and with their help it can be transferred to other divisions of the organization or to other organizations. It can be found in manuals, patents, documents, technical instructions, specifications ... It can be generated through observation and study (Pučko, 1998). Nonaka defines tacit knowledge as something elusive and difficult to see. He states that tacit knowledge is something very personal and is almost impossible to be squeezed in a form. A high level of intuition, personal insights and convictions is characteristic of this kind of knowledge (Nonaka and Takeuchi, 1995). Burton – Jons (1999) says that the source of implicit knowledge is always people while the source of explicit knowledge is technology.

Definition of brand

The companies and investors recognize the brands as the greatest company value. This is a decisive concept, a vision of how to develop, strengthen, defend and manage the company. In the future it will be of higher importance to have a market share than to have production. The only way to have a market share is by having brands that are market leaders (Aaker 1991). Brand is the name, term, symbol, form or a combination of these, intended to identify the product or service of one or a group of sellers and to differentiate the products or services from the competitors' products or services (taken from American Marketing

Association) (Kotler, 1998). Brand includes the cultivation of relationship with consumers, employees and other stakeholders (Pfajfar and Končenič, 2007). Randall (1993) claims that brands have four main functions: identity, safety, value added and shorthand summary (all information on brand).

Brands are sophisticated givenness appearing in marketing plans but in fact they exist mainly in consumers' mind. They are the consequence of a permanent process in which the clients interpret and personalize coordinated activities in the organization that are going on with the purpose to ensure a set of values and thus upgrade their lives; the organization that responds to the feedback thus increases the probability of brand success (De Chernatony, 2001). Brand offers, above all, company defence against harsh price competition (Kotler, 1998): Brand is hard to understand but it develops relationship with customers and it cannot be copied by the competition. Therefore it allows distinction within the special offer, separate from other offers in the same product class (Adcock, 2000).

Brand building requires time and money. Such an investment undoubtedly ensures large profits if appropriately managed (De Chernatony, 2001). The brand building process is demanding, expensive and time-consuming. Pfajfar and Konečnik (2007) treat brand building as a complex process from two different points of view. They claim that one group of authors such as Balmer, Urde and Ind understands the brand building process as strategic tool and the source of competitive advantages, while the other group of authors such as Aaker, Joachimsthal, de Chernatony and Kapferer primarily stresses a strong role of brand identity consumers can identify themselves with. But both theoretic groups agree that brands are company's main asset.

Brands are never developed in isolation. Brand building requires not only involvement of executive managers and marketing managers who deal with brand managing, but also a constantly changing list of strategic consultants, design companies, promotion agencies, research companies, public relations companies, industrial designers, environmental designers, etc. In addition, value contribution of the employees, suppliers, partners, shareholders and clients within the brand group is crucial. Brand building requires a village (Neumeier, 2006).

The companies pay more and more attention to the brand strategic management to seize the opportunities offered by the brand. It is necessary to create an appropriate tool to determine efficiency of strategies and to make their adjustment and change possible. The success of strategies is directly reflected in a strong brand. Thus, by measuring its value we also measure the success of strategies themselves (Bratina, 2003). Lindsay (2000) holds that strong brands enable the companies to achieve higher prices, bigger profits and expansion of market share and to employ the best personnel and therefore brand management is of utmost importance.

With well built and efficiently managed brands, the company can develop a good reputation, which increases the clients' and users' trust. Brand values of good brands are beneficial to the companies even when they are in trouble (De Chernatony, 2001). The whole strategy of brand building requires cooperation with numerous people from different areas of expertise and on different levels of management hierarchy (De Chernatony, 2001). The brand strategy should be in harmony with all participants: external customers, media and internal customers (including the employees, board and key suppliers). The brand strategy is the direction which guides the marketing, makes the sales efforts to achieve better sales results easier and defines the clarity, connection and inspiration of the staff (Wheeler, 2006).

