The strategic brand management approach described in this book is based on a rigorous quantitative methodology, the individual components of which are summarized below.

VALUES

The values analyzed are taken to be latent variables. That is, individuals are never directly asked to judge the importance of a specific value. Rather, attitudinal statements relating to these values are taken as surrogate measurements. The importance of a value for an individual or a company is then obtained as a weighted sum of three to six statements relating to this value.

GEOGRAPHY

The arrangement of the values on the two-dimensional plane is obtained by performing a multi-dimensional scaling analysis of the values measured. The result is a rotationally invariant solution which places values with positive correlation in proximity to each other while leaving negatively correlated values at a greater distance. The overall solution is optimal in a mathematical sense: that all pairwise differences come closest to mirroring the true correlation relationships of all values involved.

PROFILES

Profiles of individuals, or of groups of individuals or companies, are computed based on point-wise t-tests for differences in means for the values analyzed. The results of these point-wise test statistics are then smoothed spatially to account for the importance of geographic proximity.
Areas shaded in blue indicate those values on which the individual or group places higher importance than the reference group (most often the population average). Conversely, areas shaded in red indicate values on which the individual or group places less importance than the reference group.

Differences significant at a significance level of 95 percent are bounded by the outermost contour line. Statistically speaking this means that the likelihood of observing purely by chance a difference within at least the first contour line is smaller than 5 percent. Multiple layers of contour lines indicate increasing significance levels, and thus even smaller probabilities of chance observance. Shaded areas outside the contour lines indicate differences not significant at the 95 percent level. For these differences, the probability of observing them purely by chance is larger than 5 percent.

ARCHETYPES

Archetypes are obtained by hierarchical (agglomerative) clustering of all individuals in the reference population. All values but no other dimensions are used for clustering. The preferred number of clusters is chosen primarily by an elbow criterion, judging loss of resolution when moving to fewer clusters.

JOINT SPACE MAPPING

Joint space mapping plots archetypes (segments of the population) and user groups (brands) on a two-dimensional plane, where the axes become essentially irrelevant. Using a Euclidean distance model and multi-dimensional scaling, archetypes of similar value structures will appear close together; opposing archetypes will be far apart. Brands or other user groups are then simply plotted onto this plane by using an orthogonal projection based on the archetype proportions in the specific user group. This means that if a specific group were to consist solely of one archetype, this group would be plotted directly on top of this archetype. A group consisting more or less evenly of each archetype will appear roughly in the center of the graph at more or less equal distance to all archetypes.