

EXTENDED  
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ABSTRACTS

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of the AM's Brand, Corporate Identity and Reputation SIG



Turun yliopisto  
University of Turku



# INSTRUCTIONS FOR THE SESSIONS

## Sessions chairs

The main function of a session chair is to ensure that the session runs according to the timetable (30 minutes for each paper) so that the available time is allocated correctly between presenters, and the delegates can smoothly switch from one session to another, when desired. It is recommended that the discussion sessions are in need of little formal chairmanship, but if needed, the session chair should be prepared to intervene by asking the first question and/or by enhancing the overall discussion. In each lecture room, there are 5-3-1-minute signs to be used by the chair to assist presenters in keeping to their time limit.

## Presenters

Accepted papers must be presented by one of the paper's authors in person according to the final schedule. We have reserved 30 minutes for each paper which means that the presentation itself may last approximately 15–20 minutes and then there is 10–15 minutes for discussion. The session chair will keep track of the time.

It is recommended that you arrive at the appointed lecture room a few minutes early and introduce yourself to the session chair before the start of the session. There is a desktop computer (PC) in each lecture room that you can use, or connect your own laptop to the projector. If using the conference-provided laptop, please, upload your presentation from a USB flash drive before the beginning of the session. In any case, it is recommended that you bring a backup version of your presentation on a memory stick or similar.

## Self-enhancing green consumer behavior

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### Purpose of paper

In the last few decades, the topic of environmental sustainability has received much attention within the marketing literature (Powell, 2011, Leonidou et al., 2013). As our world faces many environmental challenges, both large and small, the thought that part of the solution to these problems is in the consumption based arena has become more popular. To steer toward a more environmentally sustainable consumption is thus seen as desirable for many actors in society. However, while the concepts of green, sustainable, or environmental marketing have existed for several decades, the actual results of these initiatives are discouraging from both research and sustainability perspectives (Crane, 2000). There is a vast "attitude-behavior gap" (Moraes et al., 2012, Carrington et al., 2010, Carrington et al., 2014) which means that although consumers profess to be positively disposed towards organic products, they do not act accordingly. Traditionally, research in this field has focused on how products' functional benefits and consumers' values and norms affect green consumer behavior (Salazar et al., 2013). There is however an emerging understanding that consumers may seek more than functional value from their environmentally friendly brands, value like e.g. status (Griskevicius et al., 2010) and identity (Sexton and Sexton, 2011). Thus, for green products to be successful it may not be sufficient to only to *be* good; they must also make their user *seem* good. While building on the symbolic/expressive meaning of consumption is a commonly accepted idea within brand building (e.g. Park et al., 1986, Aaker, 1997, Fang et al., 2012), it has received limited attention within the green consumer behavior domain. We propose that from the symbolic consumption perspective, environmentally friendly products that are consumed conspicuously should represent greater value than those that are consumed inconspicuously. Against this background, the purpose of this paper is to investigate if consumers choose environmentally friendly options to a greater extent if the consumption setting is public rather than private consumption situations.

### Methodology/approach

In order to test whether the consumption setting influences green consumer behavior, we chose coffee as product category. It is the world's second most tradable commodity after oil, and its impact on the environment is considerable (Bacon, 2008, p. 11). This has received considerable attention in the public sphere (e.g. Blacksell, 2011) and organic coffee should therefore be perceived by participants as the socially desirable choice. To reinforce the perception of organic coffee as the socially desirable choice, the participants participated in a lecture on Corporate Social Responsibility prior to the experiment." A 2 (situation: public vs. private)  $\times$  2 (choice of product: organic vs. regular) between-subjects design was conducted. A total of 42 undergraduate students at a northern European university (23 women, 19 men) participated in the experiment. They were told a cover story that they would sometime during the day participate in a marketing research study. The participants were then split randomly into two groups that were kept separate for the remainder of the session. Participants were each given SEK 10 (approx. USD 1.50). They could choose an organic drink for SEK 10 or a regular option for SEK 5, in which case they would be allowed to keep the SEK 5 that was left. While both groups bought their drinks in the same physical space (anonymously behind screens), the consumption setting differed between the groups. The public group was informed that the two options would be served in different colored mugs. If they bought the more expensive organic option they would be served their drink in a green mug, and also

receive a green pin to put on their shirt. If they would choose the cheaper regular drink, it would be served in a gray mug and they would get a gray pin. The participants in the private group were served their drinks in regular white mugs regardless of their choice.

To check for confounds, a questionnaire containing four questions on personal environmental norms based on Stern et al. (1999) was distributed about three weeks prior to the experiment. This survey was handed out in other courses and by other lecturers. A T-test revealed no significant differences between the groups ( $t(40) = -.43, p > .05$ ), indicating that the groups are not significantly different on their underlying environmental norms. What is more, a manipulation check was administered after the experiment was finished but before its purpose was revealed to participants. A T-test found a significant difference between the groups ( $t(37) = -2.56, p < .05$ ) which shows that the participants indeed perceived a significant difference in the public/private levels depending on the consumption setting.

## Findings

We predicted that participants would choose organic coffee to a greater extent if they knew that others would be able to observe their consumption choice. This proved to be correct as 43.5% in the private setting chose the more expensive organic drink, compared to 89.5% in the public scenario.

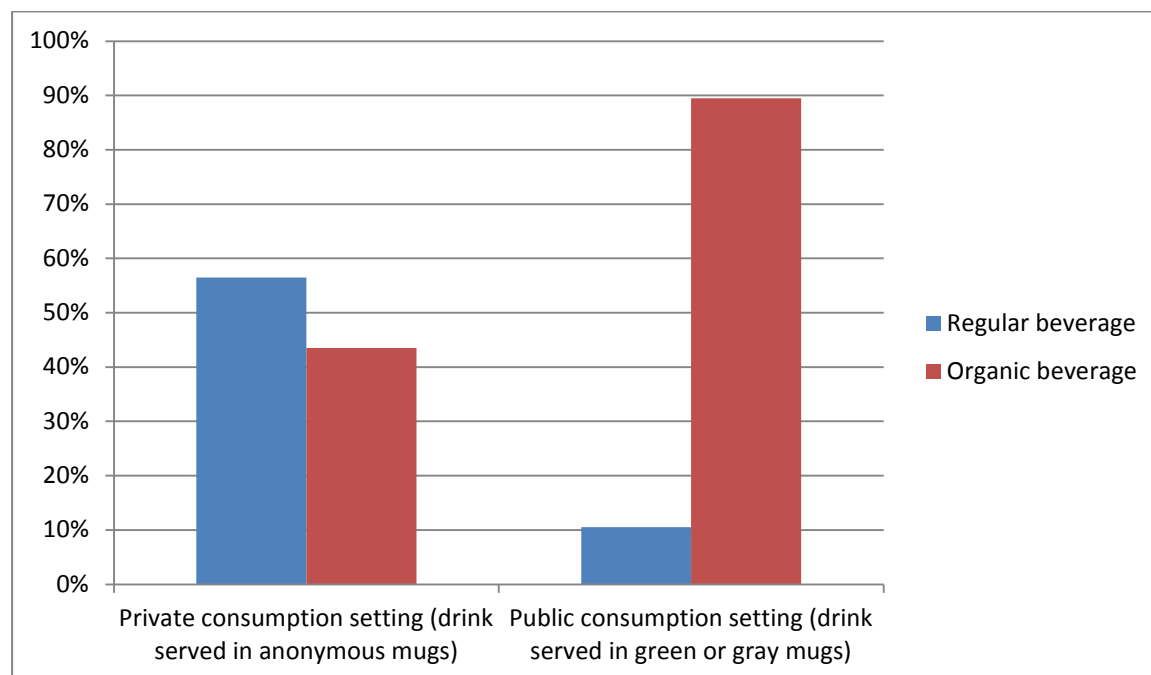


Figure 1 Percentage of people choosing a more expensive organic beverage over a cheaper regular beverage in the private (beverage served in anonymous mugs) and the public (beverage served in different colored mugs) consumption setting.

A  $\chi^2$  test was performed indicating a significant difference between the groups ( $\chi^2(1) = 9.59, p < .01$ ).

## Theoretical implications

Brands offer three main types of value; experiential, functional, and symbolic (e.g. Park et al., 1986). The fact that when everything else is equal, the level of conspicuousness impacts green consumer behavior suggests that consumers' symbolic/expressive motivations are important to understand consumer choice in the environmental area. In the study of symbolic

consumption it is well established that a brand will be used and enjoyed when it joins with, meshes with, adds to, or reinforces the way a consumer thinks about himself (Levy, 1958). As consumers, we seek out brands that fit our idea of who we are and what we are like. When consumers achieve congruity between the self and a brand, which is referred to as self-image congruity (e.g. Sirgy et al., 1997) or self-brand congruity (Parker, 2009), they reach different forms of satisfaction or avoid different kinds of dissatisfaction, which in turn results in positive attitudes or persuasion to buy a brand (Sirgy, 1982, Johar and Sirgy, 1991). Self-image congruity comes in different forms. Johar and Sirgy (1991) present a framework for value-expressive consumption in which they describe the self and how it interacts with the brand to achieve different forms of satisfaction of needs. The self-concept can be internal, and thus have to do with what a person thinks of himself, but it can also be related to how an individual is regarded by others or how the individual would like to be regarded by others. If a brand matches a consumer's ideal social self-image the result is ideal social self-congruity, which satisfies the need for social approval -pleasing others and being accepted by them (Keyes, 1998). Outer-directed symbolic types of value allow you to show others what you are like (Holbrook, 2005). If you behave ethically only if you are observed, it is an example of outer-directed symbolic value, namely that of self-enhancement. "Self-enhancement occurs through associations with goods that have desirable social meaning that also bring favorable reactions from significant references" (Parker, 2009, p. 176).

The theoretical contribution of this study is thus that it demonstrates that green consumer behavior is at least in part driven by the outer directed symbolic need for social approval through self-enhancement. As such, this study extends and supports previous research that has focused on the importance of status in the green consumer behavior context (e.g. Griskevicius et al., 2010).

### **Practical implications**

Because consumers choose environmentally friendly products to a greater extent if they believe that other people can tell what they have purchased, businesses and regulators could increase the level of green consumption by making choice conspicuous. This could occur through the design of the consumption setting (as evidenced in this experiment), or by e.g. visibly different license plates for green cars.

### **Limitations**

We have limited the study to a lab experiment measuring consumer choice, controlled for personal norms. Here, the results clearly highlight the self-enhancement component in consumer decision making regarding organic products. However, while few studies using experimental methodology claims to have external validity, the main criticism of our work is naturally the fact that the manipulation is more extreme than most that occur in natural settings. Future research would do well to account for this and observe the studied relationship in a more natural setting, using field experiments or qualitative techniques. On top of this, as the current experiment focuses on consumer choice and personal norms, further research could include other potential influences on consumer choice, such as social norms and self-monitoring levels, status-seeking levels, etc.

### **Originality/value**

Unlike previous studies our research takes the form of a behavioral experiment. We, for the first time, show in a controlled experimental setting that public consumption settings cause increased choice of organic products. These results are controlled for values and norms. These limited findings constitute a starting point for richer and more elaborate studies on the symbolic/expressive dimensions of green consumer behavior.

## Keywords

Green consumer behavior, symbolic consumption, self-image congruity

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## **The #InsideOut Fashion Revolution Day movement – The link between sustainability communication, digital marketing, and journalism**

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### **Purpose of Paper**

The purpose of this paper is to investigate the role of hashtags on sustainability communication within marketing and journalism. The following section provides a brief background of the rationale for this research.

The fashion industry has seen dramatic changes within the past decades as issues of sustainability have become increasingly important. The 1960s brought forward concerns about the impact fashion production has on the natural environment (Peattie, 1995; McCormick, 2001; Brown, 2011; SustAinability, 2011); the 1980s and early 1990s were concerned with anti-fur campaigns, which led to a majority of fashion brands eliminating fur from their collections, ensuring “good animal welfare conditions” (BSR, 2012: 1). Renewed interest into the topic of sustainability within the fashion industry emerged during the 1990s due to media attention focusing on labour practices (Brown, 2011). In the 21<sup>st</sup> century, these labour practices still attract a lot of attention and negative press, with various news outlets reporting about factory accidents such as the Rana Plaza incident in Bangladesh in which more than 1100 workers lost their lives (Parveen, 2014). The Rana Plaza incident was neither an isolated occurrence nor the first of its kind: in 2012 approximately 300 factory workers lost their lives in a burning factory in Pakistan (Ruhman et al., 2012) and further seven workers lost their lives in Bangladesh in 2013, shortly after Rana Plaza (Nelson, 2013). These accidents are often linked to an ever increasing “fashion appetite” (Sharma & Hall, 2010: 2) on the consumer side, with pricing (Skov, 2008) and turnover time of new fashion collections decreasing rapidly (Pasquinelli, 2012), manufacturers are pressured to keep up with the trend, which, in most cases, the supply chain has to bear.

Fashion Revolution Day (FRD) emerged as a movement in response to the Rana Plaza incident. The key purpose of the community interest company is to raise awareness of social issues within the fashion industry emphasising that “together we will use the power of fashion to catalyse change and reconnect the broken links in the supply chain” (FRD, n.d. a). FRD is associated with the ‘InsideOut’-hashtag, and social media users are encouraged to not only tag themselves in pictures wearing their garments inside out, but also to engage in discussions and ask questions of where and how their garments are produced (FRD, n.d. b). The first FRD

event was announced on 24<sup>th</sup> April 2014. During this event, the hashtag ‘InsideOut’ was used in 15,000 tweets within only 24 hours (Tomchak, 2014). The movement still gains momentum with sustainable fashion ‘icons’ including, but not limited to Fashion Fairtrade Pioneer Carry Somers (Lee, 2014), Green Carpet Challenge Founder Livia Firth, and Retail Expert Mary Portas (FR, 2014) supporting the FRD campaign, utilising their celebrity status to raise awareness.

This research investigates the ‘InsideOut’-hashtag from a marketing and a journalism perspective. Focusing on the marketing point of view first, the hashtag ‘InsideOut’ can be seen as part of sustainability communication, as it raises awareness of a social cause. Sustainability communication in itself is not a new phenomenon, however it still receives increased attention by both practitioners and academics (McDonagh & Prothero, 2014). Past studies within the field of sustainability communication have indicated that it is no longer enough to simply take action, but to communicate what actions have been taken to eliminate issues surrounding sustainable development to a wider audience (Killbourne, 1998; McDonagh, 1998; Caruana & Crane, 2008; Salvioni & Bosetti, 2014). Digital marketing, and more specifically social media marketing, can be utilised to address the issue of a ‘wider audience’. Social media platforms, such as Twitter, allow for messages to not only be labelled, but also to be promoted for commenting and sharing through the use of hashtags (Huang et al., 2010). Although sustainability communications and digital media have gained importance within the past decades (Asur & Huberman, 2010; McDonagh & Prothero, 2014), “major marketing communication journals” (McDonagh & Prothero, 2014: 1197) have only paid limited attention to this area of research. Thus, this study seeks to extend current theory, by investigating the role of digital communication and more specifically social media marketing on sustainability communication. Moreover, research that has focused on social media platforms have predominantly looked at hashtags for their ‘relevance’ and ‘exposure’ (Lin et al., 2013), and thus, have not explicitly investigated hashtags from the point of view of acting as tools for enhancing sustainable communication. Rather than focusing only on these two aspects (relevance and exposure) this research extends the angle by looking at hashtags as tools that facilitate interaction. To explain, this research sees hashtags not only as ‘outbound tools’ that allow an organisation to label conversations, but also as ‘inbound tools’ that enable Twitter Users to engage, comment, and discuss topics of interest. In other words, the content of these tweeted hashtags gains increased importance within the marketing context.

To broaden this study, we adopt a multidisciplinary perspective, linking aspects of sustainability communication with emerging scholarship in the field of journalism studies. The second point of view focuses on #InsideOut from this perspective by looking at social media messaging, identifying how and whether the content of messages is further transmitted in traditional journalistic coverage, and through analysis maps the reception of sustainability-related messages within traditional media coverage across the same time period. This will help identify whether new media actors remain reliant on transmission through traditional media outlets. Building on research into shifting and changing boundaries of news mediation (Eldridge, 2013), this aspect will also explore whether issue-driven messages are being identified through journalistic ideals and how that relates to changing concepts of journalistic identity (Eldridge, 2014).



## **Methodology**

This research utilizes an inductive, qualitative approach and systematically analyses 18,000 tweets. The publicly available data was collected over a three months period, between 21<sup>st</sup> July and 26<sup>th</sup> October 2014, using an open-source online script (TAGS 5.1). In order to gain a broader overview of current issues the script parameters were set to collect any tweets that contained #FashionToDieFor, #FashionRevolutionDay, and/or #InsideOut, all hashtags linked with the FRD (@Fashion\_Rev). In order to gain an insight into how and what is communicated with the 'InsideOut'-hashtag, the original data collection was constrained by eliminating any tweets written in character-script or contained no message.

## **Findings**

This dataset has been through initial analysis and is currently being analysed further. Thus far, observations highlight that the hashtags were utilised on a global scale, with tweets posted in English, German, French, Spanish, and Japanese. The preliminary analysis further indicates a strong engagement between @Fashion\_Rev and various Twitter Users (TUs), an aspect of analysis that will be explored through network mapping.

## **Theoretical Implications**

This research seeks to contribute to research on social media usage around social responsibility causes through a case study approach that looks at the use of one specific issue, its related hashtags, and their use. By investigating why Twitter Users (TUs) engage with this topic, how these TUs respond to one another, and who these TUs are, this research aims to identify a social media strategy that enables fashion organizations that are concerned with issues surrounding social sustainability more effectively and further to understand how autonomous social mediation might be bypassing traditional media routes. Moreover, this research will expand understanding of whether some hashtags are standalone 'statements' or parts of a series of hashtags. The journalistic perspective also provides a unique conceptualization in that it provides an insight to whether social media is a driver of events and thus enables to reach audiences independent of traditional journalistic media actors.

As previously highlighted, sustainability communication is about spreading the word of sustainability, in this case social sustainability, to a wider audience (McDonagh & Prothero, 2014). The journalistic point of view provides a cutting edge to this research in that it allows the researchers to understand how these messages are perceived within and beyond traditional media. This research is unique in its nature as it combines an interdisciplinary approach and analyses a current topic from the perspective of marketing and journalism. In a world that is dominated by digital communication, one in which messages can go viral within seconds, it is vital to understand how and why some tweets are spreading faster than others, whilst furthermore investigating who these hashtags attract.

## **Practical Implications**

The network mapping will allow the researchers to gain an understanding of who the various Twitter Users (TUs) are that associate themselves with these specific hashtags. This in turns may enable the authors to provide guidance and feedback on the hashtags can be used efficiently, whilst at the same time understand any impact the uses of these hashtags may have on issues relating to branding.

## **Limitations**

Firstly, and most importantly the fact that data was collected three months after the first Fashion Revolution Day (FDR) event was executed. As highlighted previously, the hashtag 'InsideOut' managed to create 15,000 tweets with only 24 hours of its appearance. Whilst the

hashtag trended globally number 1 on Twitter, the message behind FRD only slowly started to spread across boundaries outside the fashion world. Secondly, the preliminary analysis also highlighted that whilst all tweets contain either #FashionToDieFor, or #FashionRevolutionDay, or #InsideOut some posts are not related to the actual cause of Fashion Revolution Day. By continuously ‘cleaning’ the data and making sense of the tweets available, the current sample of 15,341 tweets (-15%) may decrease further.

### Originality

This research is unique in nature, as thus far, Fashion Revolution Day has not been analyzed from a marketing and journalism perspective combined. Moreover the ‘insideout’-hashtag is a relatively new occurrence, which has generated high interest with the fashion industry.

### Keywords

Fashion Revolution Day, Sustainability Communication, Digital Marketing, Sustainable Fashion, Social Media, Hashtag

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## The value of brand relationships in creative industries

Bazaki, Eirini

### **Purpose of Paper**

The purpose of this study is to develop a theoretical framework that captures the effect of relational elements in creative industries. In particular, this paper takes the example of the fashion industry and examines the effect of relational elements on consumers' evaluations of luxury fashion brand extensions.

The topic of consumer brand relationships is of critical importance to marketers across different sectors of the economy and all over the world. Keller (2014) describes consumer brand relationships in terms of the emotional intensity of the relationship and the level of activity it requires from the consumer.

Although luxury fashion brands hold a significant market value of the luxury fashion industry (Tungate 2012), many luxury brands are not making significant profits (Chevalier and Mazzalovo 2008). The globalization of the fashion industry has increased consumers' choice set and led to fierce brand competition among the luxury brands. To effectively differentiate and compete in a global environment many luxury brands used high-status brand names (Choo et al., 2012). However, this branding strategy has become less effective in today's luxury market as the customer seeks to engage with brand in an emotional level (Kapferer and Bastien 2009). Emotional involvement with the brand creates and facilitates purchase decisions and creates an exclusive customer brand consumption experience (Brun et al., 2008).

A product may convey both functional and socio-psychological benefits to the consumer. Whereas the functional benefits are important for luxury and non-luxury products (Valtin 2005), a luxury product may be better at conveying the socio-psychological benefits than a non-luxury product. Vigneron and Johnson 1999 categorize the socio-psychological benefits into interpersonal which are directed outwards (e.g., prestige value, uniqueness value and affiliation value) and personal benefits, which are directed inwards (e.g., emotional value).

The hedonic value of a brand refers to the emotional benefits a brand conveys and is proposed to be a major driver of extendibility of luxury brands (Hadtvedt and Patrick 2009). Bhat and Reddy (2001) found that brand affect for prestige brands positively influences affect towards the extension.

### **Design/methodology/approach**

Drawing on a systematic literature review in fashion management and luxury brand management, a conceptual model was created to address the importance of brand relationships when extending fashion luxury brands.

The current research selected two constructs from the brand extension literature and examined their influence on consumer evaluations of luxury fashion brand extension. More specifically, perceptions of fit have been at the core of the conceptual frameworks of almost all studies in the field of brand extension; perceived quality is the second most well researched construct. Both constructs constitute the heart of Aaker and Keller's (1990) principal model in understanding consumer behaviour towards extension products. The present study extends their model to include relational and co-creative elements and provide an improved understanding of extension acceptance under the paradigm of service dominant (S-D) logic.

The study includes the relational and co-creative elements as potential antecedents to the extension acceptance, due to the increase in popularity of the S-D logic and relational approach during the postmodern era and the lack of categorisation theory to account for connotative (co-creative) and affective (relational) elements. The importance of this gap is brought to our attention by a stream of researchers who have recently started to experiment

with the effects of other relational elements such as brand likeness (Yeung and Wyer 2005), brand attachment (Fedorikhin et al. 2008), brand trust (Reast 2005), and consumer emotions towards the brand (Park et al. 2002). In addition, theories from consumer behaviour raise the importance of the conative and affective part of the mind in consumer decision making (Agarwal and Malhotra 2005; Grimm 2005). The present research aims to make a valuable contribution to this developing area of research, by providing a more holistic conceptual framework that takes into consideration constructs that represent different parts of the brain function in evaluating luxury brand extensions.

#### **Perceived Fit**

Research on brand extensions has considered “perceptions of fit” as a major consideration when attempting to extend (Grime 2001). The idea of perceived fit is achieved “when the consumer accepts the new product as logical and would expect it from the brand” (Tauber 1988, p.28).

Admittedly, perceptions of fit is more researched in category than line extension literature, because of variations in physical similarity. Grime et al. (2002) fundamental article in line extensions argued that it is not the type of extension (category or line but the type of fit that matters. In support to this argument research has highlighted brand (line) extensions asymmetric effects of fit across different types of extensions (Heath, DelVecchio and McCarthy 2011). Indeed, it should not matter whether an extension is categorised as category or line extension, since it is the overall level of perceived fit that will affect its evaluation (Nijssen 1999; Grime et al. 2002). Thus, it is proposed that:

P1 Perceived fit directly affects consumers evaluations of luxury brand extensions.

#### **Perceived Brand Quality**

In addition to perceived fit, which is indicated as being important by almost all existing research work, there are numerous other studies which indicate a prominent role for the perceived quality of the brand (e.g., Sunde and Brodie 1993; Nijssen and Hartman 1994; Bottomley and Doyle 1996). Zeithaml (1988) defines perceived brand quality as consumers’ perceptions over the superiority and excellence of the brand compared to its competitors. Zeithaml (1988) concludes that perceived brand quality represents a higher level of abstraction than a specific attribute of the product. Once the product is recognized as a member of a category, the consumer will immediately activate cognitive judgments; and if the brand is associated with high quality, the consumer’s memory rehearsal about the new product will centre on pleasant thoughts in relation to its expected value. As one’s perceptions of quality towards the original brand increase, trust of the new product and satisfaction will also increase. It seems logical to suggest, if the brand is associated with high quality, the extension will benefit, whereas if it is associated with inferior quality, the extension would be harmed (Aaker and Keller 1990; Boush and Loken 1991).

Nevertheless, there is conflicting evidence on whether high quality perceptions of the core brand increase consumer evaluations of an extension (due to the transfer of positive quality associations from the core brand to the extension). For example, while Bottomley and Doyle (1996) found support for a direct effect of core brand quality, Aaker and Keller (1990) provided evidence to suggest that there was no direct link from the perceived quality of the core brand to the extension evaluations. In any event, using core brand quality to predict extension and core brand evaluation may not be sufficient when used in isolation (Aaker and Keller 1990).

There are also different views as to how core brand quality will affect the relationship between fit and consumer evaluations. Aaker and Keller (1990) found that good fit and

high quality were necessary for favourable consumer evaluations. Similarly, Park and Kim(2001) also found the effect of original brand quality to be significant on the extension, provided that there is also congruence between the extension and the original brand.

In contrast, Keller and Aaker (1992) suggest that the higher the level of quality, the lower the impact of fit on consumer evaluations; in other words, a high quality brand should be able to extend further from its product category/image than a lower quality brand (Grime et al. 2002). This happens as beliefs about the perceived quality of the brand will transmit to the extension, if consumers observe a fit between the brand and the extension (Fiske and Pavelchak 1986; Rothbart and Lewis 1988). From another point of view, in a relatively recent study conducted by Völckner and Sattler (2006), which included fifteen important factors for extensions, the concept of perceived brand quality was not found to have any significant effect on extension acceptance. However, none of the studies discussed above was conducted in the luxury sector. Thus, it can be proposed that:

P2 Perceived brand quality moderates perceptions of fit effect on consumer evaluations of luxury brand extension acceptance.

#### Customer to Brand Relationship

Customer to brand relationship is a critical construct in the marketing literature as it describes the bond between the customers and the brand. Emotional attachment has been found to predict purchase behaviour (Park et al., 2010). Therefore, it is argued that a stronger customer to brand- relationship is likely to affect customer's emotional dependency to the brand. As customers become more emotionally dependent by the brand their perceptions of fit between the parent brand and the extension are likely to be influenced. Thus, it is proposed that:

P3 Customer to brand-relationship moderates the effect of perceived fit on consumers' evaluations of luxury brand extensions.

#### Online Brand Communities

The wide expansion of Web 2.0 technologies has enhanced and facilitated the communication between luxury brands and their consumers as well as the communication between luxury brand consumers themselves, who gather together in the form of online communities to share their brand experiences. Online brand communities are social systems and communication channels through which information about new products is transmitted, brand communities have the potential to influence members' adoption behaviour by selectively exposing them to information about new products. Online brand communities are hence perceived by managers as a powerful instrument to influence customers' behaviour. Brogi, Calabrese, Campisi, Capece, Costa and Di Pillo 2013 have found a positive relationship between spontaneous online brand communities and luxury fashion brand loyalty. Brand loyal customers are found to have positive behavioural intentions towards brand extensions (Hem and Iversen 2003). Thus, it is proposed that:

P4 Online brand communities moderate the effect of perceived fit on consumers' evaluations of luxury brand extensions.

#### Co-Creation of Value

Web 2.0 participation based technologies allow users to interact instantly with the brand and other consumers creating value for the brand. The brand is viewed as a shared entity. Brogi, Calabrese, Campisi, Capece, Costa and Di Pillo 2013 have found that community generated content, as a form of co-creation can increase loyalty behaviours for luxury fashion brands.

Overall, customers are found to be more favourable towards the new product when they have participated in the production process (Bendapudi and Leone 2003). They are also more likely to share blame for the outcome when it is worse than expected, but the customers have been provided with a choice in whether to participate. Similarly, Dong et al. (2008), in their research on customer participation in service recovery, indicate that when customers participate in the service recovery process they are more likely to report satisfaction with the

service recovery. Whereas, customer attribution of firm level responsibility for failure in co-produced service contexts had a negative effect on customers' satisfaction of the service recovery. Thus, it is proposed that:

P5 The level of co-creation of value that the brand entails will moderate the effects of perceived fit on consumers' evaluations of luxury brand extensions.

## **Findings**

This article reassesses the work on brand extensions and integrates it into a conceptual framework, including the moderating effects of relational elements. The latter shows that luxury brand extensions are affected by consumers' perceptions of fit between the parent brand and the extension. Parent brand quality, online brand communities, consumer to brand relationship and co-creation of value are identified as moderators to the effects of perceived fit on consumer evaluations of luxury brand extensions. The framework is used to create concrete research propositions and guide further research.

### **Theoretical and Practical Implications**

This paper aims to contribute to both theory and practice, by creating a conceptual framework that can be used to understand consumer evaluations of luxury brand extensions under the S-D logic paradigm. The proposed framework also provides an operational context for the empirical investigation of the propositions advanced.

Originality/value – By proposing a conceptual model incorporating both relational and co-creational elements in luxury fashion brand extension strategy the article contributes to managers and scholars.

## **Keywords:**

Creative Industries, Luxury Brands, Fashion Brands, Brand Extensions, Brand Relationships, Co-Creation

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## **Sustainability and internal branding: Investigating perceptions of employees in industrial markets**

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### **Purpose**

The main purpose of this study is to investigate the relationships between employees' perceptions of sustainability performance and their internal brand commitment in industrial markets. The study examines whether perceptions of employees assigning various degrees of importance to sustainability differ regarding their evaluations of the company's sustainability performance and different determinants of their internal brand commitment. Furthermore, the study assesses the profiles of alternative clusters of employees characterized by various degrees of importance assigned to sustainability, and by different levels of internal brand commitment. The study was conducted in the context of a transition economy. The respondents held top and middle management positions in industrial companies in the chemical, forestry, construction, printing, food, and cosmetics sectors in Belarus.

### **Theoretical framework**

The increasing attention towards sustainability issues arising among different stakeholders in the society facilitates the need to develop sustainability policies, and to achieve successful sustainability performance for companies in different economic sectors. A recent global survey involving executives and managers across a variety of industries shows that 70% of respondents' companies have added sustainability to their managerial agendas in the past six years (Kiron et al. 2012). The strategic goals and tactical actions of companies need to be aligned with the efforts devoted to achieving sustainability (Kotler 2011). Nevertheless, there is still a certain degree of skepticism among some managers regarding the positive impact of sustainability efforts on the financial performance of companies, including their profitability (Szekely & Knirsch 2005). Previous research demonstrates that the unsuccessful implementation of sustainability in companies can be explained by the internal ethical misalignment between employees' perceptions, and ethical corporate identities of their organizations, and consequently the insufficient management of internal stakeholder relationships (Powell 2011). Therefore, sustainability performance of companies can be positively affected by the effective implementation of branding strategies promoting sustainability initiatives to different stakeholders including employees (Kumar & Christodouloupoulou 2014).

Internal branding activities focusing on increasing awareness of employees about their corporate brand and enhancing their knowledge of corporate brand values are of critical importance for successfully implementing company's policies and achieving planned goals (Foster et al. 2010). Prior studies on internal marketing confirm that the involvement of employees, enhanced through effective internal branding activities, can facilitate the

performance of companies (Gapp & Merrilees 2006). Although internal marketing including internal branding has been found to have a critical role in implementing sustainability strategies and achieving competitive advantage in industrial markets, there is an evident gap in research integrating the streams of research on sustainability and internal marketing (Sharma et al. 2010). In general, previous literature reviews of sustainability research in marketing confirm the need to explore issues related to the potential impact of marketing activities on sustainability performance (Chabowski et al. 2011; McDonagh & Prothero 2014). This study aims to address the gaps in research on sustainability and marketing by examining the relationships between sustainability performance and internal branding in industrial markets.

Previous studies on internal marketing highlight the importance of employees' involvement (e.g. Gapp & Merrilees 2006) and their identification with the company's goals (e.g. Foster et al. 2010) for the successful implementation of company's policies and performance. Based on these findings, we hypothesize the presence of relationships between employees' perceptions of sustainability importance for their company, evaluations of the company's sustainability performance, and their internal brand commitment. We conceptualize internal brand commitment as "an employee's psychological attachment to the brand, the degree of which moderates willingness to behave in a brand-consistent way, and to invest significant effort in attaining goals set by the branding strategy" (Baumgarth & Schmidt 2010, p. 1253). Furthermore, we consider the key determinants of internal brand commitment such as brand orientation, internal brand knowledge, and internal brand involvement. In this study, the employees' evaluations of the company's sustainability performance involving "potential social and environmental impacts of a company's business activities" (Epstein & Roy 2001) include sustainability objectives, sustainability decision-making, sustainability disclosure, and sustainability policies. Based on the assumptions of potential links between sustainability performance and employees' commitment (Knox & Maklan 2004; Aggerholm et al. 2011), we utilize the key determinants of internal brand commitment and the main factors of sustainability performance for assessing the differences between the alternative clusters of employees characterized by various degrees of importance assigned to sustainability, and by different levels of internal brand commitment.

## **Methodology**

The study was conducted among employees holding top and middle management positions in industrial companies in Belarus. The survey involved employees of industrial companies operating in the chemical, forestry, construction, printing, food, and cosmetics sectors. The companies collaborated in a trainee program developed by the Belarusian State Technological University. The scales from previous studies were used for developing the measures of sustainability performance (GRESB BV 2014) and determinants of internal brand commitment (Baumgarth & Schmidt 2010). 238 responses were analyzed by using the independent samples t-test, and the K-means cluster analysis. ANOVA was utilized for evaluating the differences between the three identified clusters.

## **Findings**

The findings of this study indicate the presence of significant differences in perceptions of employees assigning various degrees of importance to sustainability in relation to their evaluations of company's sustainability performance and the key determinants of internal brand commitment. More specifically, the study shows that higher ratings on sustainability importance correspond to more positive evaluations of the company's sustainability performance, and to higher scores on internal brand commitment and its determinants. Based on the importance of sustainability and internal brand commitment, we have identified three

alternative clusters of employees: (1) uncommitted sustainability laggards, (2) committed sustainability followers, and (3) committed sustainability leaders. The findings of ANOVA show the significant differences between these clusters across the four dimensions of sustainability performance such as sustainability objectives, sustainability decision-making, sustainability disclosure, and sustainability policies, and the three determinants of brand commitment such as brand orientation, internal brand knowledge, and internal brand involvement. The profiles of the three alternative clusters provide relevant insights regarding individual and organizational characteristics of their members.

### **Theoretical implications**

The study makes a theoretical contribution to research on sustainability and internal branding by investigating the relationships between the perceived importance of sustainability and internal brand commitment of employees in industrial companies. Furthermore, the study advances the knowledge on internal marketing by examining the potential relevance of internal branding for influencing employees' perceptions of the company's sustainability performance, and exploring the potential links between these perceptions and the determinants of internal brand commitment.

### **Practical implications**

The study proposes practical recommendations for marketing managers and HR managers on how to utilize internal branding for enhancing awareness of employees about the importance of sustainability for their companies, and for facilitating their positive perceptions of sustainability performance of their respective companies.

### **Limitations**

The study was conducted in the context of a transition economy and involved employees of industrial companies operating in Belarus. Future studies are recommended to replicate this study in other countries, and to develop a cross-cultural comparison of potential links between perceptions of sustainability performance and different determinants of internal branding.

### **Originality/value**

The study integrates the streams of research on sustainability and internal marketing. The study presents empirical evidence regarding the relationships between the successful implementation of sustainability practices in industrial companies, and the implemented activities related to internal branding including the enhancement of internal brand commitment.

### **Keywords**

Internal marketing, internal branding, industrial marketing, sustainability

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## **Consumer reactions towards different brand self-presentation styles of country of origin-cues for food products**

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### **Purpose**

Consumers have to process a high amount of product information during product decisions, among others country of origin (COO)-cues, defined as the country where the product has been produced (Bilkey & Nes, 1982; Al-Sulaiti & Baker 1998). While some findings see COO as relevant information cue (e.g. Liu & Johnson, 2005), others discuss its insignificance in purchase decisions (e.g. Samiee, 2010; Usunier, 2006, 2011). As there are several ways to communicate external cues we aim to analyse the effects of different self-presentation styles (SPS) to communicate COO.

## Brand Self-Presentation Styles in Advertising

Humans try to manage the impressions others make about them by adjusting their behaviour to portray their self to the audience positively (Goffman, 1959; Baumeister, 1982; Schniederjans, Cao & Schniederjans, 2013). According to Schuetz (1998), among other possibilities, they can enhance themselves in a positive way by presenting a favourable image of themselves (assertive SPS (ASPS), Jones & Pittman, 1982) or by “making others look bad” (offensive SPS (OSPS); Cialdini & Richardson, 1980; Buss & Dedden, 1990). While in the former case they present themselves in a desired way, in the latter one they use domination or derogation of others in hope to be perceived better (Schuetz, 1998). Applying the idea of SPS on COO communication, a brand can enhance consumer responses positively by emphasizing the COO positively or alternatively use an OSPS by derogating other countries.

## Development of hypotheses

Following the research stream emphasizing the relevance of COO (e.g. Liu & Johnson, 2005), we expect that a product advertisement with a high fit to a country of origin will be perceived more favourable compared to advertising without any COO-information. If consumers have a more favourable product attitude this might increase product purchase intentions (e.g. Ajzen, 1991; Tangari & Smith, 2012). Further, we expect a higher willingness to pay, because a high fit COO-cue might increase the perceived product value.

H1: A product which is advertised with a high fit COO-cue is perceived more favourable compared to a product without any link to the country of origin in terms of consumers  
(a) product attitude,  
(b) product purchase intentions and  
(c) willingness to pay.

Generally we assume that consumers prefer a brand that communicates its products' benefits rather than offensively focussing on competitors' weaknesses. A comparison to competitors might cause less credibility and less persuasive influence (Levine, 1976; Swinyard, 1981). Hence, if a COO-cue is perceived as beneficial for the product, consumers should prefer an assertive SPS.

However, if consumers perceive a *low* fit between product and COO, consumers do not see the benefit for the product. But they might be positively influenced by a more aggressive communication style, since research has shown that an offensive style such as comparative advertising is elaborated more intensively (Muehling, Stoltman & Grossbart, 1990; Grewal et al., 1997). They may feel that the brand is self-conscious about expressing the product's quality.

H2a (b): In case of a *high (low)* fit COO-cue, consumers' product attitude is more favourable towards an *assertive (offensive)* SPS than towards an *offensive (assertive)* SPS.

Similarly as discussed above, we expect that consumers with a more favourable product attitude might have higher product purchase intentions (Ajzen, 1991; Tangari & Smith, 2012).

H3a (b): In case of a *high (low)* fit COO-cue, consumers' product purchase intentions are higher in case of an *assertive (offensive)* SPS compared to an *offensive (assertive)* SPS.

Finally, we assume that the willingness to pay for a product is higher in case of a high fit, because the information of COO adds an additional value to the consumer. As the benefit is obvious, the impact of an ASPS might be perceived as appropriate. However, in case of a low fit, the COO information does not necessarily lead to an obviously higher benefit. The persuasive attempt must be higher. Therefore we assume that in case of a low fit, the willingness to pay is higher in case of an OSPS.

H4a (b): In case of a *high (low)* fit COO-cue, consumers' willingness to pay for the brand's product is higher in case of an *assertive (offensive)* brand SPS compared to an *offensive (assertive)* brand SPS.

## Empirical study

The main study consists of a 2 (fit between product and COO: high/low) x 2 (SPS: assertive/offensive) between-subject factorial design with two control groups (see Appendix 1).

For the manipulation of the fit and the SPS in a preliminary study two focus groups (N=4 and N=3) explored twelve different product categories in the food sector (e.g. wine, beer and cheese) and ten headlines (either aSPS or oSPS) in detail. Germany was perceived as typical country to produce beer, whereas Greece was very atypical. The selected headlines are shown in Appendix 2. The brand names “Riedenburger” (Germany) “Piraiiky” (Greece) sounded typical for the countries selected and were chosen out of 40 unknown brands (N=20).

## Data collection and measurement

The experiment was conducted online via social network sites. 179 out of 201 respondents were considered (57.5% female, age: between 19-50, median: 26), the rest excluded due to incompleteness, not living in Spain or knowing the brand well. Each respondent was randomly assigned to one of the groups. Each respondent was confronted with an advertisement (Appendix 1, depending on treatment) and then answered several questions. All measurements were taken from previous research. In case of multi-item constructs Cronbach's Alpha was above 0.8 (detailed in Appendix 3).

## Results

A manipulation check confirmed that respondents in experimental groups perceived the fit between product and COO significantly different (High Fit:  $M=5.53$  ( $SD=0.97$ ); Low Fit:  $2.83$  ( $1.26$ ),  $T_{116,710}=-13.022$ ,  $p<0.001$ ). The descriptives for the three dependent variables are shown in table 1.

In regards to **hypotheses 1a**, running an ANCOVA with the independent variable fit (high, low, without) and product category involvement (PCI) as covariate showed no significant different **product attitudes** between high fit condition ( $M=3.80$ ;  $SD=1.28$ ) and control group ( $M=3.70$ ;  $SD=1.13$ ) ( $F_{1,118}=0.025$ ,  $p>0.05$ , influence of PCI:  $F_{1,178}=20.450$ ,  $p<0.001$ ; adjusted  $R^2=0.137$ ). Therefore, we reject H1a.

In addition, product attitude in the low fit condition ( $M=3.18$ ;  $SD=1.03$ ) was rated significantly less favourable than in the control group ( $F_{1,119}=9.208$ ,  $p<0.01$ , PCI:  $F_{1,178}=5.475$ ,  $p<0.05$ ; adjusted  $R^2=0.082$ ).

Further, consumers in the high fit condition responded significantly more favourable than those in the low fit condition ( $F_{1,118}=4.904$ ,  $p<0.05$ , PCI:  $F_{1,118}=8.233$ ,  $p<0.01$ ; familiarity towards the country:  $F_{1,118}=1.346$ ,  $p>0.05$ ; attitude towards the country:  $F_{1,118}=12.534$ ,  $p>0.001$ ; adjusted  $R^2=0.200$ ).

In regards to consumers' **product purchase intentions** findings show no significant differences between the high fit condition ( $M=2.76$ ,  $SD=1.71$ ) and the control group ( $M=2.91$ ;  $SD=1.63$ ) ( $F_{1,118}=0.904$ ,  $p>0.05$ ; PCI:  $F_{1,118}=10.720$ ,  $p<0.01$ , adjusted  $R^2=0.071$ ), rejecting **hypotheses 1b**. However, participants in the low fit condition ( $M=2.32$ ,  $SD=1.40$ ) had significantly lower purchase intentions than those in the control group ( $F_{1,119}=5.837$ ,  $p<0.05$ , PCI:  $F_{1,119}=2.852$ ,  $p<0.1$ ; adjusted  $R^2=0.044$ ). Findings between low fit and high fit were not significantly different ( $F_{1,118}=1.318$ ,  $p>0.05$ , PCI:  $F_{1,118}=2.825$ ,  $p<0.1$  adjusted  $R^2=0.042$ ).

Respondents in the high fit conditions were willing to pay about 1.66 € ( $SD=0.82$ ) for a 0.33l beer, significantly more than those in the control group (1.30 €,  $SD=0.57$ ) ( $F_{1,118}=5.590$ ,  $p<0.05$ ; PCI:  $F_{1,118}=10.934$ ,  $p<0.01$ , adjusted  $R^2=0.126$ ). This supports **hypotheses 1c**. Consumers in the low fit condition would pay 1.18 € ( $SD=0.53$ ), not significantly less than those in the control group ( $F_{1,119}=1.840$ ,  $p>0.05$ ; PCI:  $F_{1,119}=0.590$ ,  $p>0.05$  adjusted

$R^2=0.001$ ). Respondents in the high fit condition were not willing to pay significantly more than those in the low fit condition ( $F_{1,119}=0.844$ ,  $p>0.05$ ; PCI:  $F_{1,119}=3.621$ ,  $p<0.1$ ; adjusted  $R^2=0.110$ ).

Concerning H2a, further ANCOVAs between experimental groups indicated a significant interaction effect between independent variables ( $F_{1,118}=6.095$ ,  $p<0.05$ ; adjusted  $R^2=0.233$ ). In case of a **high fit** respondents' **product attitudes** were not significantly more favourable in the assertive than in the offensive SPS ( $F_{1,58}=0.790$ ,  $p>0.05$ ; adjusted  $R^2=0.262$ ), having to reject **hypotheses 2a**. In case of a **low fit** product attitudes in the offensive SPS were significantly more favourable than in the assertive SPS ( $F_{1,59}=5.062$ ,  $p<0.05$ ; adjusted  $R^2=0.115$ ), confirming **hypotheses 2b**.

In regards to **purchase intentions**, there is no interaction effect between independent variables ( $F_{1,118}=0.217$ ,  $p>0.05$ ; adjusted  $R^2=0.032$ ). In case of a **high fit** purchase intentions in the assertive SPS-group are not significantly different from those in the offensive SPS-group ( $F_{1,58}=0.401$ ,  $p>0.05$ ; adjusted  $R^2=0.033$ ). Similarly, there are no significant differences between assertive and OSPS in the **low fit** condition ( $F_{1,59}=1.075$ ,  $p>0.05$ ; adjusted  $R^2=0.020$ ). Therefore, **hypothesis H3a and H3b** are rejected.

Finally, our findings regarding the **willingness to pay** show that no independent variable did influence the dependent variable significantly (fit:  $F_{1,118}=0.840$ ,  $p>0.05$ ; SPS:  $F_{1,118}=0.010$ ,  $p>0.05$ ; adjusted  $R^2=0.096$ ). Consumers in the **high fit** condition were not willing to pay more in the aSPS than in the oSPS ( $F_{1,58}=0.401$ ,  $p>0.05$ ; adjusted  $R^2=0.098$ ). Similar effects occurred in the **low fit** condition ( $F_{1,59}=0.676$ ,  $p>0.05$ ; adjusted  $R^2=0.052$ ). Consequently, we reject **H4a and H4b**.

### **Theoretical implications**

This paper contributes to the controversial discussion on COO by considering different SPS. Even though we cannot support all assumptions considering different SPS and the fit, this is a first attempt to emphasize on the importance of communication styles as moderator. Further, we show that COO might affect consumers' perceptions of brand image and the value of a product differently.

### **Practical implications**

In this study we can confirm previous studies (e.g. Usunier, 2006) pointing out the insignificance of the COO cue in the consumer decision process. Our findings indicate that managers should carefully consider the key benefits of COO in advertising when aiming to increase brand reputation, because COO might not lead consumers to buy or consume more. However, consumers were willingness to pay significantly more.

### **Limitations and future research**

This study focussed on one external cue: COO. Future research should examine the impact of several external cues in advertising and compare them. In addition, this experimental study should be replicated in other product categories and to a broader population from different countries.

### **Originality and value of the study**

Even though research on COO is huge, there are controversial findings and knowledge on how to communicate COO appropriately is limited. This study is a first step to examine different consumer responses in regards to SPS, considering the key role of fit between product and COO.