Models of brand valuation

Identifying brand values is not simple because brand value can be determined and measured in different ways and in addition, it is difficult to separate it from the value of the rest of the company. Despite these difficulties the company should identify brand value, since it is crucial for efficient brand management. The question of brand value is topical in many situations: company/brand purchase or sale, acquisition and allocation of a licence, contracting (franchising), control of marketing success; brand value is the basis of investment decisions, brand strategy and allocation of company resources, it is the basis for determining damages in brand piracy and last but not least for classification on the list of a trade company suppliers (Vodlan, 2003).

More and more companies are realizing that high brand value assures competitive advantage of a company. The higher brand value, the higher market price of a product or service achieved. When speaking about brand valuation, there should be a distinction between brand value and brand equity.

Marketing theory defines more than 30 different models of brand valuation (Bratina, 2003). The most common division of models of brand valuation in literature (Bentele et al. 2003; BBDO 2001) is into: business-financial models, behavioural models and combined models.

Financial models derive from the company needs for brand transactions and they mostly deal with the differential cash flow created by brands (Meissner 2003). On the other hand, behavioural models search for brand value by observing behaviour of consumers on the market through behavioural patterns. Recently, combined models that combine behavioural variables and financial consequences of brand existence have been developed (Bratina, 2007). Besides analysing brand equity from the financial point of view, its analysis from the consumer point of view is becoming more and more popular, because the consumer is that part of a chain that consequently influences brand equity from the financial point of view. Perception and valuation of brand equity through consumers is the subject of a detailed analysis in marketing literature, which also emphasises further appropriate strategies concerning the studied brand. Despite the fact that with the two above mentioned ways we approach the analysis of brand from different points of view (trustees versus consumers), the experts suggest both ways as interdependent and related approach in modern brand analysis (Konečnik, 2005). All financial models value the brand, while behavioural models are based on consumers' behaviour and try to concentrate on brand equity (...).

Combined models that combine the advantages of both financial and behavioural models are more up to date. There are a lot of similar models in commercial use (Bratina, 2003). Bentley et al (2003) have analysed the existing models of brand equity valuation using seven factors: identification, definition, and brand valuation, level of interpretation, convenience, range and total score (...). Financial models are mainly used for brand transaction needs, to determine the licence fees, for mergers and purchases of companies.

On the contrary, behavioural models are used by brand managers to determine the success of different marketing activities comparing to their competitors' and to determine their position in the client's mind. The analyses find out that behavioural valuation models do not define financially (do not give financial assessment) the value of brand equity (Bratina, 2007).

There are, however, some models that combine the advantages of both groups of models (financial and behavioural), for example, Interbrand Model, A.C.Nielsen Model, Brand Rating Model. These models are called combined models, because they combine elements of financial and behavioural models (Bratina, 2003). If we check the literature dealing with

brand valuation, we can conclude, that there hasn't been any valid and understandable brand valuation up to the present time (Sattler et al, 2002).

National accounting institutes have started discussion about financial brand valuation and financial statement of the brands, namely, about the meaning of intangible assets for long-term business growth (Kapferer, 2004). The characteristic of business-financial models is that they present the brand as investment, whose value is information base for investment decisions and for the estimate of future brand returns (Meissner, 2003).

The research uses Repenn's business-financial model as a valuation model because of its simplicity and clarity. Repenn is one of the authors who calculated the value of brand using brand sales value, together with basic value, that is, with brand building and management costs, brand development costs and patent costs, adding the operational brand value. This operational value derives from the brand use and is calculated as 10% of the average annual income in the last five years (BBDO, 2001).

Lenart (2006) states the following characteristics of Repenn's system as distinguishing characteristics: it is a monetary system and is cost and substance-oriented and forward-looking because of the brand income; medium degree of security level; contingent value; mostly cash value assessed; the model is based on verifiable information; simplicity and clarity of the model; it cannot be used for the purpose of strategic brand management; it is helpful when buying or selling the brand, in the procedure of industrial property damage assessment, as security in property transfer, during bankruptcy procedure or when preparing financial statements; the weakness of the model is that the brand strength is not part of the model and that it considers only business-financial aspect.