## Keywords

Impression Management, Self-presentation Styles, Country of Origin, Comparative Advertising, Food Marketing

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## Appendices

Table 1. Descriptives of the dependent variables by treatment.

| <div>Group</div> <div>Dependent Variable</div> | High Fit                             |                | Low Fit        |                | Control Group  |                |
|------------------------------------------------|--------------------------------------|----------------|----------------|----------------|----------------|----------------|
|                                                | ASPS                                 | OSPS           | ASPS           | OSPS           | ASPS           | OSPS           |
| <b>Product Attitudes</b>                       | <i>M</i> =4.03<br>( <i>SD</i> =1.31) | 3.58<br>(1.24) | 2.92<br>(0.87) | 3.44<br>(1.13) | 3.97<br>(0.99) | 3.43<br>(1.22) |
| <b>Product Purchase Intentions</b>             | 2.85<br>(1.71)                       | 2.68<br>(1.71) | 2.50<br>(1.40) | 2.13<br>(1.39) | 3.11<br>(1.55) | 2.71<br>(1.71) |
| <b>Willingness to Pay</b>                      | 1.68<br>(0.68)                       | 1.63<br>(0.95) | 1.14<br>(0.52) | 1.22<br>(0.53) | 1.37<br>(0.61) | 1.23<br>(0.54) |

SPS: Self-presentation styles

Appendix 1. Design of the study and stimuli for each group.

| <div>Brand SPS</div> <div>Fit</div>                    | Assertive Self-Presentation                                                                                                                                            | Offensive Self-Presentation                                                                                                                                                         |
|--------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <div>High Fit</div> <div>between product and COO</div> | <div>Riedenburger, merece ser llamada cerveza</div> <div>Elaborada en Alemania</div>  | <div>Riedenburger, el resto no merece ser llamada cerveza</div> <div>Elaborada en Alemania</div>  |
| <div>Low Fit</div> <div>between product and COO</div>  | <div>Piraiki, merece ser llamada cerveza</div> <div>Elaborada en Grecia</div>        | <div>Piraiki, el resto no merece ser llamada cerveza</div> <div>Elaborada en Grecia</div>        |
| <div>Control Groups</div> <div>(without COO)</div>     | <div>Merece ser llamada cerveza</div>                                               | <div>El resto no merecen ser llamadas cervezas</div>                                            |

Brand SPS: Brand Self-presentation Style

Before the survey, the questionnaire as well as the different headlines were translated from English into Spanish and then back into English.

## Appendix 2. Headlines of the different groups.

- 1) Riedenburger, deserves to be called beer. Made in Germany.  
(*high* fit between product and COO; *assertive* brand self-presentation style)
- 2) Riedenburger, the rest do not deserve to be called beer. Made in Germany.  
(*high* fit between product and COO; *offensive* brand self-presentation style)
- 3) Piraiky, deserves to be called beer. Made in Greece.  
(*low* fit between product and COO; *assertive* brand self-presentation style)
- 4) Piraiky, the rest do not deserve to be called beer. Made in Greece.  
(*low* fit between product and COO; *offensive* brand self-presentation style)
- 5) Deserves to be called beer .  
(*Control Group I*; *assertive* brand self-presentation style)
- 6) The rest do not deserve to be called beer.  
(*Control Group II*; *offensive* brand self-presentation style)

Note: As an direct comparison to other countries (which might have a higher fit of COO and product in case of a low fit condition) does not seem appropriate and useful, we do consider rather an indirect comparison to other countries in general with a superiority claim (Wyckham, 1987, Miniard et al., 2006).

### Appendix 3. Measures.

| Name of construct                                       | Items (7-point Likert-type scales; from 1 to 7)                                                                                                                                                                                                                                                                                            | Original source                                 | Cronbachs $\alpha$ |
|---------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|--------------------|
| <b>Attitude toward the advertisement</b>                | 1. The advertisement is bad/good.<br>2. I dislike/like the advertisement .<br>3. The advertisement is unpleasant/pleasant.<br>4. The advertisement is unfavourable/favourable.<br>5. The advertisement is made of poor quality/high quality.                                                                                               | MacKenzie & Lutz, 1989; Mitchell & Olson, 1981. | $\alpha=.914$      |
| <b>Attitude towards the claims in the advertisement</b> | 1. The claim is not convincing/convincing.<br>2. The claim is not credible/credible.                                                                                                                                                                                                                                                       | MacKenzie & Lutz, 1989.                         | $\alpha=.842$      |
| <b>Product Attitudes</b>                                | 1. The product [name of product] is bad/good.<br>2. I dislike/like the product [name of product] .<br>3. The product [name of product] is unpleasant/pleasant.<br>4. The product [name of product] offers poor quality/high quality.                                                                                                       | MacKenzie & Lutz, 1989; Mitchell & Olson, 1981. | $\alpha=.928$      |
| <b>Product purchase intentions (PPI)</b>                | 1. How likely would you buy the product [name of product] the next time you go to a bar? (unlikely/likely)<br>2. How possible would you buy the product [name of product] next time you go to a bar? (impossible/possible)<br>3. How probable would you buy the product [name of product] next time you go to a bar? (improbable/probable) | modified from Schlosser, White, & Lloyd, 2006.  | $\alpha=.938$      |

| Name of construct                                           | Items (7-point Likert-type scales; from 1 to 7)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Original source                                                                                                                                                        | Cronbachs $\alpha$ |
|-------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| <b>Willingness to pay<br/>(Contingent Valuation Method)</b> | <ol style="list-style-type: none"> <li>1. How much do you pay in average for a 0.33 cl glass of beer? (Payment card is presented)</li> <li>2. How is the maximum amount you would be willing to pay for a 0.33 cl glass of beer? Take into consideration that the expenditure on beer can impact on your expenditure on other goods. (Payment card is presented)</li> </ol>                                                                                                                                                                              | modified from Mitchell & Carson, 1981; Ryan, Scott & Donaldson, 2004.                                                                                                  | -                  |
| <b>Fit between product and COO</b>                          | <ol style="list-style-type: none"> <li>1. How would you evaluate the match between the product [name of product category] and the country [name of country]? (very low match/very high match)</li> <li>2. How would you evaluate the similarity between the product [name of product category] and the country [name of country]? (not similar at all/very similar)</li> <li>3. How would you evaluate the congruency between the product (name of product category) and the country [name of country]? (not congruent at all/very congruent)</li> </ol> | <p>Item 1 modified from Voelckner &amp; Sattler, 2006; Aaker &amp; Keller, 1990.</p> <p>Items 2 and 3 modified from Nan &amp; Heo, 2007; Aaker &amp; Keller, 1990.</p> | $\alpha=.944$      |
| <b>Attitude towards the Country</b>                         | <ol style="list-style-type: none"> <li>1. I like/dislike the country [name of country] as a whole.</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                            | Liu & Jonhson, 2005.                                                                                                                                                   | -                  |
| <b>Familiarity towards the Country</b>                      | <ol style="list-style-type: none"> <li>1. I know the country [name of country] very well. (strongly agree/strongly disagree)</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                  | Bloemer, Brijs & Kasper 2009.                                                                                                                                          | -                  |

| Name of construct                         | Items (7-point Likert-type scales; from 1 to 7)                                                                                                                                                                                                                                                                                | Original source                  | Cronbachs $\alpha$ |
|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|--------------------|
| <b>Product category involvement (PCI)</b> | 1. How interested are you in [name of product category]? (not interested/interested)<br>2. How often do you consume [name of product category]? (seldom/often)<br>3. How familiar are you with [name of product category]? (not familiar/familiar)<br>4. How do you evaluate [name of product category] in general? (bad/good) | modified from Zaichkowsky, 1985. | $\alpha=.922$      |

## Branding from emerging countries to the world: A conceptual framework

Chailan, Claude

### Purpose

The purpose of this communication is to investigate the brand policy options offered to emerging countries' companies (ECCs) and contribute to the understanding of this new endorsement phenomenon. Our objective is to explore the nature of emerging countries' companies branding approaches and identify factors associated with the successful transfer of information from these brands to the product and to the consumer.

In the academic field an important body of research already exists on international branding policies in and from developed countries' companies (Urde, 1999; Kapferer, 2000; Strebinger, 2004; Wong and Merrilees, 2007; Yi-Min, 2010). Nevertheless, the specific options offered to emerging countries' companies have not been widely studied in academic research yet and although emerging countries' companies are structuring an increase in power of their brands, studies that combine research on brand strategies with research on emerging countries' companies are still in their infancy. ECCs have been considered as typically technological laggards with strong brands at home (Ramamurti, 2012) although a historical perspective suggests that we may be witnessing the fourth wave of multinationals to appear on the global stage after before World War I, US post WWII expansion, and multinational companies coming out of Japan in the 80s and 90s.

A key challenge facing emerging countries' companies is to manage brands as effectively as their competitors. This is particularly true at a time when the rise of emerging country multinational companies is like a replay of the 1960s and 1970s Ramamurti (2012) when new global players appeared out of Japan, Taiwan and Korea and when through globalization *"products and brands [became] free to travel the world in search of new markets and new consumers"* (Rosenbloom and Haefner, 2009).

Furthermore, most of the theories on branding strategies are Western-based, which may or may not be applicable to other contexts and a view from emerging countries may provide relevant new insights from brand management. Therefore, a need for brand is now appearing

in emerging countries in order to compete with Western companies. Emerging countries' companies have to focus on defining the most adequate policy to reach their goals and a major challenge facing emerging countries' companies is to manage brands more effectively than their competitors (Sharma, 1999; Slater and Olson, 2001; Whitelock and Fastoso, 2007; Schultz, 2008; Hult, 2012). Emphasizing - or not - the brand of origin is an important decision to be made when branding product (Usunier, 2011; Shet, 2011; Winit, 2014). It is a long-term decision which engages the brand with a unique patrimony and a strong commitment to consistency with other elements communicated.

### **Approach**

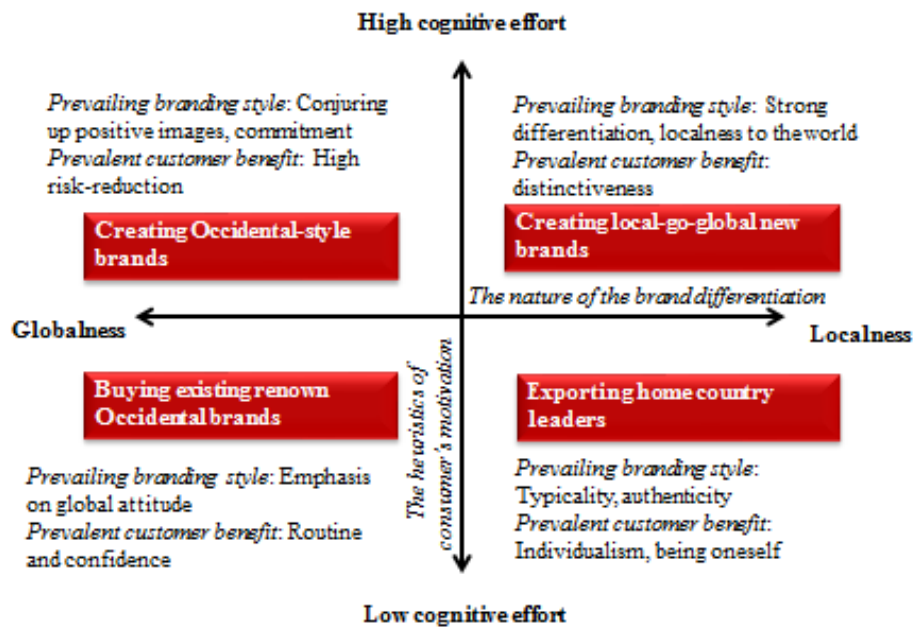
Western consumers often associate their products with poor quality or disappointing products, or ones that don't comply with international safety standards. These negative associations (Aaker, 1992; Keller, 1993, 2012) toward emerging countries' brands create lower expectations of quality, an absence of trust and/or low loyalty levels. Therefore most consumers are not willing to pay as much for products from emerging markets (Magnusson *et al.*, 2008). Emerging countries' companies must thus face and respond to two brand equity issues regarding the trust and safety offered to the customer and, next, in regards to the global vs. local dimension and positioning choice. In order to clarify the options offered to emerging countries' companies we have formulated a theoretical construct that provides a representation for the possible brand strategy choices, defined by way of the emerging country company's position vis-à-vis each of the two brand equity issues it has to face.

This model is built around two axes. The first represents the risk that the consumer is willing to assume in its brand choice, that is to say, the level of effort that this consumer is willing to accept (or not) when choosing a brand depending on whether this latter is already known to him/her or not.

The second line shows the anchoring - local or global – that the company is planning for its brand.

The framework is thus a representation of the above factors and displays the two equity issues which are on one hand the customers' trust and the degree of risk-reduction associated with the brand, and on the other hand the companies local vs. global brand emphasis choice. Figure 1 presents this framework. Figure 1:





(a) The first axis of the analytical model represents the *nature of brand differentiation* i.e. the degree of localness or globalness that the company wants to spotlight in promoting its products. The local vs. global dimension refers to the grade of localness a company should – or not – emphasize when choosing its brand(s) name(s). A key consideration for Chinese companies is to determine to what extent globalness or localness should be emphasized, and specifically to what extent rooting the brand in localness may represent a positive or negative added value. The more the company wants to “minimize” its origins, the more it must look to use brands which evoke globalness – on the left of the axis – meaning an international or cosmopolitan environment (Caldwell *et al.*, 2006; Riefler and Diamantopoulos, 2009), such that the production region will not be a factor taken into account by the consumer. Yet on the contrary, the emphasis can be put on localness – the right-hand side on the horizontal axis.

(b) The second axis of the analytical model represents *the heuristics of consumer motivation* i.e. the cognitive effort (Strebinger, 2004) that the consumer is likely to make in a given product category in relation to the expected benefits from the brand (Berthon *et al.*, 2009). The customer who opts for a low cognitive effort is in a static attitude and not ready to take the risk to purchase an unknown brand. On the other end, the more the customer accepts to take a risk at the time of purchase (i.e. buying an unknown brand), the higher his/her propensity to accept a cognitive effort; which means that the consumer is implicated and is proactive in researching information on a less explicit brand. This axis represents the degree of risk reduction perceived by the consumer because the less the consumers are willing to take a risk at the time of purchase (Kapferer, 2000) the higher their brand expectations and the lower their cognitive effort will be.

## Implications

### *At the theoretical level*

The model suggests that the significant historical debate on a product's origins or its components leads to, in the case ECCs, a reconfiguration centered on these companies' strategic intent to globalize their brands. This strategic intent consists either in sourcing the brand from its local dimension to capitalize on its authenticity, or to choose an adapted global path which allows for challenging brands already established via similar methods.

To Agrawal and Kamakura's (1999) question: “Country of origin: A competitive advantage?”, our answer is yes, but not in the usual sense as the research confirms the

competitive opportunities of brands from emerging countries' companies. Contrary to the conventional wisdom we recommend to ECCs with forceful strategic intentions concerning origin and favorability of their brand names to consider a much wider range of options, including 'being local and acting global'.

The contribution of this paper is to construct a framework that suggests how an emerging country company could create and develop the best-adapted international brand policy depending on its specific situation regarding localness emphasis and customers' risk reduction acceptance. Four strategic branding concepts for emerging countries' companies when expanding abroad are presented and explained. The results of the analysis indicate that the debate surrounding the influence of the geographical origin of a product must be renewed within the framework of a dynamic perspective, evidently focused on the strategic intention of the ECCs brand at the time of their international expansion.

#### *At the managerial level*

The model leads to four branding strategy options which may be put into practice in emerging countries' companies, depending on the local or global rooting focus and on the company perception of the customer's degree of risk aversion. With a reasonable degree of plausibility the four strategic branding intents can be classified according to the motives and benefits as well as the predominant styles of expansion displayed by emerging countries' companies when internationalizing.

Rather than seeing brand strategy choice as an inevitable consequence of international development, ECCs are in a position to innovate by making a competitive advantage of their lack of anteriority in this domain. Particularly, the model suggests that the notion that only global brands are associated with higher product quality or prestige (in relation to local brands) is no longer a universal truth and thus needs to be interpreted with caution. An emerging country company may gain time by purchasing already existing well-known Western brands. However it may too benefit from choosing to emphasize a locally-rooted branding strategy, conditional to creating and maintaining the same high standards of any brand in a developed country's market.

### **Conclusion**

The research confirms the competitive opportunities of brands from emerging countries' companies, and broadens the scope of international branding knowledge to under-researched regions of the world as suggested by Whitelock and Fastoso (2007). Our proposal reinforces the contingency perspective of international marketing according to which brand policy may depend on company criteria as well as foreign market specificities and, furthermore, concurs with Usunier's (2011) suggestion about the necessary deliberate deployment of a strategic branding intent which itself could be successfully conveyed to consumers.

A comparative analysis of the four strategic branding concepts for emerging countries' companies when expanding abroad is to be performed.

### **Key-words:**

Brand, Brand Strategy, Emerging Countries, Brand of Origin, Country of Origin

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## Redesigning the future: Managing the tension between brand heritage and innovation

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### Purpose

Brand heritage attracts significant academic attention (e.g. Balmer *et al*, 2006; Hakala *et al*, 2011; Urde *et al*, 2007). Yet, the corporate heritage brand domain is surprisingly under-researched (Balmer, 2013). Maintaining past heritage and progressing brand identity are paradoxical (Merrilees & Miller 2008). That paradox or tension, which is at the core of a corporate heritage brand's identity, presents a significant challenge for brand management (Aaker, 2009; Balmer, 2011a; Merrilees & Miller, 2008; Urde, 2013). This paper's purpose is to understand resolving the tension in the corporate heritage brand context, using a qualitative research design. The findings provide insight into how brand managers can remain true to the brand's essence and innovatively extend the brand's heritage.

### The Literature

The paper follows Burghausen and Balmer (2014a; 2014b) and Hakala *et al* (2011) in elevating heritage above other temporal concepts, such as past or history, because of its unique ability to derive legitimacy and value from the past, present and potentially the future. This study draws on the literature domains of heritage brand paradox, corporate heritage brands and brand heritage management.

### Heritage Brand Paradox

Branding scholars acknowledge the challenge of maintaining the 'allure and magic' of a corporate brand and concurrently be relevant (Balmer *et al* 2006; Merrilees & Miller, 2008). The tension between constancy and change represents a core paradox in branding (Gyrd-Jones *et al*, 2013). Corporate heritage brands, despite strong reputations, face the problem that comes with longevity, potentially being perceived as old rather than innovative (Wiedmann *et al*, 2011).

### Remaining True to the Authentic Core

Brands 'must remain true to an authentic core while also remaining relevant' (Beverland, 2005a, p. 1004). Brand essence has a strong connection to authenticity and brand heritage (Beverland, 2005a). To remain true to the authenticity of a brand, leaders must diligently govern the corporate brand's core values, a defining element of a corporate brand's essence (Urde, 2009). The core values can convey the constancy of the brand's promise, while adapting their interpretation and expression can make the brand relevant.

### Embracing Change

Arguably, corporate heritage brands only remain relevant if they can manage change and continuity, and being in tune with a brand's community can support brand renewal practices and in turn, brand endurance (Balmer, 2011a). Balmer (2011a, 535) finds that the 'ruthless pragmatics of the Crown' in accounting for changes in the political, economic and social environment 'has ensured its continuance'. Burghausen and Balmer (2015) emphasise the role of stewardship in maintaining what is termed as heritage relative invariance (Balmer 2011b), accommodating continuity and change.

### Relevance

Managing brands for the long-term requires brand management to balance 'brand constancy with activities that create relevance' (Beverland & Luxton, 2005, 110). Keller (2003) identifies that energy, relevance and differentiation, positively enhance brand strength. He argues that a brand needs to be strong in all three categories to leverage heritage successfully.

Corporate heritage brands ‘remain meaningful not only because of their provenance but because of their salience’ as they ‘not only have, but also give, identity’ (Balmer 2011b, 1382).

#### *Innovation and design*

Corporate heritage brands can use innovation to tackle emerging consumer needs (Morley & McMahon, 2011). Innovation takes many forms including creative ways of producing, packaging, and delivering goods and services; new ways of communicating to stakeholders about issues and initiatives; and inventive ways to create a cradle-to-cradle organisation. The value of developing an organisational culture that supports innovation is clear (Borja de Mozota, 2003). Design innovation is one strategic approach to brand revitalisation, which could be an effective means for balancing commercial and artistic tensions (Beverland, 2005b; Beverland & Luxton, 2005). Design is an integral aspect of developing and sustaining relevance, and potentially a means for communicating brand constancy, while evolving the style of the brand to engage contemporary stakeholders. Hence, design innovation could help corporate heritage brands to obviate the risk of seeming outmoded or timeworn, rather than innovative.

### **Methodology/ Approach**

The research question for the study is:

*How do corporate heritage brands resolve the tension between brand heritage and innovation?*

The qualitative research strategy contrasts brand heritage management across five corporate heritage brands. The multiple case study approach is consistent with the research objectives, enabling the examination of brand paradox across different industry contexts. Data collection used semi-structured interviews. Criteria for case selection were the heritage identity traits: longevity, a degree of continuity in the brand’s core values and brand promise, responsiveness to change and an organisational recognition that brand heritage was significant to the corporate brand’s identity (Balmer, 2011b, 2013; Urde *et al*, 2007). Five cases met the selection criteria (Table 1).

Table 1: The Corporate Heritage Brand Cases

| <b>Corporate Heritage Brand</b>        | <b>Industry</b>           |
|----------------------------------------|---------------------------|
| The Huka Lodge, in New Zealand         | Upmarket heritage tourism |
| Paspaley, Australia                    | Pearling, jewellery       |
| Percy Marks, Australia                 | Jewellery                 |
| Rodd & Gunn, Australia and New Zealand | Menswear                  |
| Tyrell’s Wines, Australia              | Winemakers                |

#### *Data Collection and Analysis*

Semi-structured interviews were designed to capture the complexities of governing corporate brands over time, and they related to brand continuity and renewal. The interview protocol enhanced consistency across interviews while allowing for flexibility (Yin 2009). All interviewees were senior leaders with extensive corporate brand knowledge. Data analysis used thematic analysis, after Braun and Clarke (2006). The ‘structured and diverse lenses’, adopted through the layered analyses, improved the accuracy and reliability of the theory, which it generated (Eisenhardt 1989, 541). A close fit ‘is important to building good theory because it takes advantage of the new insights possible from the data and yields an empirically valid theory’ (Eisenhardt, 1989, 541).

## Findings

The findings are presented in four dominant themes: *remaining true to the authentic core of the corporate brand*; *embracing change*; *maintaining relevance*, and *innovation and design*. Together, the components provide insight and guidance for the management of the brand paradox in the corporate heritage brand context.

### *Remaining True to the Authentic Core*

Remaining true to an authentic core was significant to the management of brand paradox for the corporate heritage brands. Diligent governance of the brands' authentic core was integral to the integrity and authenticity of brand essence. Percy Marks and Tyrrell's placed the greatest emphasis on protecting brand authenticity through the constancy of brand essence. For Percy Marks, the constancy of the brand's values was a principal concern for leaders in protecting the brand's authentic essence. Although the '*brand values don't change*' (Leader, Percy Marks), in response to shifting societal values, leaders strategically shifted the emphases on which core values were salient to stakeholders.

### *Embracing Change*

Embracing change was a second important aspect of brand paradox management for corporate heritage brands. All cases demonstrated a desire to embrace change. They created the impetus for change by maintaining and developing strategic information processes including monitoring and market research. However, how the cases embraced change, varied. Rodd & Gunn, and Paspaley were the most willing to embrace change. One Rodd & Gunn Leader drew on '*an old saying that if you don't change, you die with your youngest customer*' to stress that Rodd & Gunn are constantly pushing '*the boundaries*, but in a way that is '*still within your core values*'.

### *Maintaining Relevance*

Relevance was integral for managing brand paradox. Across all cases, leaders emphasised the importance of relevance and enacting change in a particular way. The corporate heritage brands developed relevance through evolutionary change on two key levels: *ongoing improvements to the brand's core*, and *purposeful peripheral adjustments*. Paspaley, Rodd & Gunn, and Tyrrell's were particularly strong at managing brand paradox through relevance. To illustrate, Tyrrell's leaders refuse to comply with industry trends that would compromise the brand's authentic essence, favouring purposeful changes with a strong element of '*timelessness*' for lasting relevance.

### *Innovation and Design*

The extent that the corporate brands engaged in activities of exploration, collaboration and experimentation, influenced the expression of brand innovation. Tyrrell's and Paspaley were particularly strong at managing and operationalising brand innovation. Archival research was an important creative input for Tyrrell's, stimulating organisational creativity and generating important renewal outcomes for the corporate brand.

Design innovation is a special form of innovation, and a particularly important aspect in brand paradox management for the corporate heritage brands. It is a valuable tool in leveraging brand heritage, the purpose of which is to imbue the brand's past with meaning and salience to engage contemporary stakeholders. Paspaley and the Huka Lodge were especially strong in design innovation. Paspaley used design to exceed consumer expectations and the Huka Lodge used design to '*celebrate*' the brand's heritage. Huka Lodge's unique interior design is the platform for the delivery of a '*phenomenal*' luxury experience with a distinct '*mythological*' quality. The design of the Huka Lodge '*reflects*' the brand's heritage but with a '*slightly modern twist*'.

### **Theoretical implications**

The paper's main theoretical contribution is resolving the tension between heritage and innovation, explaining how to manage continuity and change to enhance the corporate brand and its heritage. The main finding was the essential need to embrace change, evident in all of the corporate heritage brands. Building on that change platform, three different approaches unified the delicate handling of change. Specifically, corporate heritage brands pay particular attention to: (1) remaining true to the authentic core; (2) maintaining relevance; and (3) innovating, especially using design innovation. Approaches 2 and 3 take the brand into the future, but always connected in some way to heritage values. Approach 1, *remaining true to the authentic core*, remained the essential anchor to change, thus resolving the paradox.

### **Practical implications**

The study contributes to branding practice, with a set of principles to guide and empower corporate heritage brand managers to resolve the tension between innovation and heritage.

### **Limitations**

The five corporate heritage brands offer evidence supporting the resolution of brand paradox through strategic brand management. However, further research could contrast corporate heritage brands with other brand types, to provide more insight into the phenomenon.

### **Originality/value**

This paper presents original research to redress the limited attempts to resolve the inherent paradox between brand heritage and innovation in the corporate heritage brand context. The resolution is through strategic brand management with specific attention to the advancement of brand heritage.

**Keywords:** Corporate heritage brands, brand heritage management, brand paradox, innovation

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## Updating logo: Impact of seniority with the brand, brand attachment and surprise on logo perception

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### Purpose of paper

The current research aims to understand how a logo's change impacts current and future customers' conscious and unconscious brand perceptions in the context of a real change.

It is well known that brand managers need to be cautious when modifying logos. Even though research argues that updated logos might have a positive impact on consumers, rebranding through a change of the logo can be a perilous strategy causing serious damage to brand loyalty and equity (Ellwood, 2006; Gotsi and Andriopoulos, 2007; Hatch and Schultz, 2003). Because logos are one of the main instruments to communicate image, gain attention, increase recognition and differentiation of the brand as well as a means of provoking an emotional response (Aaker, 1991; Henderson and Cote, 1998; Kapferer, 1997; Melewar et al., 2005; Pittard et al., 2007), their modification has to be carefully thought, planned and operationalized. According to Keller (2003), a logo is among the most powerful brand elements due to its impact on brand knowledge and, consequently, brand equity; impairing those would have dramatic effects on brand.

In particular, brand attachment, familiarity or seniority with the brand, could affect the perception of a new logo for an existing brand. Previous research showed that highly engaged customers demonstrated the most negative perception of a logo's change (Walsh, Winterich and Mittal, 2010). This change could “*spoil the image created through past investments*” by the brand (Keller, 2005, in Müller, Kocher and Crettaz, 2013, p.83). Moreover, if this change creates some surprise in people's mind, this could induce avoidance or approach to the new logo. Some authors even spoke about “hostility” (Kapferer, 2008). Based on the above reasons, in the context of a real logo change, the present study aimed at:

1. Investigating the impact of brand attachment, familiarity and seniority on perceived congruency between the logo and the brand, and on the implicit associations between the logo and the brand qualities.
2. Investigating the effect of surprise on perceived congruency between the logo and the brand and the preference of the new vs. old logo.

### Methodology

Because Grenoble Ecole de Management just changed its logo in 2014, 242 GEM students participated in the study. They were separated according to their seniority with the school: either students from the last year program – current students (n=123) or eligible students for the entrance to 1<sup>st</sup> year program - entrants (n=119).

Each participant had to 1. Choose a reward as a polo shirt among two displaying either the new or the old school logo, 2. Realize a lexical decision task with a priming phase during which the new and old logo was displayed, and 3. Answer a questionnaire after having been exposed either to the new or the old logo.

The lexical decision task was aimed at measuring the implicit (unconscious) associations between the new or old logos and related brand qualities (Rivière et al., 2013). Participants were instructed to determine as quickly as possible if character strings were real French words or not (lexical decision task) after having been exposed to the old or the new school logos (primes). The test comprised a total of 40 sequences including 20 test and 20 distractive sequences designed to prevent participants from understanding the real objective of the study. Each sequence was comprised of a fixation point presented at the center of the screen for 500

ms, followed by the presentation of the prime (new or old logo) for 250 ms, and finally by the presentation of the target until the participant produced a response. The 20 test sequences were constituted by the presentation of the primes followed by the presentation of the following words: innovation, prestige, international, openness, management, ready-to-wear, originality, strict, future, dynamism, i.e. related or unrelated qualities of the school's brand. Participants were then asked to fill in a questionnaire. They had to answer questions about their resistance to change (Oreg, 2003), their familiarity with the school's brand (Michel and Vergne, 2004) and their attachment to the school's brand (Lacoeuilhe and Belaïd, 2007). Then, they were presented with the old or the new logo of the school and had to evaluate the perceived congruency of the logo with the school's brand (Fleck, Roux and Darpy, 2005). Respondents were also asked whether they knew the school had changed its logo and, if yes, whether they had been negatively or positively surprised by the new logo.

## Findings

Overall, our results demonstrated a greater attachment to the school's brand for current students ( $m=5.08$ ) than for entrants ( $m=4.76$ ),  $F(1,242)=7.44$ ,  $p<.01$ , and a greater familiarity with the brand for current students ( $m=5.72$ ) than for entrants ( $m=5.13$ ),  $F(1, 242)=27.78$ ,  $p<.001$ . So the highest seniority group (current students) showed higher brand attachment and familiarity than the lowest seniority group (entrants). Moreover, current students showed a higher resistance to change ( $m=3.36$ ) than entrants ( $m=3.06$ ),  $F(1, 242)=5.72$ ,  $p<.02$ .

An ANOVA on perceived congruency with the seniority with the school and the presented logo as between-subject variables demonstrated a significant interaction,  $F(1, 242)=6.51$ ,  $p=.01$ : the old logo was perceived more congruent with the brand by the current students ( $m=4.71$ ) than by the entrants ( $m=4.03$ ),  $p<.05$ , while there was no difference in perceived congruency between the new logo and the brand between the 2 groups ( $m=4.70$  &  $m=5.01$  respectively). In other words, only entrants perceived the old logo as less congruent with the school's brand.

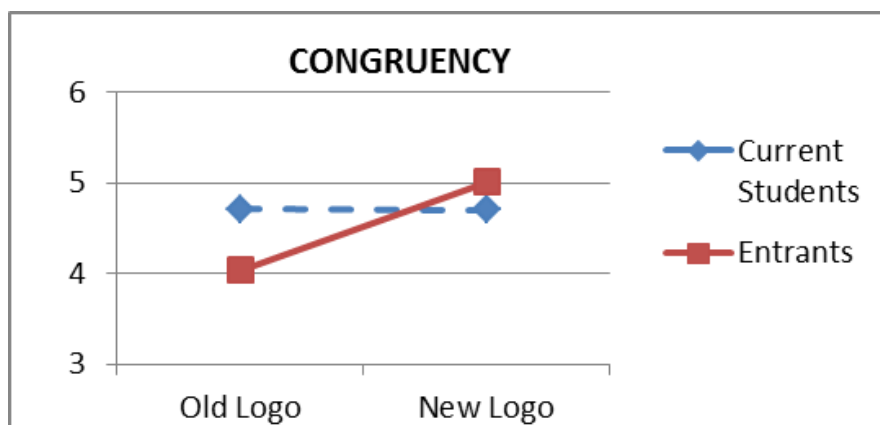


Figure 1. Effect of seniority with the brand on perceived congruency between the logo and the brand.

Most of the participants knew the school had change its logo, but some did not ( $n=32$ ). To investigate the impact of surprise on perceived congruency between the logo and the brand, we made a second series of analyses keeping only participants who declared having been aware of the change ( $n=210$ ). The analyses revealed that surprise had an impact on perceived congruency: the more participants were negatively surprised by the change, the more they perceived the old logo congruent with the brand ( $B=-.23$ ,  $p=.02$ ); the more participants were positively surprised by the change, the more they perceived the new logo congruent with the brand ( $B=.69$ ,  $p<.001$ ).

Moreover, the impact of surprise was not explained by the resistance to change,  $p > .05$ , but by brand attachment and familiarity,  $p < .05$  for both. Finally, overall, entrants were more positively surprised by the change ( $m = 4.46$ ) than current students ( $m = 4.02$ ),  $F(1, 210) = 4.10$ ,  $p < .05$ .

The analyses of the logo preference, as the choice of a polo shirt with the new or the old logo, showed that overall the polo shirt with the old logo was more frequently chosen, but even more frequently by entrants (84%) than by current students (73%),  $p < .05$ . When participants knew the school had changed its logo, they mostly chose the polo shirt with the old logo (81%),  $p < .05$ , while when they did not know about it they equally chose the 2 polo shirts,  $p > .05$ .

This choice was not explained by resistance to change, attachment, familiarity or perceived congruency, but better by implicit measures. Indeed, the analysis of the reaction times to words after having been primed by the old or the new logo revealed that when entrants chose the polo shirt with the new logo, the new logo was significantly more associated with “future” ( $RT = 591$  ms) and “strict” ( $RT = 584$  ms), whereas when current students chose the polo shirt with the new logo, it was more associated with “future” ( $TR = 621$  ms) and less associated with “originality” ( $RT = 650$  ms).

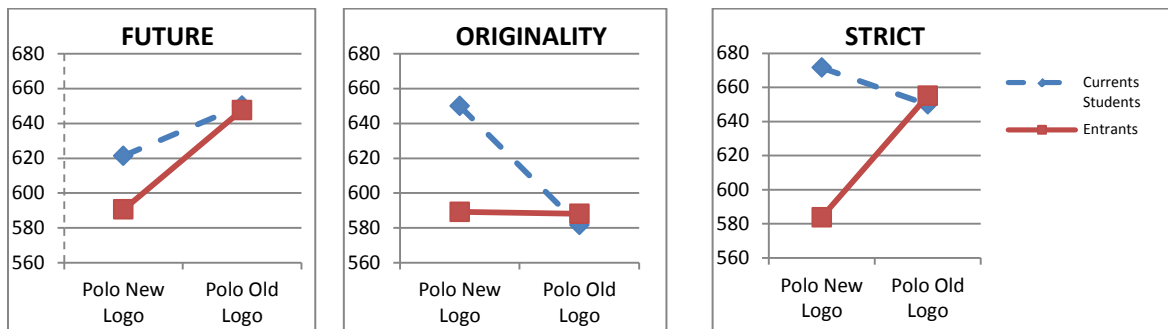


Figure 2. Reaction times of participants who chose the polo shirt with the new logo or the one with the old logo to “Future”, “Originality” and “Strict” after having been primed by the new logo.

### Theoretical and practical implications

Taken together, our results revealed that brand attachment and familiarity affected perceived congruency between the brand logo and the brand itself. Indeed, entrants, i.e. new customers, less attached to the brand, also perceived the old logo as less congruent, which certainly leads them to better accept the logo change. Surprisingly, resistance to change did not play any role in the perception of congruency of the new brand logo, but surprise did. To accept this change, through a higher perceived congruency between the logo and the brand, any surprise effect should be pleasant. An unpleasant surprise effect may lead to a rejection of the new logo, because it will be perceived as less congruent with the brand. Otherwise, a careful preparation of customers should be planned, through communication for example, in order to avoid any surprise. More precisely, the more the customers are attached to the brand, the most careful brand managers have to be regarding creating a surprise effect, since our results showed that existing customers, i.e. current students, were overall less positively surprised than new customers (entrants). Pre-existing representations of visuals associated with the brand may serve as a reference. Thus, brand managers should monitor surprise, either by avoiding it or by creating positive surprise. Using positive surprise during a process of logo change could have a positive impact on consumers’ perception.

The fact customers more often chose the product with the old logo could also come from a non-preference: they chose the old logo to avoid taking the new one which contains something that does not suit them.

The declarative measures did not well predict the logo preference, i.e. the final choice of the branded polo shirt, whereas implicit measures, did better, both for existing and new customers. These results are consistent with findings in consumer research similarly demonstrating poor or no correlations between explicit and implicit evaluations or attitudes (see Dimofte, 2010), or behavior (Werle and Cuny, 2012). In the present study, implicit test better explained the final preference of customers, consistent with a previous study in a food context (Werle and Cuny, 2012), certainly because elaboration and thinking, underlying explicit testing, is never present or used within the process of choosing a preferred product. Marketing researchers would benefit from using these methodologies to investigate the impact of various variables on consumer behavior.

### **Limitations and further research**

Automatic emotional reactions to logos could be chosen as a theoretical framework to better understand the process behind the choice of a branded product in a context of rebranding. Future research could furthermore be realized with companies' brands as it is possible that the level of attachment is different between attachment to a school brand and attachment to companies' brands.

### **Originality of the paper**

The originality of the research lies in the fact that it investigated logo change and its impact on customers' brand image and preference in a real context of logo change, through explicit, implicit and behavioral measurements.

### **Keywords**

Brand attachment, congruency, logo perception, implicit measures, surprise

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## **Philosophy by design: Explicating the creative legacies of Ogilvy, Bernbach and Burnett in contemporary (critical) branding thought**

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### **Purpose**

As the field of advertising broadens its managerial scope from *communicating to integrating* the branding process (Schultz et al., 1994; O'Guinn et al., 2006; Moriarty et al., 2012), its central process of creativity has shifted orientation from the *classic-artistic* to the *progressive-scientific* practice that renders the former's evolution as a '*historical background*' from which it progressed, falling into the managerial trap of "*bias towards progress*" (Vink, 1992, p.220; Reid et al., 1998; Ashley & Oliver, 2010). The *progressive-scientific* orientation's concern with efficiency and technological developments threatens to streamline and, eventually, de-humanize the process of brand creativity/design (Reid et al., 1998; Ashley & Oliver, 2010; Holt & Cameron, 2010), which this paper aims to rescue. By adopting a historical perspective (Vink, 1992; Tadajewski & Brian-Jones, 2014), it will critically *interrogate* the intellectual heritage of creative brand design embodied in the *classic-artistic* practices/legacies of the revolutionary advertisements of Ogilvy, Bernbach and Burnett; the key figures of the creative revolution of American advertising in the 1950/60's (Fox, 1984), so as to *explicate* the capability of critical thought in creative brand design to transform critical ideology, in an increasingly progressive managerial environment, into authentic and effective 'big ideas' capable to enrich and imbue brands with sophisticated, compelling and relevant meanings (Reid et al., 1998; Ashley & Oliver, 2010; Holt & Cameron, 2010).

## Method

To achieve its goal, this paper utilizes an inductive (archeological-like) theory-building method of historical research in marketing, which, according to Vink (1992), enables us to closely interrogate -- through the simultaneous deconstruction and cross-examination of evidence-- the contents of the professional and intellectual artifacts/work (ads/package/poster designs, autobiographies, articles, and speeches) *by and/or on* Ogilvy, Bernbach and Burnett to *explicate* their *mental maps*, which are seldom expressed in their work beyond immediate observation/reflection, whereby they navigated the managerial challenges of their time. The concepts developed from these maps will establish the links (similarities and differences) between their managerial *theories-in-action* and those underpinning contemporary branding thought so as to, ultimately, guide the transformation of critical ideology into authentic and effective (big-idea) brand designs.

## Findings

Despite being decades apart, the ideological concerns of the creative advertising revolutionaries commensurate with those of contemporary critical branding theory in their opposition to the *progressive-scientific* (psycho-economic) (Keller, 2008; De Chernatony, 2002) approach to managing brands. The mental maps guiding Ogilvy, Bernbach and Burnett designs revealed that, in their advertising, they have challenged the psycho-economic rationale by re-envisioning the equity of a brand from a *mental* to a *social construct* akin to the socio-psychological, anthropological/human and sociological/humane schools of critical branding thought respectively.

Throughout his campaigns, David Ogilvy's main concern was to develop strong brands through turning their economic/functional benefits into an *informative, charming and coherent* persona that respectfully seduces customers to choose them over competition, forming ultimately, in his own words "...an indestructible image [that] makes your brand part of the fabric of life" (Ogilvy, 1987, p.19). His vision reverberates in contemporary branding theory in the social-psychology's Aaker (1996) and Kapferer (1997) (sender-receiver) models of brand identity communication, which view brands as speech-making personalities aiming at a congruence between their own and their customers' personalities. Ogilvy's transformation of this socio-psychological school of thought into compelling/creative designs will be closely examined in light of his campaign '*the man from Schweppes*' for the British Beverages brand.

To Bernbach, markets have the power to mediate societies' enduring human values (rooted in their culture) via brands (Fox, 1984; Levenson, 1987; Willens, 2009). In his advertising therefore he believed in advertisers' power of persuasion when they "*ally with great ideas and carry them [as brands] to the public. We must practice our skills in behalf of our society. We must not just believe in what we sell. We must sell what we believe in*"; that is what he called "*genuine creativity*" (Levenson, 1987, p. x, xvii). In other words, he sees advertisers' creativity (like that of artists) as a cultural gate-keeper/trendsetter which has an ethical duty to genuinely act as the brand's agent in facilitating/empowering customers' active participation in the market-shaping of their societies' culture, which resonates perfectly with the ideologies of the anthropological school of branding (McCracken, 1993; McCreery, 2001; Varey, 2013). This school advocates an *egalitarian human approach* to markets/economies where an active customer-market socialization (communing) process via brands is facilitated by an "*ethical economy*" (Arvidsson, 2007, p.16) that ensures their *equitable co-production* of these brands, which, in turn, provides a sustainably healthy and vibrant society/culture (Muniz & O'Guinn, 2001; Scott, 2005; Veloutsou, 2009; Bradshaw, 2013). Bernbach's transformation of this school's concepts into compelling/creative designs will be closely examined in light of his enduring campaign-- '*we try harder*' --for Avis Rent-a-Car Company.

As the founder of what he called the ‘*Chicago School of Advertising*’ (Ogilvy, 1981, p.200), Burnett avoided New York to make an ideological statement of intent that departs from the view, held in Madison Avenue, of the enduring nature of culture and the active role markets play in its sustainability (Burnett, 1966). To Burnett, culture is an active social phenomenon continuously reconstructed by its agents (our customers/people) from the raw material provided by the market and aided by advertising creativity that “...*draws upon a lot of nourishment from the richness of [American] folklore, restores it, perpetuates it in a keen and lively sense*” (Burnett, 1966; Ogilvy, 1983, p.200, 201; Fox, 1984). To him therefore ads are vibrant sources of brands’ “*inherent drama [that] our No. 1 job is to dig for it and capitalize on it*” (Ogilvy, 1983, p. 201). The Chicago School’s humane ideology mirrors that of the sociological school of brands pioneered by Holt (2004), thirty-eight years after Burnett, as the ‘*cultural branding*’ approach where customers become cultural *agents* who, in a process of *myth-making* (ie folklore-making) adopt brand meaning in their pursuit of social identity construction, and actively *collaborate/commune* with brands to pursue and develop that meaning within society, ultimately turning branding into a process of cultural activism (Holt, 2004; Holt & Cameron, 2010). Burnett’s transformation of this school’s ideology into compelling/creative designs will be closely examined in light of his folkloric animation of *Tony the Tiger* for Kellogg’s Frosted-Flakes campaigns.

### **Theoretical implications**

In light of the *historical-turn* in marketing theory and practice (Tadajewski & Brian-Jones, 2014) this paper bridges between *past* and *present* so as to refresh and preserve the intellectual spirit of artistic brand design by narrowing the gap between the *critical theories* of contemporary branding thought, and the philosophical (*critically-thought*) creative legacies of Ogilvy, Bernbach and Burnett so as to ultimately ensure “...*that we provide the appropriate gestures of our intellectual predecessors [by demonstrating that] they were sophisticated thinkers whose ideas have greater degree of commensurability (and points of disjuncture) to those that form the mainstream canon today*” (p.1239, 1271).

### **Practical implications**

The paper *aspires to inspire* (build a case for) the development of a much needed *hybrid breed of intellectual-professional* (creative) designers who can synthesize complex theoretical thought with emphatic aesthetical designs to build ‘iconic/revolutionary’ brands that meet and exceed their clients’ objectives in an increasingly volatile, multifaceted and complex brand-oriented societies (McCreery, 2001; Muniz & O’Guinn, 2001; Veloutsou, 2009; Holt & Cameron, 2010; Kornberger, 2010; Bradshaw, 2013).

### **Limitations**

The context of the study focuses on American advertising, as one of the world’s leading microcosms of advertising practice and scholarship, from which the world can draw parallels (Fox, 1984; Scott, 2005; O’Barr, 2010). Conscious of cultural/national particulars though, it is fully recognized that American advertising is *not the only* example/model of a well-developed advertising culture as well as Ogilvy, Bernbach and Burnett *are not the only*, albeit key, *figures* who shaped advertising creativity in America and beyond.

### **Originality**

The historical and hybrid nature of the study provides a unique *re-enquiry* into the creative intellect of Ogilvy, Bernbach and Burnett that revives their critical theories of ad-design from being revered in advertising literature as memorable creative executions to examine their



philosophical underpinnings that provide the contemporary (critical) theory of brands with an enduring practical orientations that can help bridge the chasm between its theory and practice.

### Key words

*Branding theory, Creative design, Historical methods, Creative advertising revolution, USA*

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## Designing value propositions in branding a rural community

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### Purpose of the paper

The purpose of this paper is to examine the power of symbols and communication in contemporary society within the European context to establish branding as a new resource for community development and the building of public-private coalitions that further community goals. The research builds on social system theory (Luhmann's theory, 1986) and adopts discourse analysis (Mabey and Freeman (2012) as an informed method for examining leadership in place branding. A fundamental dilemma in designing value propositions to meet place-branding objectives is, in a nutshell, variety versus specificity. The visionary Steve Jobs claimed that the 'biggest innovations in the 21<sup>st</sup> century would be at the intersection of biology and technology' (cited in Myers, 2012). From this perspective, rural nature will complement scientific bio design, thereby allowing communities to build a strategy that addresses the need for specificity and contributes to achieving the aim of rural sustainable development. Three research questions are addressed. What should the community brand represent? How should the represented brand be marketed so as to give decision makers a perspective from which to tackle the branding dilemma between variety and specificity? What new brand values, architecture and incentive systems should be implemented for capturing possibilities and, simultaneously, fending off attacks on the core community brand, including anti-brand sentiments?

### Theoretical background

It is not only an organization's internal logic, but also and especially its collaboration with a variety of societal stakeholders that have assumed increasing importance as a mechanism for developing a reputable brand. The branding process is evolutionary (Lemmetyinen & Go 2010) and serves to enhance corporate brand equity, defined as "the set of brand assets and liabilities linked to a brand, its name, symbol, that adds to or subtracts from the value provided by a product or service to a firm and/or to a firm's customers" (Aaker 1991, p. 15). Brand equity is typically measured on several dimensions. These include, first, brand loyalty or the ability of the brand to differentiate itself (variety) so as to attract and retain a high

percentage of dedicated customers. Second, name awareness is likely to attract more people to a place than if the location is obscure and unheard of. Third, perceived quality places the brand in a certain way in the customer's mind (specificity), which persuades him or her of its superior strength in comparison to rival brands. Brand strength, in turn, is nurtured by attribute associations, which are understood to determine the direction of "added value" (Riezebos 1994). Companies render goods and services with an aura of spectacle, beauty or authenticity by drawing on the context specificity of places, such as their landscape, heritage, climate, local competences and technologies. In this way their immaterial, symbolic cultural signifiers are imbued with economic value: surviving buildings, relics, memories and place associations are preserved and presented as tourist attractions and promising investment objects. As a consequence, such centers no longer function solely as places of consumption but are, in turn, consumed (Urry 1995). The commodification of places exemplifies an extreme of the "density principle" or the degree to which the mobilization of resources occurs in a particular situation – "e.g. for a customer at a given time in a given place – independent of location, to create the optimum value/cost result" (Normann 2001, p. 27). On the conceptual level there are three overlapping paradigms. The first is the discourse of global business, which through physical and virtual interactions contributes to the transformation of the reputational landscape of place brands. Second are the place-branding debates on the potential impact of the twin forces of globalization, , mediated technologies, on actors, varying significantly in geography and between criticaster and scientist. Third are the social systems, which according to Luhmann (1986) reproduce interdependent communications and relationships among rural stakeholders and with their counterparts at the national, provincial, and local level. In line with Luhmann's theory we argue that a branding system could be interpreted as a specific type of rural social system.