The company cannot build and improve the brand without knowledge. Therefore the companies invest so much in knowledge. Eppler and Will (2001) believe that brand knowledge should take into consideration special characteristics of knowledge, such as natural complexity and intangibility of knowledge and knowledge integrity, which is reflected in different target groups and different forms. Foster, Morgan and Richards (1998) wonder in their article whether managers and marketing practitioners know what they do with their brands. The authors wonder if they fully use their knowledge about brands when making decisions that influence the brand value, or, what is even more important, if they comprehend the value of knowledge as the fundamental part of brand value. They state that despite maturity of marketing science and information available in brand management, there are too many cases of low efficiency and brand value loss. The authors believe this stems from a lack of effort to transfer information to knowledge. Brand knowledge and brand marketing are becoming the main topics of the future marketing function. The definition of the authors Foster, Morgan and Richards (1998) of a connection of knowledge and brand states further that brand knowledge management should concern all participants, not only marketing and represents the core of property which is the result of brand differentiation. All this, in connection with brand may directly or indirectly lead to a unique perspective and knowledge, experience and learning, which may create a strong tacit knowledge about brands and can, after some time, direct actions and functions.

TOWARDS THE RESEARCH HYPOTHESES

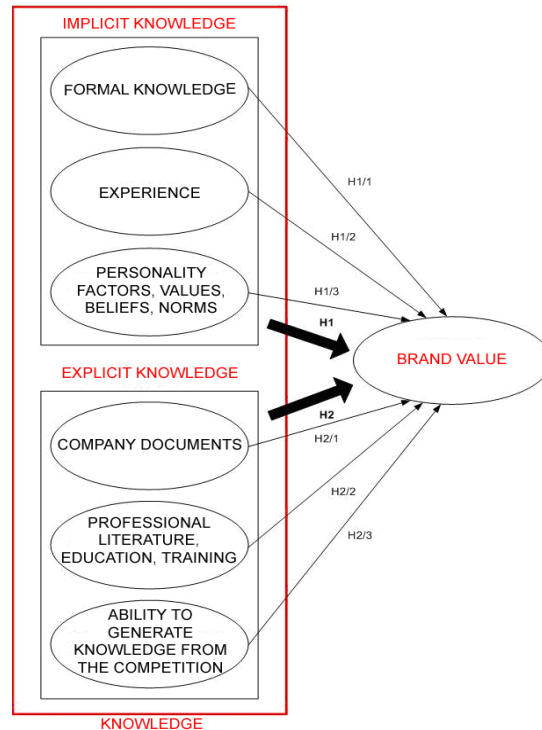
Managing brand knowledge concerns all parties involved, not only the marketing and represents the core of the property created by the brand differentiation (Foster et al, 1998). This, in direct or indirect connection with the brand, can lead to the unique perspective and knowledge, experience and learning process, which can create strong implicit brand

knowledge and can consequently, after a certain period of time, direct the actions and functions. Furthermore, Foster et al (1998) states that implicit and explicit knowledge is identified during the process of managing brand knowledge and it is then connected to all activities to increase the brand value. The development of this process goes in three directions, which are known as the process, the contents and the people. Eppler and Will (2001) say that the strategy of brand knowledge should derive from the competence-based strategy of the company, meaning the way different skills, experience and methodologies are connected and interdependently developed for the customers' benefit. They also say that brand knowledge should take into consideration the knowledge details, which means that different target groups and forms of expression should be considered. When writing about the importance of knowledge in the process of brand development, Eriksson (2000) indirectly stresses the importance of knowledge and thinks that brand development should not be limited to the companies with a strong marketing budget. He is certain that the companies which have clear policies about different levels of brand development and about the development of brand identities and personalities can more or less develop the brands themselves. Rothstein in Tetzell (2005) think that the emerging cultural differences in brand development are mostly the matter of knowledge and thus they stress the importance of brand knowledge. The example described by Kollander and Lejon (2007) clearly shows that knowledge transfer is of clue importance for brand development and brand value. The companies Philip Morris and Procter & Gamble have bought and merged some companies, which were not very promising. However, suitable managing and the transfer of implicit and explicit knowledge enabled them to develop strong brands at the very beginning and the companies returned to profitability.