### **Methodology**

Our aim in this research is to explore how the building of an umbrella place brand based on trustworthy relationships helped to satisfy the full range of a community's needs, including living, working, conducting business and welcoming visitors. We distinguish three analytical perspectives on questions of marketing management, the "outside-in", the "inside-out", and the inside-in". The "first two shed light on the dynamism stemming from the interfacing of heritage and open-world narratives enacted by stakeholders in a variety of roles, often with conflicting interests and agendas.

We conducted a case study in a rural area in Finland and observed the process of building a brand identity. The informants represent different business sectors. As part of the community they are more or less consciously building a joint brand identity. Qualitative methodology in the form of interviews was used for collecting the empirical data, the aim being to define the critical phases in the process. The analysis is based on multiple, "outside-in", "inside-out" and "inside-in" perspectives, the aim being specifically to determine whether the impact of cultural heritage could be characterized as a relevant association in branding (rural) communities.

### **Findings**

A multilevel reflexive analysis of how the cultural heritage of a place could add value to its brand equity helps communities to set a common vision for the brand-building process. The preliminary analysis from each of the perspectives shows that as regards the outside-in view the potential visitors do not see a joint brand promise that covers all the service providers in the area. The service offerings have not been developed into product and service concepts targeted at potential visitors, such as culture tourists and families. From the inside-out perspective it is evident that only a few of the service providers are committed to keeping the

joint brand promise with their respective stakeholder networks. Finally, from the inside-in perspective it seems that the values of the brand should be strengthened and supported by the appropriate brand architecture.

## Discussion

Early-awareness models are inadequate because they respond to attacks and opportunities with rather static, narrow and generalized assessments. Given the growing emphasis on interaction and collaborative learning about place branding across conventional, professional, and territorial boundaries, it is relevant to enter into a dialogic discourse. **This would facilitate examination** of the underlying assumptions and the arrival at different interpretations of how a given place is being branded and led. The perspective in this study is multilayered, and **focuses in particular** on 1) interaction with informants (vs. inside-in), 2) interpretation of stakeholders' views (vs. inside-out), and 3) critical interpretation of the 'outsiders' = students, press (vs. outside-in). Alvesson and Sköldbberg add a fourth layer **addressing the notions of self-criticism** and selectivity. This stands in contrast to the corporate-brand narrative theorized in the unilateral consumer culture granting marketers cultural authority, which simultaneously undermines its transparency, authenticity and distinctiveness consequent to its intrinsic contradictions. Hakala, Lemmetyinen and Kantola (2013), for example, analyzed Finland's image as a nation-branding tool from the "*outside-in*" perspective. On the other hand, the "*inside-out*" and "*inside-in*" perspectives concentrate on the question of whether brand strategies either independently within an organization or in a network configuration based on a logic embedded in electronic systems provide a structure for linking global supply chains to specialized regional economic clusters. They also focus on the extent to which such an organizational design will create a competitive space of global proportions that allows flexibility, responsiveness and capability, rendering an independent organizational scenario hardly sustainable. Such fundamental restructuring shapes a whole new order of business. It also raises questions concerning process functions with reference to managerial roles and styles, decision models, and determining the organization's key set of core competences. Typically, big internal restructuring operations are followed by refocused outsourcing strategies, coupled with internationalization strategies and new forms of interrelationships in the hierarchy between mission and objective setting, and inputs from stakeholders with regard to operating procedures and corporate culture. From an external analytical perspective, the restructuring of internal processes in large organizations increasingly implies that vendors are reinventing themselves as brand-management corporations. An outsourcing strategy permits the development and conveyance of images and sensory experiences aimed at shifting the attention of consumers from the material space of goods and products to the projection of continuously alternating images. Furthermore, an experiential marketing strategy serves as a substitute for the former and allows corporations to operate flexibly under a standard umbrella brand with the aid of alternating themes (e.g., trust, quality of life, and transparency). Such immaterial adaptations can be incorporated much faster and more flawlessly than would be the case in adapting physical products (Harvey 1989; Lash & Urry 1994) to changes in the market environment. Given their intangible rather than tangible attributes, media publicity and word of mouth are key instruments with which to market products within this place-branding framework.

## Theoretical Implications

Discourses are not intended to be theoretically watertight boxes. Instead, their permeability allows for more imaginativeness about the way they flow into each other. Our study findings contribute to the theoretical discussion on leadership in the research domain of place branding. The evidence gathered also enhances understanding of how the process of building

a brand identity is connected to the community's attachment to the cultural heritage of a place. Our justification for using a multi-authored discourse approach is that it offers a more holistic view of marketing. In terms of managerial implications, the impact of Web 2.0 technologies and the diffusion of social media are relevant because they lead to dynamic interactions among possibly geographically distant stakeholders, thereby enabling technology-mediated interactions of global proportions.

### **Limitations**

Frequently mentioned limitations of a case study include the issues of reliability, validity, and generalizability. We discuss these issues thoroughly in the full paper (cf. Gobo, 2004).

### **Originality/Value**

This study allows for the positioning of brands as a component of a social system designed to overcome provocations and present opportunities that leverage the potential of people as citizens, consumers, workers, artists and co-producers of brands.

### **Key words**

value propositions, community, rural, place branding

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Urry, J 1995, *'Consuming places'*. Routledge, London and New York.

## Ambient rubbish: Examining the attitudinal impact of incidental exposure to branded litter

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### Purpose

Roper and Parker (2013) found that when consumers encountered a brand in a litter context (i.e. surrounded by, or associated with, litter) formed a less positive attitude towards that brand than consumers who encountered it in a non-litter context (i.e. in the absence of accompanying litter). Those seeing the brand in a litter context also emphasised negative brand personality items, indicated that they were less likely to try the brand and were prepared to pay less for it than those who saw it in a non-litter context. In sum, these findings support the conclusion that being consciously seen in a litter context is bad for the brand. This work is interesting in that the overwhelming majority of the literature on brand exposure is uniformly positive and there is insufficient consideration of the potential negative impact of uncontrollable factors on brands (Roper and Parker, 2006).

However, the question arises as to whether similar results might be expected when respondents are incidentally exposed to brands *as litter*, and focal attention to the littered brand pack is neither extensive nor emphasised. This situation is perhaps reflective of the way many individuals process brand litter in natural environments. The purpose of this study, therefore, is to examine the impact of repeated, mere exposure to brand litter on attitudes towards the brand it depicts.

### Theoretical background

There is evidence from both psychology and marketing research that incidental exposure to a brand stimulus can improve attitudes to the brand. In particular, the *mere exposure effect* (Zajonc, 1968) is a robust psychological phenomenon that indicates unreinforced, repeated exposure to a stimulus leads to positive affective response when that stimulus is subsequently encountered. As such, it has been proposed as a useful framework within which to understand, explain and shape the effects of marketing communication at extremely low levels of attention (see Bornstein & Craver-Lemley, 2004; Grimes, 2008). Within the psychology literature, the mere exposure effect (hereafter, MEE) has been the subject of over 300 experimental demonstrations, usually with respect to unfamiliar and neutral stimuli (e.g. kimura figures and irregular polygons) that are presented fleetingly and in isolation (for reviews see Bornstein, 1989; Bornstein & Craver-Lemley, 2004). In the marketing literature, such demonstrations have been extended to products, brand names and brand logos, which are encountered in isolation or incidentally as part of a wider scene (e.g. Janiszewski, 1993; Shapiro, 1999; Vanhuele, 1995). Furthermore, marketing studies of the MEE have demonstrated that the enhancement of attitude extends beyond mere liking of the stimulus to factors such as brand liking, brand choice, and inclusion in a consideration set (e.g. Janiszewski, 1993; Lee, 2002; Shapiro, 1999).

There is thus little dispute that mere exposure to unfamiliar and affectively neutral stimuli leads to more positive evaluations of these stimuli when they are subsequently encountered. What is less clear, however, is whether, and to what extent, mere exposure might influence attitudes towards stimuli that are already perceived to be *negative* (as might be the case when discarded packaging is categorised as litter by the observer; see Roper, Parker & Bosnjak 2008). In a recent study of emotionally-valenced stimuli, Robinson and Elias (2005) found

enhanced affective response to positive and neutral faces, but not to negative ones. However, this is at odds with previous research that indicates the MEE can improve affective reactions to negative stimuli (e.g. Hamm et al., 1975; Grush, 1976; Bornstein, 1993). More specifically, there is growing evidence that the extremity of *both* positive and negative evaluations will be diminished by repeated exposure to a valenced stimulus (Claypool et al., 2007; Dijksterhuis & Smith, 2002; Rosenblood & Ostrom, 1971; Young & Claypool, 2010). The mechanism by which this is proposed to occur has been variously described as ‘adaptation’ (Rosenblood & Ostrom, 1971), ‘desensitisation’ and ‘affective habituation’ (Dijksterhuis & Smith, 2002). However, Dijksterhuis & Smith (2002) ultimately propose that the extent to which repeated exposure to a negative stimulus diminishes negative evaluations may be a function of the extremity with which the stimulus was initially judged to be negative. Reflecting on this, the authors rationalise that the processing of mildly negative stimuli is unlikely to disrupt other psychological responses that are required to deal with it (e.g. ‘fight or flight’), and so there is less need for habituation. Furthermore, there is less room for mildly negative evaluations to be improved before the valence of the response is altered (to neutral).

In summary, therefore, repeated mere exposure to brand packaging might be expected to improve attitudes towards both the brand pack and the depicted brand, regardless of whether it is encountered as an affectively neutral (e.g. in use) or negatively valenced (i.e. as litter) stimulus. On this theoretical basis, the current study sets out to test the following propositions:

- P1. Repeated mere exposure to a novel, unfamiliar brand pack “in use” will improve attitudes towards the brand pack stimulus and the depicted brand (by way of a classic mere exposure effect)
- P2. Repeated mere exposure to a novel, unfamiliar brand pack “as litter” will improve attitudes towards the brand pack stimulus and the depicted brand (by way of a classic mere exposure effect *or* a mere exposure effect for negatively valenced stimuli)

### **Methodology/approach**

*Participants:* 400 adult participants, characterised by a broad demographic spread, containing only active consumers of the study-relevant product categories.

*Study design:* Participants are exposed to brand packs during a paced categorisation task. The task allows exposures to be repeated, brief and incidental - outside of the participant’s focal purpose, whilst still requiring that they attend to the brand pack. We then test attitudes to previously exposed vs. non-exposed brand packs (allowing a demonstration of any effect of exposure) and packs exposed “as litter” vs. “in use” (allowing a demonstration of any effect of exposure context).

*Brand stimuli:* The brands in question are drawn from familiar product categories (chocolate bars, soft drinks, fast food, and snack bars), but are selected on the basis that they are not familiar to participants (this removes any influence of prior brand experience on our measures). Each photograph presents the brand pack either “as litter” or “in use”, and is placed within a series of photographs that also contains filler items (natural street scenes in which none of the brand packs are included). Each photograph is presented three times within a randomized sequence of images.

*Exposure task:* Participants are given a simple categorisation task to complete during a short, automatically-timed exposure to each photograph. For example, they may be asked to identify the quadrant of the photograph in which particular element has been placed during a three second exposure. This element may also be placed next to the target brand pack. Each participant only sees half the available brand pack stimuli.

*Attitude tests:* Following the exposure phase, participants rate all brands for how well they are liked, whether they have seen them before and in particular whether they have seen them earlier in the experiment (following Stafford & Grimes, 2012), whether they perceive the brand packs to be litter, how likely they would be to try each of the brands, and how much they would be willing to pay for them (following Roper et al., 2008; Roper & Parker, 2013). This allows us to gauge the mere exposure effect (by comparing exposed vs. non-exposed brands) as well as measure the effect of exposure being “as litter” or “in use”. Questions to establish the sample profile and facilitate measurement and analysis of potential moderators (such as general attitudes to litter, packaging, and the product categories employed) are also included.

## **Findings**

As the work is currently in progress findings are not yet apparent. However, we expect to find that repeated mere exposure to a brand pack stimulus that is encountered both ‘in use’ and ‘as litter’ improves attitudes to the pack and the brand it depicts. This may take the form of a classic mere exposure effect for both types of stimulus (i.e. ‘in use’ and ‘as litter’), should they be categorised as affectively neutral or mildly negative during exposure. Alternatively, it may occur as a result adaptation and habituation to a negatively categorised stimulus (i.e. brand pack ‘as litter’) leading to *less negative* - but not necessarily positive – attitudes towards the pack and the brand it depicts.

## **Theoretical implications**

The main theoretical implications of the study are likely to be in the area of consumer psychology, and in particular that which relates to the communication effects of brand packaging. Specifically, the study endeavours to extend the theory of mere exposure to include complex, real world stimuli (e.g.. brand packaging) that may be categorised in different ways, and with differing valence, depending on the state and situation in which they are encountered. In so doing, it serves to test the validity of the mere exposure effect in a dynamic, real-world context that is of direct relevance to marketers and society.

## **Practical implications**

Support for the propositions distilled may have implications for both brand managers and public policy. Such findings would paradoxically suggest that it might be beneficial for the brand to produce a lot of litter, rather than a little. This may be explained by way of a classic mere exposure effect (i.e. repeated exposure to a brand stimulus leads people to evaluate it more positively). Alternatively, where brand litter is negatively categorised, repeated mere exposure may serve to desensitise consumers to the extent that they feel less negatively towards littered packs and the brands they depict (see also Roper and Parker, 2008). Ultimately, the implications of this study could therefore be that, left unchecked, the propagation of brand litter may result in positive outcomes for the brands in question and/or greater consumer apathy and less resistance to an even greater proliferation of brand litter. Either way, the onus may be on public policy to prevent an exposure-induced drift towards a littered society.

## Limitations

In order to isolate the influence of mere exposure in this study, unfamiliar brands were utilised as target stimuli. The question of whether, and to what extent, the results hold for well-known and mature brands remains an issue for future research.

## Originality/value

This original, experimental study provides new insights into the impact of mere exposure on attitudes to brand stimuli that may be categorised in different ways, and with differing valence (i.e. affectively neutral or negative), in an applied consumption context. It also provides a novel perspective on the potential impact of attitudes towards litter and brands when discarded packaging is repeatedly encountered as brand litter.

## Keywords

Brand, Attitudes, Litter, Exposure, Mere Exposure

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## Can pre-emptive CSR advertising mitigate the impact of crisis news on company image?

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### Purpose

CSR communication has the potential to improve company image and reputation (e.g. Perks et al., 2013, Pomeroy, 2011, Du et al., 2010), enhance consumer loyalty, satisfaction and purchase intentions (e.g. Du et al., 2010, Bhattacharya et al., 2009, Luo and Bhattacharya, 2006, Sen et al., 2006, Brown and Dacin, 1997), and protect the company from reputational damage (e.g. Coombs and Holladay, 2012, Varadarajan and Menon, 1988, Vanhamme et al., 2014, Fombrun et al., 2000). In particular, CSR advertising is a form of corporate image advertising that aims to build favourable images of a company in society (Pomeroy, 2011), and has been found to be a key CSR information source for consumers (Cone, 2013). However, advertising practitioners and scholars have long expressed concerns about consumer scepticism of companies' motivations for engaging in CSR advertising, the credibility of such claims, and thus the effectiveness of this as a medium for enhancing and maintaining corporate image (e.g. Morsing et al., 2008, Schröder, 1997, Morsing and Schultz, 2006, Du et al., 2010). Academic research has so far failed to sufficiently address these concerns, and the effects and effectiveness of CSR advertising remains one of the least researched aspects of CSR communication (Farache, 2012, Perks et al., 2013).

To the extent that CSR advertising has been studied, it has often been considered in the context of crisis management. Here, research has focussed on the effects and effectiveness of CSR advertising as both a reactive (e.g. image restoration, Bebbington et al., 2008, Kim and Yang, 2009, Kim et al., 2009, Kim, 2013) and a proactive (e.g. inoculation, Pashupati et al., 2002) response to a particular crisis. To date, however, there has been no research into the effectiveness of CSR advertising as a pre-emptive strategy for minimising the damage to a

company image that might accrue from unspecified crises in the future. This is somewhat surprising as considerable attention has been paid to the question of how a positive image as a socially responsible company might influence the impact of a subsequent crisis (e.g. Eisingerich et al., 2011, Kim, 2013, Vanhamme et al., 2014). In this respect, a good deal of research suggests that a positive image for CSR may give rise to a ‘buffering effect’, whereby a CSR ‘halo’ (Fombrun, 1996, Coombs and Holladay, 2006) or ‘moral credit’ (Merritt and Effron, 2010, Effron and Monin, 2010) diminishes the impact of a crisis on consumer perceptions of the company (Dawar and Pillutla, 2000, Klein and Dawar, 2004, Kim and Yang, 2009, Fombrun et al., 2000). This is most often explained with regard to cognitive dissonance theory (Festinger 1957), whereby people are believed to discount inconsistent information about an organisation, absolve of it of responsibility for wrongdoing, and even excuse a transgression when such information contradicts existing positive perceptions about the company’s morality (Balzer and Sulsky, 1992, Effron and Monin, 2010, Merritt, 2000). On this basis, the current study sets out to test the proposition that audience exposure to CSR advertising will mitigate the impact of subsequent exposure to negative news on company image. To this end, the following hypotheses are tested:

*H1. People who are exposed to CSR advertising ahead of reading negative crisis news will attribute less crisis responsibility to the company than those who read the crisis news without first being exposed to CSR advertising.*

*H2. People who are exposed to CSR advertising ahead of reading negative crisis news will report a more positive image of the company than those who read the crisis news without first being exposed to CSR advertising.*

## Method/approach

The study was conducted by way of a 2 X 3 between-group experiment, administered online to a total of 672 participants. All participants were British adults, purposively sampled from a large research panel on the basis that they spoke English as a first language and owned a pet. Participants were randomly divided into six groups to facilitate exposure to different types of CSR advertising and two different crisis news frames, as illustrated in table 1.

Table 1: Summary of 2 x 3 Between-Group Experimental Design

|                                        | No Ad                 | Affect-based ad            | Information-based ad       |
|----------------------------------------|-----------------------|----------------------------|----------------------------|
| Crisis news with an ‘accidental’ frame | Control G1<br>n = 112 | Experimental G1<br>n = 112 | Experimental G2<br>n = 112 |
| Crisis news with a ‘preventable’ frame | Control G2<br>n = 112 | Experimental G3<br>n = 112 | Experimental G4<br>n = 112 |

All participants were presented with a mock-up front page from an online news website. In each treatment condition, participants were first exposed to two repetitions of a CSR video advertisement for an invented pet food company (Nutriopet). The advertisement focussed on the company’s commitment to working with charities to rescue, rehabilitate and care for mistreated animals. Multiple exposures to the advertisement were facilitated by asking each participant to click on two unrelated video news stories in turn. Each video news story was preceded by the invented Nutriopet advertisement, which the participants were required to watch. This is reflective of the natural online news environment in which it is common for video news stories to be preceded by ‘compulsory’ video advertisements. Participants in the treatment condition were then required to click through to an invented (written) news story

about an ecological disaster in which river wildlife had been killed by a chemical spill at one of Nutriopet's factories. In the control condition, participants were required to watch the two video news stories without any preceding advertisements, and then click through to the negative news story about the company's chemical spill. Thus the control condition differed from the treatment conditions only by virtue of the fact that the Nutriopet advertisements were not presented to control participants. Following this exposure phase, established scales were employed to measure the following dependent variables: attribution of crisis responsibility, evaluation of company image, affective and cognitive attitudes towards the company, behavioural intentions. Analysis included comparison of the between group comparison of means and a detailed examination of the influence of covariates.

## **Findings**

Hypothesis 1 was supported only in the case where the event in question was framed as an accident (rather than a preventable situation) in the CSR advertisement, showing that people exposed to CSR advertising framed in this way ahead of learning about a crisis tended to attribute less responsibility to the company than those who learnt about the crisis without being exposed to CSR advertising. This same result was found to be independent of the two different ad-appeal types (affect-based and information-based advertisements). Hypothesis 2, on the other hand, was supported for all CSR advertising ad-appeal types and for both accidental and preventable frames suggesting that being exposed to CSR advertising could mitigate the negative impact of crisis news on the image of a company. Evidence was provided for the each of the hypotheses which, coupled with additional planned analysis, leads to two main conclusions. First, people who are exposed to CSR advertising appear to give the company 'the benefit of the doubt' by crediting them with less responsibility for the crisis if it appears that the event occurred outside of the company's control. Second, CSR advertising appears to contribute to the establishment of a 'CSR halo' or 'moral credit' that, in turn, reduces the negative impact of crisis news on company image.

## **Theoretical implications**

The findings of this study show that prior exposure to CSR advertising can mitigate both the attribution of crisis responsibility and the negative impact of subsequently encountered crisis news about the company. In this respect, it may be seen to provide empirical support for a *cognitive dissonance* (Festinger, 1957) account of how positive company image might serve as 'moral credit' for an organisation in times of crisis (Effron and Monin, 2010). By contrast, the results of this study would appear to contradict an *expectancy disconfirmation theory* explanation (Burgoon and Poire, 1993) in that enhancing the corporate image by way of CSR advertising did not appear to result in a 'boomerang effect' when negative news was subsequently encountered.

## **Practical implications**

Contrary to previous concerns over the efficacy and appropriateness of CSR advertising, this study demonstrates that CSR advertising can be an effective impression management strategy for creating a moral image amongst consumers. When employed on an ongoing basis, it potentially offers protection from the reputational damage of future, unspecified crises. Given that 88% of US consumers think companies should communicate more about their CSR and 93% of them are more likely to trust socially responsible companies (Cone, 2013), the results of this study should thus serve as encouragement to companies considering the use of CSR advertising as part of a long-term communication strategy.

## Limitations

For the purposes of this study, the effects of historic knowledge, experience and perceptions of the company in question were controlled for by using an unfamiliar organisation. Although participants were not aware that the company, events or advertising were fictitious (until they were debriefed at the end of the experiment), the extent to which existing and long-held beliefs about the organisation might moderate the effects observed in this study remains an issue for future research. Also due to the short period of time between viewing video materials and answering the surveys in this experiment, future research should consider the experiments carried out with larger time periods between exposure to videos and participating in surveys to more accurately reflect real markets situations. However, the findings of this study provide an empirical validation that communicating CSR through advertising channels can benefit companies by establishing a positive image in consumers which can in turn possibly mitigate the negative influence of crisis news on the image of a company. In addition, whilst this study sought to account for different ways in which the events leading up to the crisis might be framed (e.g. as an accident or transgression), negative reporting focussed entirely on company negligence and mismanagement. Further research is necessary to validate the results of this study when illegal or unethical corporate behaviour are at the heart of negative news reports.

## Originality/Value

This study expands the current state of knowledge on the benefits of pre-emptive CSR advertising by empirically validating, for the first time, its potential to act as a buffer against negative publicity. It thus makes a clear contribution to an important and relatively unexplored area of research.

## Keywords

Corporate communication, corporate image advertising, corporate identity, corporate social responsibility (CSR), crisis management

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## Exploring the relationship between organizational culture and delivering the promised brand experience: What do we know?

Clive, Helm

### Purpose of Paper

The last fifteen years have seen a growth in the acceptance of the idea of experiential marketing (Pine and Gilmore, 1988, 1989) and an increasing focus by both academics and managers on consumers' brand experience as the source of value for both consumers and organizations (Gronroos, 2007; Prahalad and Ramaswamy, 2000, 2004; Wikstrom, 1996). In increasingly competitive markets, many companies now see the delivery of a superior branded customer experience not only as a source of competitive advantage but also where mutual value creation occurs for both customers and company - in fact an increasing number of corporations now boast a Director of Customer Experience as a senior level role.

If value creation occurs within customers' experience when they interact with the organization's brand, then it follows that successfully delivering the brand's promised experience to consumers is critical to an organization's ability to create value and gain competitive advantage. However, at the same time of a growing awareness of the importance of delivering a brand experience consistently, there is a realization that in reality this is very difficult to achieve. While many companies are making increasing efforts to deliver their brands' experience seamlessly at every touchpoint throughout the whole customer journey, in practice it appears that only a small proportion of them manage to do this with any degree of consistency. According to a report by consultancy Interbrand (2007), *'Strict adherence to brand standards creates brands with customer impact - but few companies have been able to secure consistent compliance across their organizations.'*

The reasons why some organizations are more successful at delivering their brand experience than others appear to be numerous and complex, but there is now a growing body of literature which suggests that aspects of organizational culture and the roles employees play are important factors. However, the nature of the relationship between a company's culture and its capability to deliver its promised brand experience is still underexplored and, as de Chernatony and Cottam (2008) have pointed out, seems to be complex and little understood.

There is therefore a need to take stock, and the aim of this paper is to review and draw together the main ideas and findings that have emerged so far from this small but growing literature as a starting point for future research. These main findings are summarized, and a model of organizational culture factors that contribute to capability in brand experience delivery is then proposed that is derived from these findings as a basis for moving forward.

### **Methodology/approach**

A review is undertaken of the literature on the relationship between organizational culture and capability in delivering promised brand experience. However, although the literature dealing directly with the relationship between culture and brand experience itself is small, a search finds that studies that are relevant also come from two other distinct areas: the literatures that deal with firstly, the relationship between culture and the wider general area of organizational performance, and secondly, the relationship between culture and service quality delivery from the services marketing literature. A model of organizational factors that contribute to successful delivery of brand experience is then proposed that is derived and synthesized from the main findings of the review.

### **Summary of Main Findings**

In reviewing the literature on culture and brand experience, the organizational culture literature itself provides a starting point. The review then goes on to look at relevant work from the different areas of literature described above which for the purposes of this abstract are very briefly summarized here.

#### **1. The Relationship Between Organizational Culture and Brand Delivery as an Aspect of Organizational Performance**

One view of brand experience delivery is that it can be considered to be a non-financial, consumer-based aspect of organizational performance, as suggested by Harris and De Chernatony, (2001). While much of the organizational performance literature focuses on 'hard' measures like market share or economic outcomes such as profitability or return on investment (notably, Kotter and Heskett, 1992), there is some work in this area that can be seen as relevant to delivering brand experience. Reid and Hubbell (2005) for example, have suggested that there are a number of distinct elements of what they describe as 'performance cultures' including a leadership style that emphasises a clearly articulated strategic intent. Other researchers have also identified aspects of culture that may contribute to organizational performance, including Campbell and Yeung (1991) who suggested that an important factor in achieving common goals was a strong sense of corporate mission where strategy, behaviour and values were seen by employees as being credible. Ke and Wei (2008) identified five dimensions of culture that were shown to help the implementation of a new strategy within an organization. In another study, Schneider et al (1994) suggest that three main platforms for performance are a culture that; 1) has practices and procedures that foster innovation, 2) encourages service excellence through rewarding employees and 3) embodies behaviour that is collaborative, fair and cooperative.

#### **2. The Relationship Between Organizational Culture and Service Quality**

The services marketing literature that has developed since the 1980s and is now relatively mature, includes a number of studies that are relevant in that they are directly concerned with the relationship between a service organization's culture and its performance in terms of the service quality it delivers to customers.

Webster (1995), for example, found that there was a positive correlation between what is described as a service firm's 'marketing effectiveness' and other factors including its employees' customer-orientation. In another study, Curtis and Upchurch (2008) found that recognition of employees' performance and achievements and trying to create an enjoyable

working environment through fun social events and opportunities to engage in community volunteerism were particularly important in creating the right culture to deliver high quality service to clients, while Lytle and Timmerman (2006) found that stakeholder belief in the quality of the firm's products and services was critical to employee commitment.

### 3. The Relationship Between Organizational Culture and Brand Delivery

Since the late 1990s, the notions of experiential marketing, and value co-creation, discussed earlier, have emerged. These perspectives have extended the idea of 'service quality' into the wider, more complex and holistic concept of a 'consumer brand experience', which can be made uniquely valuable through meaningful differentiation and seamless delivery to consumers at every point of contact they have with the brand.

The literature on the relationship between culture and brand delivery is small and embryonic. Nevertheless, there is a broad agreement for example that employees are important in delivering the brand experience and that a high degree of congruence between the values represented by the organization's brand (such as 'integrity', 'youthfulness' or those of its country of origin) and the values inherent in its own culture, is critical to successful delivery (Ind, 1997, De Chernatony, 2002 and De Chernatony and Cottam, 2006). De Chernatony (2002) also found that coherency and clarity of the corporate brand image and values and their communication throughout the organization to all employees were crucial, while De Chernatony and Segal Horn (2003) suggested that a 'ruthlessly clear' vision about the corporate brand and what it stands for was important, as were the values and behaviour of managers as seen by employees. De Chernatony and Cottam (2006) also found that several factors including a high degree of brand literacy amongst managers and employees and a brand ethos that challenged the norm also contributed to successful brand delivery.

Although the literature is fragmented, this review indicates that a number of key findings emerge and that researchers have identified some elements of culture that contribute to superior brand delivery and performance. These are summarized in the table below:

Table 1 Summary of Main Findings

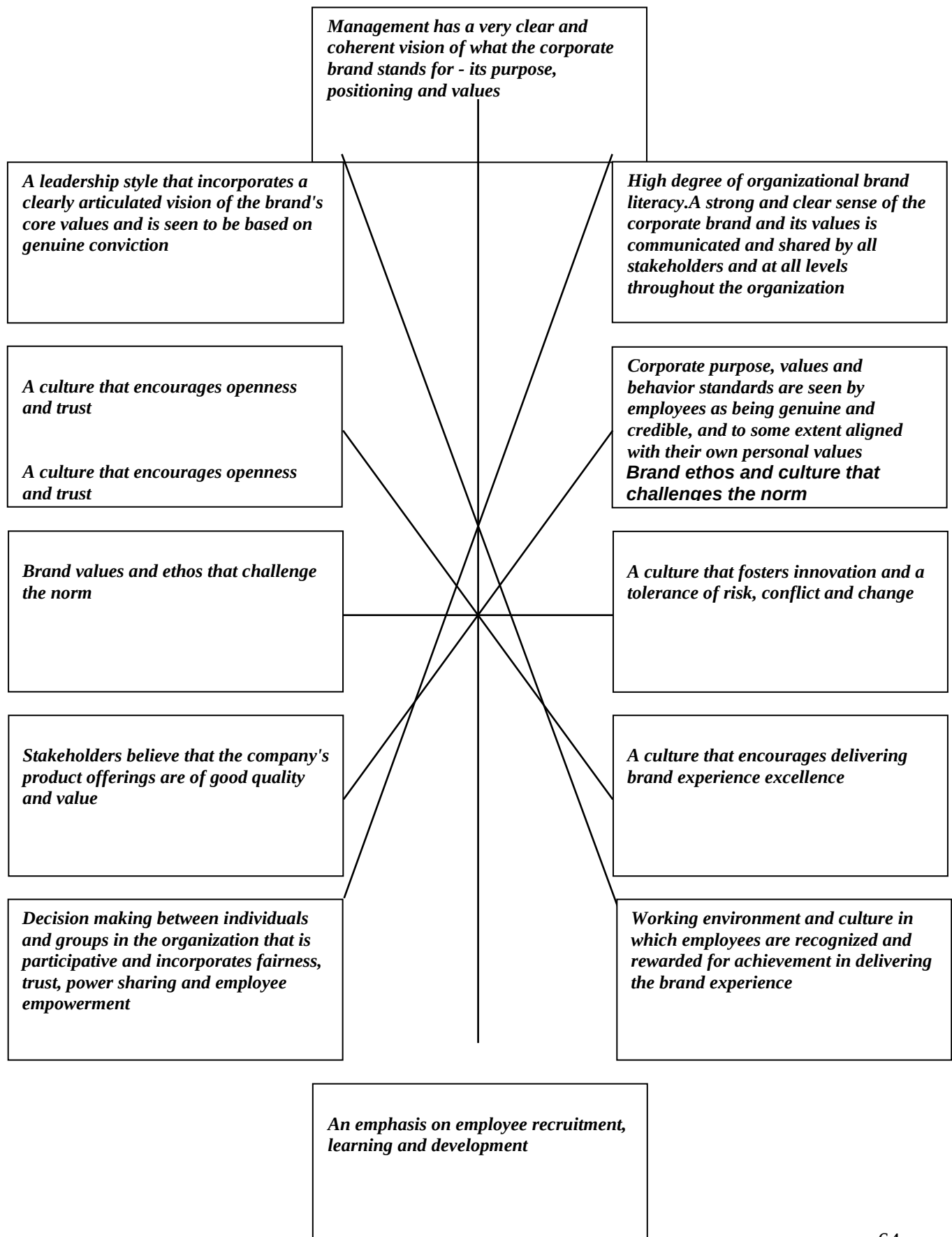
| <b>Authors</b>                   | <b>Key Findings</b>                                                                                                                                                                                                                                                                                                            |
|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Reid and Hubbell (2005)</b>   | <i>Leadership style that emphasises a clearly articulated strategic intent and core values along with a leadership style that focuses on a few key critical priorities</i><br><br><i>Culture that encompasses openness and trust; managed differences in settling conflicts; simplicity and focus in implementing strategy</i> |
| <b>Campbell and Yeung (1991)</b> | <i>Strong sense of corporate or brand mission where corporate purpose, strategy, behaviour and values were seen by employees as being credible, and to some extent congruent with their own personal values</i>                                                                                                                |
| <b>Ke and Wei (2008)</b>         | <i>Emphasis on employee learning and development</i><br><i>Participative decision making between individuals and different groups of internal stakeholders</i><br><i>Power sharing; collaboration and tolerance for risk and conflicts</i>                                                                                     |
| <b>Schneider et al (1994)</b>    | <i>Practices and procedures that foster innovation</i><br><i>Culture that encourages service excellence through rewarding employees and that embodies behaviour</i><br><i>Culture that is collaborative, fair and cooperative.</i>                                                                                             |



|                                            |                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Webster (1995)</b>                      | <i>Employees have a customer-oriented philosophy<br/>Adequate marketing information<br/>Strategic orientation</i>                                                                                                                                                                                                 |
| <b>Curtis and Upchurch (2008)</b>          | <i>Recognition and celebration of employees' personal achievements<br/>Enjoyable working environment<br/>Fun social events</i>                                                                                                                                                                                    |
| <b>Lytle and Timmerman (2006)</b>          | <i>Stakeholders believe in the quality and performance of the company's product offerings and service<br/>Employee commitment</i>                                                                                                                                                                                 |
| <b>Harris and de Chernatony (2001)</b>     | <i>Similarities between people within brand teams and across the organization<br/>Shared values and perceptions of the people within brand teams and across the organization</i>                                                                                                                                  |
| <b>De Chernatony (2002)</b>                | <i>Coherency and clarity of brand image and values<br/>Employees' knowledge and understanding of the corporate brand<br/>Consistency of external and internal brand image and values<br/>Celebrations of brand supporting performance<br/>Recruitment policies to match employees with corporate brand values</i> |
| <b>De Chernatony and Segal Horn (2003)</b> | <i>'Ruthless clarity' about the corporate brand's positioning and values<br/>Management values and behaviour seen by employees to be based on genuine conviction.</i>                                                                                                                                             |
| <b>De Chernatony and Cottam (2006)</b>     | <i>Holistic, consistent and integrated approach to branding<br/>Management focus on excellent and personalised customer service<br/>High degree of brand literacy amongst managers and employees<br/>A brand ethos which challenges the norm</i>                                                                  |

To conclude, it was found that there are some commonalities and key factors that emerge from the findings of the review which are summarized here . These key findings have been integrated and synthesized to postulate a model of factors in an organization's culture that contribute to successful delivery of brand experience, which is shown below.

## Model of Organizational Cultural Factors Contributing to Successful Brand Experience Delivery



### **Theoretical implications**

The paper reviews and draws together for the first time key findings from the relevant literatures on this important topic. These findings are summarized and then synthesized to derive a model of cultural factors influencing successful brand experience delivery. This model can act as the starting point for moving forward with future empirical research based on these findings.

### **Practical implications**

The model presented here can form the basis for a managerial perspective in providing practical guidance on developing and creating an organizational culture which can deliver brand experience successfully and consistently.

### **Limitations**

Although most of the literature reviewed here is based on empirical research such as interviews with managers or consultants, one main limitation that emerges is that the body of literature and empirical work undertaken so far in this field is still small. Given the growing awareness of the importance of successful brand delivery to organizational competitiveness and value creation, this highlights a need for further research in this area to develop and test the model further.

### **Originality/Value**

The paper reviews the literature and draws together for the first time the key findings from an emergent literature on an issue that is increasingly seen as critical to organizational competitiveness and value creation. It goes on to derive a model of culture that can be used as the basis for further research in this area and also for managerial decision making.

### **Key words**

Brand, Brand Experience, Brand Experience Delivery; Organizational Culture

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## It's grim up north - The reality of steel city branding

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### **Purpose of Paper**

The purpose of this research is to investigate how European cities with a major industrial heritage rebrand themselves while remaining consistent with their history. More specifically, this research investigates how Sheffield, UK and Essen, Germany manage and create a brand image and whether they are successful in their efforts to incorporate their stakeholders into the branding process to the extent of being positively perceived.

The following section provides a brief outline of the importance of city branding and the need to further investigate this topic. City branding has received increased interest by both practitioners and academics over the past decades, which is enhanced through the rise of globalisation, making it necessary for places, and more specifically cities, to differentiate themselves from others in order to compete for development funds, attract and retain residents, and appeal to the tourism industry (Kotler, 1993; Kotler & Gertner, 2002; Virgo & De Chernatony, 2005; Campelo et al., 2009; Paganoni, 2012; Braun et al., 2013). Cities no longer simply compete within their own countries, but globally, thus action is taken on a governmental level to enable cities, towns, and regions to compete on a global scale. To reiterate this point further, in the European Union (EU) “city branding has been incorporated within the wider EU policy agenda” (Pagonia, 2012: 14), as policy makers recognised that “cities play a crucial role as engines of the economy, as places of connectivity, creativity and innovation, and as centres of services for their surrounding areas” (EURP, 2011: VI). This implies that city branding is not only an important area within an academic context, but also has received attention on a supranational level. In order to “help bring the peoples of the Member States closer together” (EC, 1985) the EU introduced the ‘European Capital of Culture’ scheme, which is designed to foster regeneration of cities, as well as simultaneously enhance their international profile and overall image (Griffiths, 2006; Europa, 2014).

City branding itself is a relatively new phenomenon (Braun, 2011) and thus, only limited literature exists within this area of research. The research stream originated from place branding and shares close links with nation, destination, and location branding (Ashworth, 2009; Anholt, 2011; Braun, 2011). Whilst similar in nature, city and place/destination branding differ dramatically, in that city branding not only focuses its attention on the tourism industry, but also seeks to appeal to potential/new users (e.g. residents) and other stakeholders, such as businesses and job/amenities providers (Braun, 2008). Thus, a key aspect of city branding is to create a distinctive identity that not only differentiates a city from others, but also makes it easily recognisable and creates a positive image in the stakeholder’s mind (Kavaratzis & Ashworth, 2005). Interestingly, whilst city branding increased in importance, the practical application of it not only lacks research, but also is not yet part of the mainstream research body (Braun, 2011).

The American Marketing Association (2014) defines a brand as “a name, term, sign, symbol or design, or any other feature that identifies one seller’s goods or services as distinct from those of other sellers”. However, this definition is rather limited in relation to place and city branding, as it does not take into account the multifaceted identity and intangible elements that make up a place and/or city brand (Gardner & Levy, 1955; Relph, 1976; Massay, 1993; Skinner, 2008). Other definitions offer a broader perspective on the topic: for example, Boatwright et al. (2009) specify that a brand’s requisites include being “consistent with the

organisation's capabilities and its branded products" (p. 38). This aspect of branding theory can be seen in the marketing efforts of Sheffield and Essen, whereby each city capitalises on the distinctive brand products that are relevant and interesting for their visitors. The 'Heart of the City' Project in Sheffield, for example, funded the creation of the Peace Gardens, which forms a vital part of the city's urban life style, as festivals and events are centred in this area, and is part of the regeneration programme to revive the city's centre (Sheffield, 2010). As part of the 'European Capital of Culture' award Essen created a 'museums area' around one of its most distinctive landmarks, Zeche Zollverein, not only attracting tourists, but also incorporating its history in the city's new landscape and making it part of a holistic image that incorporates the past and present (Essen Marketing, 2010). These two examples show, how these cities manage to capitalise on distinctive brand products in order to attract visitors, residents, and other stakeholders.

While some authors (Caldwell & Freire, 2004; Kavaratzis, 2005; Kavaratzis & Ashworth, 2005; Friere, 2007; Ashworth, 2009) contend that places can be branded in the same manner as consumer goods and services, others (Anholt, 2002; Dinnie, 2003; Rainisto, 2003; Trueman et al., 2004; Hankinson, 2006; Kavaratzis, 2007; Balakrishnan, 2009; Braun, 2011) have attempted to integrate elements of corporate branding theory in place and city branding practice. This is due to the fact that cities are transformational in nature, which implies that a city can change its appearance and tangible and intangible features over time.

A more comprehensive definition is that a brand is "a dynamic interface between an organization's actions and customers' interpretations" (De Chernatony, 2002: 116). This highlights the difficulty that marketers face in their attempts to create a coherent brand vision that is accepted by all stakeholders. This challenge is especially relevant in city and place branding (Virgo & De Chernatony, 2005). In this manner, various authors (Hankinson, 2001; Dinnie, 2003; Kavaratzis & Ashworth, 2005; Baker & Cameron, 2008; Braun, 2011) highlight that there is a gap in the literature in terms of the practical implementation of city branding, as well as the branding process.

## **Methodology**

This research is based on an in-depth, cross-cultural, cross-national case study approach, focusing on Sheffield, UK and Essen, Germany, which follows in the footsteps of previous research in the field of place and city branding (Kotler, 1993; Hankinson, 2001; Rainisto, 2003; Anholt, 2005; Virgo & De Chernatony, 2005). The two cities were purposefully chosen, as both cities have a similar heritage and population size, which enables the researchers to analyse, why one city has been more successful in terms of being awarded 'European Cultural Capital', while the other continues to strive for more recognition. A case study approach was suitable, as it allowed for various methods to be combined.

Overall, twenty semi-structured interviews were conducted: 12 in Sheffield and 8 in Essen. Interviews were held in German and English and adapted accordingly. The interviews lasted between 45 to 90 minutes and were recorded and transcribed verbatim. Semi-structured interviews were a key part of this research design, which allowed for a flexible and fluid interchange of ideas (Mason, 2002). Bryman and Bell (2007) state that if more than one person conducts data collection, "in order to ensure a modicum of comparability of interviewing style, semi-structured interviewing will be preferred" (p.481). This relates well to the nature of this study, as multiple researchers carried out data collection (Eisenhardt, 1989).

The data analysis followed a partially deductive approach (template analysis), which was inspired by Anholt's (2006b) GMI City Brand Index and thus, evaluating multiple facets of a city's brand. The researchers carefully looked at the data and firstly focused on aspects mentioned in the city brand hexagon. Secondly, any data that remained un-coded or was

marked as 'not fitting' was re coded. The researchers found further themes emerging that were added to and thus, amended Anholt's (2006b) Index.

Furthermore, the researchers incorporated semiotic analysis of photographs taken within the city, as well as promotional materials and digital channels. These further supported the findings from the interviews.

### **Findings**

1. This research brought forward a map of key stakeholders in both cities Sheffield, UK and Essen, Germany. The comparison drawn indicates the various different players within the individual cities' brand strategy.
2. The two cities were scored according to Anholt's (2006b) Index, which provides them with a general overview of how they are perceived by their various stakeholders.
3. Anholt's (2006b) Index is limited in nature as it does not account for heritage, reputation, and associations with a specific place. The model presented in the paper develops the hexagon further.

### **Theoretical Implications**

This research builds on existing city branding literature and extends its reach, by incorporating city branding and stakeholder management approaches and develops a more holistic model to view the multiple facets of a city.

### **Practical Implications**

This research provides a mapping of stakeholders, as well as key learning points from current practices in each city. The new model enables these cities to re-focus their current strategies and a brand that combines their heritage with a future pathway.

### **Limitations**

Only two cities were investigated, which implies that findings cannot be generalised. Moreover, interviews were conducted in both English and German, which indicates that questions had to be adapted. A further limitation is the fact that the researchers were unable to physically travel to Essen, Germany, thus all interviews were conducted via the phone, which does not allow for any participant observation and/or probing for further information, as the telephone calls were time precisely.

### **Originality**

Previous research has predominantly focused on either well-known post-industrial cities such as Liverpool (Hudson & Hawkins, 2006) and Glasgow (Paddison, 1993) or on capital or major cities (Anholt, 2006a). This research is a cross-cultural, cross-national comparison focusing on two cities with a similar background: Sheffield, UK and Essen, Germany. Both cities have previously applied for the title of 'European Capital of Culture': Sheffield, UK applied to carry the award in 2013, but lost its bid to Derry in 2010 (BBC, 2010; Wainwright & McDonald, 2010), and Essen, Germany, which won the honour as part of the Ruhr conglomerate in 2010 (RUHR.2010, n.d.). A further similarity, between these two cities is the aspect of heritage: both were significant within the steel industry and have suffered a negative reputation and connotation as being 'dirty' and 'grim', which still carries forward today. Sheffield, UK and Essen, Germany are actively trying to change their current strategy and form a cohesive brand identity.

### **Keywords:**

City branding, steel city, case study, place branding

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## **“Who am I – how am I now?” – Dynamics and ‘self’-related discrepancies of artist brand**

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### **Introduction and purpose of the paper**

The ongoing development in multimedia technology enables consumers to listen to more music; however, it directs them to listen to fewer artists (Strobl & Tucker 2000). The decision of what to listen to is made by the user (Hargreaves & North 1999). In this situation, popularity and branding become important issues for any artist (e.g. Till 2010). Although there is agreement in academia that people can be brands, this field is under researched (Bendisch, Larsen & Trueman 2013).

The music industry is driven by personalities (Dann & Jensen 2007; e.g. Corona 2013). The mass of nameless musicians have only their music to sell, but, if they are acknowledged as a brand, they become products themselves (e.g. Schroeder 2005). The brand literature has emphasised that brand development takes time; the timing of a brand, or the moment when something becomes a brand, is less studied. Timing matters when we consider an artist brand as a living unit that develops and changes. This may create challenges in the brand identity-building, as the core of the brand should remain constant (Aaker 1996). Thus, it is essential to understand how the identity of an artist is formed and how it relates to the identity of the person behind the artist — the ‘selves’.

Thus far, the research has emphasised the consumer’s perspective on consumption of music by representing the self in social interaction within the music consumption community (Larsen, Lawson & Todd 2009). The music is analysed in how it reflects the person’s self in the audience (e.g. Ahmadi 2011; Hesmondhalgh 2008), and the artist has been ignored. What is not studied is the artist’s self-perception of himself or herself as an artist and as a person, and how these perceptions are related to the selves of the audience.

*The purpose of this study is to analyse the dynamics of the artist identity, its sensitivity to time and the discrepancies between different inners of selves.* The study combines theoretical insights and perspectives from psychology (e.g. self-discrepancy theory by Higgins 1987), social psychology (e.g. temporal comparison theory by Albert 1977; see also Mead 1934) and marketing (e.g. theory on brand personality by Aaker & Fournier 1995).