Although a lot is written nowadays about implicit and explicit knowledge, only a little attention is drawn to the research of the meaning of these two types of knowledge for the brand value. The authors (Gronhaug et al, 2002; Keller, 1993; Gibbert et al, 2002; Christopher, 1996 and others) frequently study just the importance of knowledge that the customers have about the brand and not the importance of company knowledge to the brand value. The authors Foster, Morgan and Richards (1998) think it is surprising how little marketing in many companies has done to improve management value added activities, i.e. knowledge of brands and therefore the aim of this research is to find out what type of knowledge the companies use to increase their brand value.

The aim of the survey is also to stress the importance of brands as company assets, whose management and valuation has become necessary for successful performance; the basic requirement for this is knowledge. We would like to find out how different kinds of company knowledge influence the company brand value. The result of the survey should be the understanding of how implicit and explicit knowledge in selected companies influences the brand value. In accordance with the studied theory about knowledge, specifically explicit and implicit knowledge, brand value and the impact of knowledge on brand value, we have combined all these elements and created a model shown below (figure 1).

Figure 1: Model of knowledge and brand value integration - Model of variables and their connections



According to the studied literature and in accordance with the above model, we offer the following hypotheses, which will be checked in our research:

Hypothesis H1: Implicit knowledge has a positive impact on brand value

Hypothesis H2: Explicit knowledge has a positive impact on brand value

METHODOLOGY AND PARTIAL RESULTS

The method used in the research was online survey. Invitation has been sent to medium-sized and large Slovenian companies. We have invited the responsible for brand management in a company to participate in the survey. 344 companies have answered the survey, but all questions have not been answered by all companies. Partial results of the research are presented below.

We have categorized the companies according to the number of employees into five categories; companies with 50 or fewer employees, 51 to 150 employees, 151 to 300 employees, 301 to 1000 and more than 1000 employees. According to partial results of the research, it can be said that generally the companies invest relatively little money in education of the employees in the field of brand management; 73% of respondents replied that they invest only 10% of all education and training resources in brand management education while 20% of respondents allocate 10-20% of all education and training resources in brand management education.

Respondents commented on a set of statements about the employees who deal with brand management (scale of 1 to 5, 1 meaning "I do not agree at all" and 5 "I completely agree"). The results have shown that there are some differences in average rating of agreement with the statements in different companies, but the differences are negligible. Statistically important differences appear only with the statement that "the company has a system of formal education for its employees" (sig. 0,01), but bigger companies generally agree with this statement. On average, the companies mostly agree with the statements that "the employees' education is adequate to their posts (Mean 3,7)", that "they have the possibility of professional development (Mean 3,7)" and that "the employees generate formal knowledge (Mean 3,6)". The minimum agreement, however, was achieved with the statement that "generating formal knowledge in a company is adequately stimulated (Mean 2, 8)". Also, agreement with the statements does not vary statistically according to different branches.

The answers to the set of statements about experience of the employees have shown that experience of its employees is relatively important for the company, since the rate of agreement to these statements is high and there are no statistically important differences among the companies of different size. The lowest overall average rate of agreement concerns the statement that "the most experienced staff is properly rewarded (Mean 3,2). The respondents agree to a certain extent with the statement that "experience of the employees is not recorded and properly documented in a company (Mean 3,3)". On the other hand, companies most agree with the statement that "staff experience represents competitive and distinctive advantage of the company (Mean 3,9) and plays an important role in Personnel Policy of the company (Mean 3,7)". The companies also agree to a large extent with the statement that "innovative ideas in a company result from the staff experience or knowledge (Mean 3,7)".