## **Theoretical background**

Within the field of social and personality psychology, ‘identity’ is sometimes used to describe dimensions within the personality referring to the person’s consciousness about ‘being the same’ (Erikson 1980), the experience of continuity and being uniquely different from others (Ruud 1977). Thus, the self has its temporal dimension (Albert 1977; Erikson 1980; Mead 1934) and social dimension (Erikson 1980; Mead 1934). At the end, the self is formed and defined in relationship with others (Erikson 1980; Mead 1934). The artist also has this ‘inner-self’, but how much is inferable from the ‘artist-self’ and sharable with the audience? It is clear that the inner-self of the person is integral to the artist identity (cf. Bendisch et al. 2013). Identity or self is not a ready-made construct, but a process (Erikson 1980; Mead 1934); it is constructed. In the brand relationship, there are two sides of identities: the artist’s and the mix of personal identities in the audience. The relationship is created, and the two — an artist and its audience — need each other to find and build their own identities; identity construction needs reflection, and each conception of self can be located in a timeline (cf. Markus & Nurius 1986). The audience ultimately determines how the artist identity is perceived, the actual brand identity (Bendisch et al. 2013).

There is, however, a risk for discrepancies between the different self-concepts (Adler & Adler 1989); the artist-self and his or her civil-self have different social contexts and different bases for identity reflection and construction. Further, although the core aspects of personal-self are relatively unresponsive to changes in one’s social environment (Markus & Wurf 1987), it may be distorted by sudden events (cf. Denbigh 1981).

The artist-self is pronounced related to the selves of its audience, but also to the artist’s own personal-self, the civil-self. Thus, there should be two kinds of fits, between the artist-self and the civil-self and between the artist-self and the selves in the audience, to create and maintain an enduring brand relationship between an artist and her or his audience (cf. Bendisch et al. 2013). The discrepancy between any two of these self-concepts can induce a state of discomfort (Adler & Adler 1989; Higgins 1987; Markus & Wurf 1987).

## **Methodology**

A qualitative approach to the research subject was adopted to capture the richness and diversity of human behaviour, understanding and emotions (cf. Hargreaves & North 1999). The reason for choosing a case-study strategy within this approach was it allows the researcher to focus on ‘understanding the dynamics present within single settings’ (Eisenhardt 1989, p. 534) and enables a focus on processes and change. There were three cases, or artists, in this study. The main criterion for case selection was that it could be characterised as a brand that ensures the manifestation of the phenomenon. The second criterion related to the time and timing of brand: some distance to the emergence of brand was required to observe the potential change in the artist- and civil-selves. At the same time, this time distance should not be too long ago to be recalled. A third, secondary criterion related to the artist’s willingness to take part in the study. Each of the chosen cases had its great moments, being on the crest of the wave of popularity and might be characterised as brands. Their brand history took rise in the beginning of the 2000s. Some years have passed since those times. This allows a more objective review of one’s own career and of one’s own self. Each of the three artists represents different trends of popular music: one is a band and two are individual artists.

A theme interview comprised the main data-collection method that was supported by multiple secondary data published since the beginning of 2000s in newspapers and magazines, representing the voice of the public and the artist. The interview data were collected in 2011 and 2012. The starting point was the artists’ own subjective understanding of himself or themselves as an artist. The interview questions were structured on a lifetime story basis

utilising temporal comparison theory: a single individual compares himself/herself in the past or future at different points in time (see Albert 1977). Based on this, each artist got his own artist story, described as a temporal timeline, where important events were placed and were discussed through self-descriptions taken from different points in history. The changing and unchanging parts of the self were gathered, and the continuance of the true inner-self was ensured (temporal and subjective dimension of the self). To reflect the uniqueness of the artist-self and of how others saw it (temporal and social dimension of the self), articles, newspaper clippings and discussions in social media were analysed and placed in the same timeline. The secondary data validated the appearance of discrepancies between the different selves. The data were coded according to the theme 'time'. Whenever something that related to moment, event, change or process was mentioned, it was coded as a time-related item and placed in the timeline. The critical moments of discrepancies between different selves were analysed and illustrated by quotations.

### **Findings and implications — theoretical and practical**

The analysis of the cases emphasised the critical events during the artists' careers that were turning points for their identity development. The artist-self is a social construct built on both individual (inner-self) and social elements (selves of the audience). It is subjected to expectations and evaluations from both sides. The discrepancies between the inner-self and artist-self (brand) usually cause discrepancies between the (artist) brand-self and selves in the audience that may further trigger attitudinal, cognitive or even behavioural responses on the part of the audience (cf. Aaker & Fournier 1995). This may cause a breach in the brand relationship. Whether this component of the artist-self is part of her or his core essence, civil-self that endures through time, this mismatch is irreparable.

In the long term, it is difficult for an artist to behave contrary to her or his true nature, and her or his desired brand identity should be based on the person's own personality (Bendisch et al. 2007). The selves, artist- and inner-self, have a tendency to converge in the end. The core of the brand identity must be found and remain unchanged to keep the brand going through time (see Aaker 1996). This is an important issue to be acknowledged among artists at early stages of their potential career.

The moment of the artist's popularity mostly defines the brand, and how the audience sees the artist, for years to come. Artists rarely are aware of this moment and the factors on which the audience grasps and draws attention. Persistent images are seen only after a prolonged period. The artists' individualised brand elements are largely ready at the point when popularity is achieved. This is natural, if they have come up on their own terms, based on the artist's true identity. However, they are often based on coincidences, without any intentional purpose or link to their inner-self. The potential future artists should be aware of the unexpected part of their path from unknown musicians to well-known and popular artists. For generic musicians, the time for popularity is seldom preplanned (cf. Schroeder 2005). The artist must know how he or she wants to be identified. Everything else can change, or be changed, except the essence of the brand.

### **Originality and limitations**

The originality of this paper arises from the communality and temporality of the research phenomenon. The aim was to understand the multiplicity of an artist's identity as a basis for artist brand and its sensitivity to time, which risks discrepancies between different selves that may be fatal to the duration of the brand relationship. This was done from the artist's perspective. The need for a real-time longitudinal approach to the subject became evident to catch the true dynamics in the development of the self-development process. This approach enables getting an insight to the momentary changes in the self, although this study could

only catch the enduring changes. In the case of the band, everyone in the band should have been interviewed to get a holistic view of the band-self that is a collection of individual selves. On the other hand, the band might be seen as a social context, where each individual can form both its own and collective artist-self. This is a suggestion for further research: how the individual and collective selves interact in forming a band-self.

## Keywords

artist, music, identity, time, self-discrepancy

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## Effects of symbolic product design on brand evaluations

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### Purpose of the paper

Consumers who are looking for a new kettle have many choices, but most kettles look pretty similar. However, as brands such as Apple show, product design can help a brand to differentiate from competitors. The possibilities of product design have gained a lot of attention in practice due to its effectiveness on corporate financial performance (Hertenstein, Platt & Veryzer, 2005; Verganti, 2006; Brunner, Emery & Hall, 2008; Rubera, 2014). Also in academia, research on product design has increased (e.g., Bloch, 1995; Crilly, Moultrie & Clarkson, 2004; Rindova & Petkova, 2007; Luchs & Swan, 2011; Ravasi & Stigliani, 2012). In the present paper, we focus on visible design attributes, which can communicate functional, aesthetic and symbolic information (Koffka, 1922; Levy, 1959; Lee, 1990; Rafaeli & Vilnai-Yavetz, 2004; Creusen & Schoormanns, 2005; Noble & Kumar, 2010; Eisenmann, 2013). More specifically, we concentrate on symbolic information, presented by product design connotations (PDCs). Users may perceive a smart phone as noble (symbolic information), but this PDC does not stand in correlation to the product's functional features. Building on customer-based brand equity we analyze the impact of different PDCs on brand connotations.

### Development of hypotheses

According to Keller (1993) customer-based brand equity can be described as the impact of customer's brand knowledge on his/her response towards a specific brand. Such brand knowledge consists of two components: brand awareness and brand image (Keller, 1993). Whereas the former one defines a consumer's brand recall or recognition, the latter one describes a network of brand associations the customer has about the brand in mind (Low & Lamb Jr, 2000; John et al., 2006). These associations can include attitudes about the brand, benefits when using the brand's products as well as product-related and non-product-related attributes. Because customers have a direct contact to the product when purchasing and/or using it, PDCs should play a key role for the brand associations.

According to the SARA (Selective Activation, Reconstruction, and Anchoring) model, when doing judgment, human beings elaborate external and internal information in their working memory. According to this model, especially internal cues stored in the long-term memory which have strong associative links to external cues have a high impact on the final decision outcome (Pohl, Eisenhauer & Hardt, 2003). They are used as heuristics to make the

judgment. Therefore, a symbolic PDC (as external cue) which activates a connotation (e.g., ‘noble’) in the long-term memory of the consumer (as it is associatively linked to it) will be used as heuristic to judge the brand itself and will enrich the connotations (or associations) to the brand itself.

*H1: PDCs influence the evaluation of the brand connotations.*

We further look at the kind of PDCs. On the one hand, if the PDCs are congruent with the product category, the need for mental processing should be limited. On the other hand, if the connotations are incongruent, consumers should process these pieces of information more deeply due to the fact that their attention increases to elaborate the incongruent PDC (Lee, 1995).

*H2: The impact of PDCs on brand connotations is higher when the PDCs are incongruent to the product category than when they are congruent.*

Consumers perceive a lower risk when they buy low involvement products compared to high involvement products (Kapferer & Laurent, 1986). Therefore, in case of a low involvement product peripheral cues such as PDCs should play a more significant role compared to high involvement products (Petty & Cacioppo, 1986).

*H3: The impact of PDCs on brand connotations is higher for low involvement products than for high involvement products.*

According to customer-based brand equity, the associations with weak brands can be changed more easily than those with strong brands (Keller, 1993). Hence, the impact of PDCs should be higher for weak brands compared to strong brands.

*H4: The impact of PDCs on brand connotations is higher for weak brands compared to strong brands.*

Due to the fact that consumers’ acceptance of products with an aesthetic design is higher (Veryzer, 1993; Bloch, 1995) we expect a higher impact of PDCs on brand connotations if the respondents perceive the product design as more aesthetic.

*H5: The impact of PDCs on brand connotations is higher if consumers perceive the product design as more aesthetic.*

## **Methodology**

A 2 (PDC: congruent/incongruent to product category) x 2 (product category: high/low involvement) x 2 (brand strength: strong/weak) between-subject factorial design was used for the main experiment. The research process included five preliminary studies and one main experiment (Appendix 1).

Preliminary studies: First, we asked the participants (N=150) about their knowledge of 15 different product categories and selected two low (toasters and kettles) and two high involvement product categories (digital cameras and mobile phones) using Kapferer and Laurent’s (1986) product category involvement scale.

Second, we determined two strong and two weak brands for each of the product categories based on Keller’s (1993) dimensions of brand knowledge (brand awareness and brand image) (N=120).

Third, we chose two different connotations - one congruent (“noble”) and one incongruent (“feminine”) to the product categories selected. The participants (N=30) described their associations with these two connotations, which were used to derive scales for the connotations “feminine” and “noble”. Thirteen other items were added to our connotations scale to cover the objective of the study (Appendix 2).

For each connotation in each of the four product categories the stimuli were professionally designed considering product materials, shapes, colors, signs and surfaces (Appendix 3).

Fourth, the stimuli for each product category were presented to respondents in a computer-assisted 3D-animation for 30 seconds to ensure that the PDC “noble” was also perceived as noble from the respondents (N=120, similar for the PDC “feminine”) ( $p < .001$ , Appendix 3). Fifth, we asked respondent to rate the congruence between the PDCs (either “noble” or “feminine”) to each product category, using Lee’s (1995) scale to measure schema congruity. The findings confirmed that the “noble” PDC was perceived as congruent to each product category, whereas the connotation “feminine” was perceived as incongruent ( $n=120$ ). In the main study 490 participants (52% female; average age: 24) were randomly assigned to one of experimental groups. We first asked respondents to evaluate a real brand in regards to their attitudes and connotations. Then we showed the participants an unmarked product and asked them to rate the PDCs and aesthetics (based on Hirschman, 1986). After a filler task we presented the same product again, now marked with the brand name. Respondents rated again their brand attitude, connotations and aesthetics, followed by demographic questions.

### Findings

Results show that participants transfer PDCs to the brands (Appendix 4). We used global distances (root of the summarized squared single items distances) and dependent t-tests to analyze if PDCs have an impact on brand evaluations.

The findings show that participants shifted the brand significantly into the direction of the PDCs ( $p < .05$ ), supporting H1. One-sample-t-test results showed that participants did not evaluate the brand after the treatment based on the prior brand connotation only or the PDC only ( $p < .05$ ). They rather used the PDCs as an anchor for the brand evaluations in all but one of the 16 groups.

In regards to the congruity between PDCs and each product category, further results of t-tests confirmed that brand connotations were significantly more adjusted when PDCs were incongruent ( $p < .01$ ), which supports H2.

Further, we tested the influences of the brand strength, the product category involvement and of the control variable product aesthetics with an overall model for the incongruent and congruent connotations separately.

In case of an *incongruence* between PDC and product category, the results of an univariate analysis of variance demonstrated significant influences of product category involvement ( $F_{1,190}=8.102$ ,  $p < .05$ ), but not in regards to brand strength ( $F_{1,190}=0.157$ ,  $p > .05$ ) and product aesthetics ( $F_{1,190}=1.716$ ,  $p > .05$ ). Hence, for *incongruent* PDCs H3 and H4 are supported, but not H5.

In case of a *congruence* between PDC and product category, findings were different. While the product category involvement was not significant ( $F_{1,178}=.169$ ,  $p > .05$ ), brand strength ( $F_{1,178}=6.667$ ,  $p < .05$ ) and product aesthetics  $F_{1,178}=4.303$ ,  $p < .05$ ) had significant impacts on brand connotations. Therefore, for *congruent* PDCs H3 has to be declined, while H4 and H5 are supported.

### Theoretical implications

Our findings demonstrate that PDCs have a significant impact on consumers’ brand evaluations. In regards to our theoretical contribution, consumers use product design as anchor for brand evaluations. This supports the SARA model for visual product design when consumers judge brands.

### Practical implications

The results indicate that brand managers need to consider PDCs to enhance brand evaluations and therefore to increase customer-based brand equity, particularly if the brand is weak. Perhaps surprisingly, the impacts of PDCs are particularly strong when the PDC is



incongruent to the product category. This means that a brand can evoke consumers' attention especially if the brand differs from 'stereotype' product design. However, such differentiation through new and extraordinary PDCs has to be carefully implemented as consumers need to be able to recognize the advantages of the design to buy the product.

In industry, some brands already use PDCs. For example, Apple uses a simple PDC that expresses the simplicity of their products when using them, while differentiating at the same time to competitors.

### **Limitations**

Research in the field of product design in the branding area is still limited. In our experimental study we focused on two connotations in four product categories with eight brands. Future research should include additional control groups and gain further findings in other product categories and brands. In addition, qualitative research such as in-depth-interviews and laddering techniques could help to obtain further insights how product design influences consumers' brand knowledge, elaboration and decision processes.

### **Originality/value**

Research about product design in the marketing discipline is limited. We analyze the impact of product design connotations on brand evaluations in an experimental setting of 490 respondents in four product categories. The findings support that consumers use product design as heuristics to evaluate brands.

### **Keywords**

product design, symbolic design, customer-based brand equity, SARA model

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## Appendices

### Appendix 1: Preliminary studies and main study

| Preliminary studies and main study       |   |  |                                                                                        |
|------------------------------------------|---|--|----------------------------------------------------------------------------------------|
| Preliminary study (N=150)                | 1 |  | Selection of two low and two high involvement product categories II                    |
| Preliminary study (N=120)                | 2 |  | Selection of one strong and one weak brand for each of the product categories          |
| Preliminary study (N=30)                 | 3 |  | Development of scales for measuring the connotations                                   |
| Design of the stimuli products with PDCs |   |  |                                                                                        |
| Preliminary study (N=120)                | 4 |  | Manipulation check of the stimuli products on their PDCs                               |
| Preliminary study (N=120)                | 5 |  | Manipulation check of the stimuli products on their congruence to the product category |
| Main study (N=490)                       |   |  | Measurement of the influences of the stimuli connotations                              |

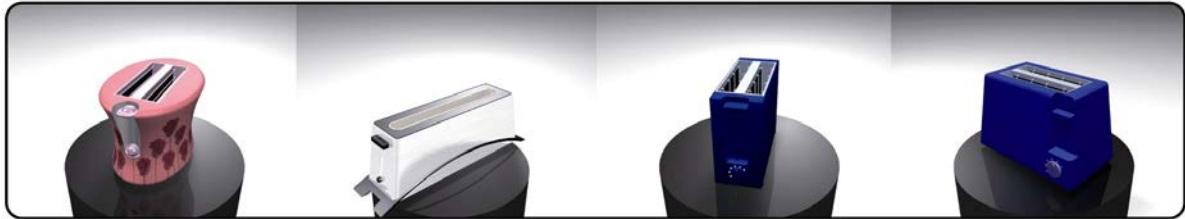
### Appendix 2: Connotations scale

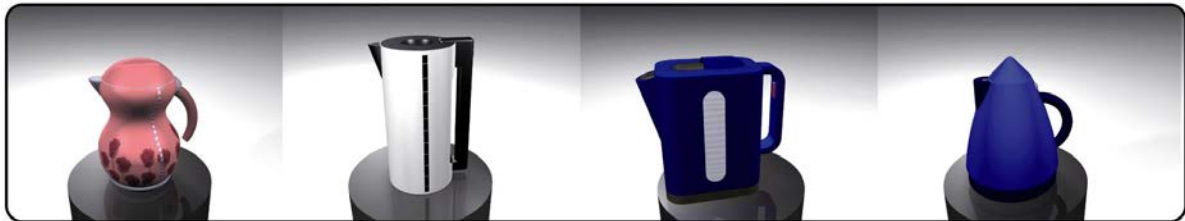
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Connotations scale</u> <ul style="list-style-type: none"><li>▪ Feminine: rough/gentle, hard/soft, angular/round and masculine/feminine</li><li>▪ Noble: ordinary/exclusive, primitive/elevated, cheap/expensive and common/noble</li><li>▪ Further items: unprofessional/professional, dishonest/honest, undynamic/dynamic, Uncharismatic/charismatic, incompetent/competent, distorted/undistorted, not chic/chic, not Classy/classy, unimaginative/imaginative, not fresh/fresh, artificial/natural, not catchy/catchy and unsuccessful/successful</li></ul> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

### Appendix 3: Stimuli with PDC evaluations

|   | Feminine PDC                                                                       | Noble PDC | Default Product 1 | Default Product 2 |
|---|------------------------------------------------------------------------------------|-----------|-------------------|-------------------|
|   |  |           |                   |                   |
| f | 1.65***                                                                            | .23       | -.34              | -.65              |
| n | 1.25                                                                               | 2.24***   | -.75              | -.69              |

|   |                                                                                    |         |      |      |
|---|------------------------------------------------------------------------------------|---------|------|------|
|   |  |         |      |      |
| f | 1.78***                                                                            | -.80    | -.33 | -.34 |
| n | .58                                                                                | 1.92*** | -.14 | -.16 |

|   |                                                                                      |         |       |       |
|---|--------------------------------------------------------------------------------------|---------|-------|-------|
|   |  |         |       |       |
| f | 2.48***                                                                              | .05     | -1.73 | -.61  |
| n | 1.26                                                                                 | 1.93*** | -1.04 | -1.52 |

|   |                                                                                      |         |       |      |
|---|--------------------------------------------------------------------------------------|---------|-------|------|
|   |  |         |       |      |
| f | 2.13***                                                                              | .83     | -1.57 | .33  |
| n | 1.32                                                                                 | 1.89*** | -1.07 | -.16 |

f: feminine connotation scale

n: noble connotation scale

N=120 (For each product category: N=30)

\*\*\* =  $p < .001$  (Significances of differences between connotated and default products)

#### Appendix 4: Results of the main experiment

| Congruent Connotations (PDC: Noble) |        |                         |             |                            |                      |                        |
|-------------------------------------|--------|-------------------------|-------------|----------------------------|----------------------|------------------------|
| Product Category                    | Brand  | Brand Connotation pre I | PDC II      | Brand Connotation post III | Global distance I-II | Global distance II-III |
| Digital Cameras                     | strong | .98 (.85)               | 1.22 (.99)  | 1.22 (.84)                 | .57                  | .41                    |
|                                     | weak   | .29 (.97)               | 1.63 (1.06) | 1.51 (1.00)                | 2.53                 | .36                    |
| Mobile Phones                       | strong | .62 (1.12)              | 1.57 (1.11) | 1.38 (1.02)                | 1.63                 | .44                    |
|                                     | weak   | -.76 (1.15)             | 1.66 (1.10) | 1.15 (1.24)                | 3.86                 | 1.10                   |
| Toasters                            | strong | .72 (.95)               | 1.13 (1.14) | 1.19 (.95)                 | 1.08                 | .61                    |
|                                     | weak   | .32 (.98)               | .45 (1.29)  | .40 (.96)                  | .36                  | .20                    |
| Kettles                             | strong | .47 (.76)               | 1.76 (1.03) | .93 (.94)                  | .60                  | .59                    |
|                                     | weak   | -.06 (.87)              | 1.42 (1.06) | 1.68 (.82)                 | 3.54                 | .28                    |

| Incongruent Connotations (PDC: Feminine) |        |                         |             |                            |                      |                        |
|------------------------------------------|--------|-------------------------|-------------|----------------------------|----------------------|------------------------|
| Product category                         | Brand  | Brand connotation pre I | PDC II      | Brand connotation post III | Global distance I-II | Global distance II-III |
| Digital cameras                          | strong | -.34 (.77)              | 1.56 (1.25) | 1.63 (1.10)                | 4.00                 | .37                    |
|                                          | weak   | .18 (1.11)              | 1.40 (1.15) | 1.04 (1.06)                | 1.95                 | .91                    |
| Mobiles phones                           | strong | -.16 (.91)              | .75 (1.12)  | .51 (.95)                  | 1.53                 | 1.12                   |
|                                          | weak   | -.27 (.80)              | .83 (1.33)  | .91 (1.28)                 | 2.48                 | .49                    |
| Toasters                                 | strong | -.31 (.87)              | 2.12 (.84)  | 1.56 (1.01)                | 4.09                 | 1.31                   |
|                                          | weak   | -.32 (1.03)             | 1.34 (1.20) | 1.11 (1.43)                | 2.95                 | .65                    |
| Kettles                                  | strong | -.32 (.84)              | 2.48 (.58)  | 1.73 (1.16)                | 4.16                 | 1.54                   |
|                                          | weak   | .43 (.89)               | 2.41 (.60)  | 2.22 (.67)                 | 3.61                 | .55                    |

### Mixture modeling in branding research: Latent classes of brand equity and loyalty in an organizational context

Juntunen, Mari  
Juntunen, Jouni  
Paananen, Mikko

#### Purpose of Paper

Researchers using structural equation modelling (SEM) frequently treat their data as if they were collected from a single population (Muthén 1989). This assumption of homogeneity is often unrealistic and may provide misleading results, as the data may contain unobserved heterogeneity (Jedidi et al. 1997). Mixture modeling, or finite mixture modeling (McLachlan and Peel 2000), refers to modeling with categorical latent variables that represent subpopulations where the population membership is not known but is revealed from the data

(Muthen and Muthen 1998–2007; Van Horn et al. 2009). Respondents are not segmented a priori because their group membership is unknown (Bart et al. 2005); instead, the techniques have been developed to identify unobserved heterogeneity—or latent classes—from the data. Finite mixture structural equation modeling (FMSEM) extends the traditional multi-group SEM by allowing to uncover unobservable customer segments and to estimate segment-specific path coefficients in a research model simultaneously (Bart et al. 2005). In this study we use FMSEM to reveal latent classes of brand equity (BE) and loyalty in an organizational context.

Customer loyalty is one of the most important goals that brand managers want to achieve. Loyalty is one of the central concepts in most BE models in different contexts (see, e.g. Aaker 1991; King & Grace 2010, Faircloth 2005; French & Smith 2010; Kim et al. 2011). In an organizational context several researchers see loyalty—customers’ intentions to continue buying from the service provider, along with a deeply held commitment—as an outcome of BE (e.g. Keller 1993; van Riel et al. 2005; Taylor et al. 2004; Vogel et al. 2008). BE refers to “differential effect of brand knowledge on consumer response to the marketing of the brand” (Keller 1993: 1). Other central concepts of BE are brand image (BI) and brand awareness (BA). BI refers to the customer’s perceptions about a brand) (Keller 1993). BA refers to collective awareness: when a brand is known, each individual knows that it is known (Kapferer 2012: 11).

Davis et al. (2008) found that in the business services context both BA and BI have a positive influence on BE. Berry (2000) says that BI rather than BA is the major determinant of BE in the services context. Thus, it is possible that the antecedents of BE differ in different unobservable heterogeneous customer segments. The purpose of this study is 1) to reveal the number of latent classes, that is, the number of different models of BE and loyalty in our data, and 2) to discover the model of BE and loyalty for each latent class with the help of FMSEM analyses.

### Methodology/approach

In our research model (Figure 1) BE is a structure which consists of BA and BI. We assume that BE influences loyalty. The variable C indicates the existence and number of latent classes and the dashed arrows mean that the slope of the linear regressions of independent variables varies across these latent classes. As the approach is data-driven, no hypotheses are formulated. Measures are presented in Appendix.

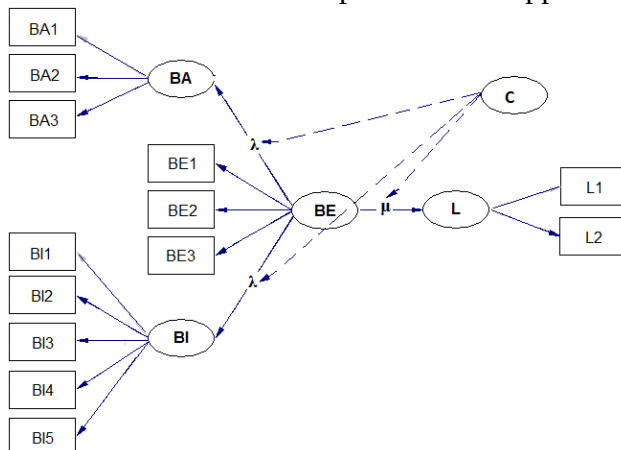


Figure 1: Research model

We chose business customers of a Finnish brewery Olvi plc. for our respondents. Olvi delivers products for its customers through a variety of business services (e.g. leasing and maintaining beer taps, logistics) and has no typical customer type: they vary from small

privately owned restaurants to large restaurant chains. Our data was gathered from 645 restaurant customers through a Webropol survey in April 2013. A total of 173 answers (26.8 %) were received.

We began by analysing the data with SEM using the MPlus software package. As the model was unworkable (as was assumed in order to reveal unobserved heterogeneity), we continued our analyses with FMSEM to elicit the number of the latent classes and a SEM model for each class. The model was first estimated using one latent class, then two latent classes, and so on, until the model-fit information suggested that the previous model was better than the current model.

## Findings

Fit indices (Table 1) suggest the three latent class solution. Log-likelihood (LogLH) is lower in solutions with more classes, which indicates that the model works as it should. The Bayesian information criteria (BIC), the most reliable fit index with a small sample size (less than 500) (Tolvanen 2007), offers the lowest value for the solution with three latent classes. Parametric bootstrapped likelihood ratio (PBLR) is reliable when it can be produced and offers a statistically significant p-value (0.000) with three latent classes solution. Other values are suitable for large sample sizes (Tolvanen 2007).

Table 1. Evaluation of latent classes

| <u>Classes</u> | <u>n</u>    | <u>LogLH</u> | <u>AIC</u> | <u>BIC</u> | <u>ABIC</u> | <u>VLMRLRT</u> | <u>LMRALRT</u> | <u>PBLR</u> |
|----------------|-------------|--------------|------------|------------|-------------|----------------|----------------|-------------|
| 1              | 173         | 3227         | 6537       | 6669       | 6536        | n/a            | n/a            | n/a         |
| 2              | 14/159      | 3166         | 6432       | 6590       | 6432        | 0.035          | 0.038          | 0.000       |
| 3              | 37/7/129    | 3114         | 6343       | 6526       | 6343        | 0.182          | 0.187          | 0.000       |
| 4              | 15/21/131/6 | 3103         | 6339       | 6547       | 6338        | 0.440          | 0.442          | 0.600       |

LC1 has 7 members (4.0 % of the population), LC2 has 37 members (21.4 %) and LC3 has 129 members (74.6 %). Average posteriori probabilities reveal that the probability of the members belonging to the suggested classes is very high (LC1 0.995; LC2 0.942; LC3 0.982).

In all SEM models BI has a positive relationship with BE and BE has a positive influence on loyalty (Figure 2). The relationship between BA and BE varies, thus we focus on it. In LC1 the relationship is positive: increase (decrease) in BA increases (decreases) loyalty. In LC2 the relationship is negative: increase (decrease) in BA diminishes (increases) loyalty. In LC3 BA has no relationship with BE.

Although estimates in the models vary, model structures are mathematically indifferent. This allows us to consider BA as an outcome of BE. This view might conflict with traditional brand research (Keller 1993), but can be accepted as the role of awareness needs attention (Berry 2000; Kapferer 2012). In LC1 increase (decrease) in BI or loyalty increases (decreases) BA; in LC2 increase (decrease) in BI or loyalty diminishes (increases) BA; and in LC3 change in BI or loyalty has no influence on BA. Additionally, BA, BI and loyalty can all be interpreted as dimensions of BE. In LC1 higher (lower) BA values indicate higher (lower) BE values; in LC2 higher (lower) BA values indicate lower (higher) BE values; and in LC3 only higher (lower) BI or loyalty values indicate higher (lower) BE values.

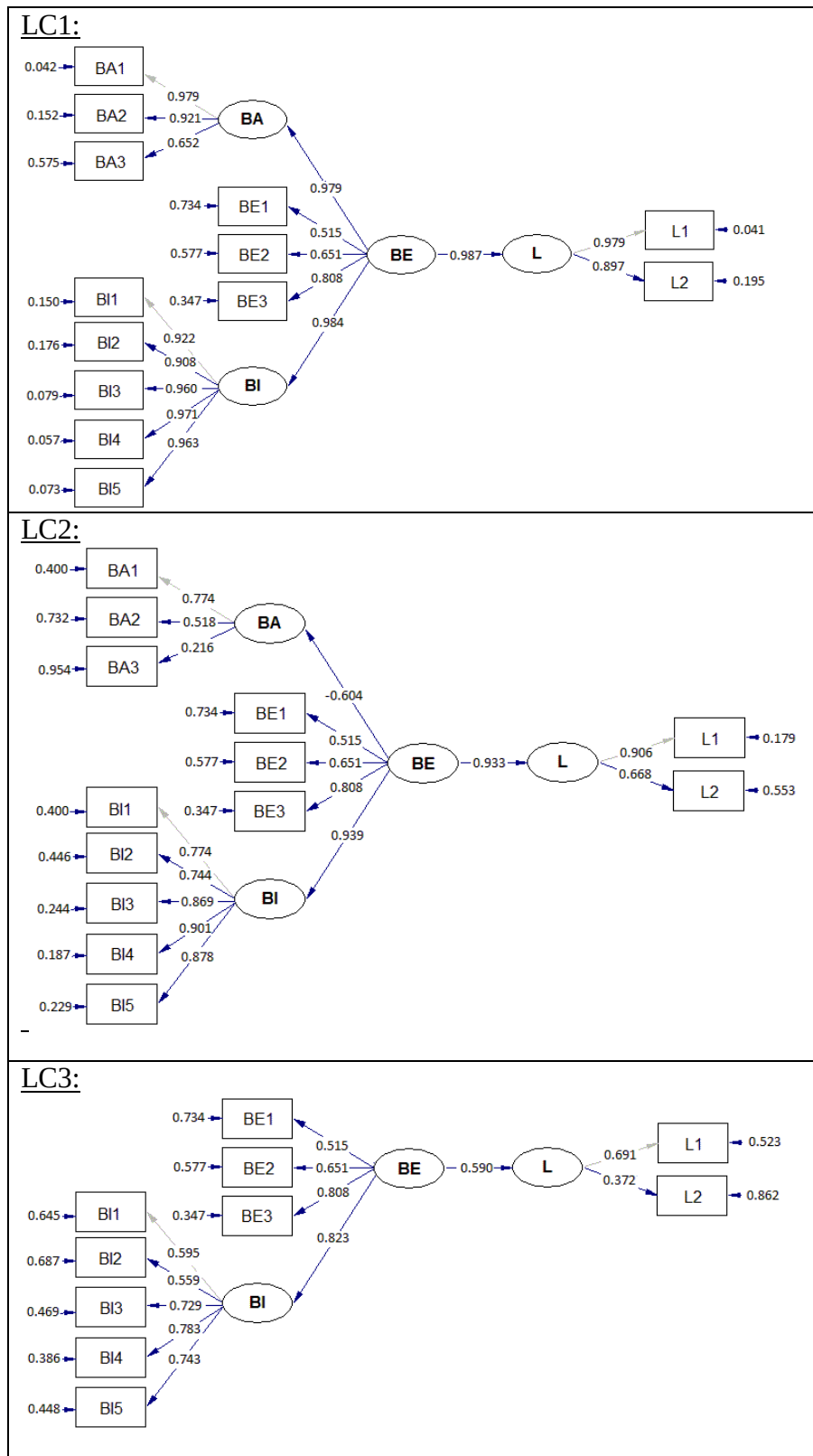


Figure 2: The SEM models of the three latent classes



### **Theoretical implications**

Our results show that even a small data sample may contain latent classes that behave differently. We revealed three latent classes: brand advocates (LC1), brand rebels (LC2), and performance seekers (LC3). *Brand advocates* represent a traditional view. The higher they value any of the components of BE, the better they consider the BE being. The better known they consider the brand, or the better their image of the brand is, the more loyal they intend to be to the brand. This is in line with Keller (1993) and with our research model. Our finding is that when their brand image improves or loyalty intentions increase, they feel that the collective awareness of the brand increases.

*Brand rebels* behave in the opposite way. The higher they think the collective awareness of a brand is, the lower they consider the BE, and vice versa. When collective awareness increases, their loyalty intentions decrease; and when they think collective awareness decreases, their loyalty intentions increase. Thus this group of respondents might search for new brands and experiences. For *performance seekers* awareness of the brand has no influence; only their image on company's actual performance influences their loyalty intentions.

### **Practical implications**

It is important for managers to notice that the antecedents of BE and loyalty may vary among customer segments. Different customers may appreciate different aspects: collective awareness might be extremely important for some of the customers but absolutely negative for others, while some care about how the company performs only. Thus, new insights and views are needed in order to find new kinds of customer segments and answer the contemporary customer needs in new ways.

Mixture modeling offers new, statistically acceptable ways for researchers and managers to approach the data sets when the original SEM model proves to be unworkable, as well as it might offer new insights to handle big data.

### **Limitations**

We focused on FMSEM, but a family of mixture modeling techniques is much wider and thus offers several other aspects for branding research. We used Keller's (1993) view on BE; a number of other BE models might have been chosen. One of our latent classes (LC1) consists of 4 % of the respondents only, although its' existence is both statistically and theoretically justified. Finally, our data is small and gathered in one country and context only, which limits the generalizability of the results, specifically in today's global world where big data is emphasized.

### **Originality/value**

This study is one of the rare attempts to employ mixture modeling techniques in general and FMSEM in particular in branding research. Our study might be the first to reveal respondents' unobserved heterogeneity in an organizational branding context.

### **Keywords**

Branding; Finite mixture structural equation modeling (FMSEM); Unobserved heterogeneity; Latent class approach; Segmentation

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## Appendix: Latent variables and their operational measures

| Latent variables and their operational measures<br>(1=fully disagree ... 7=fully agree)                                                                                                                                                                                                                                                                                                                                  | Label                                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| Brand awareness (Davis et al. 2008): <ul style="list-style-type: none"><li>• The name Olvi is well known in our industry</li><li>• Olvi is a recognized brewery</li><li>• In comparison to other breweries, Olvi is a leading brand</li></ul>                                                                                                                                                                            | BA<br>BA1<br>BA2<br>BA3                   |
| Brand image (Davis et al. 2008): <ul style="list-style-type: none"><li>• Olvi is known as a company that takes good care of its customer</li><li>• I can reliably predict the quality Olvi will perform</li><li>• In comparison to other breweries, Olvi is known to consistently deliver high quality</li><li>• In comparison to other breweries, Olvi is highly respected</li><li>• Olvi is highly respected</li></ul> | BI<br>BI1<br>BI2<br>BI3<br><br>BI4<br>BI5 |
| Brand equity (Davis et al. 2008): <ul style="list-style-type: none"><li>• We are willing to pay more in order to do business with Olvi</li><li>• Olvi's brand is different from other breweries' brands</li><li>• The name of Olvi gives them an advantage over other breweries</li></ul>                                                                                                                                | BE<br>BE1<br>BE2<br>BE3                   |
| Loyalty (van Riel et al. 2005; Vogel et al. 2008) <ul style="list-style-type: none"><li>• We are likely to recommend Olvi to our business partners</li><li>• It is highly probable that we will continue the relationship with Olvi for as long as possible</li></ul>                                                                                                                                                    | L<br>L1<br>L2                             |

## Radical branding

Jones, Robert

### Purpose of this paper

I'm a strategist at the global brand consultancy Wolff Olins, based in London, and I'm a visiting professor at the University of East Anglia, Norwich, UK. Through both these perspectives, I can see massive change in the branding business, and I believe it's important to try to understand these changes, and create a conceptual framework for them. That's what this presentation will aim to do. I see this as a broad-ranging practitioner presentation, perhaps kicking off a panel discussion, rather than a specific research paper.

### Summary

In a digital world, where individual consumers and employees have huge new power and confidence, the branding game is changing. Practice is morphing rapidly, and Wolff Olins is currently redefining its offer in a radical way. This presentation will give an up-to-the-minute, research-based snapshot of these latest developments, and it will offer a provocative discussion-starter for anyone involved in branding.

My hypothesis is that branding is changing in five ways, set out in my guest editorial in *Journal of Brand Management* (2012) 20, 77–79. These changes are:

- from persuasion to platform
- from positioning to purpose
- from consistency to experimentation
- from control to liberation

- from ownership to boundarylessness.

They add up to a shift from ‘making people want things’ to ‘making things people want’.

### **Methodology**

I will test this hypothesis by researching in detail current Wolff Olins practice, in projects for six clients around the world, including potentially Google, Orange and Tata.

This research will drill into big shifts in how we work, such as:

a move beyond communication, even beyond ‘brand’ as normally defined, into a more general ‘applied creativity’ offer

new services beyond traditional advice and design, in particular educational services

a much less linear, more agile process, including rapid prototyping of our creative ideas

a management style that is much less controlled, more open, and biased towards action rather than perfection

branding projects that go beyond traditional organisational boundaries, to create brands for looser affiliations, alliances and movements.

The research method will be qualitative interviews with Wolff Olins practitioners and their clients.

I’ll be defining how our practice is changing, why, what’s working and what isn’t – and suggest some broad implications for brand owners, brand consultants and brand academics.

### **The effects of brand engagement in social media and perceived innovativeness on share of wallet**

Karjaluoto, Heikki

Munnukka, Juha

Tiensuu, Severi

### **Purpose of the paper:**

The objectives of the study are two-fold. First, we contribute to the theory of customer brand engagement in social media by testing the effects of four motivational drivers on engagement. Second, we examine the effects of engagement in social media on share of wallet (SOW) and the moderating effects of perceived innovativeness on this positive relationship. An understanding of these fills an important gap in the literature concerning the antecedents of brand engagement and its link to customer loyalty. We control the model for gender, age and frequency of visits to the social media forums (Facebook and Twitter) of the brand. Figure 1 shows the conceptual model and the hypotheses of the study.

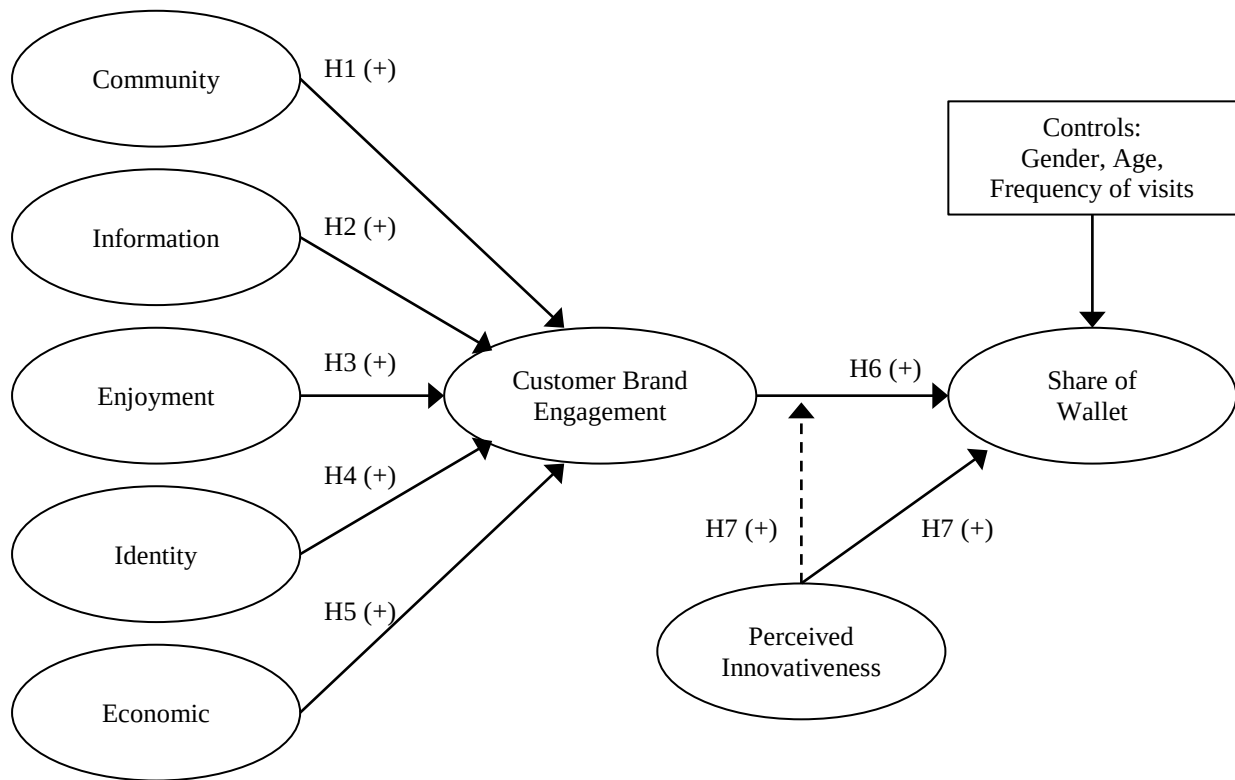


Figure 1 Research model and hypotheses (dashed lines represent moderating effects)

The study develops seven hypotheses derived from an extensive literature review concerning the antecedents of brand engagement and its effects on SOW. Customer brand engagement in social media is defined as “an interactive and integrative participation in the fan-page community” (Jahn & Kunz 2012, p.349). With respect to H1-H5, engagement is found to stem from several motivational drivers (Brodie et al. 2011; Calder & Malthouse 2008; Hollebeek 2011; van Doorn et al. 2010). According to McQuail’s (1983) classification, engagement motivations encompass four main components: information motivations, entertainment motivations and integration, personal identity motivations, and social interaction motivations (Heinonen 2011; Mersey et al. 2012). Muntinga et al. (2011) declare that this classification also works in social media.

Brand communities constituent an important platform for customer engagement behavior (Brodie et al. 2011; Dholakia et al. 2004; Kane et al. 2009; McAlexander et al. 2002). Entertainment is a relevant motivation for consuming user-generated content (Muntinga et al. 2011; Shao 2009). Entertainment and fun is an experiential value that customers receive from using online services (Gummerus et al. 2012) such as social networking pages (Men and Tsai 2013; Park et al. 2009). Need for information has been identified as the main reasons for participation in network-based communities (Brodie et al. 2013; De Valck et al. 2009) as people use media to build their identities (Mersey et al. 2012). Similarly, impression management and identity expression have been identified as important motivators of social network sites access (Boyd 2008) where users can express themselves by adjusting their profiles, linking to particular friends, displaying their “likes” and “dislikes,” and joining groups (Tufekci 2008). Economic benefits are a motivational factor, in which people join brand communities to obtain economic incentives such as discounts and time savings or participate in raffles and competitions (Gwinner et al. 1998).

Against this backdrop, we propose these five motivational drivers to have a positive effect on customer brand engagement in social media:

H1-H5: Community (H1), information (H2), enjoyment (H3), Identity-related (H4), and economic-related (H5) experiences are positively associated with customer brand engagement.

Consumers' share of spending is understood as a behavioral dimension of consumer loyalty (e.g. Keiningham et al. 2005). For example, Zeithaml (2000) points to the increased favor for the SOW concept. Although engagement has been linked with satisfaction, commitment and loyalty (e.g., Bowden 2009; Brodie et al. 2011; van Doorn et al. 2010), we were able to find only one study (Vivek et al. 2012) that has investigated the specific relationship between consumer engagement and SOW. This preliminary evidence suggests that engaging consumers can lead to successful marketing outcomes, such as SOW. In accordance with these findings, we want to confirm that:

H6: Customer brand engagement has a positive effect on SOW.

Perceived innovativeness refers to a tendency to willingly embrace change, try new things, and buy new products more often and more rapidly than others (Cotte & Wood 2004). It is strongly related to the adoption and purchase of products, especially new products. Steenkamp et al. (1999) state that innovative consumers change consumption patterns and previous product choices rather than remain with old ones. To acquire elaborate information about the model, perceived innovativeness is examined as a moderator of the relationship between customer brand engagement and SOW. Under this model, when perceived innovativeness is high, customer brand engagement exerts a stronger effect on SOW. Thus we propose that,

H7: Perceived innovativeness moderates the positive relationship between customer brand engagement and SOW.

### **Methodology:**

We tested the hypotheses with data obtained from Facebook fans and Twitter followers of a global consumer electronics company. Within a two-week response time, 818 completed questionnaires were returned. The effective response rate was 57%. We used the following established scales anchored from 1 "strongly disagree" to 5 "strongly agree" to measure the study constructs:

- Community (four items) and enjoyment (five items) adapted from Calder et al. (2009); Mersey et al. (2012); and Calder and Malthouse (2008)
- Identity (three items) and information (five items) adapted from Mersey et al. (2012).
- Economic benefits (two items) adapted from Hennig-Thuray et al. (2004)
- Customer brand engagement (four items) adapted from Jahn and Kunz (2012); Gummerus et al. (2012) and Muntinga et al. (2011)
- SOW (two items) adapted from De Wulf et al. (2001)
- Perceived innovativeness (four items) adapted from Lu et al. (2005)

The hypotheses were tested with partial least squares structural equation modeling software SmartPLS 2.0 (Ringle, Wende, & Will 2005). All the study constructs are reflective.

### **Findings:**

Most of the respondents were male 547 (67%). The major age group falls between 26 and 35 years (25%). Most of the respondents visit the fan page 1–3 times per week (30%) or 2–3 times per month (24%).

The exploratory and confirmatory factor analyses suggested that factors information and entertainment are combined. Thus, in the confirmatory analyses these were combined as a single factor. Analysis indicates acceptable reliability and validity as the factor loadings were high ( $>0.60$ ) and significant, composite reliabilities for the scales were larger than 0.840,

AVE values exceeded the cut-off criteria 0.50, and discriminant validity is achieved. The model's predictive relevance was medium-high as the model explains more than 50% of the  $R^2$  of customer brand engagement and the  $Q^2$  values were larger than 0.15 for SOW and larger than 0.35 for customer brand engagement. Figure 2 shows the results of the hypotheses testing:

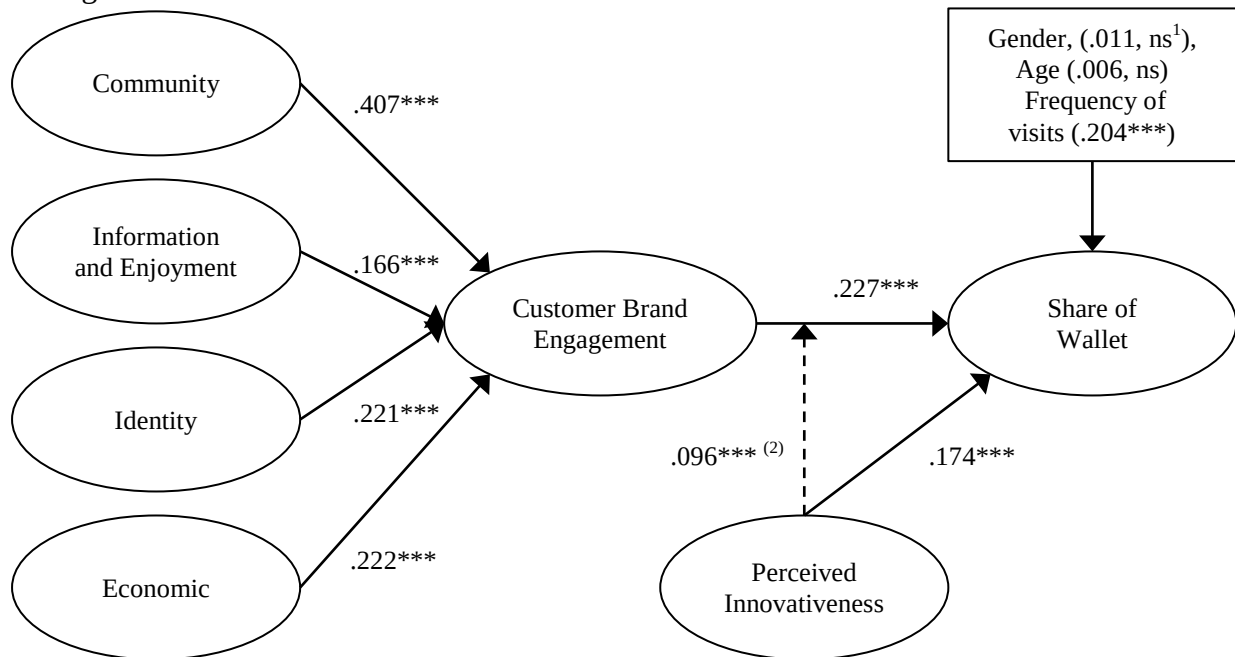


Figure 2. Hypotheses testing (path coefficients)

Notes:

\*\*\*  $p < 0.01$

<sup>1</sup> ns = Not significant

<sup>2</sup> Moderating effect

As shown in Figure 2, all the proposed motivational factors exhibit strong positive relationships with brand engagement (when treating information and entertainment as a single construct), thus supporting H1-H5. Customer brand engagement is also positively associated with SOW, indicating that H6 is accepted. Of the control variables, only frequency of visits exhibits a positive association with SOW.

The results of the moderating effects indicate that perceived innovativeness (H7) exerts a positive effect on the relationship between customer brand engagement and SOW, such that when perceived innovativeness is high, the link between customer brand engagement and SOW is strengthened. Without the moderating effect, the relationship between customer brand engagement and SOW is 0.227; with the significant moderating effect (0.096), this relationship is 0.323. The moderator therefore significantly strengthens the relationship. That is, the more strongly a customer perceives himself/herself as innovative, the stronger the relationship between brand engagement and SOW. Thus, H7 is accepted.

In sum, the results suggest that a community benefits is the strongest motivator of customer brand engagement and SOW in the social media context. The findings also show that customers' innovativeness moderates the positive brand engagement-SOW relationship.

**Theoretical implications:**

This study contributes to our understanding of how social media drives consumers' brand engagement and buying behaviour. We answer to the calls for the need for more empirical studies on the nature of customer engagement (Brodie et al. 2011) and further link engagement with SOW (Vivek et al. 2012). On this basis, the study makes three important theoretical contributions. First, we show that the four motivational drivers identified all have a positive influence on brand engagement in social media. The results indicate that the followers who feel that they receive community, information and enjoyment, identity and economics -related benefits from following the brand in social media are highly engaged with the brand. This finding is in line with theory, which identifies the aforementioned motivations as drivers of brand engagement (e.g., Jahn & Kunz 2012; Muntinga et al. 2011). Second, this is among the first studies investigating the relationship between brand engagement in social media and share of wallet. We confirm that customer engagement with a brand positively influences SOW (c.f. Vivek et al. 2012). In other words, the percentage of the expenses that engaged customers allocate to a product and that goes to the firm selling the product is larger than those allocated by customers who are unengaged with a brand. Finally, we confirm that the higher the perceived innovativeness, the stronger is the positive relationship between brand engagement and SOW (c.f. Cotte & Wood 2004).

**Practical implications:**

Three managerial implications arise from the findings. First, our results show four motivational factors that drive engagement with brand in social media. Of these motives, community related motives turned out to be the most important. Thus, we recommend managers to develop social media sites that foster especially we-intentions and belongingness (c.f. De Valck et al. 2009; Saho 2009). Second, as the results confirm the positive link between brand engagement in social media and SOW, our results encourage brands to invest in fostering engagement in social media brand sites. Third, the results indicate that managers should implement strategies for social media in the light of the users' perceived innovativeness and frequency of visits as they positively relate to SOW.

**Limitations:**

The sample can be biased towards more motivated users as participation was voluntary. Thus, in generalizing the results caution has to be made. Although we minimized common method bias in the survey design, its effect can only be ruled out with longitudinal study design.

**Originality/value:**

The idea of engagement is relatively new in the marketing literature, and academic research has only minimally examined the potential for growth presented by engaging customers. However, numerous researchers have recognized the growing academic interest in customer brand engagement (Jahn & Kunz 2012; Brodie et al. 2011), as also evidenced by the Marketing Science Institute's (MSI) highlighting of customer engagement as one of its key research priorities. The rise of social media has strengthened the need for customer activation and engagement. Another issue of increasing importance in the marketing literature is share of wallet (SOW) and its relationship with brand engagement in social media. This relationship has been insufficiently examined, thereby preventing a thorough understanding of this relationship.

**Keywords** Customer brand engagement, Share of wallet, brand, social media, motivational driver



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## Co-creation of brand identities: Consumer influence (work in progress)

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### Purpose of Paper

In today's informed and connected society, consumers have become the owners of, and gained tremendous power in shaping, brands. Coined by Prahalad and Ramaswamy (2004), co-creation is the process where more than one party systematically joins forces to interact, learn, and share information to create value. The process of co-creation unites consumers and bands them together as a single unit to interact with the development of the brand (Ind et al. 2013). The purpose of this paper is to identify how consumer influence directly affects the creation of brand identities.

Recent examples of consumer-brand co-creation abound. From consumers choosing flavors of Lay's potato chips, the makeover of Trivago's spokesperson, user generated content for Hero Go-Pro active lifestyle cameras, the re-launching of The Gap's blue square logo, to Dorito's consumer-created commercials that “crash the super bowl”, brands are evermore engaging with, and utilizing feedback from, consumers to create and strengthen their identities. Furthermore, consumers are shaping brands' identities through their daily usage and social connections. Extant literature has started examining various aspects of co-creation including value creation (Prahalad and Ramaswamy 2004; Gronroos and Voima 2013), brand perceptions and behavior intentions (van Dijk et al. 2014), brand governance (Hatch and

Schultz 2010), the organic view of the brand (Iglesias et al. 2013), brand love (Noel and Merunka 2013) and the emergence and outcomes of co-creation (Ind et al. 2013).

In our knowledge, little—if any—research has examined the power of the consumer in shaping the identity of a brand through co-creation. To date, no empirical studies have been tested to determine the true power a firm can harness when consulting with their loyal consumer base. This research attempts to change that fact. The implications of this research will be far reaching from both theoretical and practical perspective, as brand identity co-creation is becoming common practice.

### **Methodology/Approach**

This research undertakes several studies to ultimately develop a model to test the approach of co-creating a brand identity with consumers. Pretests of study 1 and study 2 have already been conducted with undergraduate students at a large Southwestern university in the United States to refine the research instruments.

*Study 1-* A nationwide sample from the United States is taken to determine brands that consumers view as able to influence and unable to influence. To secure a generalizable sample, the authors will utilize the services of a well-known market research and analytics firm. This survey, administered online, asks respondents 2 questions: (1) Name five brands you feel listen to the consumer and that you can initiate contact with and influence the brand's identity, and (2) Name five brands you feel do not listen to the consumer and that you cannot initiate contact with or influence the brand's identity. The respondents are given a prompt at the beginning of the survey that informs them the survey is attempting to identify how consumers and brands work together to create a brand's identity. A national sample is used so that regional brands do not enter into the results, which would narrow the generalizability of the results. In addition, respondents are asked the question in an open-ended format, so as not to induce any bias into the responses. Three kinds of brands are expected to be found: (1) brands that are clearly viewed as consumers as able to influence, (2) brands that are clearly viewed as consumers as unable to influence, and (3) brands that are not clearly classified in either of the two previous categories. The most representative brands from each category (frequency count) will be used for study two.

*Study 2-* A separate nationwide sample from the United States is taken to rank the brands identified in study one on a 1-5 scale from 'unable to influence' to 'able to influence'. To secure a generalizable sample, the authors will utilize the services of the same well-known market research and analytics firm. In contrast to study 1 where brand recall is being measured, study 2 will serve as a validation of study 1 findings through prompted recognition. The names of the brands are randomized and not presented according to any category identified in study 1. The results will be compiled and brands placed within their "consumers' ability to influence" category.

*Study 3-* Study 3 expands on the results from study 2 and transitions the research to qualitative methods. In-depth interviews with managers responsible of the brands, identified in each category in surveys 1 and 2, are conducted to explore the factors that influence companies to interact or not interact with consumers for the creation of their identity. Interviews with managers of brands within each of the classifications is necessary to compare any differentiating factors. Managers will not be notified they were identified as a brand that is viewed as able/not able to be influenced by consumers. Instead, all managers will be approached on the premise of talking about the idea of brand identity and what level of input the brand seeks from the consumer in establishing the identity. The authors seek to gain insights from the managers to identify and develop key constructs in brand identity co-creation to be incorporated in a model with testable hypotheses. The number of interviews that will be conducted will be determined by Glaser and Strauss (1967) saturation criteria.

### **Theoretical Implications**

The results of this study build on the existing foundation of co-creation. Existing research focuses on several aspects of co-creation, yet specific research on the area of brand identity has been lacking. This research fills that gap and expands the knowledge for the phenomena of co-creation. Our identification of categories of brand-consumer influence goes beyond the traditional approach to co-creation and examines how consumers perceive the creation of a brand's identity. Therefore, the findings presented in this paper offer a deeper and more personal understanding of how brands and consumers collaborate to create a brand's identity and what factors are considered by firms to allow a greater or lesser level of consumer brand engagement.

The methodological implications of this paper concerns the creation of a new model and, subsequently, scale to measure the process associated the co-creating brand identity. This model is developed from 2 national surveys and in-depth interviews with managers from those brands identified by consumer. The development of the model will allow for researchers to conduct quantitative studies on the topic of brand identity co-creation.

### **Practical Implications**

Practitioners are using co-creation to create brand identity on a daily basis, however, these practitioners may not be aware of the formal structure they are using. The development of this scale could help managers gain a deeper understanding of how to effectively co-create with their consumer base. As such, this research closes the gap between marketing literature and practitioner application by obtaining information directly from brand managers and applying that information to create, test and validate an empirical model. The methods used to obtain these results are generalizable across firm size and industry, therefore allowing for potentially any firm to be able to disseminate and use the results of this study within their organization to strengthen the co-creation of brand identity with their consumers.

The ability to harness the power of the consumer's influence is a valuable tool for any firm, as ultimately co-creation is expected to increase value. The insights gained from consumers will enable firms to evaluate their position on co-creation and decide if they should be a brand that the consumers can influence or a brand that cannot be influence, or if they should align somewhere in the middle. With the ability to instantly connect with consumers in many online settings, firms can gauge feedback from consumers in a near real-time basis and look for trends in this feedback. The company can then decide how to implement this feedback, and the results of this study provides insight in to what the company could expect to take place when engaging the consumer in this manner.

### **Originality/Value**

The originality of this work resides on studying an area of co-creation yet to be studied. The idea of how a brand works explicitly with the consumer to create a brand identity is a timely topic that can be witnessed occurring on a daily basis in industry. Both academics and practitioners are learning about the implications of increased consumer brand engagement. Creating a formalized model to analyze this process will close the gap between the literature and practice. The study has value due to the growing power consumers have in today's marketplace.

### **Keywords**

Branding, Brand Identity, Co-Creation, Engagement, Model Development

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## What do millennials want from brands?: An assessment of design-related product demands

Kimmel, Allan J.

In order to survive in a competitive context, businesses are challenged more than ever to provide offerings that satisfy the evolving needs and preferences of increasingly demanding consumers. Recent surveys attest to the fact that consumers worldwide are demanding products that are practical and convenient to use; effective, safe, and multi-functional; ecological or green; and that help them save time (Dua et al. 2009; Mermet 2012). Consumers value the subjective meanings of products they purchase and use, and they desire offerings that provide an ideal mix of utility, design, and need-satisfying properties (Leeflang et al. 1995; Parsons 2009).

### Purpose

Millennials, the cohort of young adult consumers born between 1982 and 2000, represent an appealing target for marketers. These consumers have come of age at a time during which the Internet has always existed, devices have always been portable, and technology is always evolving. More jaded by the narratives devised by advertisers, they rely on their everyday experience with products, or the advice and recommendations of other consumers, to determine the relevance and utility of the things they buy and use. However, apart from a focus on millennials' desire to engage online with brands and the companies that produce them, little attention has been devoted to what such consumers want from products in terms of design elements. Such insight could prove invaluable for the strategic decision making of consumer goods firms in terms of brand differentiation and the need-satisfying properties of their offerings. The present exploratory investigation was intended to shed light on millennial consumers' product and brand-related demands which, according to design experts, can be considered in terms of such dimensions as usability, utility, and desirability (Bloch 1995; Parsons 2009). Although it is difficult to consider these three design aspects separately, given how they are intricately entwined and operate together in terms of their

impact on consumers, in a general sense *usability* pertains to the effectiveness and ease of use of a product, *utility* focuses on the usefulness or need for the product, and *desirability* reflects the emotional and aesthetic allure of a product (Bevan et al. 1991).

## Methodology

A total of 137 millennial students enrolled in Master's programs at a French *grande école* anonymously completed a questionnaire distributed as an email attachment. The sample was comprised of participants representing 24 nationalities, including 74 Europeans (54.0%), 28 Far Easterners (20.4%), 18 North Americans (13.1%), 14 Near Easterners (10.2%), and 3 South Americans (2.2%), aged between 19 and 30 (with an average age of 23.2). Participants were asked to rate the importance of various product attributes or benefits in terms of the question, "When you search for or go shopping for various products or services, what is important to you and likely to influence your purchase decision?" Eleven product characteristics derived from the product innovation and design literature (e.g., Parsons 2009; Trott 2008) were provided (e.g., efficacy, time-saving, multifunctionality, pleasure/comfort), along with a brief description of each. Ratings were obtained through the use of 11-point scales ranging from 0=not at all important to 10=extremely important. The product characteristics were randomly ordered across questionnaires so as to avoid response context effects.

## Results

Participant ratings for the 11 product characteristics are summarized in Table 1. The various product and service "demands" are arranged in the first column of values from highest to lowest average (mean) scores. Respondents also were asked to rank order the various product demands from the most important to the least important. These results are summarized in the remaining columns of the table. For example, for "efficacy (the product will fulfill the function for which it was created; it must work, and work well)," the average rating for the 137 respondents on the 11-point importance scale was 9.03 with a standard deviation of 1.19; 68 (49.6%) of the respondents ranked efficacy as the most important product attribute; 112 (81.8%) respondents ranked efficacy as either first, second, or third most important; and no one ranked efficacy as least important.

Table 1. Summary of Product Demand Ratings

| Product Demands      | N   | Mean Scores | SD   | Rank Order Frequencies (%) |                      |                 |
|----------------------|-----|-------------|------|----------------------------|----------------------|-----------------|
|                      |     |             |      | Most Important             | Top 3 Ranks Combined | Least Important |
| 1. Efficacy          | 137 | 9.03        | 1.19 | 68 (49.6%)                 | 112 (81.8%)          | 0 (0.0%)        |
| 2. Pleasure          | 137 | 7.90        | 1.78 | 20 (14.6)                  | 53 (38.7)            | 10 (7.3)        |
| 3. Durability        | 137 | 7.79        | 1.53 | 4 (2.9)                    | 37 (27.0)            | 3 (2.2)         |
| 4. Convenience       | 137 | 7.73        | 1.74 | 14 (10.2)                  | 53 (38.7)            | 2 (1.5)         |
| 5. Time-Saving       | 137 | 7.30        | 2.04 | 3 (2.2)                    | 25 (18.2)            | 3 (2.2)         |
| 6. Healthy           | 137 | 7.28        | 1.94 | 8 (5.8)                    | 41 (29.9)            | 8 (5.8)         |
| 7. Portable/Mobile   | 137 | 6.99        | 1.88 | 1 (0.7)                    | 13 (9.5)             | 11 (8.0)        |
| 8. Practical/Simple  | 137 | 6.76        | 1.92 | 13 (9.5)                   | 55 (40.1)            | 0 (0.0)         |
| 9. Multifunctional   | 137 | 5.83        | 2.84 | 3 (2.2)                    | 15 (10.9)            | 21 (15.3)       |
| 10. Ecological/Green | 137 | 5.28        | 2.23 | 2 (1.5)                    | 3 (2.2)              | 41 (29.9)       |
| 11. Ethical          | 137 | 5.16        | 2.37 | 1 (0.7)                    | 4 (2.9)              | 38 (27.7)       |

Three gender differences were apparent from the results, with male participants (N=36) rating “convenience” ( $t=2.13$ ,  $df=135$ ,  $p<.05$ ) and “time-saving/rapidity” ( $t=2.0$ ,  $df=135$ ,  $p<.05$ ) as significantly more important than their female counterparts (N=101); by contrast, female participants rated “healthy” ( $t=2.32$ ,  $df=135$ ,  $p<.05$ ) as significantly more important than did males. ANOVA comparisons of importance ratings for the 11 product demands revealed no significant differences across the five nationality categories ( $p>.05$ ).

To discern whether the evaluated product characteristics tapped underlying dimensions, an exploratory factor analysis was carried out. A Scree plot and preliminary principal components analysis (with promax rotation) for the 11 product demand variables provided results suggestive of two independent factors (KMO = .60; Barlett’s test of sphericity,  $\chi^2=238.00$ ,  $df=55$ ,  $p<.00$ ; smallest factor correlation=.23). Accordingly, a principal axis factoring extraction for two fixed factors was performed. The resulting rotated factor matrix revealed a two-factor structure with a separate set of variables highly loaded on each: (1) a Utility/Usability dimension comprised of five product demands (multifunctionality, time saving/rapidity, convenience, efficacy, portable/mobile) and (2) a Sustainability dimension comprised of three product demands (ecological/green, durable, ethical) (see Table 2).

Table 2. Rotated Factor Matrix Results for Two Underlying Product Dimensions

| Product Demand Variables | <u>Factors (Between Factor Correlations)</u> |                      |
|--------------------------|----------------------------------------------|----------------------|
|                          | Usability/Utility (.88)                      | Sustainability (.47) |
| Multifunctional          | .613                                         |                      |
| Time-Saving/Rapidity     | .567                                         |                      |
| Convenience              | .519                                         |                      |
| Efficacy                 | .483                                         |                      |
| Portable/Mobile          | .455                                         |                      |
| Ecological/Green         |                                              | .783                 |
| Durable                  |                                              | .417                 |
| Ethical                  |                                              | .381                 |

Extraction Method: Principal Axis Factoring. Rotation Method: Varimax with Kaiser Normalization (rotation converged in 3 iterations). The variables of practicality/simplicity, healthy, and pleasure were not found to load on either factor.

## Discussion and Implications

Because of their considerable earning potential in coming years, millennials comprise a market segment that is likely to significantly reshape the marketing landscape, yet a clear understanding of what this generation desires from products and brands has largely been lacking. Millennials have been characterized as narcissistic, indecisive, and lazy, interested in convenience and availability, style and design, with a predilection for products that are lightweight, portable, and easy to consume (e.g., Olson 2012; Searcey 2014). The findings of the present investigation in part, however, suggest that millennials are not very different from other consumer groups in terms of their putting the highest priority on product efficiency. They demand products that are efficacious in fulfilling the functions for which they are created, are convenient to use, and are likely to last a long time.

Of increasing importance for millennial consumers is that the products they use offer certain sensory, physical, or psychological satisfactions or comforts when they are consumed (Holbrook 2001). This was especially evident in the present results, which revealed that although these young consumers placed the highest level of importance on product efficiency, in their view efficiency should not come at the expense of the more pleasure-oriented aspects that can be derived from product usage, with this demand ranking second highest in importance among respondents. By contrast, the respondents generally gave little importance to the social and moral priorities related to sustainability, such as ethicality (in the sense of the product being associated with economic, political, or social virtues) and the ecological/green benefits

associated with products. These latter results may be construed as being consistent with characterizations of millennials as persons having higher levels of narcissism compared with previous generations (Twenge et al. 2012) and conflict with common depictions of millennials as socially conscience and desirous of products that are good for the environment (e.g., Institute of Food Technologists 2014).

One apparent contribution of the present study in terms of product and brand design from the consumer perspective is the identification of a sustainability dimension, characterized by environmental, durability, and ethical elements. This finding is consistent with an increasing trend, consistent with socially responsible marketing, for firms to promote sustainable consumer behavior and the offer of suitable products that have economic, social, and environmental benefits (Sheth & Parvatiyar 1995). Product life cycles are now the focus of research oriented towards developing means for eliminating inefficiencies and avoiding harmful processes that pose dangers to the environment. In recent years, results are apparent in the development of products manufactured with lighter and energy-efficient substances and simpler, recyclable packaging designs that avoid the use of excessive protective materials (Burgh-Woodman & King 2013; de Kilbourne 2010). Despite the moral upside associated with these developments, the findings of the present study suggest that millennials are likely to be attracted by the utility/usability benefits that can be derived from products and brands, more so than corresponding environmental and ethical ones, suggesting that the former should be emphasized in marketing campaigns directed at the millennial target segment.

The present investigation's findings regarding individual differences revealed that the millennial cohort is a relatively homogenous group when it comes to what millennial consumers demand from products. The only apparent differences were that males more heavily emphasized the convenience and time-savings benefits offered by products, whereas females gave greater relative importance to healthful aspects, consistent with previous research on consumer gender differences (e.g., Croson & Gneezy 2009). The lack of differences in product demands across a range of nationalities bodes well for firms interested in offering products that will appeal to global targets. This implication must be taken with caution, however, given the limitations apparent in the representativeness and size of the sample studied.

### **Keywords**

millennial consumers, consumer behavior, product design, consumer demands

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## **The mediating role of customer satisfaction in the relationship between brand experience and repurchase intention**

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### **Introduction**

Changing environment and tendencies of consumers require new approaches to meet customer needs and wants for marketers. Raw materials, final products, and services have been considered as critical cronologically, while experiences are considered as more important nowadays (Pine & Gilmore, 2011). Experiential marketing refers to experiences or notable memories in consumers' minds. Therefore it enables marketers to increase consumers' perceived value by affecting their emotions (Lee et al., 2010). Experiential

approach regards consumption as a holistic representation of symbolic meanings, hedonic responses, and emotions (Hirschman ve Holbrook, 1982). Consumers care experiences, and associate them to brands. Therefore brands have a critical role in constituting experience (Carbone, 2004).

### **Originality/Value**

The literature suggested a positive relationship between brand experience and purchase intention (Shamim, 2013; Nasermoadeli et al., 2013), but there is a lack of literature examining the effect of brand experience on repurchase intention and the mediating role of customer satisfaction in this relationship. Before constituting repurchase intention customers should be satisfied first. Buyers tend to compare their expectations with actual performance of products. Customer satisfaction refers to emotions of consumers during or after consumption (Oliver, 1997, 10). If a customer is satisfied, his/her possibility to purchase the same brand will increase (Kotler, 2000, 184). Therefore repurchase intention is a consequence of customer satisfaction, and there is a positive relationship between customer satisfaction and repurchase intention (Anderson et al. 1994; Brakus et al. 2009; Hellier et al. 2003; Seiders et al. 2005; Zboja and Voorhees 2006).

### **Purpose of the Paper**

Brand experience is positively associated with customer satisfaction (Brakus et al. 2009; Chinomona, 2013). If businesses can create customer satisfaction via brand experiences, consumers will constitute repurchase intention. Therefore the brand will be advantageous in competition. This study aims to investigate the role of customer satisfaction in the relationship between brand experience and consumers' repurchase intention.

Based on the literature above the following hypotheses were developed:

H<sub>1</sub>: Brand experience is positively associated with repurchase intention.

H<sub>2</sub>: Customer satisfaction mediates the relationship between brand experience and consumers' repurchase intention.

### **Methodology**

#### *Sample and Data Collection*

Data for the study were collected through a survey from IKEA's customers in Bursa (a city of Turkey). 204 surveys were collected. Table 1 represents demographic characteristics of the sample.

Table 1 Demographic Characteristics of the Sample

|                       | Frequency | Percentage |
|-----------------------|-----------|------------|
| <b>Marital Status</b> |           |            |
| Married               | 140       | 68.6       |
| Single                | 64        | 31.4       |
| Total                 | 204       | 100        |
| <b>Gender</b>         |           |            |
| Female                | 78        | 38.2       |
| Male                  | 126       | 61.8       |
| Total                 | 204       | 100        |

**Age**

|              |     |      |
|--------------|-----|------|
| 0-17         | 1   | 0.5  |
| 18-23        | 16  | 7.8  |
| 24-29        | 47  | 23.0 |
| 30-35        | 38  | 18.6 |
| 36-41        | 33  | 16.2 |
| 42-47        | 27  | 13.2 |
| 48-53        | 21  | 10.3 |
| 54-59        | 17  | 8.3  |
| 60 and above | 4   | 2.0  |
| Total        | 204 | 100  |

**Education**

|                  |     |      |
|------------------|-----|------|
| Primary School   | 9   | 4.4  |
| High School      | 74  | 36.3 |
| Associate Degree | 19  | 9.3  |
| Bachelors        | 90  | 44.1 |
| Master/PhD       | 12  | 5.9  |
| Total            | 204 | 100  |

**Measures***Independent variable*

Brand experience was measured by the scale of Brakus et al. (2009). This scale operationalizes brand experience as a multidimensional construct. Our survey includes sensory (three items), affective (three items), behavioral (three items), and intellectual (three items) dimensions of brand experience. These items were measured with 5-point, Likert type scales (1 = strongly disagree, 5 = strongly agree).

*Mediator variable*

Customer satisfaction is used as a mediator variable. To measure customer satisfaction, a scale of Oliver (1980) was employed. Customer satisfaction was measured with a 5-point scale (1 = strongly disagree, 5 = strongly agree).

*Dependent Variable*

Repurchase intention was measured by the scale which Tsai and Huang (2007) adapted from Burnham et al. (2003) and Bansal et al. (2004). The items of the scale were measured with 5-point, Likert type scales (1 = strongly disagree, 5 = strongly agree).

**Analyses and Findings**

The arithmetic mean values of brand experience scale were between 2.34 and 3.05 (Table 2). Customer satisfaction scale items have arithmetic mean values between 2.25 and 2.83. Repurchase intention scale items have arithmetic mean values between 2.56 and 3.18.

Table 2 Mean and Standard Deviation Values of Items

|                                                                              | Mean Value | Standard Deviation |
|------------------------------------------------------------------------------|------------|--------------------|
| <b>Brand Experience</b>                                                      |            |                    |
| S1. This brand makes a strong impression on my visual sense or other senses. | 2.34       | 0.99               |

|                                                                                                   |      |      |
|---------------------------------------------------------------------------------------------------|------|------|
| S2. I find this brand interesting in a sensory way.                                               | 2.44 | 0.93 |
| S3. This brand does not appeal to my senses. <sup>r</sup>                                         | 2.67 | 1.12 |
| A1. This brand induces feelings and sentiments.                                                   | 2.75 | 1.01 |
| A2. I do not have strong emotions for this brand. <sup>r</sup>                                    | 2.98 | 1.08 |
| A3. This brand is an emotional brand.                                                             | 3.05 | 1.05 |
| B1. I engage in physical actions and behaviors when I use this brand.                             | 2.97 | 1.00 |
| B2. This brand results in bodily experiences.                                                     | 2.78 | 1.00 |
| B3. This brand is not action oriented. <sup>r</sup>                                               | 3.00 | 0.97 |
| I1. I engage in a lot of thinking when I encounter this brand.                                    | 2.53 | 1.08 |
| I2. This brand does not make me think. <sup>r</sup>                                               | 2.74 | 1.02 |
| I3. This brand stimulates my curiosity and problem solving.                                       | 2.47 | 0.94 |
| <b>Customer Satisfaction</b>                                                                      |      |      |
| CS1. I am satisfied with my decision to get this brand.                                           | 2.36 | 0.97 |
| CS2. If I had it to do all over it again, I would feel differently about this brand. <sup>r</sup> | 2.83 | 2.41 |
| CS3. My choice to get this brand was a wise one.                                                  | 2.35 | 0.80 |
| CS4. I feel bad about my decision concerning the brand. <sup>r</sup>                              | 2.52 | 2.38 |
| CS5. I think I did the right thing when I decided to get the brand.                               | 2.25 | 0.88 |
| CS6. I am not happy that I did what I did about the brand. <sup>r</sup>                           | 2.46 | 1.03 |
| <b>Repurchase Intention</b>                                                                       |      |      |
| RI1. I consider myself a loyal patron of this brand.                                              | 2.99 | 0.94 |
| RI2. I will do more business with this brand in the near future.                                  | 2.56 | 0.96 |
| RI3. I consider this brand as my first choice for shopping.                                       | 2.70 | 0.94 |
| RI4. I intend to interact with this brand sometime during the next 2 weeks.                       | 3.18 | 0.92 |
| = strongly disagree, 5 = strongly agree, r: reverse coded)                                        |      |      |

### Validity and reliability

Cronbach Alpha scores of brand experience, customer satisfaction, repurchase intention scales were 0.805, 0.725 and 0.841 (Table 3). These reliability values were acceptable. S3, A1, A3, B3, and I2 items of the brand experience scale were eliminated because of the factor analysis.

Table 3 The Results of Factor Analysis and Reliability Analysis of the Scales

| Items                                                                        | Factor loading | Reliability <sup>a</sup> |
|------------------------------------------------------------------------------|----------------|--------------------------|
| <b>Brand Experience</b>                                                      |                |                          |
| <b>Sensory</b>                                                               |                |                          |
| S2. I find this brand interesting in a sensory way.                          | 0.876          |                          |
| S1. This brand makes a strong impression on my visual sense or other senses. | 0.862          |                          |
| <b>Affective</b>                                                             |                |                          |
| A2. I do not have strong emotions for this brand. <sup>r</sup>               | 0.712          | 0.805                    |
| <b>Behavioral</b>                                                            |                |                          |
| B1. I engage in physical actions and behaviors when I use this brand.        | 0.831          |                          |
| B2. This brand results in bodily experiences.                                | 0.724          |                          |

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**Intellectual**

|                                                                |       |
|----------------------------------------------------------------|-------|
| I3. This brand stimulates my curiosity and problem solving.    | 0.660 |
| I1. I engage in a lot of thinking when I encounter this brand. | 0.627 |

*KMO: 0.859, Chi-Square: 647,490, df: 91, P<0.05, % Variance: %70.204*  
*S3, A1, A3, B3, and I2 were dropped based on the factor analysis.*

**Customer Satisfaction**

|                                                                                                   |       |       |
|---------------------------------------------------------------------------------------------------|-------|-------|
| CS2. If I had it to do all over it again, I would feel differently about this brand. <sup>r</sup> | 0.694 |       |
| CS6. I am not happy that I did what I did about the brand. <sup>r</sup>                           | 0.685 | 0.725 |
| CS1. I am satisfied with my decision to get this brand.                                           | 0.677 |       |
| CS3. My choice to get this brand was a wise one.                                                  | 0.671 |       |
| CS4. I feel bad about my decision concerning the brand. <sup>r</sup>                              | 0.670 |       |
| CS5. I think I did the right thing when I decided to get the brand.                               | 0.669 |       |

*KMO: 0.638, Chi-Square: 684.495, df: 15, P<0.05, % Variance: 45.916*

**Repurchase Intention**

|                                                                             |       |
|-----------------------------------------------------------------------------|-------|
| RI3. I consider this brand as my first choice for shopping.                 | 0.874 |
| RI2. I will do more business with this brand in the near future.            | 0.857 |
|                                                                             | 0.841 |
| RI1. I consider myself a loyal patron of this brand.                        | 0.817 |
| RI4. I intend to interact with this brand sometime during the next 2 weeks. | 0.739 |

*KMO: 0.795, Chi-Square: 334.041, df: 6, P<0.05, % Variance:67.835*

<sup>a</sup> reliability estimates are Cronbach's alpha computed from study sample

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Factor analysis results indicated that brand experience scale has four sub-dimensions. After the evaluation of these sub-dimensions, they are named as sensory, affective, behavioral, and intellectual brand experience. Only one component was extracted for both customer satisfaction and repurchase intention scales. Percent of variances of brand experience, customer satisfaction, and repurchase intention scales were 70.204%, 45.916%, and 67.835%.

**Hypotheses testing**

Hierarchical regression analysis was employed to test the model. Table 4 represents the results of the hierarchical regression analysis. The model investigated the mediating effect of customer satisfaction in the relationship between brand experience and repurchase intention. The results indicated that brand experience affect repurchase intention both directly and via customer satisfaction. Therefore both H<sub>1</sub> and H<sub>2</sub> were supported (p<0.05).

Table 4      Model summary of hierarchical regression analysis

| Model No | Regression Eq.                            | Adjusted R <sup>2</sup> | Std.Error of Estimate | R Square Change | F Change | Sig. F Change |
|----------|-------------------------------------------|-------------------------|-----------------------|-----------------|----------|---------------|
| 1        | RI = b <sub>0</sub> + b <sub>1</sub> xBE* | 0.377                   | 0.613                 | 0.381*          | 124.070  | 0.000         |

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|   |                                                           |       |       |        |       |       |
|---|-----------------------------------------------------------|-------|-------|--------|-------|-------|
| 2 | RI= $b_0 + b_1 \times \text{BE} + b_2 \times \text{CS}^*$ | 0.388 | 0.608 | 0.013* | 4.351 | 0.038 |
|---|-----------------------------------------------------------|-------|-------|--------|-------|-------|

Notes: \*: Statistically significant, RI: Repurchase Intention; BE: Brand Experience; CS: Customer Satisfaction

Table 4 indicated that when customer satisfaction was added to the regression equation 1, adjusted  $R^2$  value of the model increased. Beta value of brand experience decreases when customer satisfaction is added to the model (Table 5). The model and the effects of independent variables are statistically significant. Customer satisfaction mediates the effect of brand experience on repurchase intention.

Table 5 Coefficients

| Model No              | Standardized Coefficients Beta | t      | Sig.  |
|-----------------------|--------------------------------|--------|-------|
| 1 (Constant)          |                                | 4.938  | 0.000 |
| Brand Experience      | 0.617                          | 11.139 |       |
| 2 (Constant)          |                                | 4.180  | 0.000 |
| Brand Experience      | 0.581                          | 10.109 | 0.000 |
| Customer Satisfaction | 0.120                          | 2.086  | 0.038 |

Linear regression analysis was employed to test the relationship between brand experience and customer satisfaction. The results revealed that brand experience is positively associated with customer satisfaction ( $F: 19.424, p < 0.05$ ).

Table 6 represents the correlations between variables. All of them are statistically significant ( $p < 0.05$ ).

Table 6 Correlations

|                       | Repurchase Intention | Brand Experience | Customer Satisfaction |
|-----------------------|----------------------|------------------|-----------------------|
| Repurchase Intention  | 1.000                | 0.617*           | 0.292*                |
| Brand Experience      | 0.617*               | 1.000            | 0.296*                |
| Customer Satisfaction | 0.292*               | 0.296*           | 1.000                 |

Note: \*: Statistically significant

### Implications and Limitations

As competition increases, companies tend to focus more on customer retention. Therefore customer lifetime value gained much more importance. Changing nature of consumers require much effort to last relationships longer. Companies should understand these trends and offer different brand experiences that will stimulate consumers' feelings and aim to integrate these experiences with consumers' lifestyles. The results of the study revealed that there is a positive relationship between brand experience and repurchase intention. Therefore brand experience has a critical role in continuing the relationship between customers and

companies. The results also indicated that customer satisfaction has a mediating effect in the relationship between brand experience and repurchase intention. Therefore brand experience is a good way to satisfy customers. If companies can create customer satisfaction via brand experiences, consumers will constitute repurchase intention. Therefore the brand will be advantageous in competition.

The study has some limitations. First of all convenience sampling was used. Secondly, the data is gathered from IKEA's customers. Therefore the study focused on a specific sector. Moreover only customers from a city of Turkey (Bursa) were investigated. Lastly the study only examined the relationship among brand experience, customer satisfaction, and repurchase intention. Further research can investigate other related variables.

### **Keywords**

Brand experience, customer satisfaction, repurchase intention.

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## **Do you like what I designed for you? The role of co-creation on the Observer-Based Brand Equity (OBBE)**

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### **Purpose**

Most of existing studies about co-creation focus on integrated consumers (e.g. Ind and Coates 2013; Ind et al. 2013; Bilgram et al. 2011; Füller 2010). They tend to show an increase of brand related constructs like attitude, loyalty or brand equity. However, integrated consumers make up only a small portion of all consumers. The majority stays passive and is not integrated. These non-integrated consumers are coined observers in this paper.

For example, 2011 McDonald's conducted in Germany the co-creation campaign "Mein Burger". Around 116.000 concepts were created and around 1.5 Mio. users voted online. These numbers are impressive, but the numbers of integrated consumers (participants) are small in comparison to the numbers of observers. Around 2.5 Mio. consumers visited McDonald's per day, saw and ate the results of this co-creation campaign (Herrmann 2012). The overall equity of a brand is the sum of the brand strength of all single consumers. In the context of co-creation, it is interesting to differentiate between the effects on integrated consumers (Participant-Based Brand Equity, PBBE) and non-integrated consumers (Observer-Based Brand Equity, OBBE). Little is known about the effects of co-creation on the OBBE in academic research so far.

This paper has the purpose to approach this gap in knowledge. Firstly, this paper empirically analyzes the general effect of co-creation on the OBBE. Secondly, the laboratory experiment tests the influence of different implementations of the co-creation approach on the OBBE.

The variables to be tested are intensity of integration and validation level of integrated consumers. Different types of integration are tested and presented to non-integrated consumers with the help of communicational means (advertisements, press releases). These levels indicate how far consumers are integrated into the process of co-creation. The levels to be tested in this paper are democratically voted (weak intensity) and commonly created (strong intensity) (Fuchs and Schreier 2011; Fuchs et al. 2010, 2013). No co-creation will be used as control group.

The concept of expertise has never been tested in combination with co-creation before although Fuchs et al. (2013) mention a similar aspect. This paper shows in how far the expertise of integrated consumers influences the OBBE. It is differed between laymen and experts. This paper also discusses whether co-creation can be a strategic method for companies to positively affect the OBBE in the mass market.

### **Approach**

An experimental research design was chosen.

The brands were taken from two different product categories, breakfast cereals (*Köln*) and sport shoes (*Nike*). The brands were chosen based on existing studies (Gujmedia.de 2014; aberratio GmbH 2014) exploring most common brands in Germany and on a pretest (n=34) among students to test brand awareness. The dependent variable OBBE was measured by 11



different items (Lehmann et al. 2008; Yoo and Donthu 2001; Aaker 1996; Keller 1993). The independent variables are intensity of integration and expert status. To check whether the manipulation is working a second pretest among students (n=59 students) was conducted. For each brand different groups were built. For each group a respective image of the advert was created (see appendix) that varied in the intensity of integration and in the expert status, resulting in four manipulated advertisements per brand plus one advertisement with zero co-creation. Corresponding press-texts were written for each group to underline the integration intensity and the expert knowledge of integrated consumers. The manipulation check was done for both brands and for both variables. First participants had to read the press release for the first brand, then they saw the advertisement for the first brand and then two questions (“Consumers are strongly involved in the product development”; “Consumers involved in the product development have a high level of expert knowledge”) that had to be rated on a Likert scale (1= total agree; 5= total disagree). Subsequently, participants had to do the same procedure for the second brand. A t-test showed that the manipulation of the intensity of integration for *Nike* ( $3.38 > 2.59$ ;  $p=0.039$ ) and for *Köln* ( $3.31 > 2.27$ ;  $p=0.007$ ) worked and is significant. Also the manipulation of the expert status for *Nike* ( $3.88 > 2.61$ ;  $p=0.001$ ) and for *Köln* ( $3.96 > 2.20$ ;  $p=0.000$ ) worked and is significant.

The main study was an experiment with a 2 (intensity of integration: democratically voted vs. commonly created) x 2 (expert knowledge: no expert knowledge vs. expert knowledge) between-subject design plus one control group (zero co-creation). Participants were students recruited at a German university. The design of the main study was similar to the second pretest. In addition the control group (advert, press text, questionnaire) was added for both brands to measure the general impact of co-creation on the OBBE. Also a third brand (advert, press text, questionnaire) was added in the booklet for distraction purposes of participants.

## Findings

During the time this paper was written the study was still ongoing. Results will be presented at the conference.

Following hypotheses are set:

*H<sub>1</sub>: Co-creation has a positive effect on the OBBE*

*H<sub>2</sub>: The implementations of co-creation have an effect on the OBBE.*

*H<sub>2a</sub>: The intensity of integration has a positive effect on the OBBE.*

*H<sub>2b</sub>: Expertise has a positive effect on the OBBE.*

## Theoretical and Managerial Implications

The classical approach to discuss co-creation as a tool in the innovation process is supplemented by exploring co-creation as a mean of brand management. The study will empirically examine if co-creation has a positive influence on the OBBE. The expected positive effect will be analyzed for two product categories, breakfast cereals and sport shoes. Also the effects of two variables (1) intensity of integration and (2) expert status will be discussed.

The findings of the study will bear some important implications for the practical field. Generally the study will give answer if co-creation can be used by companies to positively influence brand equity. Managers could integrate co-creation into their brand management and actively communicate it to the mass of consumers instead of just using it as a tool for innovation. To stress the user-design in communications can result in some positive effects for the brand, as an enhancement of brand-related constructs and a more positive word-of-mouth.

Adding expertise in combination with co-creation might help to convince skeptical consumers and reduce cognitive dissonances. Moreover, it might increase the level of trust and result in positive spill-over effects for the brand.

### **Limitations**

The positive effect of co-creation on the OBBE will be tested for products of low complexity. Implications taken from the study can only be transferred to other product categories with caution, especially when it comes to more complex product and brand categories. Fuchs et al. (2013) claim that co-creation for luxury fashion brands can have a negative impact on the brand equity. They suspect that since luxury brands are built upon an image of distance and high status, co-creation is mitigating this effect.

Another limitation can be the short-term perspective of the study. It would be interesting to monitor the effect of co-creation on the brand equity on a long-term basis. Further research could focus a longitudinal design to investigate whether the positive effect of co-creation is stable and long-lasting or whether benefits a brand gained through co-creation are mitigated over time.

Also the study does not respect the duration of the promotion. Co-creation could have a different effect on the OBBE once the information that the brand was co-created is communicated by the company over a longer period of time and consumers are confronted with that information constantly.

Possible negative effects of co-creation are not taken into account in the study. Participating consumers could have a criminal background or a doubtful political opinion that could be revealed to the mass of consumers (by coincidence). Here co-creation could trigger negative PR and word-of-mouth effects and can harm the brand. Negative communication effects could also be caused by problems within the process of co-creation itself and lead to a negative effect on the brand equity. Such problems could be for instance an unfair voting process, silly responses and results or promises a company made to participating consumers that are not held.

Finally, the study analyses only the OBBE. For the brand management, the overall effect of co-creation is interesting. It is possible, that a concrete co-creation approach has a positive effect on PBBE, but not on OBBE, or vice versa.

The results of the study should be regarded with caution as the sample consists solely of students. It would be advisable to conduct the same study again but focusing rather a more heterogeneous sample.

Also the study tests two intensities of integration and two levels of expertise. There might be a lot of other co-creation concepts companies could follow which might be worthwhile to explore in further research.

### **Originality**

Research on non-integrated consumers is of high importance for the academic and the practical field. There is a huge amount of research on innovation and the new product development process as well as on consumers involved in that process. However, academic literature fails to provide sufficient evidence for co-creation to be used as a successful brand management tool. Schreier et al. (2012) call for more research with non-integrated consumers and consumers who are not familiar with the product. Fuchs et al. (2013) asking for more research in the field of democratic decision making and product development. Ind et al. (2013) find that the impact of co-creation on consumers and the implication for managers are not clear due to the lack of research. Hoyer et al. (2010) raise the issue what effect co-creation has on brand image and positioning of companies. Hence scientists across various journals are calling for more research on OBBE. Fuchs et al. (2013) introducing a strategy to

legitimize consumers who were part of the co-creation process but they do not empirically explore the idea of expert status.

This research is one of the few analyzing the effects of co-creation on non-integrated consumers in terms of brand equity. In addition to Fuchs and Schreier (2011) and Dijk et al. (2014) this study also examines the concept of expertise in combination with co-creation and its influence on the brand equity.

### Keywords

Co-Creation, non-integrated consumers, expertise, intensity of integration, Observer-Based Brand Equity

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## Appendix

Examples of created adverts

*Nike* advertisement – weak intensity of integration / no expertise



*Nike* advertisement – strong intensity of integration/ no expertise



## Bridging brand identity and positioning – The case of Falu Rödfärg

Koch, Christian

Urde, Mats

### Purpose

*The purpose of this paper is to bridge the concepts of brand identity and positioning.* While the relationship between brand identity and positioning is often considered important (Aaker, 1996; Kapferer, 2012; Riezebos and van der Grinten, 2012), little is known about how identity and positioning are actually related to each other in the practice of strategic brand management. The notion ‘positioning follows from identity’ is often taken for granted and indicates a sequential development from identity to positioning, then from communication to image and reputation (see, for example, Esch, 2010). Many efforts have been made to conceptualize brand identity and brand positioning separately. For example, brand identity principles (Balmer and Soenen, 1999; Kapferer, 2012) and brand positioning typologies (Aaker and Shansby, 1982; Hooley, Broderick and Möller, 1998) influence the understanding of the concepts. While such approaches to identity and positioning are important, they remain static and are silent concerning the dynamic aspects of how identity and position finding and change processes unfold.

*Brand identity* helps reinforce the meaning behind a brand, both for customer and non-customer stakeholders, and provides the opportunity to develop the brand’s position with a strategic approach to brand management (de Chernatony, 1999; Kapferer, 2012; Urde, 2003). Traditionally, the primary brand identity perspective is internally oriented, referring to a value- and culture-driven strategy that is supposed to be stable over time. It is only recently that dynamic aspects of brand identity have been studied and conceptualized (see, for example, da Silveira, Lages and Simões, 2013). *Brand positioning* is supposed to indicate the direction of the brand’s marketing activities to achieve the goal of building strong brands and achieving or defending an intended position (Aaker and Shansby, 1982; Keller and Lehmann, 2006; Riezebos and van der Grinten, 2012). Traditionally, the primary brand positioning perspective is externally oriented, referring to a customer- and market-driven strategy that sometimes requires changes. Surprisingly, research into the dynamics of positioning brands over time has only received limited research attention (see, for example, Koch, 2014).

In an attempt to better understand the relationship between brand identity and positioning conceptually, Urde and Koch (2014) identified five schools of positioning and separated them along a spectrum from market orientation (image-driven) to brand orientation (identity-driven). The choice of school depends on how the intended position is defined and how the process of positioning is to be implemented. Urde (2013) argued that ‘position’ is an essential part of the ‘corporate brand identity matrix’. The ‘wanted position’ is part of the definition of the corporate brand identity and a point of reference for the positioning process. Figure 1 highlights the ‘positioning process’ (bold dotted diagonal arrow). It cuts across the corporate brand identity and the communication and reputation dimensions (cf. Urde, 2013; Urde and Greyser, 2014). The positioning process links the internally perceived ‘mission and vision’, the central ‘brand core’, and the ‘wanted position’. ‘Wanted position’ is an identity element defined by the brand owning organisation and its management. The communication of the wanted position includes the organisation’s behaviour and all its activities. The actual, externally perceived position is part of the brand’s overall reputation and primarily relates to ‘differentiation’, whereas mission and vision relates primarily to ‘willingness-to-support’ (cf. Urde and Greyser, 2014). However, the way in which identity and positioning unfold over time remains unclear. This point ties in with the present paper’s aim of bridging the brand identity and positioning concepts.