There are not statistically significant differences among the companies of different size concerning the set of statements about the norms and values of the employees and the company relationships with them, with the exception of the agreement with the statement that "positive values, beliefs and norms of the staff are the generator of innovations in a company". Bigger companies agreed to a larger extent to this statement. The highest average agreement rate concerns the statement that "success and efficiency of the staff largely depends on personality factors (Mean 3,8)" and the statement that "a corporate culture is built of staff beliefs, values and norms (Mean 3,7)". However, respondents agreed to the lowest extent with the statement that "the employees are satisfied in a company and motivated enough for their work and for learning (Mean 3,0) and with the statement that "they are creative and innovative in their work (Mean 3,2)".

On average, the respondents agreed less with the set of statements about documented knowledge in a company than with the previous sets of statements and the agreement rate was relatively low. There are statistically significant differences in the rate of agreement concerning the statement that "documented company knowledge is saved in manuals, specifications, databases, patents and licences", where bigger companies show a higher rate of agreement than smaller ones. The highest average agreement rate concerns the following statements: "the staff uses the documented knowledge to generate additional knowledge (Mean 3,1)", "company documentation and information is well organized and accessible to the employees (Mean 3,3)" and "core company knowledge, necessary to achieve strategic aims is defined in a written form (Mean 3,2)". The lowest average agreement rate concerns the following statements: "documented company knowledge comes from the competition knowledge (Mean 2,5)", "company documentation is more important than individual

experience (Mean 2,5)" and "past mistakes in company operation are documented in a way that the staff can learn from them (Mean 2,7)".

Within the set of statements about education and training of the employees and professional literature, the following statements faced the lowest rate of agreement: "the company regularly carries out external analysis to determine what knowledge and skills it lacks (Mean 2,6)", "the company invests a lot in staff training in the field of brand management (Mean 2,8)" and "the company has a career system that encourages education and training (Mean 2,8)". The companies (respondents) showed the highest agreement rate when responding to the following statements: "the company is aware of the importance of knowledge and education for business excellence (Mean 3,5)", staff satisfaction contributes to a higher rate of staff education and training (Mean 3,6)" and "staff education contributes to better identification of customer needs (Mean 3,8)".

Within the last set of statements about knowledge and knowledge generation, the following statements have shown more statistically significant differences: "the company systematically monitors and generates knowledge also from the competition, suppliers and customers (0,04)", the company takes over their competition and thus generates knowledge (0,00)" and "the company merges with the competition and thus generates knowledge (0,03)". The companies (respondents) showed the highest agreement rate when responding to the following statements: "the company learns from the best competitors in the brand (Mean 3,4)", "knowledge transferred from customers and suppliers represents corporate distinctive advantage and differentiation from the competitors (Mean 3,5)" and "the company continuously follows their competitors', customers' and suppliers' development and knowledge (Mean 3,5)". The companies (respondents) showed the lowest agreement rate when responding to the following statements: "the company takes over their competition and thus generates knowledge (Mean 2,2)", the company buys licences and thus generates knowledge (Mean 2,2)" and "the company merges with the competition and thus generates knowledge (Mean 2,3)".

According to these partial results it can be claimed that the companies are aware of the importance of knowledge and its impact on the brand value, but they still do not act, or, despite the awareness of the importance of knowledge, they do not take the necessary measures to strengthen this knowledge and its use in brand management. The research has shown that investment in staff education in the field of brands is insignificant, that the staff has appropriate education and formal knowledge but formal knowledge generation is not stimulated enough. The companies also highly appreciate experience of their staff, but the highly experienced staff is not rewarded properly. In the field of staff norms and values, the respondents claim that efficiency and success of their staff depend on personality factors. Simultaneously, they state that the employees are not motivated enough to work and generate new knowledge and they are not creative enough. The general finding about knowledge documentation is that this aspect of corporate knowledge is highly undervalued or messy. The general finding about the staff education and training is that the companies are aware of the importance of knowledge, but they do not invest enough in it and they do not analyse the type of knowledge they lack. In the field of knowledge and knowledge generation the companies determine that the so called external knowledge is of great importance (knowledge of the competition, suppliers and customers), yet they do not buy knowledge through takeovers or licence purchasing. As stated earlier, the companies are aware of how important knowledge is, but mere awareness is not enough if no concrete actions follow.