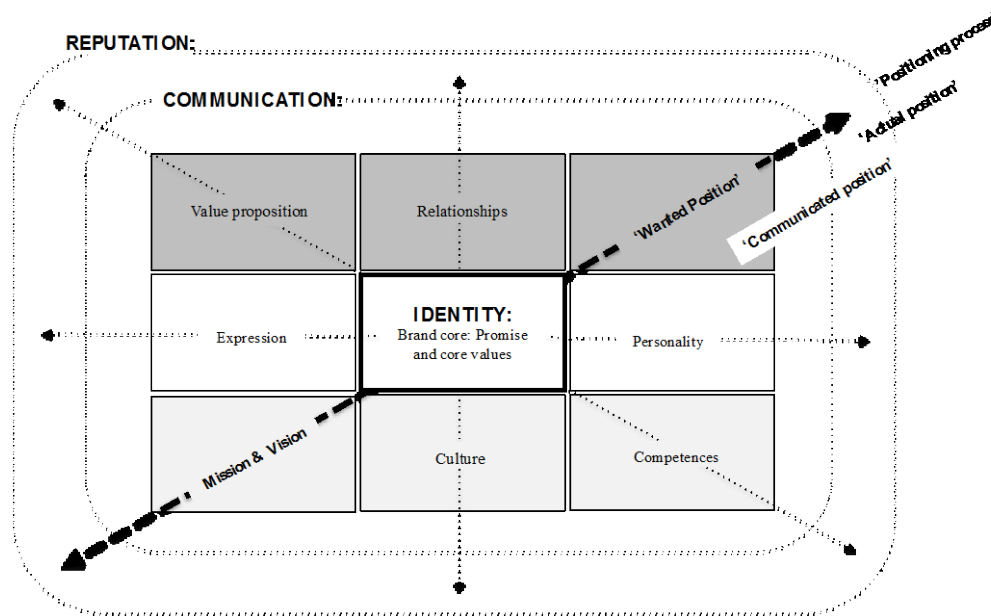


Figure 1 Positioning process and the ‘corporate brand identity and reputation matrix’ (cf. Urde and Greyser, 2014)

### Methodology / approach

We adopted a process-focused qualitative case study design with longitudinal elements (Eisenhardt, 1989; Langley, 2011; Yin, 2009). Our intention is to capture the impact that major changes have on brand identity and positioning in the case of Falu Rödfärg (a Swedish company that produces traditional red paint). Excellent case company access and the unique case company context make this a “revelatory” single case (Yin, 2009, 49). The choice of the case study approach was motivated by the opportunity to study brand identity and positioning development at first hand – a form of action research (Argyris, 1973). In action research, “the [research] output results from an involvement with members of an organization over a matter which is of genuine concern for them” (Eden and Huxham, 1996, 75). The authors of the present paper were both directly and indirectly involved in influencing and changing the organization and its brand. This is typical for action research-inspired studies (see, for example, Schultz and Hatch, 2003). In our case study, the interpretations of ongoing brand identity and positioning finding processes have been discussed in ongoing conversations with knowledgeable respondents (such as the CEO, brand managers, and consultants). Consequently, the findings presented in this paper are the result of a mutual knowledge-building process between researchers and practitioners (Van de Ven, 2007). One author of this paper worked mainly as an external advisor, helping the company to formulate and implement a new brand strategy. The other author took the role of an outside observer to theorize the brand identity and position finding process suggested by the case.

### Case company

Falu Rödfärg is a subsidiary of Stora Kopparberg, which was founded in the 13<sup>th</sup> century (in 1288) and is the world’s first limited liability company. The company’s production of traditional red paint (known as Falu Rödfärg) dates back more than 250 years. Small red and

white houses have become closely associated with Sweden and are part of the country's cultural heritage. Falu Rödfärg has almost become a generic name for this type of traditional red paint. From an economic perspective, the company Falu Rödfärg reported losses for several years due to declining sales; competition from modern synthetic paints; and 'copycat' paints threatening the future of the company. In 2011, the company initiated a radical repositioning and rebranding strategy that involved adopting a new business model and reviewing the paint's identity and position. The long heritage of Falu Rödfärg and the emotional associations with this authentic product were identified as a differentiator and part of the value proposition and wanted position. Figure 2 illustrates Falu Rödfärg's corporate

|                                                            |                                                                                     |                                                              |
|------------------------------------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------------|
| <b>Value proposition:</b><br>True lustre                   | <b>Relationships:</b><br>Longing to come home                                       | <b>Position:</b><br>Modern in all times                      |
| <b>Expression:</b><br>Swedish tone                         | <b>Promise and core values:</b><br>A Swedish marvel<br>Preserves, Develops, Engages | <b>Personality:</b><br>With an inner glow, easy to live with |
| <b>Mission &amp; Vision:</b><br>A living cultural heritage | <b>Culture:</b><br>Respect for traditions;<br>courage to face to future             | <b>Competences:</b><br>250 years of silent knowledge         |

brand identity.

Figure 2 Falu Rödfärg corporate brand identity (cf. Urde, 2013)

## Findings

The major repositioning process at Falu Rödfärg started approximately three years ago and is now entering its finalization phase. The findings presented hereafter are preliminary as our research is still ongoing.

### *A parallel process of 'identifying' and 'positioning'*

Preliminary results indicate a mutually influencing development between identity and position finding processes, rather than a static sequence of first choosing a brand identity followed by an intended position selection. While the 'intended brand position' is grounded in the strategic intent of the organization, the intended position also corresponds with an 'intended brand identity' that is grounded in organizational and visual identity. This is followed by a parallel process of 'positioning' and 'identifying', which leads to an 'actual position' and an 'actual identity' (more or less matched by the brand owner's intentions) once changes have been implemented and communicated.

### *From a 'generic default position' to 'deliberate positioning'*

Before the brand identity review Falu Rödfärg held, what we term, a 'default position'. That is to say, a position that was *not* intended, but rather a position that came about after 250 years of "being part of the fabric of Swedish culture". The internal review and reconstruction of the firm's history made it possible to identify key elements of heritage. Viewed over time, these elements gave an impression of the Falu Rödfärg track record. Working with the Falu

Rödfärg identity as a brand, the intended position was defined as “modern in all times”. This became the brand’s ‘deliberate position’.

#### *From product perceptions to brand perceptions*

Falu Rödfärg had tendencies to be perceived as a type of traditional paint (that is, a common name for a product category). To equal the category is the opposite to be positioned. The definition of its heritage and identity strengthened the distinctiveness of the brand. The formulation of the intended position further defined how the brand should be set apart from other manufacturers’ products in the category. More fundamentally, Falu Rödfärg was set apart from the category itself, mostly by utilizing brand-oriented techniques of positioning.

#### *From product brand to corporate brand*

We discovered a strong organizational commitment to Falu Rödfärg “as a living cultural heritage”. This sentiment, and the way the organization described its identity and intended position (“modern in all times”), indicated that Falu Rödfärg was emerging from being perceived as a product brand (typically referred to as “it”) toward being viewed as a corporate brand (typically referred to as “we”). This gradual perceptual change of the organization’s self-image and reflection resulted in a management decision to redefine Falu Rödfärg as a corporate brand.

### **Theoretical implications**

*First*, a major preliminary implication is that positioning does not follow sequentially from identity. Both concepts are dynamic and mutually influence each other over time in a parallel process of identifying and positioning. *Second*, different schools of positioning (Urde and Koch 2014) apply at different stages in the process of positioning. Each school is strongly connected to identity, albeit in different ways. *Third*, activating heritage implies a brand-oriented approach to positioning rather than a market orientation. One school of positioning characterizes the overall mind-set of an organization.

### **Practical implications**

*First*, managers should be aware that brand identity and positioning are strongly related. Contrary to popular belief, brand identities do not represent relatively fixed and stable meanings. Instead, they co-develop with altered brand positions over time in a mutual manner. *Second*, depending on the primary objective of the (re)positioning process, management must select a suitable school of positioning that characterizes the mind-set of the organization and its brand(s) related to identity. It is important to build an internal agreement regarding the application of other positioning schools and techniques in the process in order to avoid misunderstandings.

### **Limitations**

This study has the usual limitations of a single case due to its immense context dependency. However, this limitation is also a major advantage as the study facilitates in-depth insights in a longitudinal manner. Nonetheless, the validity of these findings needs to be strengthened by applications to other organizations with varying degrees of heritage and identity activations in positioning processes.

### **Originality/value**

As far as we can ascertain, this is the first study to shed light on the interplay between brand identity and positioning over time based on an in-depth case study and action research.

### **Keywords**

Brand identity, brand positioning, process



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## The corporate brand as a valuable resource in B2B relationships

Koporcic, Nikolina

### Purpose

The main purpose of this paper is to explore the role and importance of corporate brands for business relationship development and to reconfigure thinking in which valuable resources appear only as a result of interactions in already established relationships. Understandings of the value corporate brands have, by revealing their potential as a resource in the pre-relationship stage is found as necessary and therefore seen as a missing link in this area or research. The potential of corporate brands can be based upon their reputation in a network of business actors. Hence, the article focuses on a corporate brand as a powerful tool and valuable resource which attracts partners and leads to initiation of a buyer-seller relationship and differentiation from competitors.

### Theoretical approach

The article combines different views on a corporate brand, going from relational, the IMP interaction approach view (Håkansson 1982) to the Resource based view (Barney 1991) , where the link that consolidates them lies in resource-dependency.

Starting with Barney (2001), resources are tangible and intangible assets which a company is using in order to choose and perform its strategies. In order to achieve sustainable competitive advantage on a market, resources should be rare, valuable, long-term, imperfectly substitutable, stable in existence and difficult or even impossible to imitate (Barney 1991, Teece, Pisano & Shuen 1997, Balmer 2008). As an illustration of that, Balmer's empirical research about the British Monarchy was taken (Balmer 2008), where it is clearly demonstrated and visible that the corporate brand can be a valuable and strategic asset which company is using to improve its well-being and survival on the market. Likewise, for many years now, some academics (e.g. Aaker 1991, Kotler & Keller 2009, Kotler 2003, Morgan & Hunt 1994) accepted corporate brands as critical and main resources for generating sustainable competitive advantage of a company.

However, corporate brand management can be understood as an evolving process of initiating, creating and maintaining sustainable business relationships between internal and external actors of a company (partially taken from Schultz 2007). In fact, as some researchers agreed (see: Leek & Christodoulides 2011, Bengtsson & Servais 2005), corporate brands are important facilitators and moderators of business relationships, in which every company is in some way dependent on other companies in order to achieve goals and survive on the market. The importance of buyer-seller relationships and networks with their interdependency in B2B markets were first studied in large by the IMP group (Turnbull, Ford & Cunningham 1996). As an outcome of their first project, An Interaction Approach was presented with a dynamic model of long-term relationships (Håkansson 1982). In fact, the IMP approach has taken business relationships and networks into the forefront of business marketing research where buyer-supplier interaction is a central development function for both efficiency and innovativeness of each company and economy in total (Håkansson & Waluszewski 2013).

Although this approach combines many disciplines, starting from resource-dependence and social-exchange theory, through transaction cost economics and political-economy framework, the importance of a single resource was presented as irrelevant = "passive and without value", unless there is an interaction where resources are combined and value is created (Håkansson, Ford, Gadde, Snehota & Waluszewski 2009, p. 65). Based on this, the paper is presenting and reviewing "Propositions about the Nature of Resources" from the Business in Networks book (Håkansson et al. 2009, p. 69-71):

1. *“The value of a resource is dependent on connections to other resources.”* My proposition would be: The value of a corporate brand in the pre-relationship stage of business relationship is dependent on a corporate reputation in the network and direct and indirect connections with other actors. But the corporate brand is valuable as a resource even before the initial interaction between e.g. buyer and supplier occurs.
2. *“A resource changes and develops characteristics over time.”* My proposition would be: The corporate brand changes and develops its identity, image and reputation over time and it is a product of corporate history. But the corporate brand is stable in existence in a sense that it can't be lost, 'spent' or totally changed in interaction with other companies.
3. *“Every resource is embedded in a multidimensional context.”* My proposition would be: The corporate brand is embedded in a multidimensional context of interrelated and interdependent business relationships embedded into a network. The longer the history of a corporate brand is, the higher the number of other companies it has been inter-related to.
4. *“All changes of a resource create tensions.”* My proposition would be: All changes of a corporate brand identity and reputation in a business landscape will create positive or negative outcomes, both for focal company and its potential and actual business partners.
5. *“Interaction intensity influences the effects of a change in a resource.”* My proposition would be: Interactions between the companies and their intensity can influence the corporate brand reputation of the focal company in the network. The change in reputation can subsequently influence the corporate identity. Hence, it can result into better understanding and improved characteristics of the corporate brand.
6. *“The broadness of interaction influences the number of resources affected by a resource change.”* My proposition would be: The broadness of business relationships and interactions between actors influences the corporate brand through its identity and reputation in the network.

## Findings

This paper is contributing to a branding and marketing literature. First, a corporate brand as a resource view is taken, where companies on the market are competing with each other and aiming for sustainable competitive advantage. As an advantage and valuable resource they recognize the importance of corporate brands. Thus, as a gap in business marketing literature, market is presented as a clear competitive place where companies are working individually and competing with each other.

Secondly, the IMP interactive approach is found to be adding to a gap in marketing literature by introducing business relationships embedded in a network, where it is clearly explained that in order to survive on the market and gain benefits companies shouldn't compete, but instead, work together - interact. However, the IMP approach is having a gap as well, by presenting all resources as heterogeneous and without value unless interaction occurs. Out of this, it is possible to see missing links and research gaps in each literature. Finally, the research models, as a conceptual synchronization of the IMP interactive approach with the corporate brand perspective is presented in the Fig 1 as follows:

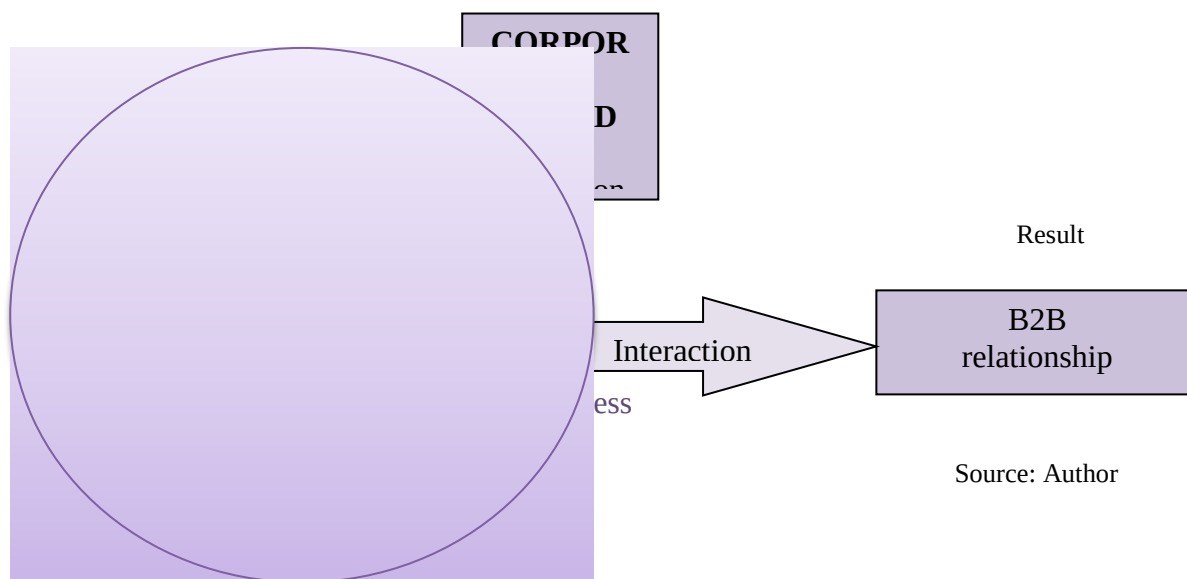


Figure 1: The importance of Corporate Brands in Pre-relationship stage

This conceptual model is a simplified concept focused on a buyer-supplier dyadic relationship in which supplier owns a strong corporate brand. A brand can be valuable even when companies don't have any previous experience with each other (Leek & Christodoulides 2011). At the same time, it can have an impact on potential relationship by providing a trust in a company based on its reputation in the network. That reputation is attracting a buyer even before interaction occurs, in so-called Pre-relationship stage (Ford 1980). As a first stage of relationship development, the Pre-relationship stage is a time during which a buyer and a supplier are recognizing each other and engaging into partner screening (Warsta, Lappi & Seppänen 2001; Ford 1980), but where at the same time no bilateral interaction of any type occurs (Dwyer et al. 1987).

Eventually, after the partner recognition is accomplished, companies are starting to interact and the corporate brand can be seen both as a reason for interaction and a valuable resource for the future relationship. As a result and the end goal, a buyer-seller relationship embedded in a network is formed with the process of interaction connecting them.

### Theoretical implications

For researchers, the paper gives a new understanding of corporate brands and a novel approach how to use them to deepen knowledge about business relationships. A new lens is added with the corporate brand being a valuable resource embedded into supplier's company even before interaction with buyer occurs. As such, it can be used for attracting partners and initiating new relationships. Therefore, the paper is contributing to the IMP interaction approach as well, by adding a new perspective which provides a greater range of possibilities for future empirical research.

### Practical implications

For practitioners, the paper emphasizes the importance of corporate brands while strategizing on industrial level. It gives a novel interpretation on how to understand B2B relationships and accordingly use brand strategies to accomplish company's goals. By now, B2B and B2C levels were mostly mixed and unclear for practitioners, especially from the corporate brand's

point of view. Therefore, this paper gives a better understanding on how the corporate brand should be understood and used for improving business, both from the buyer and supplier side.

### **Limitations**

Limitations could be seen through relying only on secondary data for confirming theoretical findings. Therefore, the need for future empirical research is inevitable for getting practical evidence. After the empirical research, conceptual models should be adjusted accordingly in order to provide more implications for researchers and practitioners.

### **Originality/value**

The research model is presented as a novel perspective towards better understanding of B2B relationships and their connection with corporate brands. At first, the IMP interactive approach is filling a gap in a business marketing literature, after which the new lens is added for the IMP interaction approach as well. Therefore, the paper provides a theoretical contribution for both fields of research. Besides that, the article is providing additional insights on six basic propositions about resources in business interactions (Håkansson et al. 2009) where corporate brands are seen as valuable resources and conceptualized accordingly.

### **Keywords**

business marketing, corporate brand, buyer-seller relationships, interaction, resources.

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## Individual and collective identity construction in a Niké related brand community

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### Purpose and background

Brand communities celebrate and co-create the brand (Muñiz and O'Guinn, 2001; Muniz and Schau, 2005) and they are interesting, because they form a center from which a multitude of brand meaning expressions emerge (e.g., Brown, Kozinets and Sherry, 2003; Moradin, Bagozzi and Bergami, 2013). Moreover, involvement in brand community activities leads to a positive relation with the brand (McAlexander et al., 2002; Carlson, 2008) and Ouwersloot and Odekerken-Schröder (2008) find that brand communities are internally heterogeneous, but cannot directly identify the motives behind. Strangely, there is no research from the individual's perspective that explores the ways in which company brand identity is expressed from a "bottom-up" perspective, i.e. from individual identifications nested within collective identifications; both identifications potentially related to the brand identity.

Brand identity is traditionally conceptualized from an inside-out perspective with brand managers as communicative cores that transmit brand identity to internal and external stakeholders (e.g., Burman, 2008; Aaker 2002, Kapferer 2008). Recent research suggests that (brand) identity creation is a set of social processes where relevant stakeholders enact their own identity and in this process might co-create the brand simultaneously (e.g. de Silveira, et al., 2013; Hemetsberger and Mühlbacher, 2008; von Wallpach , 2009). Hemetsberger and Mühlbacher (2009, pp. 4-5) suggest two "facets of brand identity: *intended identity*, which is developed by a deliberate, strategic process ... and *enacted identity*, which is emerging through enactment and social discourse". In this study we identify nested levels of member's individual and collective identities (da Silveira, Lages and Simões, 2013, p. 33) as they are expressed and emerge through encounters between enacted and intended brand identities and between individual and collective identities (Ibid.).

The purpose of this study is to explore the complex levels of identity construction within a brand community and between the collective identity and the intended brand identity. As something new our research in detail demonstrates how the individual identities and the collective identity of a community in a nested system co-create the intended brand in enhancing and complementary ways. It identifies consequences for brand managers seeking to interact with communities in order to strengthen the brand.

## Methodology

The study focuses on a Niké related running (brand) community called NBRO. The name is formed as an abbreviation of the urban area in Copenhagen: Nørrebro; the area from where the community's running activities spring. The empirical foundation of the study is based on a 6 months full participation study where researchers evolved as community members (e.g., Schouten and McAlexander, 1995) interacting with the members and join in on their natural behavior and socialization processes (Agafonoff, 2006). In all, 13 in-depth interviews, a focus group session with four founders of NBRO and a netnography (Kozinets, 2001; 2010) were triangulated to reduce rival explanations (Kvale, 1996) and validate emergent themes (O'Donoghue and Punch, 2003). The four researchers played the devil's advocate in the data analysis process to reduce the risk of biased interpretations (Schouten & McAlexander, 1995; Kvale, 1996).

We abductively analysed (Alvesson and Sköldberg, 2009) these themes in relation to the literature and an emergent conceptual framework was identified inspired by an understanding of subcultural identities as nested within the dominant organizational culture identity (Martin and Siehl, 1983). In context of this study we distinguish between identities that reveal similar / enhancing traits and orthogonal traits where community members would, for instance, although perceived as different, both accept the intended brand and their separate collective community identity (Ibid.).

## Findings

We see two critical levels of interplay between identities. Firstly, between the collective identity of the community and the intended brand identity, and secondly, between individual identities and the collective identity of the community.

### *Match between collective identity construction and the intended brand identity*

The observed collective identity corresponds to a relatively high degree with the Nike's intended brand identity. "Passionate runners" and having Nike as an essential brand in the community ("Nike is essential") is in accordance with what Niké intends the brand to symbolize. The combination of design and high profile athletes, the Greek name for (victory), the "swoosh" (Larson, 2011) and the "Just do it" brand symbol (Grow, 2008) show traits that are similar to NBRO's. Both community founders and regulars in interviews confirm these similarities and NBRO's own produced t-shirts include as much Niké symbolic reference as Niké's trademark allow for, and in the beginning even beyond that.

Articulations, such as "NBRO [members] are cool and anarchistic" spilt into: "anarchistic" which is founded in reckless behavior and not being overly structured and "we're NOT a running club". The community sees itself as the "naughty little brother" of serious running clubs. Being "cool" originates from prioritizing a self-developed fashionable hipster-like look where Niké outfit is embedded as an important component. Whilst these constructions are different from Niké's explicitly expressed brand identity, they accept it; thus they are orthogonal to the Nike brand identity. Niké is always strongly symbolically but tacitly present in the community via the Niké gear, i.e. shoes and clothes members are wearing, but never communicated top-down as a must have. When directly referred to, it is in the form of individual identity construction projects, where Niké is represented in an outspoken manner, by talking about the gear you have bought yourself or others have bought in runs or presenting them on Facebook or Instagram.

### *Match between individual and collective identity construction*

The collective identity construction in the NBRO community is originally developed by the founders and now maintained and protected by the "founders" and "insiders" representing the top of community hierarchy. The "regulars" and "newcomers" in their encounter with the collective identity construction strongly identify with it. Community dynamics appear

funnelled in that direction in the sense that their individual identity construction seems to be in coherence with the collective construction. Individual identity constructions inside and outside the community involve elements that are both similar and orthogonal in relation to the collective identity construction. Inside the community it is the strong identification with the community “insiders”, including founders that drive similarities. But personal identity projects located outside the community context, for instance friend groups or urban lifestyle priorities, demonstrate orthogonal support to the coherence of the community.

In *summary*, the entire identity system consists of individual identity constructions that are nested into the collective. In their encounter they exhibit different degrees of overlap (similar or orthogonal). The proximity of individual identity construction to the core of the collective identity construction is decided by the pattern of individual degrees of overlap, and the number of members that share that overlap. All this combines into representations of the strength of the collective identity, and ultimately denoting its coherence with the company intended brand identity.

#### *Identity encounters and their outcome based on the degree of match*

The outcome of this nested system is that while the insiders / founders and regulars receive privileges from Niké, for instance, discounts and free running numbers, all NBRO members report buying more Nike running shoes and clothes. Brand related behaviors are built into the hierarchy dynamics between individual and collective identity constructions.

### **Discussion and theoretical / practical implications**

These findings can be interpreted in the context of organization identity theory, where the self-concept or self-definition (core) of a person is nested within the simultaneously perceived organizational identity attributes (Ashforth & Mael, 1989; Dutton et al., 2010). The community individual identity constructions are both found to be “self-referential” (similar to one’s self) and “self-defining” (via emulation changing one’s self “to become more similar”) (Asforth et al. 2008, p. 329) when community members adapt by supporting the collective community identity, most surprisingly in this research in the change of self to be more positive towards buying more Niké outfit.

While the identity constructions found in the nested system of this study match the similarity construct found in the identity literature, i.e. similarity between the organizational identity and one’s self, an orthogonal (Martin and Siehl, 1983) match between the two is not found in the identity literature. The reason is that it is focused on the opposition between positive and negative identification (Bhattacharya and Elsbach and 2002; Kreiner, et al., 2009; Asforth et al. 2008). As hypothesis for further research, what could be called orthogonal identification can be understood as an identification split between individual self-identification and social identification, and both identifications are positive, but the subject or object for identification is different.

The knowledge about nested systems of individual, collective and intended brand identities is essential when companies reflect and strategize on how to relate to brand communities. This study supports earlier studies that propose that interventions by the brand should seek *to be in accordance* with the collective identities of the community (Fournier and Lee, 2009; Kornum 2009). If Niké would *directly intervene to change* the collective identities in NBRO that are different from the intended brand, i.e. reckless and anarchistic behavior and image, it would destroy exactly the anarchistic image that is so important in the collective narrative, because it, in their self-understanding, differentiates them from being “just” another brand community of enthusiastic fans.



## Originality and limitations

Brand community literature has already indicated that communities co-create the brand in ways that are different from the intended brand identity construction (e.g., Muniz and O'Guinn, 2001; Schouten and McAlexander, 1995). However, there has been no research on the processes of brand co-creation viewed from the perspective of a nested system of individual, collective and intended brand identity constructions.

By identifying constructs that are compatible with a more dynamic understanding of identity construction, this research paves the way for a deeper understanding of how the boundary dynamics between the intended brand identities and collective / individual identities are changing between temporary stabilizations (Hernes, 2010) of enhancing, orthogonal or antagonistic configurations. While research in this study demonstrates how intended brand, collective and individual identities relate across boundaries, it does not explicate the (historical) dynamic processes (Schultz and Hernes, 2013) that can illustrate how sense-breaking and sense-giving processes unfold in congruent or incongruent identity boundary dynamics (Ashforth et al., 2008; Kreiner, et al., 2009).

## Keywords

Brand co-creation, intended brand identity, enacted brand identities, nested system of identities.

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## The dynamics of hybridity in corporate rebranding: The case of British charities

Lee, Zoe

### Purpose of paper

This research examines dynamics and tensions emerging from identity drift during corporate rebranding strategies. Corporate rebranding refers to an organisation change from one corporate brand formulation to another; typically with associated with new meanings that will enhance the organisations’ image among its key stakeholders and performances (Gotsi & Andriopoulos, 2007; Merrilees & Miller, 2008). Research to date has focused on the impact of name changes (Kaikati & Kaikati, 2003; Melewar, et al., 2005; Stuart and Muzellec, 2004), its relationship with financial outcomes (Kalaiganam & Bahadir, 2013), stakeholders engagement (Hatch & Schultz, 2003; Lomax & Mador, 2006; Miller & Merrilees, 2013), but

less on understanding the dynamics of identity change in the rebranding process. Urde (2003) argues that organisation's goal is to live its core values, and thus its brand (Balmer, 2001). These core organisational values and beliefs held by employees and communicated to all stakeholders represent a true and unique organisational identity. In a rebrand, identity drift can change the direction of its core values and beliefs and as such, signal confusion regarding 'who the organisation is'.

Nonprofit organizations operate in significantly dynamic environments (Billis, 2010; Minkoff, 2002; Schmid, 2013). Increased competition and reduced statutory income from the governments (Charity Commission, 2010) forces them to adapt their ideologies, image, identity and organizational strategies to ensure their survival, and to continue to achieve their social mission and objectives. To accommodate these demands, many have become hybrid (Billis, 2010; Minkoff, 2002) and combine different, often conflicting identities such as normative and utilitarian identities (Moss et al., 2011). Normative identities are typically ideological driven to maintain a particular organizational patterns and employee commitment (Albert & Whetten, 1985). Studies show that "community", "artistic" and "people" normative identities in Smith (2014), Glynn (2000) and Moss et al (2011) encompass different elements of community engagement, relationship building, donors, sponsors and beneficiaries relationships. On the other hand, utilitarian identities stresses the outcome of the decision making process, particularly in generating revenues and profits and hence is commercially driven. Many innovative nonprofit organizations are increasing their income via business activities (trading and government contracts) and developing corporate partnerships (Social Enterprise UK, 2013; Guo, 2006; Kylander & Stone, 2012). These forces contribute to the rising prominence of utilitarian identities and to some extent identity blurring and ambiguity (Billis, 2010; Corley & Gioia, 2004; Schmid, 2013). The dual identities logics of normative (i.e. social) and utilitarian identities (i.e. business) of nonprofit organizations are arguably co-exist in an unstable relationship (Moss et al., 2011, Smith, 2014). Meeting the demand of one identity may promote conflict, and have subsequent negative effect on the other (Albert and Whetten, 1985; Glynn,. 2000; Pache & Santos, 2013), particularly in relation to changes in organizational behaviours, strategies and structure (Billis, 2010; Minkoff, 2002). To complicate the situation, nonprofit rebranding strategies can add more tension to the process of managing and sustaining both identities.

Our research zeroes in on managing the interplay and connection between these dual identities and organization rebrand. We argue that brands is no longer a passive communication tools but rather a constant process where multiple identities, meanings and relationships are negotiated and fought over within the organizations (Arvidsson, 2008). Scholars tend to emphasize the economic value of rebranding strategies in increasing profitability, positioning and competitiveness (Jaju et al., 2006; Muzellec & Lambkin, 2006), but the need to align these with social objectives has been largely ignored.

## **Methodology**

To understand the dynamics of hybridity in the rebranding process and potential tensions related to this, we used interpretive and case study research approaches. We conducted semi-structured interviews in ten selected cases (within the UK top 100 Charity Index) with senior managers who have experience of leading and implementing the rebranding strategies (see Table 1). We selected the British charities based on four criteria: size, cause, degree of change (from visual refresh to complete name change) and recency (in the past 6 years). We also conducted four interviews with design consultants and agencies who facilitated the rebranding process across the nonprofit sector, and who were therefore able to provide a sense of common concerns and patterns. Informants were asked to describe areas of difficulty in managing rebranding and to describe 'who they thought the organisation is', and how it is

expressed to external stakeholders. The interviews ranged from 60-90 minutes in length and were taped and transcribed. Archival data sources including documents, launch booklets, press releases and observations during visits to the head office of each organisation were also collected to allow triangulation. A typical grounded analysis was undertaken which involved open and axial coding procedures (Strauss and Corbin, 1998). Cross case analysis looked for both commonalities and differences between the case examples.

## Findings

The study suggests there is a need to move away from single and static organisational identity perspective and towards a better understanding of managing hybridity in corporate rebranding. Identity drift can have negative impact in managing process and managers are continuously balancing the expectations from both identities. In our research, we identified four typologies of rebranding and its relationship with dual identities (see Figure 1). An ideal rebranding strategy would show a balance between normative and utilitarian identity across different stakeholders. Although the trigger for rebranding decision may be a market directive to grow and raise income, organisations in *Quadrant I* are not in serious financial crisis. Here, managers face the tension of legitimising the rebranding decision and convincing the top management team and staff. These organisations tend to be well established, larger in size with stable revenue from existing funders. Conversely, many non-profit rebranding strategies are adopted under conditions of continually falling income from fundraising, corporate partnership or statutory funding. Organisations in *Quadrant IV* generally show an imbalance between normative and utilitarian identities, while some have traded off visual elements of normative identity in order to secure and maintain resources from corporate partners. In such cases, as their survival is threatened, contributions from funders are valued more highly than the values upheld in the organisation. In our study, one senior designer regrettably admitted they had modified the logo and part of the visual identity to suit the needs of corporate funders at the expense of the original values and belief.

Interestingly we also found identity drift in an opposite direction, from utilitarian to normative. Organisations in **Quadrant II** reveal a different aspect of unbalanced rebranding strategy. They are more confident and committed to their ideals, causes and missions and resist pressure and interest from external funders. Hence, the organisation's rebrand returned to their 'roots'. Finally, organisations in **Quadrant III** also have balanced expression of both identities but at a lower level as compared to those in **Quadrant I**. The nonprofit organisations that fall into this category are few, typically smaller charities less dependent on voluntary income or public donations. In some cases, they may rely on statutory funding and have lesser need to prioritise either normative or utilitarian identity. Rebranding strategies help to align their image with identity and culture within the organisation.

In order to understand the mechanisms that managers used to deal with the dynamics and tension in order to restore some degree of balance, we observed there are three types of mechanism used. For example, *justifying*, *attributing* and *visioning*. *Justifying* refers to the process of searching for legitimate reasons for rebranding decisions, whether it is a complete change of brand name or some modification of the existing brand and its values. We found that for most nonprofit organisations, involvement of external consultants at the initial consultation stage is instrumental to some level of success. An external agency can help ensure stakeholders' honesty and openness about their thoughts on the rebranding decisions. Equally comments and feedback from these consultants were employed in legitimising the process. In most cases, brand managers tend to emphasise utilitarian aspects of the rebrand by linking it to income generation and competitive positioning, hence not just a name change.

*Attributing* refers to a retrospective process of identifying causes to outcomes. We observed mixed findings in relation to this. In some cases, brand managers commented that it was

difficult to link rebranding strategies with financial performance due to issues of measurement while others were quick to show statistics of financial performance. Finally, *visioning* refers to the communication of ideal outcomes, highlighting what the organisations can actually achieve in relation to social objectives. Brand managers commented that confidence in re-visioning what the organisation was able to accomplish in relation to its mission were important in rebranding strategies. For example, Case 4 set the benchmark for how to rebrand a nonprofit organisation successfully and this example has been quoted in interviews with other brand managers.

### **Practical implications**

This research has shown evidences of identity drift in rebranding nonprofit organisations that were once associated with voluntarism, altruism and social values, but have shifted their identity towards specific economic value and profitability. Our research show some concerns whether such drift cause nonprofit organisations to be too commercially driven at the expense of meeting the needs of the beneficiaries or causes. In addition, Michel and Rieunier (2012) note that part of the goal of a rebrand is to align the desired identity with brand image. Hence, understanding which identity is important and salient is key to designing an effective campaign that will lead to higher intention to give amongst the supporters and corporate partners. Such understanding is equally important for leaders in the nonprofit sector to ensure sustainability and survival of their organisations. It will be interesting for future research to explore the hierarchical effect of these dual identities in the rebranding process and its impact on various stakeholders. For example, under what circumstances is a normative identity more prevailing compared to utilitarian identity and vice versa?

### **Originality/value**

While much research exists on corporate brand and corporate rebranding, this study is unique in its discussion in drawing theories from organisational identity (Moss et al., 2011) to explore the dynamics of hybridity in a corporate rebranding process. In short, skilful management of managing tensions between the dual identities maybe a necessary to pursue continuity and change in their corporate brand efforts.

**Key words:** Corporate rebranding, identity, corporate branding, hybrid

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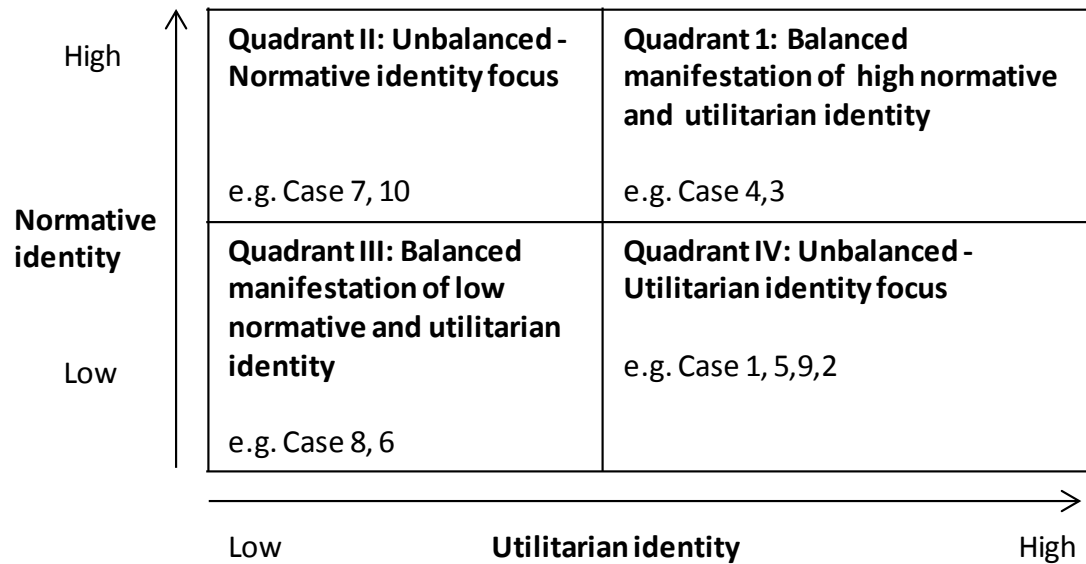


Figure 1: Typology of the dynamics of corporate rebranding

Table 1 Profile of ten nonprofit organisations (case studies)

| Nonprofit organisations | Profile                                                                                                                                                                                                                                                                   | Degree of rebrand                                                                                                                              | Informants                                                       |
|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|
| <b>Case 1</b>           | <b>Cause:</b> overseas aid service – to prevent and relief poverty and protect the vulnerable anywhere in the world through humanitarian relief, development work and advocacy and campaigning.<br><b>Income per year:</b> £300m (both statutory and voluntary income)    | Engaged in brand refresh without a name change.                                                                                                | Head of Corporate Communications                                 |
| <b>Case 2</b>           | <b>Cause:</b> Children – deliver immediate and lasting improvements to children’s lives worldwide.<br><b>Income per year:</b> Over £300 (mainly statutory income)                                                                                                         | The organisation went through a series of rebranding exercise. But the brand name remained the same                                            | Senior Marketing Communications Managers                         |
| <b>Case 3</b>           | <b>Cause :</b> Children – to helping the most vulnerable and neglected children and young people in the UK break through injustice, deprivation and inequality so they can achieve their full potential.<br><b>Income per year:</b> £200m (mainly from statutory funding) | The organisation is faced with poor positioning. The rebrand strategy takes into account the heritage of Methodist background with a new name. | Senior Marketing Officer                                         |
| <b>Case 4</b>           | <b>Cause:</b> Medical research – to help improve the lives of people affected by [condition] – those with [condition] and their families, carers and communities.<br><b>Income per year:</b> £200m (mainly voluntary income)                                              | This is one of the earliest rebranding (six years ago) and has been cited as the best practice in charity rebranding. Includes a name change.  | Brand Manager                                                    |
| <b>Case 5</b>           | <b>Cause:</b> Medical research – leading the way to find a cure and improve the life for everyone affected by [condition]<br><b>Income per year:</b> £20m (mainly voluntary income)                                                                                       | The organisation identified that they have a very low brand awareness.                                                                         | Marketing Manager                                                |
| <b>Case 6</b>           | <b>Cause :</b> Health – to provide information, advice, support and service of the highest standard to those experiencing severe [condition]<br><b>Income per year:</b> £50m (mainly statutory income)                                                                    | They aim to reposition from disability to health charity with a new set of values. No name change involved.                                    | Brand manager                                                    |
| <b>Case 7</b>           | <b>Cause:</b> Disability – to promote and encourage the prevention and mitigation of [condition] and the betterment of treatment<br><b>Income per year:</b> £40m (both statutory and voluntary income)                                                                    | The organisation did not intend to change the brand name but the brand audit indicated they have to.                                           | Senior Marketing Officer                                         |
| <b>Case 8</b>           | <b>Cause :</b> Health – provide support services to everyone affected by [condition]<br><b>Income per year:</b> £30m (mainly statutory income)                                                                                                                            | The rebrand decision faced difficulty in getting other directors and trustees on board. Minor name change.                                     | Associate Director of Communication                              |
| <b>Case 9</b>           | <b>Cause:</b> Children – to see a world where all children and young people with [condition] live life to the full.<br><b>Income per year:</b> £23m (mainly voluntary activities)                                                                                         | Merger between two nonprofit organisations where the new name incorporate the both names from previous organisations.                          | Creative designer                                                |
| <b>Case 10</b>          | <b>Cause:</b> Disability & religion –give disabled and disadvantaged people real choice about how they live their lives.<br><b>Income per year:</b> £40m (mainly charitable activities)                                                                                   | Merger between two nonprofit organisations and the subsequent rebrand involved a completely new name.                                          | Director of Fundraising and Communications Communication Manager |



## Re-branding the countryside as a luxury destination – a case study of a co-creation process

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### Purpose of the paper

Several researchers have emphasised the importance of effective networking in the tourism business (Kendell, 1987; Buckley & Witt, 1989; Holder, 1992; Jamal & Getz, 1995; Bramwell & Sharman, 1999; Buhalis, 2000; de Araujo & Bramwell, 2002; Lemmetyinen & Go, 2009; Lemmetyinen, 2010), with tourism destinations being constructed via multiple supplier activities crossing many business and sector boundaries (Pavlovich, 2003). Branding has been described as the most powerful marketing weapon available to contemporary destination marketers in today's competitive globalised marketplace and is, on the practical level, used in various tourism business networks. A destination could be defined as a set of institutions and actors located in a physical or virtual space in which marketing-related transactions and activities take place: this definition challenges the traditional production-consumption dichotomy (Saraniemi & Kylänen, 2011). Re-branding, in turn, although sometimes associated merely with changes in visible identity, in fact is about real change within the organisation and its values. The effectiveness of re-branding is connected to the acquisition of new knowledge, more favourable attitudes and more positive behaviour (Hankinson & Lomax, 2006). Although it may entail changes in name, logo, symbols, colour scheme, fonts and slogans, everything should be carefully aligned with a broader re-branding strategy (e.g. Melewar, Hussey & Srivoravilai 2005).

Destination branding is a relatively recent phenomenon in the academic literature on tourism, and remains narrowly defined in the minds of many practitioners (Blain, Levy & Ritchie, 2005). There is also a relative dearth of studies addressing the issues that actors in collective tourism-business networks encounter within a particular destination (Tinsley & Lynch, 2001). Following an evolutionary shift in logic, brand construction and branding came to be seen as collaborative, value-co-creation activities in firms (Merz & Vargo, 2009) and destinations, involving all their stakeholders. However, despite the growing interest in service-dominant logic and value co-creation, there has been surprisingly little research on brand co-creation (Payne, Storbacka, Frow & Knox, 2009).

The objective of the current study is to deepen the analysis of value-creation processes in the tourism business (Lemmetyinen & Go, 2009; Lemmetyinen, 2010) and the travel industry (Fyrberg & Jürriado, 2009). The focus is on collaborative processes and the prerequisites for building a brand in a tourism business network. The discussion also covers the extent to which benefits related to branding motivate the network members to form an umbrella brand. Using a multiple-case design (Yin 2003) the researchers conduct an empirical investigation of three cases in the Finnish province of Satakunta, which is representative of a cultural and industrial provincial area. The cases were considered to represent the process of co-creating a luxury brand, and the activities and roles of the actors involved. Moreover, each of the cases represents a different stage in the process of building a brand identity (see Lemmetyinen & Go, 2010).

### Theoretical background

Branding is a way of creating competitive advantage in the tourism business, and knowing one's customer is one of the elementary questions in successful destination branding. Brand strategies encapsulate tangible and intangible features of places, and brands are believed to

bring added value to countries, regions and cities, and their stakeholders (Go & Govers, 2010). A brand emerges as various ‘authors’, citizens, consumers, and actors involved in the cultural sector and marketing intermediaries (Holt, 2004; Quelch & Jocz, 2007) tell stories about the place.

The common characteristics of luxury in the branding context, despite the fragmentation in terms of definition, appear to emphasise beauty, rarity, quality and price, as well as inspirational endorsement of the product. People buy luxury products and services for two main reasons: for their own pleasure and as a symbol of success (Godey et.al., 2012), and to satisfy both psychological and functional needs (Vigneron et al., 2004). Beverland (2005) suggests six distinct components of a luxury brand, namely culture, marketing, endorsements, product integrity, history and value-driven emergence. Vigneron and Johnson (2004), in turn, ascribe five particular factors to such a brand: conspicuousness, uniqueness and quality, which relate to non-personal perceptions, and the hedonic and extended self, which relate to personal perceptions. Miller and Mills (2012) conclude that definitions of brand luxury typically emphasise at least some of the following six issues: individual meaning, social meaning, affordability, prestige, exclusivity and quality. Moreover, the categorisation of something as a luxury, or not, it is not straightforward and may depend on both the context and the people concerned (Vigneron & Johnson, 2004).

We rely on Vargo and Lusch’s (2004) definition of co-creation, which highlights the customer perspective in service development and considers the customer a co-creator of value. The role of the network is significant, albeit implicit in service-dominant logic, and interaction is a central concept. Value creation is a process involving the integration and transformation of resources, and requires interaction and networking (Vargo & Lusch, 2008). According to Vargo and Lusch (2004), value co-creation comprises two components: co-creation and co-production. They argue that value can only be “created with and determined by the user in the consumption process and through use or what is referred to as value-in-use”: it occurs in direct interaction between the offerer and the customer, or is mediated by a good. The co-production component involves participation in the creation of the core offering via shared inventiveness, co-design, or the shared production of related goods. Other partners in the value network in addition to the customer and the offerer may be involved in co-production (Vargo & Lusch, 2004). Co-creation facilitates both the re-building of customer experiences that meet the needs and expectations of customers better than before, and the definition and resolution of possible problems. As value shifts more and more towards experiences, there is need for dialogue, transparency and interaction (Prahalad & Ramaswamy, 2004).

## **Methodology**

The objective of the study is to investigate collaborative value-creation processes and to identify the necessary prerequisites for building a brand in a tourism business network. In order to achieve this aim we examine value creation as an outcome of coordinated cooperation. More specifically, we address the following three research questions. 1) What are the necessary prerequisites for building a brand in a tourism business network? 2) What kinds of value-creation processes can be identified? 3) What kinds of branding benefits motivate the network participants to form an umbrella brand?

A review of the literature on co-creation and brand-related theories constitutes the conceptual framework of the study. The authors conducted a multiple case study (Yin, 2003) by means of participant observation (Tedlock, 2000) and narrative interviews (Riessman, 2004). The process of building a brand identity was monitored in the three case organisations: 1) A. Ahlstrom (service business) offering accommodation and cultural services; 2) Grankulla Country Spa & Resort offering wellbeing services; and 3) Vuojoki mansion with its cultural

services, accommodation and conference venue. Secondary data were gathered from web sites and information letters to support the analysis, and also to allow identification of the factors that motivated the members of the networks to start and continue their cooperation. The conceptual framework of the study guided the data analysis. The first stage comprised an analysis of the factors that motivated the actors in the case networks to collaborate with others in the branding process. The existing processes, practices and examples related to co-creation in the case networks were identified in the second stage, which enabled the researchers to map out the roles of different stakeholders and to highlight the benefits .

### **Findings**

The focus of the study was on the motives that lead network participants to collaborate with each other. The findings are in line with those reported in Fyrberg and Jürriado (2009), namely that value co-creation requires the maintenance of balance, a clear agenda and strength in the network. In addition, the following prerequisites for brand co-creation in a destination network were identified: reaching a common goal and mind-set, establishing a clear role and purpose for each network actor, knowing the customer and segmentation, fully utilizing existing resources, and understanding what kind of actors are needed to build the desirable brand image in the minds of customers. Network members found the co-operation beneficial when it supported the network actors and allowed the utilization of the resources of other network actors when feasible and cost-effective.

### **Theoretical implications**

The academic literature is clearly in need of research in the area of co-creation, customer experience and branding (Payne *et. al.*, 2009). Earlier brand-related studies in the tourism sector also underline the fact that knowing the customer is one of the basic prerequisites of successful destination branding. This study sheds light on the motivations of network actors to engage in brand co-creation. The benefits to be gained from co-creation and networking appear to relate, in particular, to a decreasing need to acquire new resources in-house and the chance to ensure a positive customer experience.

### **Practical implications**

Managers should be aware that working closely with stakeholders is crucial in brand co-creation. It would be beneficial to engage customers and all relevant stakeholders in the process. The literature on brand co-creation has typically focused on strong corporate brands (e.g. Hatch & Schultz 2010; Vallaster & Von Wallpach 2013). Therefore, further examination within SMEs and start-ups should be beneficial both theoretically and practically (see also Mäläskä, Saraniemi & Tähtinen 2011; Juntunen 2012), in the tourism sector and beyond.

### **Limitations**

The limitations of the study concern the representativeness of the sample and the context. The three cases comprise the empirical investigation representing the (cultural) tourism industry. Therefore, learning from these cases may not be directly relevant to other industry sectors. Industry stakeholders in the field could nevertheless benefit from the identified best practices.

### **Originality**

The paper is based on three real case networks and thus provides managers with examples related to managing a networked rebrand co-creation process. This study builds on earlier work focusing on brand co-creation in networks (Fyrberg & Jürriado, 2009) and the value-

creation process in the tourism business (Lemmetyinen & Go, 2009; Lemmetyinen, 2010). The specific focus is on rebranding in tourism-destination networks.

### Keywords

brand, luxury, value co-creation, *destination*, *re-branding*

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## Local and global brand's purchase likelihood in emerging markets: The case of Turkey

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### Purpose of the paper

In today's global market consumers in many product categories are faced with a choice between local and global brands. For marketers, as well as for academics, it is quite important to understand the choices of consumers between those two types of brands (Özsomer, 2012).

According to the previous considerations, the key purpose of this study is to identify potential factors that can determine global and local consumer brands purchase likelihood in emerging markets. Thus, the relationship between the antecedents (perceived brand quality, perceived brand globalness, local iconness, brand social signaling value and brand familiarity) and the purchase likelihood for local and global brands is examined among consumers in the emerging economy of Turkey.

The expected contribution of our research would be to better understand consumer buying behaviors related to local and global brands in accordance with social, environmental and cultural factors from emerging economies. This contribution should be important for marketing managers in emerging markets, and especially Turkish ones, because Turkey's political and legal situation is suitable for international trade and the country has a strategic location for both European and Asian markets that makes it very attractive for foreign companies.

In the full paper, the related literature has been reviewed for identifying the key antecedents of the brand purchase likelihood to determine a set of hypothesis and to present a theoretical model. Then, the methodology has been summarized. Afterwards, the results of the research have been presented; also some theoretical and practical implications for both local and global brands are discussed and also limitations and future research directions have been identified.

### Background and hypothesis

The term "global brand" is used by many researchers without defining it. According to them, global brand differentiate its goods and services from its competitors and it has got a worldwide use of name, term, sign or symbol (Barron and Hollingshead, 2004; Catecora and Graham, 2007). On the other hand, foreign images or brands are preferred by consumers in developing countries, thus most of the companies try to take advantage by using foreign country appearance like foreign symbols in advertising, or foreign names for their product labels (essentially Western) (Zhou, Yang, and Hui, 2007). From the above, we posit:

*(H1) Perceived brand globalness has a positive effect on the brand purchase likelihood of global brands.*

For the social status, wealth and social conformity, consumers in developing countries choose foreign brands instead of local brands (Batra et al. 2000; Ger and Belk 1996; Wand and Yang 2008; Zhou and Hui 2003). In the case of Turkey, foreign product consumption is extremely worthwhile and brands that have status are mostly foreign. In emerging countries, foreign brands come to mind when its about social status and quality instead of local brands (Ural and Küçükaslan, 2011). Thus,

*(H2) Brand social signaling value has no effect on the brand purchase likelihood of local brands.*

*(H3) Brand social signaling value has a positive effect on the brand purchase likelihood of global brands.*

The brand's values, needs and desires of consumers represent "local iconness" of a local country (Özsomer, 2012). Some of the consumers have a propensity to use local brands and they don't want to use global brands, because, local brands reflect consumers' attitudes, behaviors and their lifestyles (Crane, 2002). Furthermore, many researchers claim that local culture symbols have a positive effect on consumers (Ural, 2008; Turner, 2003). Therefore,

*(H4) Brand local iconness has a positive effect on the brand purchase likelihood of local brands.*

Powerful local culture orientation and strong relationship with the local market environment might ensure strong brand familiarity (Samli, 1995; Belk, 2000; Kapferer, 2002). For the brand purchase likelihood, brand familiarity has a crucial role for both global and local brands (Özsomer, 2012). Thus,

*(H5) Brand familiarity has a positive effect on the brand purchase likelihood of global brands.*

*(H6) Brand familiarity has a positive effect on the brand purchase likelihood of local brands.*

Whereas perceived quality have been defined by many scholars, each definition has a common argument; that is, perceived quality could influence performance, features, conformance, durability, serviceability, reliability and aesthetics, etc. If there is no superior quality or value in brands, there will be equal competition between "global image" and "local image" (Kapferer, 1997; Shocher et al., 1994). From that we posit,

*(H7) Perceived brand quality has a positive effect on the brand purchase likelihood of local brands.*

*(H8) Perceived brand quality has a positive effect on the brand purchase likelihood of global brands.*

The proposed model is presented in figure 1.

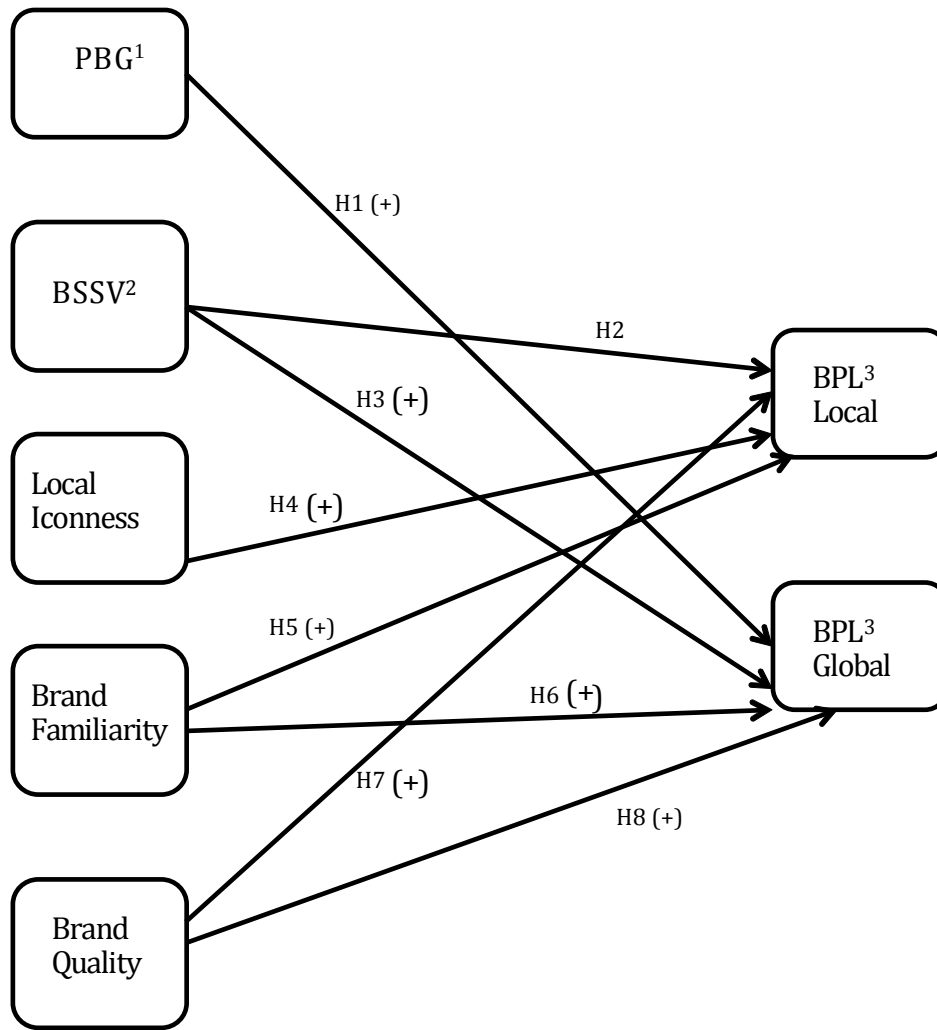


Figure 1: Antecedents for the brand purchase likelihood of local and global brands

1. Perceived brand globalness
2. Brand as a social signaling value
3. Brand purchase likelihood

### Methodology

For the empirical research two local and two global brands were selected. One local brand is Koton, a Turkish clothing and accessories retailer with more than 4.600 employees and 362 stores (255 in Turkey and 107 abroad). The second local brand is Duru, one of the most successful personal care brands of the Evyap Group. The first global brand considered in our study is Zara, a Spanish clothing and accessories company, with more than 2.400 stores all over the world, and the second is Elidor, a hair care brand, produced by Unilever, and known internationally as *Sunsilk*.

A questionnaire was used to collect the required data from Turkish consumers. It was distributed to 290 respondents by internet. For each question on the questionnaire a 7- points Likert scale was used (where 1 = “strongly disagree” and 7 = “strongly agree”).



To test the validity and reliability of the scales two statistical techniques were used, factor analysis and Cronbach's alpha test. To determine the relationship between the variables a Pearson's correlation analysis and a regression analysis was also used.

Table 1 Results of the regression analysis

| Hypothesis Path             | Koton  |         | Duru   |         | Zara  |         | Elidor |         |                           |
|-----------------------------|--------|---------|--------|---------|-------|---------|--------|---------|---------------------------|
|                             | Beta   | t-value | Beta   | t-value | Beta  | t-value | Beta   | t-value |                           |
| H1: PBG--BPL                |        |         |        |         | -.121 | -1.97   | -0.006 | -0.11   | H1 is not supported       |
| H2: BSSV--BPL               | 0.453  | 8.12    | 0.230  | 3.96    |       |         |        |         | H2 is supported           |
| H3: BBSV-- BPL              |        |         |        |         | 0.487 | 8.54    | 0.456  | 8.19    | H3 is supported           |
| H4: Local Iconness--BPL     | 0.033  | 0.52    | 0.378  | 6.79    |       |         |        |         | H4 is partially supported |
| H5: Brand Familiarity-- BPL |        |         |        |         | -.104 | -1.82   | 0.003  | 0.07    | H5 is not supported       |
| H6: Brand Familiarity--BPL  | 0.0142 | 0.27    | 0.0031 | 0.05    |       |         |        |         | H6 is not supported       |
| H7: Perceived Quality-- BPL | 0.196  | 3.54    | 0.123  | 2.11    |       |         |        |         | H7 is supported           |
| H8: Perceived Quality--BPL  |        |         |        |         | 0.267 | 4.21    | 0.174  | 2.91    | H8 is supported           |

## Findings

The results of the regression analysis suggest that brand quality and brand as a social signaling value have a positive effect on the purchase likelihood of both local and global brands, in the two product categories analyzed. However, brand as a local iconess has a positive effect only for the local personal care brand Duru, but not for the other local brand Koton. Moreover, perceived brand globalness has no effect on the purchase likelihood of Elidor. Interestingly, for the case of Zara, a global brand, the relationship between perceived brand globalness and its purchase likelihood is negative, instead of positive. Finally, no relationship was found between brand familiarity and the purchase likelihood of any one of the four brands.

## Theoretical implications

The findings show that brand social signaling value and brand quality can be more profound for both local and global brands. On the other hand, brand familiarity may be considered an integral part of local iconness because it is likely to be known "local brand" in consumer minds. While perceived brand globalness may have had an influence on brand purchase likelihood, in today's global production environment, it can be negligible. Brands that have high quality and social impact may be considered more important to determine brand purchase likelihood.

### **Practical implications**

Global brand managers, for the positioning strategy of their brands, should not just focus on the foreign culture, it is also important to use local cultural factors in this activity. On the other hand, it seems that the brand foreignness appeal is no longer outstanding for global brands, because local brands also attune themselves into the competitive market by using global features such as design and quality. For local brand managers the results suggest that local brands should enhance their local iconness perceptions. Furthermore, they should take into consideration the importance of maintaining and increasing quality. Lastly, brand social signaling value is one of the most substantial effect on the brand purchase likelihood, thus local brand managers should take into account that the product and/or brand should be unique, original and fashionable.

### **Limitations**

Primarily, perceived brand globalness, local iconness and brand social signaling value can be developed and evaluated in more detailed in future research. Secondly, selected brands' price level equalization for both global and local brands might be considered in future research. On the other hand, other consumer characteristics such as materialism (Ahuvia, and Wong, 2002) and cosmopolitanism (Cannon and Yaprak, 2002) could be regarded for further research. Moreover, for future research a more representative sample of the population should be used and larger number of brands and products are needed.

### **Originality/value**

The present research contributes to the knowledge of consumer behavior in front of global and local brands in emerging markets. It takes into consideration both typologies of products, as well as four different brands in two distinct product categories. Our results suggest that the brand as a signaling value has an important effect on the purchase likelihood of global but also on local brands. Our research is focused on a market that has particularities of the European and Asian cultures, Turkey, so the results obtained are interesting for analyzing consumer behavior of local and global brands in such a hybrid cultural context.

### **Key words**

Local brand, global brand, brand purchase likelihood, emerging markets

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## Factors for success for domestic clothing brands in emerging markets

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### Purpose of the paper

Emerging markets (EMs) represent an important business opportunity as they contain about 85% of the world's population, and account for almost 75% of global GDP growth, Fidelity (2013). Emerging markets also skew to younger aged groups Emerging markets also skew to younger aged groups 53.1% of people are under 30 years of age in emerging markets whereas this segment represents only 35.6% of the population in developed economies, Euromonitor (February, 2012). Global brands have recognized these markets as important opportunities and are aggressively expanding into these regions, Kim and Heere (2012) which means emerging brands in these markets face increasingly strong competition, Holt et al. (2004).

Some local brands have successfully faced the challenge of increased competition from international brands, whereas others have not (Batra et al., 2000, Özsomer, 2012). Further complicating matters for emerging brands, international firms bring to bear competitive advantages of high-quality, standardized products at lower prices and international recognition (Elinder, 1961, Elinder, 1965, Sorenson and Wiechmann, 1975, Quelch and Hoff, 1986, Levitt, 1983, Alden et al., 1999).

Emerging brands need to successfully be competitive against the global brands strategies in Emerging Markets, this study aims to extend previous research by identifying specific factors that emerging brands can use to succeed against international brands competition. The literature evidences that local brands have not been given much attention by academics and

practitioners, Schuiling and Kapferer (2004). First, this research contributes to the local branding literature stream by proposing and finding support for factors that positively influence the domestic brands purchase likelihood in emerging markets. Second, our findings provide basis that might be used by managers to develop effective domestic brand marketing strategies.

The reported study analyzes several key factors that may influence the success of domestic brands among consumers in emerging markets. Therefore the objectives of this research are twofold:

1. -To identify some relevant factors that are related with domestic clothing brands purchase likelihood.
2. -To provide local managers of domestic clothing brands, by suggesting factors that might be used by to develop effective marketing strategies for domestic brands in emerging markets.

#### Domestic Brands' Marketing Strategies

The central objective of the domestic brands marketing strategy (DMS), it is to succeed against their competition. This is not a simple task as domestic brands must compete in a complex competitive landscape of both local and global competitors, Özsomer (2012). Global and local brands have advantages, Kapferer (2002), the complexity of this competitive scenario for local domestic brands comes from the fact that they compete against global brands, other local brands and with local brands of international firms.

As a result one of the most relevant questions for local brand managers is to identify the key factors that enable local brands marketing strategies to succeed in this complex competitive scenario.

Drawing relevant literature on brand management, signaling theory and country of origin, the Hypotheses of this research argue that the brand attitude (H1), the brand image (H2), the brand as social signaling value (H3), the susceptibility to normative influence (H4) and the bias in favor of local brands (H5) are positively related with the brand purchase likelihood.

#### Methodology

Leading Mexican domestic clothing local brands were selected: Andrea, Zapatos Flexi, Atletica, and Squalo.

Measures: Measures for this study were drawn from previous items / measures used in the literature. The dependent variable is "brand purchase likelihood", five independent variables were analyzed: "brand attitude", "brand Image", "brand as social signaling value", "susceptibility to normative influence" and "bias in favor of local brands" (or consumer ethnocentrism). Multiple items were used to measure each of the factors with a 7-point Likert scale (from 1 = 'strongly disagree' to 7 = 'strongly agree') aligned with previous research on this field, Steenkamp et al. (2003).

Two statistical techniques were used, factor analysis and structural equation modeling (SEM). A factor analysis (FA) for the multiple items variables was conducted along with key statistical Cronbach's alpha tests to test the validity of the factors.

#### Findings

The results from the factor analysis and the Cronbach's alpha tests, shown in Table 1, comply with the established parameters for the reliability of the model.

| TABLE 1: Factor analysis results |                  |                   |               |     |                               |      |
|----------------------------------|------------------|-------------------|---------------|-----|-------------------------------|------|
| Factor                           | Cronbach's alpha | Number of factors | % of variance | KMO | Bartlett's test of sphericity | Sig. |

|                                                                  |      |   |        |      | ( $\chi^2$ ) |      |
|------------------------------------------------------------------|------|---|--------|------|--------------|------|
| Brand Attitude                                                   | .922 | 1 | 92.730 | .500 | 886.580      | .000 |
| Brand Image                                                      | .851 | 1 | 87.219 | .500 | 546.397      | .000 |
| Brand as social signaling value                                  | .863 | 1 | 87.955 | .500 | 580.840      | .000 |
| Susceptibility to normative influence                            | .861 | 1 | 87.786 | .500 | 572.715      | .000 |
| Bias in favor of local brands                                    | .923 | 1 | 72.489 | .887 | 2991.853     | .000 |
| Brand Purchase Likelihood Clothing                               | .983 | 1 | 98.353 | .500 | 1851,420     | .000 |
| Factor analysis Extraction Method: Principal Component Analysis. |      |   |        |      |              |      |

Table 2 shows the bivariate correlation of the variables used in the model.

| Table 2 Bivariate correlations:       |                |             |                                 |                               |                                       |
|---------------------------------------|----------------|-------------|---------------------------------|-------------------------------|---------------------------------------|
|                                       | Brand Attitude | Brand Image | Brand as Social Signaling Value | Bias in Favor of Local brands | Susceptibility.to Normative Influence |
| Brand Attitude                        | 1              | .171**      | .188**                          | .079*                         | .067*                                 |
| Brand Image                           |                | 1           | .178**                          | .009                          | .163**                                |
| Brand as social signaling value       |                |             | 1                               | .129*                         | .196**                                |
| Bias in Favor of local brands         |                |             |                                 | 1                             | .000                                  |
| Susceptibility To normative influence |                |             |                                 |                               | 1                                     |
| *p<.05, **p< .01                      |                |             |                                 |                               |                                       |

To test the hypotheses, a SEM analysis using the AMOS 21 software was conducted to validate the relationship among brand purchase likelihood and brand attitude, brand image, brand as a social signaling value, the susceptibility to normative influence and the bias in favor of local brands.

### Test of hypotheses

Results of the SEM analysis, shown in table 3, suggest that all five factors Brand Attitude (BA), Brand Image (BI), Bias in favor of local Brands (BFLB), Susceptibility to Normative Influence (NIS) and Brand as Social Signaling Value (BSSV), are positively related with the Local Brand Purchase Likelihood (LBPL) given that all factors were statistically significant.

| Table 3 Standardized paths and significance of factors |      |      |          |      |        |     |
|--------------------------------------------------------|------|------|----------|------|--------|-----|
|                                                        |      |      | Estimate | S.E. | C.R.   | p   |
| LBPL                                                   | <--- | BA   | .203     | .021 | 9.649  | *** |
| LBPL                                                   | <--- | BI   | .314     | .026 | 12.253 | *** |
| LBPL                                                   | <--- | BFLB | .182     | .029 | 6.178  | *** |
| LBPL                                                   | <--- | NIS  | .331     | .039 | 8.458  | *** |

| Table 3 Standardized paths and significance of factors |      |      |          |      |       |
|--------------------------------------------------------|------|------|----------|------|-------|
|                                                        |      |      | Estimate | S.E. | C.R.  |
|                                                        |      | p    |          |      |       |
| LBPL                                                   | <--- | BSSV | .236     | .029 | 8.152 |
|                                                        |      |      |          |      | ***   |

Suggesting that, for H1: a positive Brand Attitude, Aaker (1990) will positively influence consumers LBPL given its strong cultural connections with domestic brands (Zambuni, 1993, Samli, 1995); for H2: a positive Brand Image will positively impact LBPL (Dodds et al., 1991, Batra et al., 2000, Eze et al., 2012, Wang and Tsai, 2014); for H3: that consumers who find the significance of the domestic brands, might purchase them to enhance their social classification or affiliation in desired social circles, Wallin (2006); for H4: that consumers of domestic brands also might buy them when looking for approval or status in front of others (Burnkrant and Cousineau, 1975, Batra et al., 2000) and for H5: developing markets consumers might purchase them attracted by the distinctiveness of the brands from their own country (Ger, 1999, Steenkamp et al., 2003, Zhou et al., 2010).

Table 4 shows the Goodness of fit Indicators for the Tested Model which indicate a well-fitting model, Hooper et al. (2008), the resulting model is presented in Figure 1

| Table 4: Goodness-of-Fit Indicators for the Tested Model |              |
|----------------------------------------------------------|--------------|
| <b>GFI</b> (Goodness of Fit Index)                       | <b>0.93</b>  |
| <b>RMR</b> (Root Mean Square Residual)                   | <b>0.097</b> |
| <b>AGFI</b> (Adjusted Goodness of Fit Index)             | <b>0.91</b>  |

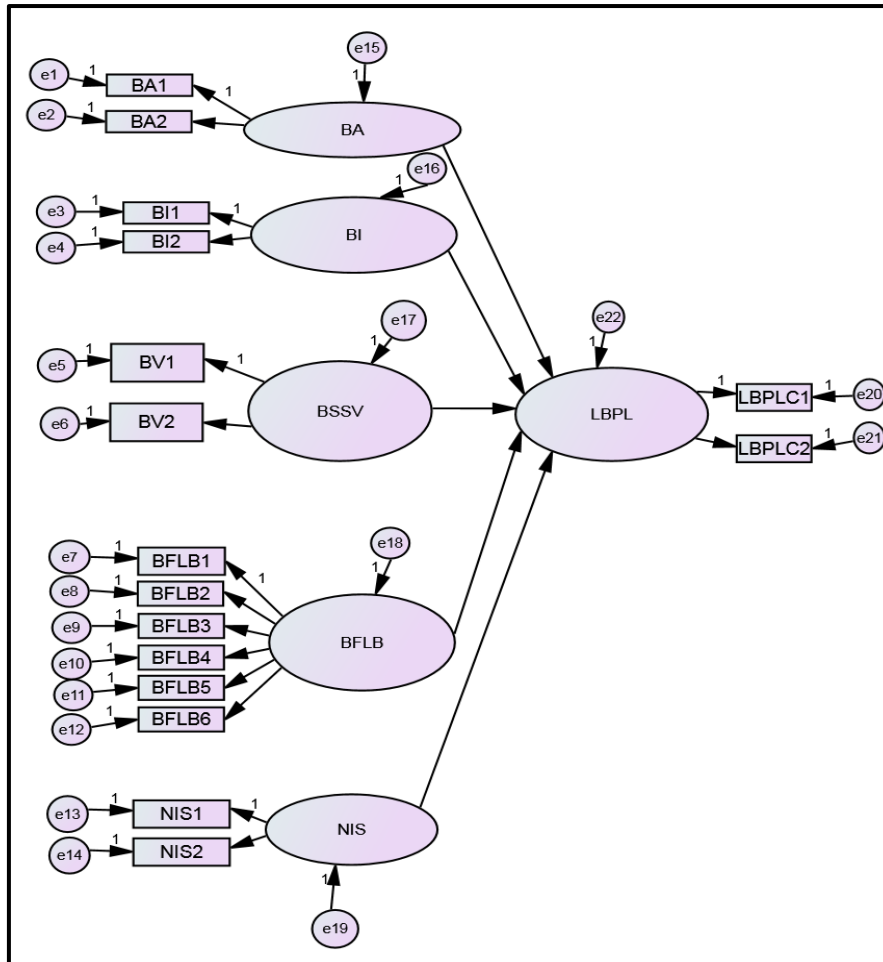


Figure 1 Proposed model from Structural Equation Modeling.

### Theoretical implications

This study contributes to the knowledge of consumer preference for domestic brands in Developing Markets (DMs); this work contributes to the literature providing with additional profound research of the specific factors that increase the purchase likelihood of local / domestic brands: brand attitude, brand image, brand as social signaling value, susceptibility to normative influence and bias in favor of local brands. This contributes also to understand how domestic brands may use these factors to build strategies to succeed in a complex competition in these markets.

### Practical implications

Local brand managers can build marketing strategies based on these factors that enhance the local brand purchase likelihood with local consumers in emerging markets. They can use these factors in their marketing strategies: to counteract the customization-adaptation efforts of foreign brands into local markets, Schmid and Kotulla (2011); to better target local consumers using their distinctiveness of being local aiming to build a stronger brand attitude effect (Ger, 1999, Zambuni, 1993, Steenkamp et al., 2003, Swoboda et al., 2012) and a perception of higher value equation through unique sources of equity (Aaker and Keller, 1990, Lane and Jacobson, 1995, Kapferer, 2002); to build a stronger brand Image effect (Park et al., 1986, Dodds et al., 1991) and a stronger differentiation via strong signals to local consumers (Dawar, 1998, Karasek III and Bryant, 2012) and through position domestic brands enhancing the benefits of the status provided to local consumers on self-image and

approval from their reference groups, Bearden and Etzel (1982). For domestic brands going global, a communication effort to local consumers of being in foreign countries is suggested Özsomer (2012), and to enhance the brand personality and its ties to the brand's cultural background in the foreign markets by positioning these brands as "cultural brands" Guzmán and Paswan (2009).

### **Limitations**

One of the limitations of this work is that it was only conducted in Mexico; a wider study among other emerging markets in Latin America or worldwide is suggested to validate generalization of the results, Steenkamp et al. (2003). This study only included four brands in different consumer product categories, a wider study including a larger number of brands and product categories is also suggested, Özsomer (2012).

### **Originality/value**

This work contributes to the Local Brand understanding, in this paper we demonstrate that brands that successfully meet the challenge of increased international competition can attribute their success to five factors: brand attitude, brand image, the social signaling value of the brand, bias in favor of local brands and normative influences.

Confirming the strategic role of the Local Brands for both local and International firms in developing markets, Schuiling and Kapferer (2004).

### **Keywords**

Local/Domestic Brands, Purchase Likelihood, Developing Markets, Consumers' purchase, Brand competitiveness.

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## Adversity in relationships: The research evidence

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### Purpose

This research provides a first systematic literature review on negative consumer-brand relationships (NCBR) issues in order to capture the main terms and factors employed in several previous studies. This paper looks forward to break new ground for subsequent stages of research regarding NCBR.

### Originality

In the development of theories and investigations, researchers have relied on assumptions that are more aligned with a positive brand relationship view rather than a negative brand relationship view (Fournier and Alvarez, 2013). In recent years, the meaning of NCBR has attracted the attention of marketing practitioners, but little attention has been given in academia. There is a need to clarify these relationships within a broader perspective. The research conducted in this paper, represents the only systematic identification, examination and incorporation of negative relations factors identified through the existing literature and discusses promising aspects of NCBR for future research.

### Methodology

To identify and rigorously systematize the studies on NCBR, a systematic literature review, has been considered. This paper analyses the main characteristics of 93 articles on NCBR published in the most relevant scientific journals within the period 2009–2014, in order to determine the evolution of this current issue of research over recent years and improve our understanding of this subject. At this state of research, where the theme is merely blooming, the aim of using this method is to explore the topic, the methodology, as well as other relevant aspects of the research and, moreover, it will highlight the need for continuing research into its conceptualization (Cook, 1997).

Thus, a three-stage procedure has been applied. First - *Planning*: In order to obtain a significant sample of articles, academic studies from top tier scholarly journals within the period of 2009-2014 that theorized or assessed the NCBR issue were searched for. Second - *Conducting*: From a total of 207 identified studies, 93 articles have been retained. Initially, titles were reviewed, followed by the abstracts, then a meticulous examination of the remaining articles was held and, finally, references were scanned and additional relevant papers were included. A developed data extraction form was used in order to extract the data from selected studies and to document the process. Regarding the elements that have been extracted from the concerned studies we highlight: general details; features of the study; key results. Third - *Conceptualization*: As highlighted by Tranfield et al. (2003), the third and last

stage encompassed two stages: 1) a descriptive analysis to provide an evidence base of the alignment issues; and 2) a thematic analysis to identify key themes, their commonalities and differences. To allow data extraction and to increase consistency and transparency data were input into a spreadsheet as highlighted by Christofi & Kaufmann (2011). Globally, a thematic analysis involves the creation and use of codes to translate theoretical concepts into themes and can be data driven or theory driven (Boyatzis, 1998; Thomas & Harden, 2008). As suggested by Mingione (2014), this systematic review developed both inductive and deductive coding.

## **Findings**

### *Descriptive Findings*

To provide a clear framework, the descriptive reporting of the 93 identified articles has been organized in two sections: First - *Publication activity*: A total of 21 journals published on NCBR with 6 journals issuing 72% of the retrieved articles. In particular, the Journal of Business Research shows the highest number of publications (29%), followed by the Journal of Consumer Behaviour & the Journal of Consumer Psychology (11% each) and the Journal of Consumer Research (7%). Furthermore, contributions to the field were included in a special issue of the Journal of Consumer Research, which focused on anti-consumption (2009). More deeply, the special issues provided 18% articles that highly contributed to the advancement of academics' knowledge on anti-consumption and NCBR. Additionally, a total of 82% of the articles were published between 2009 and 2014. In particular, 2009 shows the highest number of articles (23%) followed by the year of 2013 with 16% of the articles. Second - *Academic contributions*: A total of 158 authors contributed to the field, with 14% of them publishing, conjunctly or separately, more than one article. There are no particular authors that have extensively written on NCBR. In particular, six authors (Lee, Conroy, Motion, Kozinets, Romani, Gregoire) published more than three articles as main or co-authors. Only a small margin of the articles was published by only one author (16%), followed by articles with 2 authors (43%) and 3 or more authors published 41% of the total articles. Regarding country of origin, 46% of the articles have only authors from the USA, followed by 9% with authors only from Australia, 7% of the articles were published only by UK authors and 6% from Canada. Concerning cross-cultural publications (i.e., articles with authors from more than one country) it represents 25% of the total articles. Wherein, 95% (USA-55%; New Zealand-27%; UK-14%) of them have at least one author from Anglo-Saxon countries.

### *Thematic findings*

Findings from an extensive and systematic review of the literature shown potential dimensional characteristics of NCBR that have been systematized into a preliminary model divided into four main categories: Conflict attitude; Brand-self distance; Negative perceived emotions; Countercultural phenomena.

First – *Conflict Attitude*: This is perhaps the category that most interest has aroused in the academia. The conflict attitude, which indicates confrontation against an object, is especially relevant for the subset of NCBR as Fournier & Alvarez (2013) mentioned. It might reflect the competitive versus cooperative/friendly character of a brand relationship and we can include topics such as: dissatisfaction with goods/services (Banister & Hogg, 2004; Oliver, 1980); revengeful associations, brand retaliation or boycott (Giesler, 2012; Fisk et al., 2010; Funches et al., 2009; Berry & Seiders, 2008; Thompson et al., 2006; Klein et al., 2004; Kozinets & Handelman, 1998), consumer resistance (Cherrier, 2009; Dursun & Kabadayi, 2013; Hogg, 1998; Zavestoski, 2002), anti-consumption or brand avoidance, which is characterized by a negative perception of relationship (Khan and Bozzo, 2012; Lee et al., 2009; Lee, 2007; Bartholomew & Horowitz, 1991).

Second – *Brand-self distance*: Ogilvie (1987) suggests that identity avoidance or undesired self is a set of associations and values with which people do not want to be linked nor incorporate into his self-concept. The phenomenon of consumers developing their self-concepts by identifying with positive reference groups, while misidentifying with negative reference groups, is supported in academic literature (Hempel, 2012; Schembri et al., 2010; Elsbach & Bhattacharya, 2001; Englis & Solomon 1995; Muniz & O'Guinn, 2001). The theory behind the explanation of this phenomenon is called dissociative reference group (White & Dahl, 2006; Englis & College, 1997). Lee (2007) and Ogilvie (1987) argue that in comparison of what people want to be, they may have clear idea about what they do not want to be, and this deviation from undesired self might be more effective than the approach towards the ideal self.

Third – *Negative perceived emotions*: The psychological theories on negative emotions suggest that the nature of the emotion experienced has a highly determinant effect on an individual's subsequent actions as claimed by Romani et al., (2012). In this line of thinking, the same authors proposed a scale that includes six distinct negative emotions towards brands (i.e., anger, sadness, worry, embarrassment, discontent, and dislike). We would like to highlight that anger is associated with “attack” actions (e.g., negative word-of-mouth), whereas worry and discontent were associated with “avoidance” and sadness was associated with inactivity. Drawing from the appraisal theory of emotions (Roseman et al., 1990), we can expect that consumer–brand relationships may become negative not only because of the way consumers feel about the brand, but also because of the way consumers feel about themselves when in the relationship with the brand as highlighted by Fournier & Alvarez (2013).

Fourth – *Countercultural phenomena*: The term counterculture phenomena is attributed to Roszak (1968) that defined it as a subculture whose values and norms of behaviour differ substantially from those of mainstream society. It might oppose mass culture or values and is sometimes conceptualized in terms of generational conflict and rejection of mass values. Countercultures life cycles include phases of rejection, growth, partial acceptance and absorption into the mainstream. Thus, as suggested by Clark (1986), the rarity of the brands makes them non-ordinary but this rarity cannot be mixed with the ordinary otherwise rareness is lost. Although branded objects are not rare, their exclusive and unique details and ideology distinguishes them from other brands. As suggested by McGinnis & Gentry (2009) based on Tian et al., (2001), brands that become classified as being outside of the norm may serve as recognizable symbols of uniqueness. Based on Ziller (1964), Tian et al., (2001) suggested that if individuals fail to see a means of differentiating themselves from others in a socially appropriate manner, they may prefer acts that negatively distinguish them over more subtle distinctions that are available within the domain of positively valued acts. Breaking rules or customs or challenging existing consumer norms risks social disapproval, including evaluations that one exhibits poor taste. Hence, we decided to classify this construct as “counter culture phenomena”.

### **Theoretical implications**

The research evidence clearly assessed the existence of an established academic conversation regarding NCBR in meaningful ways (Park & colleagues, 2013; Fournier & Alvarez, 2013; Romani et al., 2012; Lee et al., 2009; Hempel, 2012; Khan & Bozzo, 2012). We may find different terms with different designations, but none of them could clearly demonstrate and aggregate the reasons of NCBR. In this vein, the preliminary conceptual themes proposed add useful insights for understanding the nature and process of NCBR. Moreover, this investigation introduces important findings and contributes with an original approach into the branding literature in order to enable a further theorizing of the subject.

### **Practical implications**

Our findings allow managers to be aware of the major factors that may significantly contribute to the negative relationships that consumers have towards brands. Thereby, it helps help marketing practitioners to take more efficient decisions and avoid strategies that increment negative relationships.

### **Limitations**

The identified categories were not analysed in depth during this study and they might have commonalities that need to be considered on a later investigation. Furthermore, other relevant themes regarding sustainability issues must be included in order to explore all consumer perspectives. Besides that, it is suggested that future research should focus on testing other consumers' perspectives through qualitative and quantitative analyses to provide additional knowledge to the ongoing topic.

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## Creative brand and design – Exploring brand co-creation in the context of festivals

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### The purpose of the research

In this study, we build on academic literature on *brand co-creation*, the purpose of the study being to examine brand co-creation in the context of networked festival productions. Connecting the study to the significance of shared information with audiences and stakeholders, the study sets the following research questions: 1) how brand co-creation is denoted among festival managers? 2) how the role of stakeholders impact on brand co-creation in designing festival experience?

The context of festivals is suitable for multidisciplinary theoretical development on academic discourse on brand building and arts management. This allows a fruitful ground given the festivals' multifaceted and paradoxical nature, where at the same time exists the need to create and need to survive (Collin-Lachaud & Duyck, 2002). Firstly, we argue, that it is important to understand this discourse at practical level because it is crucial to the creation, stability and long-term survival of festivals. Secondly, theoretically, the festivals as research context, provide an opportunity to deepen understanding of the meaning of experience and co-creation within academic literature on brand co-creation. As Mossberg and Getz (2006, 314) argue: "festival context is theoretically different from branding applied to companies with products and services to sell to consumers, although the consumer approach is still relevant. The main issue is about how organizations can use branding strategically, with many stakeholders involved, for long-term sustainability". Bearing this in mind, applying the theoretical background from the literature on festival management and brand co-creation, in this study we contribute to the understanding of co-creation, brands' and a festivals' interface. Thus, in this study we approach branding from corporate branding perspective rather than from focusing on a single product or service brand only (e.g. Roper & Fill, 2012).

### Theoretical Framework

During the last decades festivals have emerged universally as a growing and vibrant sector of the tourism and leisure industries (Arcodia & Whitford, 2006, 2). Events and festivals have created worldwide branch of their own (Yeoman, et al., 2004), and have been considered a representative phenomenon of experience economy (e.g. Getz, 2012; Pine & Gilmore, 1999), and creative industries (e.g. Frey, 2003). Festivals represent special type of products (d'Astous et al., 2006) or services, which promote 'celebration'. The features of the festival phenomenon rest on both cultural content and holistic experience, as well as on a sense of community delivered for wide range of audiences (e.g. Hirsch, 1972; Falassi 1987; c.f. also Frith, 1996). Consuming is strongly intertwined with its social context (Caves, 2000), where many attendees share the same interests (d'Astous et al., 2006).

Hence, as d'Astous et al. (ibid.) illustrate, festivals are typical events, which bring locals and tourists together, and provide variety of contents (cf. also Larson, 2009) as well as: "a space and time away from everyday life in which intense extraordinary experiences can be created and shared" (Morgan, 2008). At the same time, experience economy, the era of Web 2.0, and social media have impacted on the transformation from passive consumers into (co-) producers (or prosumers), particularly in the context of creative productions (Hausmann, 2012, 174; cf. also Kerr & May, 2011). As Getz (2012, 27) illustrates, consumers: "want to have more personalized experiences, participating themselves in experience creation".

Getz and Andersson (2008) identify a festival, as project-based phenomenon bounded up with its time and place, occurring recurrently, and producing related essential services (cf. Getz, 1989). Resulting from rather limited resources of festival organizations, and from their above mentioned project-based nature, festival organizations do not produce events alone: the production environment comprise various stakeholder groups with multifaceted and identifiable roles (Larson, 2002, 2009; Getz, Andersson & Larson, 2007; Getz et al., 2010). The structure of the ownership and life cycle of festivals impacts on the roles of stakeholders and their positions (Getz et al., 2010) in the networked production environment. Accordingly, Moeran and Strangard Pedersen (2011) consider the whole production system of festivals as a certain kind of cluster or ecosystem, but their nature is functionally unbounded, and simultaneously the role of audience is emphasised.

Thus, managing festival production as a system differs from other forms of planned events in creating several related meanings and interests about the production, in terms of economic and social properties (e.g., Getz et al., 2010; Hede, 2007; Moeran & Strangard Pedersen, 2011; see also Caves, 2000). Extant literature reports the changes in the roles of event managers: contemporary managers can be seen as experience designers and co-creators (Getz, 2012), working together with audience and stakeholders in the festival production. Nevertheless, the literature does not take into account the impact of the above demonstrated nature of festivals, and the role of audiences in the processes of designing and building a brand. We argue that above discussed special characteristics: network of stakeholders and their roles in these procedures, as well as audiences, impact uniquely on to activities of each festival ecosystem, particularly with regard to brand building.

According to Roper and Fill (2012, 128) brand co-creation is about acknowledging that: “consumers (or other stakeholders) by their actions and involvement contribute to creating the brand”. Indeed, scholars suggest that brand identity is co-created with customers and other stakeholders (see e.g. Payne et al., 2009), and brand co-creation is a beneficial way of creating value for a brand (e.g. Jones, 2005). Thus far, however, literature on brand co-creation has mainly been concentrated on (online) brand communities and has discussed brand co-creation of strong private brands (e.g., Muniz & O’Guinn, 2001; McAlexander et al., 2002; Mertz et. al., 2009; Payne et al., 2009; Vallaster & von Wallpach, 2013). However, studies related to brand co-creation on non-profit sectors has been limited with only some exceptions (e.g. Juntunen, Juntunen & Autere, 2002; Iglesias et al., 2013). Thus, examining brand co-creation in context beyond corporate sector, within cultural productions, is considered adding both theoretical and practical knowledge.

In defining a brand we rely on Iglesias et al.’s (2013, 671) view suggesting that brands are: “organic entities because they are built together with various stakeholders – and many parts of this process are beyond the control of the organisation”. We also acknowledge that: “brands are clusters of functional and emotional values, resulting in promises about unique and welcomed experiences (de Chernatony 2006, xi). In extant branding literature, involvement of multiple stakeholders are acknowledged in brand co-creation (e.g. Merz et al., 2009), however typically studies have been limited to examining the co-creational interaction between customers and firms only (e.g. Payne et al., 2009) with only some exceptions (Jones, 2005). Thus, this study covers perceptions of multiple stakeholder groups, because we acknowledge that brands “belong to and are created in concert with groups of communities” (Brown, Kozinets & Sherry, 2003, 31). However, festivals’ aspiration appears to be orchestrating these groups according to particular design: own dramaturgy, choreography and architecture (Björner & Berg, 2012).

## **Methodology**

The paper bases on qualitative case study methodology (Yin, 2008). The primary data consists of semi-structured and theme interviews ( $N=17$ ) with representatives of three Finnish festivals organized in the city of Pori and two companies representing key market positions in the context of media and retailing in Finland. The companies have long histories of collaborative activities, for example sponsoring, in the leisure field. Additionally, in the spirit of case study, complimentary data was gathered (Yin, 2008) from social media, marketing materials, web-sites as well as research diaries written during the research period 2009–2013. Hence, the methodological focus lies on cross-case patterns (Eisenhardt, 1989, 540) using multiple sources of evidence (Yin, 2008). The data analysis follows interpretative logic (Silverman, 2006). In this study Patton's (2002) three-step model was applied. The approach of analysis follows abductive manner as we go back and forth between theoretical and empirical world (Dubois & Gadde, 2002). The results of this study were organized according to emerging themes and the research questions. In addition, a comparative analysis between the festivals has been conducted.

## **The findings and main conclusions**

Recent branding literature suggests that brands cannot be fully managed as they are co-created with stakeholders (e.g., Payne et al., 2009). However, much can be done: as a theoretical contribution this study demonstrates how festivals might be seen as platforms for orchestrating brand co-creation to certain aspired directions. In these processes, festivals as communal environment are being designed according to their own mission, as the role of festivals is to lead the whole experience design by managing the interactions between the stakeholders. Therefore, the festival might be seen as mobilizer (Mouzas & Naudé, 2007) in these processes, whereas the stakeholders are seen as crucial contributors in brand building (e.g. Roper & Fill 2012; Iglesias et al. 2013) of festivals.

As a practical managerial implication, this study suggests that festival managers should acknowledge, that it is not possible to fully manage a festival brand, as festival brands are to a great degree beyond festival organisations' own control. Thus, working closely with stakeholders cannot be overestimated (see also Mossberg & Getz, 2006). Accordingly, in the process of brand building, festival managers should be intensely familiar with their festival product and acknowledge into what direction it should be navigated in future. Competitive advantage of a festival is related to its ability to continuously renew itself. However, the renewing a festival following its particular design is challenging because the festival production is conducted within networks, and stakeholders in the networks have values and missions of their own.

## **Limitations, originality**

Despite the fact that the research data in this study is rather limited as it covers three festivals in one city in Finland, the originality of presented findings is remarkable from theoretical viewpoint. Festivals as project-based but recurring creative productions, with the sense of arts consumption (see e.g. Caves, 2000), have provided us with a complex and multifaceted research setting. This setting combines features of modern organizations, such as temporality, virtuality and project-focus (Abfalter et al., 2012). This networked phenomenon has created fruitful foundation for research findings related to brand co-creation as experiences and co-creational interaction is emphasized. Therefore, the originality of the study lies on the research context which is "dramatically different from image building for brands in the private industry" (Mossberg & Getz, 2006, 313).

**Keywords:**

Festivals, brands, brand co-creation, network management, design

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## Functional or meaningless?: A debate on the use of initials in brand names and designs

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### Purpose

Initials are used extensively in branding to shorten long company names and/or incorporate them in logos. Current literature often highlights the need for brand names and logos to be memorable, distinctive, able to succinctly convey meaning, and easy to pronounce; how well do initials serve these purposes?

This paper suggests a systematic approach to such questions, and describes a study of the advantages and disadvantages of the use of initials in brand names and logos. We review brand management and design literature and host a debate launched on social media, in order to identify cases in which initials in branding are considered successful or, on the contrary, constitute bad practice and should be avoided. The opinions of marketing, branding and design experts are incorporated into our findings, resulting in a series of practical suggestions for an industry-wide efficient application of acronyms in contemporary branding. Our research draws from the specialist opinion and specific case studies, and delivers a set of guidelines with practical implications for brand name selection and logo design.

### Theoretical background

Name and logo are generally considered to be the main components of corporate or brand identity (Henderson and Cote, 2003; Pittard *et al*, 2007; Van den Bosch *et al*, 2005), since they are the most pervasive elements in corporate and brand communications, and provide instant recognition to the brand (Schechter, 1993; Henderson and Cote, 1998).

Brand name and design are indeed so important that some authors even argue that these are the most important marketing decisions a company can make (Hillenbrand *et al*, 2013; Kohli *et al*, 2004; Robertson, 1989). Furthermore, it is suggested that brand name is an essential brand asset that can play a critical role in the creation of customer based-brand equity (Keller, 1993). Thus, it is critical for marketers to properly understand the principles that guide brand name design.

A fundamental aspect of a brand name is its memorability. In general to enhance brand recall, the brand name should be simple: easy to say, spell, read and understand (Robertson, 1989). Additionally, the brand name should be familiar and meaningful; that is, it should have the capacity to generate a visual referent in the consumer's mind (Athaide and Klink, 2012; Keller *et al*, 1998; Kohli *et al*, 2005; Robertson, 1989). Meaningful brand names are names that convey relevant information about the product, or an important brand attribute or benefit, or establish a connection between the brand and the product category (Keller *et al*, 1998). Empirical studies demonstrate that words that are rich in meaning have a recall advantage over low-imagery words (Robertson, 1985). Furthermore, brand names that elicit strong, positive emotions can be more easily recalled (e.g. Caress) (Robertson, 1989). Previous research also points out that brand names should be distinctive (Robertson, 1989). Indeed, Charmesson (1985) considers this the single most important brand name characteristic, due to legal, memory and positioning advantages.

The brand name can play a key role in communicating a set of favourable, strong and unique brand associations (Keller, 2003), and meaningful brand names provide immediate favourable associations (Keller *et al*, 1998). Furthermore, empirical studies suggest that meaningful brand names are generally preferred over non-meaningful brand names and rate

higher in overall liking (Kohli and Suri, 2000). Non-meaningful brand names may be evaluated less favourably even after repeated exposure, although research shows that repeated exposure benefits non-meaningful brand names more (Kohli *et al*, 2005). The dilemma faced by marketers is that meaningful names are limited to the products and product categories for which they have meaning.