The final and complete analysis of the research which is not finished yet will show which knowledge (implicit or explicit) has a significant impact on the brand value. In the continuation of the research, factor analysis will be carried out and it will find, among many variables that measure implicit and explicit knowledge, the factors, that will be used in further analyses. In case of measuring implicit and explicit knowledge with a larger number of variables, the factor analysis will generate those factors, which combine different types of knowledge according to their common characteristics. The brand value will be used as dependent variable in the research, while the factors will be used as independent variables. The relationship between the variables (dependent and independent) will be analysed by correlation analysis (which measures the strength of linear link) and continued with regression analysis, which analyses the impact of independent variables on the dependent variable.

DISCUSSION AND CONCLUSION

The research is limited to a quantitative research of the impact of implicit and explicit knowledge on the brand value in the biggest Slovenian companies. Previous research was mainly directed to the impact of customer knowledge about the brands. The meaning of corporate knowledge is not stressed enough when creating the brand value. Financial sources and their impact on the brand value are the most frequently mentioned topics when speaking about the brand value. Our decision to choose large and medium-sized companies as the subjects of our research is based on the assumption that such companies possess a larger number of well-known and strong brands. Most small companies do not have any brands, since they have limited resources (work, capital, knowledge), while large companies have enough qualified personnel, which is the basis for brand development and they also have larger financial sources available. Small companies mostly do not possess sufficient financial sources, therefore they have not developed their own brands and as such, they are not suitable for the analysis. The research results will thus be more relevant to and realistic in large companies because they have a larger number of formed brands and knowledge. Measuring implicit knowledge represents a certain limitation in the research as it is extremely difficult. We limited ourselves to the Repenn's financial evaluation model to avoid too extensive research. The chosen financial evaluation model of the brand only allows the determination of the financial value of the brand, which is a certain drawback of the research, because besides financial (accounting) models there are also other models such as behavioural (marketing models) and combined models. The choice of the behavioural or combined models would require a customer survey for each brand, which is practically impossible due to the limited extent of the research. Another drawback of the research is the fact that we will take into consideration the total number of brands a company has, when conducting a survey and evaluating, therefore the evaluation results will apply to one or more brands. The research is limited purely to studying the brands and does not include the corporate brands. There is one more drawback of the research; the respondents will answer the questions about implicit knowledge (education, experience, personality factors, values, beliefs, norms) on behalf of the group of employees that play an active role in creating the brands. The research is given value added by the application of quantitative research, since there has never been such research of knowledge impact on the brand value in Slovenia before. Our article is a contribution to theoretical-scientific development of the field connected to the study of the impact of different types of knowledge and in this concrete case the impact of this knowledge on the brand value. The article also contributes to professional-applicative development of the treated field, because such research is not very common and therefore the research results are extremely important for the corporate

management. On the basis of research deliverables, the management will be able to make the right decisions about promotion of certain types of knowledge, which consequently influences higher brand value. Corporate management will also benefit from the research during the process of brand strategy building. Last but not least, the research will point at the mistakes that management makes in the field of knowledge and its impact. Results so far have shown that the present situation is not satisfactory despite the awareness of the knowledge importance. The results of the research will be applicable to all Slovenian companies and to companies abroad. The research also offers a good starting point for further research of knowledge impact on the brand value by qualitative analysis and for further research by brand evaluation using behavioural and combined models.

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