At this point, it is important to note that we may distinguish between names (personal names; words belonging to the vocabulary; names without meanings) and initials. Initials usually result from the contraction of a social name/designation which is too long or too difficult to pronounce. According to previous research, initials tend to be more difficult to pronounce, and thus harder to memorize (Robertson, 1989). Moreover, initials do not transmit a message, since they are not inherently meaningful, and thus are not particularly motivating or memorable (Keller *et al*, 1995). Therefore, it is important that the organization's name is well-known before the company uses an initial, so that consumers already have a referent for the brand name.

Kapferer (1985) says that companies should avoid the "initial letter disease", which is one of the most serious "diseases" of brand names. With the adoption of an initial or of a generic term, it is much more difficult for the name to differentiate the brand (del Río *et al*, 2001; Petty, 2008; Middleton, 2004). Initials should also be avoided, because our memory cannot store, without a significant effort, sets of letters without apparent meaning, as previously explained. In fact, initials are generally not meaningful, especially abbreviatory and simple initials. Surely initials have some advantages, as they make it easier for consumers to read and pronounce a long name. However, brands that use initials will need more time and support to create brand awareness and transmit a set of desired associations (Keller *et al*, 1998).

Another critical aspect is how the brand name is supported by the other brand identity signs and in particular by the brand logo. Logos are the primary visual representation of a brand's image (Henderson and Cote, 1998; MacInnis *et al*, 1999), they enhance brand identification and recall (Keller, 2003) and they can shape brand's reputation (Van den Bosh *et al*, 2005).

Previous research into logo strategy has underlined the advantages of using pictorial logos. Schechter (1993) demonstrated that logos suggestive of a recognizable object can add the most value to the brands they represent. Henderson and Cote (1998) also found that logos representative of objects that have familiar and widely recognized meanings are more effective at producing correct recognition and positive affect than more abstract logos. Empirical research further shows that figurative identity signs can enhance brand memorization, contribute to the formation of brand associations and encourage affective reactions (Henderson and Cote, 1998; Hynes, 2009).

The choice of a figurative logo is even more important when the brand uses a non-meaningful, abstract name, such as an initial. Companies frequently decide whether to employ their brand names only (e.g. H&M) or in combination with separate visual symbols. A separate visual logo may compensate the adoption of a more abstract name, and play a critical role in the transmission of the brand's symbolic and functional benefits and in the strengthening of consumer's commitment to the brand (Park *et al*, 2013).

## **Methodology**

Our literature review mainly focused on the fields of marketing and design. More specifically, we reviewed the literature on brand names and design from a brand management perspective and logo design from a design perspective.

The secondary bibliographic data collected was used as the basis for defining key questions and creating an online debate among experts, i.e. practitioners and academics that specialise

in branding or maintain professionally a very close link with it, and that actively participate in social media groups and discussions. By using social media and approaching brand specialists that engage with them, we were able to develop a holistic and current perspective of the topic. In addition, by approaching academics and practitioners we addressed key aspects suitable for both areas. Specifically, we asked questions such as, *is the use of initials in brand names and designs functional or meaningless; are you in favour of the use of initials in branding; what are the factors of success and failure in the selection of initials for brand names and logos*. These and other questions were circulated within branding-specialist groups on LinkedIn and Facebook. Expert views were captured and compared in order to develop a list of the most relevant advantages and disadvantages associated with the use of initials.

Finally, the results were validated via interviews with two marketing and two design experts. The findings of the initial search were shared with these experts, in order to allow us to review our conclusions before we finalised them.

### **Findings**

In this extended abstract, we present an initial analysis of the results. Although intuitively the extensive use of initials seemed inappropriate at the beginning, it came as a surprise to us that there is a great deal of strong opinions against initials. This is due to the contradiction between literature recommendations and the wide usage of initials. If 80% of the specialists agree that initials are difficult to remember, incapable of conveying an intended meaning and easily confused, then why are acronyms used so broadly? It was particularly interesting to discover and produce some evidence of this bad branding practice so dominant at present.

More specifically, we found that:

*(When initials should be avoided)*

- Initials are not easy to recognise if the brand they represent has not been experienced before, since there are no associations to be transmitted through the mere use of letters (in that sense initials are meaningless);
- Successful brand names and logos capture attention, evoke curiosity and contribute to brand awareness. Initials struggle to serve such purposes;
- Names and logos which are memorable contribute to brand recall; there are significant doubts if initials can be easy to remember;
- Brand names must be easy to pronounce and understand; initials do not facilitate these aspects;
- The repetitive use and pronunciation of initial names can lead to brand inconsistency, because people forget that they are no more than literal abbreviations of the company's name;
- Initials cannot reflect brand values, and therefore cannot be used strategically in branding;
- Initials favour anonymity over identity (individual characteristics);
- Initials may be avoided in the case of start-ups;
- Initial logos are often very similar, and are therefore considered ineffective in the creation of a differentiated positioning;
- A separate graphical logo (or visual symbol) is considered much more effective than a logo based on initials; the former is memorable, likable, able to convey meaning,



symbolism, and messages, and has high imagery value, whereas acronyms do not.

*(When initials could be used successfully)*

- Initials can significantly simplify a very long or difficult company name; in this case a pronounceable acronym may be recommended;
- Initials may be an effective re-branding technique for established brands and companies that have been around for a long time;
- Initials are more flexible to better adapt to brand repositioning or brand extensions;
- Initials may be effective if they form part of an holistic branding approach, wherein they are used as an integral part of other brand elements;
- Initials may be acceptable when combined with the actual names in the context of logo (when a visual symbol complements the brand name);
- Initials can sometimes evoke to real words (e.g. France Connection UK – FCUK), which convey meaning, and therefore can be used to improve marketing campaigns.
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### **Theoretical and Practical Implications**

We believe that our research adds to the existing literature on brand name selection and good logo design. It describes the present reality of how initials are used and sets up the foundations for reflection, theory and good practice.

The main contribution of this study is to provide guidelines for the use of initials in brand name and logo design. The preliminary results confirm the disadvantages of choosing an initial for the name, reinforcing previous research (Kohli *et al*, 2005; Robertson, 1989). Although we have drawn from a theoretical framework, as well as its implications, our focus remains on making a contribution to practice. The surprising extensive use of initials in practice, despite that they are actually considered by specialists as inefficient for branding, highlighted the need for an industry-wide overhaul. We wish to disseminate the evidence that we produced among practitioners, and to contribute to further debates, so as to incite a positive shift towards a more effective deployment of initials in brand names and logo design.

### **Limitations**

Due to time limitations, our research did not incorporate consumer opinion. We consider this research no more than a preliminary step towards a bigger project; its continuation will include quantitative analysis, in addition to our current qualitative approach. We hope to explore the topic from different sectors, and to establish whether initials operate in different ways in specific market sectors. We also wish to approach various demographics of consumers, to capture their views and to establish cases of successful initial usage, and the reasons certain individuals may like them.

### **Originality/value**

As far as we are aware, this is the first systematic approach to the use of initials in brand names and logo design together. During our literature review we did not encounter another article with similar characteristics or one that furnished a practical guide and clear analysis of relative advantages and disadvantages. In addition, we believe that our approach constitutes an integrative one to marketing-AND-design, as well as to brand names-AND-logos. In other words, although there is some marketing literature about brand names and logos, these aspects are considered separately, not as indivisible brand elements (which is our point of view). In addition, there is extended literature about what a “good name” is; however, there are few references to the practical use of initials.

## Keywords

initials, brand names, brand logos, design

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## **Motivations to interact with brands on Facebook – Towards a typology of consumer-brand interactions**

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### **Purpose**

Social media has changed the communication landscape and online consumer behavior (Girona and Korgaonkar, 2014). With consumers spending more and more time on social media, brand-related interactions and exposure to brand communications are increasingly taking place within this sphere. Thus, Facebook and other social media become key players for branding activities (Hutter *et al*, 2013). As a result, significant power has shifted from the brands directly to consumers (Cova and Dalli, 2009). While social media has been subject to an increasing number of studies, empirical research on consumer–brand interaction on Facebook is still needed, in particular research on consumer motivations for engaging with brands on social media. Understanding these motivations would provide brand managers a better understanding of their consumers. The aim of this research is to address this gap and provide additional insights to brand managers on how to adapt their approaches to increase consumers' interaction with brands on Facebook. Therefore, this paper provides new insights about consumer–brand motivations to interact, as it distinguishes four types of consumers based on five consumer–brand motivations to interact, which we describe and discuss in relation to the intensity and the different types of interactions that consumers have with brand-related content on Facebook.

### **Theoretical Background**

*Social networks – Facebook*

Social media is a “group of internet based applications that build on the ideological and technological foundations of Web 2.0 that allow the creation and exchange of User Generated Content” (Kaplan and Haenlein, 2010, p 61). Different forms of social media have been studied in previous research, namely social networking sites (SNS) such as Facebook (Moraes *et al.*, 2014). Facebook brand fan pages are used for explicit brand communication and as a privileged interaction channel between the brand and the users, which should be utilized to increase engagement with the brand and deepen the relationship with customers (Jahn and Kunz, 2012).

#### *Types of consumer interactions with brand fan pages on Facebook*

Consumers may have different types of interactions with brands via brand fan pages on Facebook. According to previous research, in order to measure interaction with a brand on Facebook, it is necessary to distinguish at least three levels of interaction, namely “likes”, “comments” and “shares” (Peters *et al.*, 2012). Hence, consumer engagement with the brand on Facebook is measured using indicators that are based on Facebook functionalities. Previous research also suggests that, besides “likes” and “comments”, social media metrics should also include the number of “shares” (Camarero *et al.*, 2014; Hoffman and Fodor, 2010). These items are usually combined to calculate an overall engagement metric, but a detailed view is critical for brands to understand if they have an appropriate distribution across these levels (Peters *et al.* 2012). Muntinga *et al.* (2011) introduced the behavioral construct Consumer Online Brand-Related Activity (COBRA). They point out that people can engage in multiple roles in social media, depending on their motivations and goals. They distinguished between three levels of consumer interaction: consuming, contributing and creating.

#### *Motivations to interact with brands on Facebook*

In order to understand consumer motivations to interact with brands on Facebook, we consider a user-centric functionalist perspective on social media, and apply the uses and gratification (U&G) theory proposed by Katz (1959). According to U&G theory, people use media to satisfy various needs and achieve their goals. Motivations are understood here with reference to the gratifications sought, and what activates the goal-directed behavior (Pervin, 1989). From the literature on consumer–brand relationships on social networks (Jahn and Kunz, 2012), consumer usage of social networks (Curran and Lennon, 2011), consumer engagement in online communication activities on social networks (Shu and Chuang, 2011), consumer–brand interactions on social media (Rohm *et al.*, 2013) and COBRAs (Daugherty *et al.*, 2008; Muntinga *et al.*, 2011), we identified the most important motivations associated with the use of social networks: social influence, search for information, entertainment, trust and reward.

## **Research Methodology**

### *Data collection and sample*

Data was collected through the administration of an online questionnaire (convenience sampling method). We obtained a convenience sample of 160 respondents (Facebook users). Our sample was heterogeneous in terms of sex, age, education level and time respondents spent on Facebook.

### *Principle measures*

The five main motivations that could influence consumers’ interactions with brands on Facebook were all measured through multiple-item scales using a seven point scale. All the construct items, except for reward, were adapted from the work of Shu and Chuang (2011). With respect to reward, the lack of a scale that could serve as a basis for measuring this motivation made us develop a two-item scale based on previous academic (Muntinga *et al.*, 2011; Wang and Fesenmaier, 2003) and non-academic studies that have examined consumer

interaction with brands in exchange for a fee (Baird and Parasnis, 2011). Exploratory and confirmatory analyses were conducted to assess the reliability and validity of the variables used in this study. Convergent and discriminant validities for the dimensions used for our cluster analysis were supported. We had no common method bias.

Table 1: Construct measurements

|                                                                                                                                                     | Mean | St. D. | Stand.<br>reg.<br>weights | Rel.<br>analysis | CR  | AVE |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|------|--------|---------------------------|------------------|-----|-----|
| <b>SOCIAL INFLUENCE (3 items)</b>                                                                                                                   | 2.64 | 1.37   |                           | .81              | .81 | .58 |
| By interacting with brands on Facebook, I feel I am part of a community                                                                             | 3.16 | 1.69   | .807                      |                  |     |     |
| I interact with brands on Facebook to state my interests and preferences to my friends                                                              | 2.09 | 1.53   | .666                      |                  |     |     |
| My interaction with brands on Facebook allows me to increase my social involvement                                                                  | 2.68 | 1.62   | .804                      |                  |     |     |
| <b>SEARCH FOR INFORMATION (3 items)</b>                                                                                                             | 4.53 | 1.35   |                           | .80              | .81 | .58 |
| My interaction with brands on Facebook allows me to better understand the brand                                                                     | 4.52 | 1.49   | .822                      |                  |     |     |
| I like to interact with brands on Facebook because it allows me to find out the opinions of other consumers about the brand                         | 4.28 | 1.74   | .704                      |                  |     |     |
| My interaction with brands on Facebook gives me convenient access to information about brands, as the brand's posts appear directly on my news feed | 4.81 | 1.58   | .757                      |                  |     |     |
| <b>ENTERTAINMENT (2 items)</b>                                                                                                                      | 3.36 | 1.54   |                           | .78              | .81 | .68 |
| I like to interact with brands on Facebook to occupy my spare time                                                                                  | 3.06 | 1.82   | .682                      |                  |     |     |
| It is interesting to interact with brands on Facebook                                                                                               | 3.66 | 1.57   | .949                      |                  |     |     |
| <b>TRUST (4 items)</b>                                                                                                                              | 4.09 | 1.28   |                           | .81              | .82 | .53 |
| I believe it is safe to interact with brands on Facebook                                                                                            | 4.83 | 1.50   | .662                      |                  |     |     |
| I believe that brands respects my privacy when I interact with it on Facebook                                                                       | 4.08 | 1.61   | .864                      |                  |     |     |
| I believe that brands will not provide the information that it has obtained about me, through Facebook, to other people or entities                 | 3.74 | 1.76   | .781                      |                  |     |     |
| I trust the information published by other consumers on the Facebook brand page                                                                     | 3.73 | 1.52   | .590                      |                  |     |     |
| <b>REWARD (2 items)</b>                                                                                                                             | 4.36 | 1.76   |                           | .84              | .84 | .72 |
| I interact with brand on Facebook in order to access discounts and promotions                                                                       | 4.34 | 1.89   | .853                      |                  |     |     |
| I like to interact with brands on Facebook as it offers contests and games from which I can access free products or other special offers            | 4.38 | 1.90   | .854                      |                  |     |     |

## Findings and Implications

The objective of this analysis was to explore the different types of consumers who interact with brands using the five dimensions developed above. Therefore, we sorted the consumers into homogeneous clusters using cluster analysis techniques. We used hierarchical clustering methods in the exploratory approach. In order to further refine the cluster solution, we applied a non-hierarchical method to the resulting solution. Building on the five motivation factors for consumers to interact with brands on Facebook, the classification revealed four different groups of consumers with heterogeneous levels of motivation factors. Our findings

provide support for the internal and external validity of the four-cluster solution. Based on the relevant cluster means associated with the five motivational dimensions, we attributed different names to each cluster. Additionally, we used other behavioral variables and demographic variables to profile the clusters.

#### *“Brand detached”*

Our findings highlight a group of “brand detached” consumers, who have the lowest level of online interaction with the brand even when they are invited to interact with it. They spend less than one hour on Facebook per day on average, and connect to Facebook using their computers and tablets. For this group, the online presence of the brand is not important, and therefore they usually do not like, comment on or share the brand’s posts on Facebook. Thus, the “brand detached” consumers tend to assume a more “voyeuristic” behavior. Even though they do not usually like, comment on or share content, “brand detached” consumers do consume brand-related content, especially content that uses humor or that appeals to emotions.

#### *“Brand profiteers”*

These consumers spend an average of between 30 minutes and two hours on Facebook per day, using their computers and their mobile phones. Even though they consider it highly important for brands to have Facebook pages, they only have a medium level of interaction with brands on Facebook. They do not spend time commenting on the brand’s posts. Indeed, they are mainly looking for good deals. Hence, “brand profiteers” are particularly susceptible to promotions and incentives, which are their primary motivations to interact with brands on Facebook.

#### *“Brand companions”*

These consumers tend to devote a significant amount of their spare time to Facebook, spending more than two hours on Facebook per day on average. Even though they spend a significant amount of their time online, and they believe that it is highly important for a brand to have a page on Facebook, they only have a medium level of interaction with brands online. When they do interact, it is mainly due to a personal approach, since they rarely respond to brands’ calls for interaction (low level). For them, interacting with a brand is important for fun, and above all to get in contact with other users and with their friends.

#### *“Brand companions”*

Brand companions are more responsive to symbolic content that appeals to their emotions. Hence, the nature of these consumer–brand interactions on Facebook, tends to be more hedonic (e.g. sharing event-related, humorous and social-cause related posts).

#### *“Brand reliant”*

These consumers are the most enthusiastic and committed to brand fan pages on Facebook, and thus represent the highest level of online brand-related activities. They spend more than one hour on Facebook per day. Moreover, they think it is highly important for brands to have Facebook pages. They have high levels of online interaction with brands, and also a high level of response to brands’ invitations to interact. In this regard, they play the critical role of brand ambassadors.

Regarding their primary motivations to interact, “brand reliant” use the brand’s Facebook page to gather information about the brand (i.e. symbolic and functional benefits), for entertainment, and also for keeping in touch with friends.

### **Originality and value**

Building on the five primary motivations that might influence consumers’ interactions with a brand on Facebook, a classification using clustering techniques reveals four different groups of consumers: brand detached, brand profiteers, brand companions and brand reliant. Our results provide valuable and applicable insights for brands’ social media marketing activities.

This study helps brand managers to develop strategies for effectively targeting the most desirable consumer groups.

### **Limitations**

This study considered liking, sharing and commenting separately, whereas consumers might engage in multiple roles and thus like, share and/or comment on the same brand-related content. However, a detailed view of each of these levels of interaction is critical for brands to understand whether they have an appropriate distribution across the different interaction levels. Furthermore, the sample size and profile could also be considered a limitation, as the data were collected in Portugal only, and the sample consisted solely of young respondents. Although this population is relevant with respect to Facebook users, it is recommended that the research is replicated among older users in order to explore the generalizability of the findings.

We did not include specific brands in our study since we wanted to analyze consumer motivations to interact with brands in general. Future research could thus include specific brands, namely brands that have good results in terms of likes, but also in terms of comments and shares, in order to provide a more realistic appraisal of the content that effectively drives consumer–brand engagement on Facebook. Our research did not include potentially influential motivations that are brand specific, such as brand identity and consumer–brand relationship. Further research should explore the roles of these variables in driving consumer–brand interaction on Facebook.

**Keywords:** Social networking sites, Facebook, online branding, consumer behavior, cluster analysis

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## Value co-creation: A managerial perspective

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Ind, Nicholas

### Purpose of the paper

Brand management has evolved from a product-centric viewpoint to one that conceptualises brands as social processes where multiple stakeholders integrate their resources in order to co-create value (Merz et al. 2009). In spite of the fact that value co-creation primarily takes place during the interactions of the firm with its customers, value is also co-created with other stakeholders (Iglesias et al. 2013). These stakeholders –shareholders, business partners, distributors, suppliers, and journalists – can influence the perceptions of individual customers, and can connect in brand communities (Iglesias et al. 2013; Muniz et al. 2001).

This prevalent stakeholder approach in the field of branding (Merz et al. 2009) has created the need to study how value is co-created between the firm and its diverse stakeholders (Brodie 2009; Frow and Payne 2011; Hatch and Schultz 2010). In order to meet this need, researchers have mainly developed theoretical studies of the co-creation process from the multiple stakeholder perspective (Pillai 2012; Wallström et al. 2008). Nevertheless, little empirical research has been conducted on this topic (Iglesias et al. 2013; Jaakola and Hakanen 2013; Merz et al. 2009; Vallaster and von Wallpach 2013).

Despite the lack of empirical research on co-creation from the multiple stakeholder perspective, there is actually a great deal of empirical research on the more dyadic approach to co-creation, which solely considers the interactions between the firm and the customers (Füller 2010; Füller et al. 2009; Hatch and Schultz 2010). This empirical research is mainly conducted from the customer perspective (Ind et al. 2013). And, this customer perspective is fundamentally built on the aspects of customers': (1) motivations, (2) resources, and (3) experiences. First, there is a great deal of literature studying why customers are willing to participate in co-creation (for example, Füller 2010; Ind et al. 2013; Nambisan and Baron 2007, 2009; Nambisan and Nambisan 2008; Zwass 2010). Second, scholars have also studied co-creation from the viewpoint of the resources that customers need to have (for example, Arnould et al. 2006; Baron and Harris 2008; Gummesson and Mele 2010; Lusch and Vargo 2006; Vargo and Lusch 2008). Third, co-creation has been researched from the perspective of the personalised experiences from which customers derive value (for example, Prahalad and Ramaswamy 2003, 2004; Ramaswamy and Gouillart 2010).



Surprisingly, however, there is scarce empirical research on co-creation from the managerial perspective. The barriers and challenges that firms face when they engage in co-creation have not been studied empirically. Furthermore, the corporate culture in which these barriers and challenges are best addressed is also empirically under-investigated. Consequently, the type of leadership that Iglesias et al. (2013) characterise as open, humble and participative is still to be empirically researched.

Figure 1: Research objectives.

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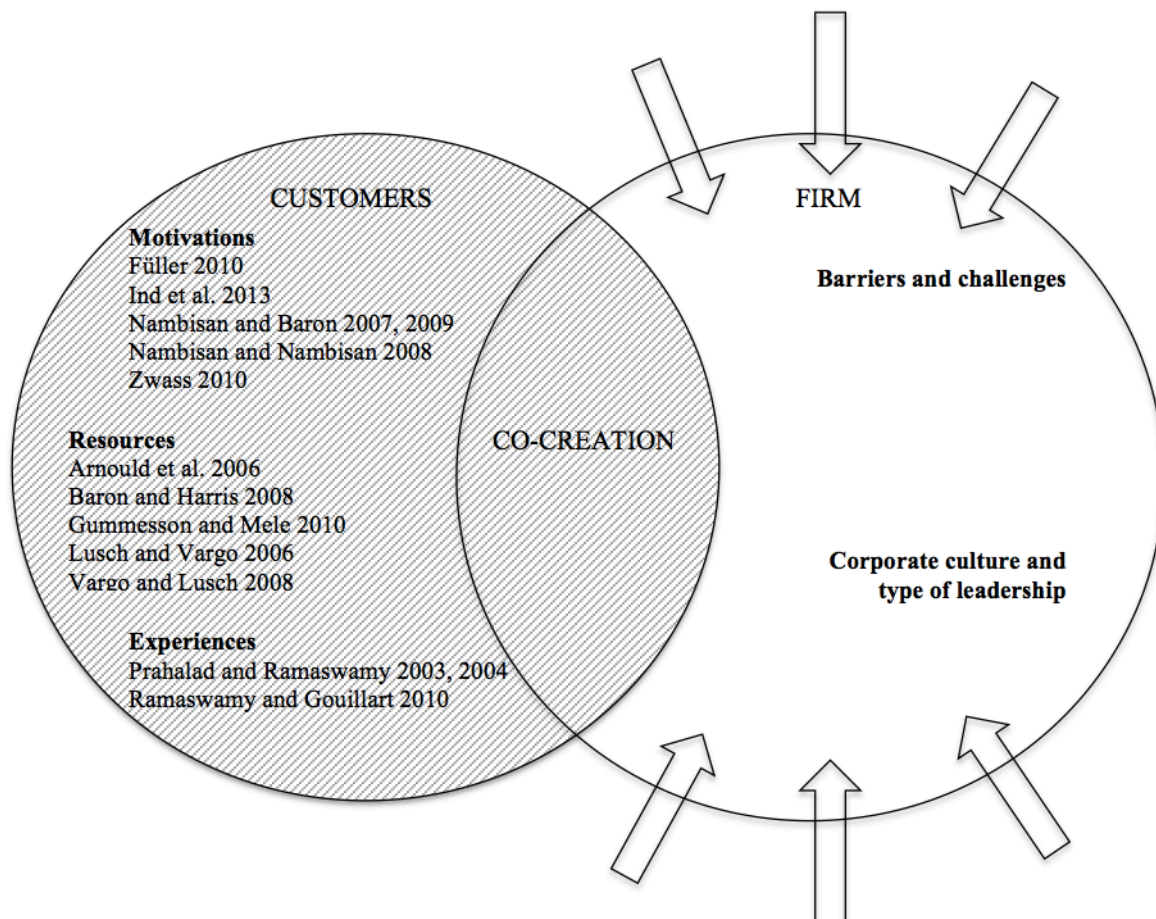


Figure 1: Research objectives.

Our research objective is twofold:

- (1) To empirically investigate the value co-creation process, as well as the main barriers and challenges that it entails, from the managerial perspective.
- (2) To empirically study, from a managerial perspective, which type of corporate culture, and leadership best supports and fosters the value co-creation process.

## Methodology

To achieve these research objectives, we will use qualitative research methodology. This methodology is appropriate for studying largely under-investigated topics (Eisenhardt 1989; Gummeson 2000; Jaakkola and Hakanen 2013) with a relative lack of robust theory (Yin

2003). The fieldwork comprises: (1) 20 in-depth interviews of managers of companies engaged in co-creation initiatives, (2) a face-to-face workshop with all the managers interviewed, and (3) two case studies of companies with opposite approaches to co-creation. First, interviews are the primary source of data in qualitative methods, because they enable the detection of deep respondents' insights about their social realities (Eisenhardt and Graebner 2007). We are recording, transcribing, and coding these interviews using NVivo 10 and looking for emerging themes and categories. Second, a face-to-face workshop will allow us to examine further the relevant topics that have emerged from the NVivo analysis, as well serve to provide the interviewed managers with feedback. Third, the two case studies will enable us to understand the peculiarities of each contextual setting (Yin, 2003). Actually, the use of extreme cases (i.e. two companies with contrary perspectives of co-creation) is suitable for extending relationships among constructs, and thereby facilitates the emergence of theory (Eisenhardt and Graebner, 2007).

Finally, this data source triangulation (i.e. corroborating the observed patterns among diverse data sources) will increase the validity of the findings (Eisenhardt and Graebner, 2007; Stake, 1995; Yin, 2003). Moreover, to further enhance the internal generalizability, the participating organizations will be from different sectors and geographies, as well as involved in different stages of the co-creation process - from early conceptualisation stage to post launching evaluation.

## **Findings**

The preliminary findings of this research indicate that managers understand co-creation as a process that consists of working together not solely with customers, but also with other stakeholders, in order to reach a joint solution. More concretely, preliminarily findings show two predominant managerial perceptions of co-creation: a more tactical and a more strategic one.

On the one hand, those managers that have a more tactical perception use co-creation to get quick customer insights, and therefore they ask customers quick questions about the innovations that are to be developed. These managers usually engage customers in just a few stages of the co-creation process, especially in the initial ones of conceptualisation and idea generation. On occasion, customers are also involved in the design and development, testing, and/or launching stages of the co-creation process. Given that in this more tactical perception of co-creation the engagement of customers is ad-hoc and discrete, the main managerial challenge becomes to retain the involvement of customers. This can be achieved by improving the follow-up and providing customers with feedback, especially regarding the status of the innovations that they have proposed or participated in. Another important challenge is leadership's lack of receptivity towards co-creation, caused by uncertainty as to its success. Accordingly, the tactical perception of co-creation is found to be more present in larger organisations with a more hierarchical corporate structure and a less participative leadership style.

On the other hand, those managers that have a more strategic perception of co-creation generally do not only involve customers, but also other stakeholders. This wider set of stakeholders is usually engaged in most stages of the co-creation process – idea generation, design and development, testing, refinement of ideas, implementation/execution, launching, communication and post-launching evaluation. As their engagement is greater and more long-term oriented compared to the tactical approach, the main managerial challenges become the technical difficulty for ordinary customers and other stakeholders to participate, as well as the high economic and time investment for the company. Managers can overcome these challenges by developing user-friendly co-creation platforms and focusing on the potential long-term profits. This strategic perception of co-creation is found to be more present in

smaller organisations with a more flat corporate structure and a highly participative leadership style.

### **Implications**

By helping managers to better understand the process of co-creation, as well as to be aware of its barriers and challenges, this research will serve as a starting point for them to develop the strategies, corporate culture, and leadership style required in their organisations so as to ensure the success of co-creation initiatives.

More precisely, we expect our managerial implications to be in line with what Ind et al. (2013, p.22) noted: “managers also need to recognize that the virtuous circle of participation, intimacy and ownership only occurs when people feel there is fair reciprocity between themselves and the brand. To achieve this, the key mechanism is feedback. It is only when participants receive clear, accurate and relevant feedback about their contributions – delivered at the right time – that they feel valued and realize the fulfilment that they seek.” Moreover, in accordance with Iglesias’ et al. (2013) aforementioned theoretical proposition, we expect to empirically demonstrate that in order to effectively run a co-creation community, managers need to adopt a participatory leadership style, which consists of opening up the organization to outsiders, being humble, embracing contributions from customers, and be willing to share.

### **Limitations**

In light of the nature of qualitative research, the main limitation of this study is that the findings will not be externally generalizable. However, the insights that we expect to get from managers about co-creation will enable us to provide the research community with some novel hypotheses ready to be tested and validated by quantitative research techniques.

### **Originality/Value**

Apart from the above-justified relevance of the research objectives and the expected findings, this research ultimately aims at generating value by developing the under-investigated field of value co-creation, which is currently one of the top research priorities in the discipline of brand management.

### **Keywords**

Brand management; value co-creation; multiple stakeholders; managerial perceptions; customer involvement.

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## **Reducing tensions among creative departments through brand identity definition: The case of Pininfarina**

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Darpy, Denis

### **Introduction**

In December 2006, Andrea Pininfarina (AP), President and CEO of one of the oldest and worldwide leading Italian car design company, invited a few brand specialists to a meeting at the company headquarter in Cambiano in order to explore the possibilities to develop the Pininfarina brand. He started the meeting declaring: “I want to make money with my brand, just as Ferrari<sup>1</sup> is doing with his.” At that time, Pininfarina had never designed and sold mono-branded products under its own brand. This was the beginning of a consultancy project which started with the definition and formalization of the Pininfarina possible brand identity and concluded in 2008 with a detailed business plan to launch mono-branded products and services.

The project intended to develop “Business to Consumer” activities for a pure product Designer servicing other brands, this paper shows how the definition of a singular brand identity helps to reduce tensions existing between the creative and the business sensibilities (Johansson & Holm, 2006; Michlewski, 2008; Chiapello, 1998).

### **A brief history of Pininfarina<sup>2</sup>**

Battista "Pinin" Farina was born in Turin in 1893. He began to work at age eleven, in his older brother's car body shop. He founded Carrozzeria Pinin Farina in 1930 in order to design, engineer and assemble cars. It is the beginning of a long story of car design and development for most of the famous car brands: Alfa Romeo, Ferrari, Fiat, Lancia, Maserati, Peugeot, Cadillac, GM, Bentley, Volvo, Mercedes, etc. and now the Chinese brands such as AviChina, Chery, Changfeng, Brilliance, JAC. The privileged relationship with Ferrari has marked both companies history. Since 1950, all of the Ferrari (except one by Bertone) have been designed by

<sup>1</sup> In 2006, Ferrari was already invoicing more with derivative objects (Clothing, accessories, books, games, etc.) than with the approximately 6000 cars sold yearly.

<sup>2</sup> Source: [www.pininfarina.com](http://www.pininfarina.com) [accessed August 15<sup>th</sup> 2014]

Pininfarina. Adding a mono-branded business targeted to the consumer market to the traditional B2B activities is a case of business diversification (Stern\* and Henderson 2004) as well as brand extension (Monga & John, 2010). This is indeed very similar to what Ferrari did when it started developing its derivative business<sup>3</sup> in the early 2000: New products for new consumers. Pininfarina can be classified as a designer brand (CM Moore, J Fernie & S Burt, 2000), but not exactly in the sense used for the fashion designers as it is exclusively active in a business-to-business context. However it meets all the requirements of a brand as traditionally defined: it has a name, characteristic signs (logo, calligraphy...) and it can trigger emotions and mental representations with its customers. What makes this desired transformation particular is the fact that so far, Pininfarina has designed models for other brands and therefore acted as an interpreter of someone else identity.

### Methodology

The format of the case study research was selected to review all interactions between the actors. The study is based on a consultancy assignment resulting from a request from AP in 2007 to improve the financial results of the company through the conception, design and commercialization of Pininfarina mono-branded products. One of the paper's co-author led the consulting assignment to follow the criteria of Engaged Management Research Design as advocated by Van de Ven (2007).

The consultancy assignment required gaining the support of the various design teams. The consulting team included a professional designer, ensuring the use of a proper tone and vocabulary in the interviews and questionnaires. The corpus was made of pictures of cars and other objects designed since 1930, car shows stands designs, advertising campaigns, books [including the founder's biography (1968)], financial reports, press articles, architecture concepts of the headquarter and of the 3 assembly sites, specialized websites, etc.

The formulation of Pininfarina own brand identity was developed using Floch's semiotic approach (1990, 1995). Floch was a leading member of what has been called l'Ecole de Paris (Coquet 1982) or the school of narrative semiotics (Groupe µ 1992) rooted in structuralist teachings of Greimas in the 70's. Floch's brand identity scheme is based on Saussure's (1916) approach to sign (signifier and signified), then taken up by Hjelmslev (1971). Floch's contribution is his focus on the invariant parts of the 2 levels of expression and content, in line also with Ricoeur's (1990) notion of narrative identity. The scheme later on called the brand identity hinge, has been taken up to illustrate specific brand issues by Heilbrunn (2000), Semprini (1992, 2005,) and Mazzalovo and Darpy (2014).

### Findings

1) There are tensions between different design teams working on different projects as they respectively feel that they understand and interpret Pininfarina brand better, as expressed (with caution) in some interviews:

- *“Certain objects have been overdesigned (divani Nieri...) and certain projects insufficiently controlled (Keating hotel).” (Head of a design team)*
- *“In the past 15 years, our designs have been less coherent than before” (car designer)*

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<sup>3</sup> [http://auto.ferrari.com/en\\_EN/ongoing-heritage/brand-extensions/](http://auto.ferrari.com/en_EN/ongoing-heritage/brand-extensions/) visited on January 30<sup>th</sup> 2015

- “There is a lot of heterogeneity in the non-automotive designs... It is pointless to try to systematically apply automotive lines and shapes to non-automotive products.” (Overall Head of automotive design teams)

2) Creative teams do not show any type of reticence with respect to brand logics, especially when exposed to the semiotic vocabulary and notions related to brand identity. On the contrary, they call for more stringent and formalized guidelines that they expect the brand identity would provide. Some of the comments were quite explicit:

- “The need for a formalized brand is needed for the car design teams, but is even more important for the non-automotive team.” (Car Designer)

3) They participate and bring essential contributions to the process of definitions of, not only aesthetic but also ethic brand invariants, as they recognize the need for them.

- The president’s attitude and involvement has been essential in explaining the importance of the project and contributed to a strong motivation of the designers.
- The Pininfarina brand project was launched by AP in a formal meeting. However, in all occasions, he demonstrated the strategic importance of the project. For instance, in the company monthly Design meeting, AP declares: “If we look at the 40 design projects we carried out in 2006, it appears clearly that we have to strive for a more integrated design. Our own “writing” should be felt in all our creations. The brand definition project should not only help in developing our own mono-branded products but also give us clear guidelines in all our design works for other brands.”

### **Practical implications**

In addition to having demonstrated the usefulness of a clearly defined brand identity in appeased interrelationships among creative departments, we have developed the following tools and methodologies:

- A semiotic-based methodology to formalize a possible brand identity.
- A diagnostic tool to measure the degree of coherence of any brand manifestation with respect to the ethic and aesthetic dimensions of a pursued brand identity (the EST-ET diagram, see Note 2). This has been applied to most of the Pininfarina creations since 1930 (cars, Advertising, logo, non-automotive design projects, etc.).

At Pininfarina’s level, there are strategic and operational implications:

- The identity of the possible Pininfarina brand have been defined in terms of ethics and aesthetics invariants (see Note 1. Pininfarina Brand Identity Hinge)
- The brand identity elements which came out of the formalization process have been integrated into the company communication and the creation of the concept car “Sintesi” and the electrical car developed with the Bolloré Group’s batteries. They serve as basic guidelines for all future projects.
- The Brand Identity study led to the development of a detailed possible brand universe which served as a basis to the strategic development plan of the new Pininfarina brand activities (product and service categories. See Note 3. Brand Universe: *Imaginair*).

These Pininfarina implications can be extrapolated to similar cases of the transformation from B2B designer to B2C brand.

### **Limitations, originality and contributions**

This paper has all the limits of case study (Flyvbjerg 2006, Hodkinson & Hodkinson 2001):

However, there are no documented examples of the passage from B2B designer to B2C brand. This has been a unique opportunity to be called by one of the greatest car designer, in order to help in this transition. We had this rare chance of grounding our study in an actual working reality, revealing all the complexity of design projects and helping us in understanding the complex inter-relationships of design teams.

This has also been a unique opportunity to apply to its fullest extent a semiotic approach to brand definition and management. The results have then been presented up to the board level and accepted (and used) by the employees and executives in communication and design. The process has also confirmed the validity of the EST-ET diagram as a diagnostic tool of coherence of brand manifestations with respect to brand identities.

### **Conclusion**

This case study has legitimate practical merits, but it is on the management of Pininfarina that it had a major direct and lasting impact. At the Geneva car show in 2008, the concept car “Sintesi” was presented. The project had been conceived by the Chief Designer Lowie Vermersch for “Sintesi” to present and respect all the elements of the Pininfarina brand identity as formalized by the study.



The website (accessed on October 24<sup>th</sup> 2014) language shows also that the results of the work done on the brand identity are present in the brand communication. We can read for instance that: *“Pininfarina DNA<sup>4</sup> today is the same as in the thirties: the centrality of the design, the aesthetic sensibility capable of creating timeless beauty, the constant striving for innovation, the strength of a tradition that brings together industry, technology and stylistic research, the ability to interpret the client's needs without altering the brand identity.”*

Since Andrea Pininfarina’s death on August 7th 2008 in a Vespa accident, the brand development project has been held, waiting for new investors to restructure the group and mobilize the necessary financial resources to launch the implementation of the brand in terms of mono-branded products and services.

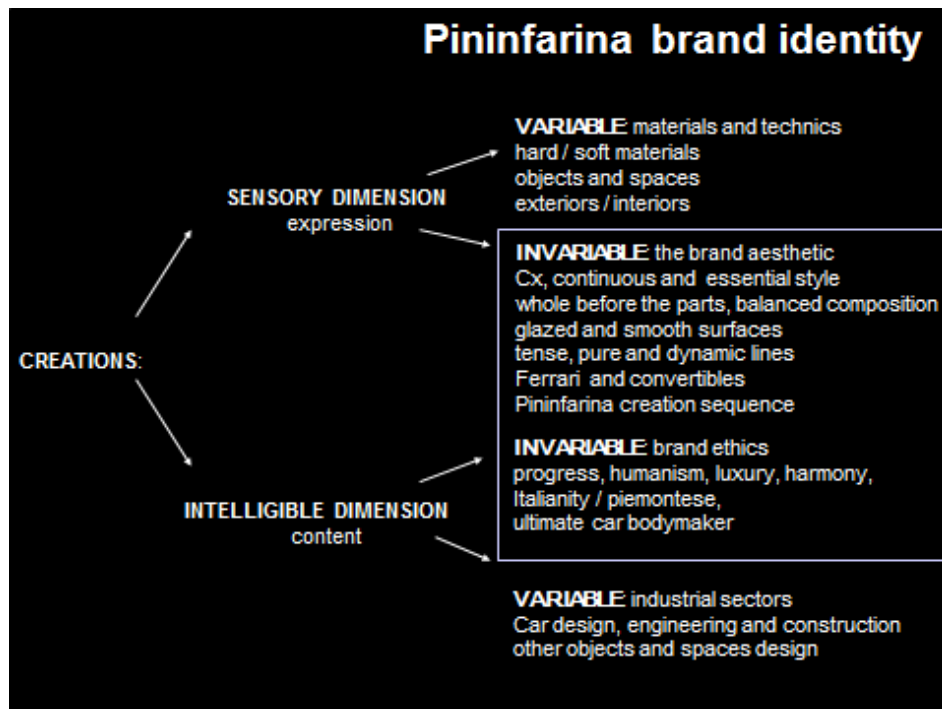
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<sup>4</sup> Understood here as “brand identity invariants”

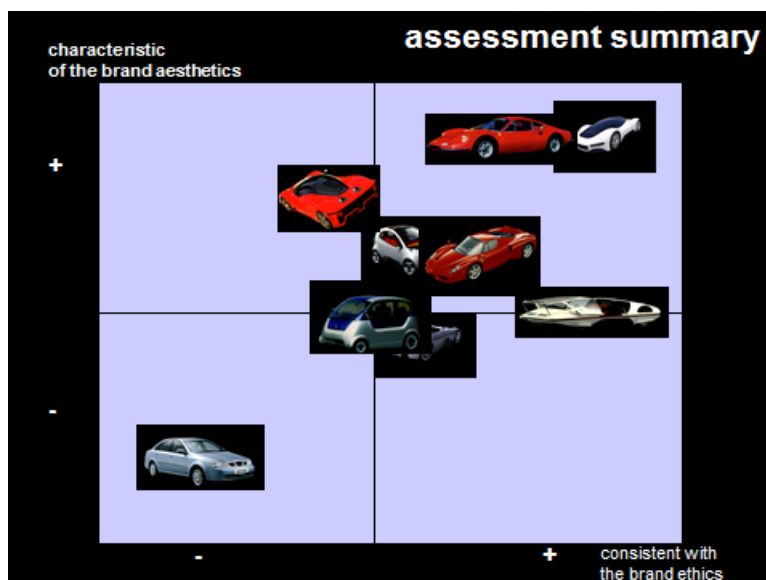


## Notes

### 1. Pininfarina Brand Identity Hinge



### 2. Diagnostic tool: The Est-ET diagram



### 3. Brand Universe: *Imaginair*

IMAGINAIR: *a genuine and unexploited lifestyle*

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Extrapolation/Conceptualization of “cabriolet” lifestyle<br/>         Transparency, lightness, freshness, purity<br/>         Space, open air duality Interior / exterior<br/>         Concours d’elegance, pique-nique, swimming pools<br/>         lakes, sea, mountain always with human objects (car,<br/>         boats, houses, ...) The car within the natural landscape<br/>         Culture, aesthetism, hedonism, style, sophistication<br/>         Priviledged linked with nature since the origins<br/>         Domestication of nature, no danger, no roughness<br/>         Mastered and invisible technology<br/>         Closer to Hermes (however decisively inclined to use the<br/>         benefits of technology) than to Porsche Design<br/>         Oriented towards the future, modernism</p> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## Keywords

Designer, Brand Identity, Semiotics

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## Branding shopping centres: Customer insights

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### Purpose

The purpose of this paper is to examine consumer brand associations of shopping malls. The planned and managed shopping mall emerged as a format phenomenon in the mid-twentieth century. Arguably, the mall was a reinterpretation of the department store, which had offered a multiplicity of services and products, and which had been the site for the reimagining of shopping with the introduction of spectacle and emphasis on the shopping experience. The milieu for this paper is consumer perceptions of shopping centres, also termed malls. We use the term, shopping mall, to refer to planned shopping centres with a centralized management team. More specifically, the context is branding the mall. Despite their economic significance, there are few image or branding studies of malls.

The paper is positioned to discover and better understand critical mall brand associations and the components of brand meaning, which consumers give to malls. Pioneeringly, two critical consumer mall brand associations, namely mall atmosphere and mall merchandise are discerned for a particular mall. Experiential branding exemplifies shopping mall branding.

### The Literature

The literature, which forms the platform for this study, spans four domains: malls and consumers; branding and malls, mall image studies; and malls and tenants.

#### **Malls and consumers**

Much of the mall research looks at customer satisfaction and customer loyalty. Many aspects of the mall marketing and management are said to affect satisfaction and loyalty, and include customer service (Kursunlugu, 2014); facilities management (Hui, Zhang & Zheng, 2013),

and the effect of specific store loyalty on mall loyalty (Rabbanee, Ramaseshan, Wu & Vinden, 2012). Other researchers have examined excitement at the mall (Wakefield & Baker, 1998), the impact of entertainment (Sit, Merrilees & Birch, 2003), the effect of mall atmosphere (Massicotte, Michon, Chebat, Sirgy & Borges, 2011; North & Kotzé, 2004; Turley & Milliman, 2000), and enjoyment of the shopping experience (Hart, Farrell, Stachow, Reed & Cadogan, 2007).

#### *Branding and malls*

The idea of branding the mall has received surprisingly little attention from researchers and practitioners alike (Dennis, Murphy, Marsland, Cockett & Patel, 2002). The literature on corporate branding and rebranding has proliferated in the past two decades (Balmer, 2010; Miller, Merrilees and Yakimova, 2014); in parallel, the literature on malls has continued to evolve (Kirkup & Rafiq, 1999; Parsons & Ballantine, 2004), frequently addressing loyalty to the mall (Rabbanee, Ramaseshan, Wu & Vinden, 2012). However, it has been rare for research articles to focus on the intersection of these two domains. Brands can have multiple roles, and in particular, the impact of brand attitudes affects contract and lease renewal in the mall context (Roberts & Merrilees, 2007). In a different approach to branding, Roberts' (2013) conceptual paper raises many questions for future research to answer, as well as noting that atmospherics is but one tool in mall branding. An industry review emphasises the critical importance of differentiation of 'shopping places by the development of shopping place branding' (Myers, Gore & Liu, 2008, 113).

#### *Mall image studies*

In a seminal article, Finn and Louviere examined the contribution of anchor stores to shopping centre image, finding that "...center tenant and a few other physical characteristics can account for a very large proportion of the variance in center patronage through their impact on image" (1996, 250). Further, attracting more people to a mall can be helped by developing a robust mall image, which has been shown to be affected by access, atmosphere, price/ promotion and assortment (Chebat, Sirgy & Grzeskowiak, 2010).

#### *Malls and tenants*

In retailing, the merchandise mix is a strategic component in the retail mix and contributes to the retailer (corporate) brand (Miller, 2008). In the mall context, the tenant mix shapes the overall brand of the mall as well as affecting customer satisfaction. In the mid-1990s, research focussed on the quest for an ideal tenant mix (Bruwer, 1997), and examining the tenant-mall manager relationships (Prendergast, Marr & Jarratt, 1996). Subsequently, a study of building trust with retail tenants explained how centre managers could develop stronger relations with their tenants (Roberts, Merrilees, Herington & Miller, 2010). The redefining of the tenant mix is usually in response to changing customer preferences (Ibrahim & Galven, 2007). Moreover, a study of shopping mall tenants found that service quality (from mall management) had a positive effect on the brand attitude and that there were multiple roles for brands in the relationship with the mall management (Roberts, Merrilees, Herington & Miller, 2010).

### **Methodology/approach**

The study uses a quantitative research design strategy. A survey was developed using variables from the literature that are known to influence brand attitudes. The personally administered survey included questions about the four major retail-marketing elements: merchandise, service, pricing and atmosphere, except all are in a mall context; the mall provides quality merchandise for example. Additional questions asked consumers for their perceptions of customer mall satisfaction and mall brand-attitudes. Each scale is measured on a two-item basis on a five-point Likert scale.

Criteria for inclusion in the survey were that the respondent was over 18 years of age and a shopping mall patron. The researchers trained survey administrators, who collected responses directly within a major regional shopping mall. Potential respondents were randomly approached, with a 50 percent acceptance rate in agreeing to be interviewed. There was a total of 755 useable surveys. The data was analysed using structural equation modelling (SEM) with AMOS software. The research design is a quantitative study of consumer mall brand-attitudes. A structural model is estimated in a way that explains two dependent variables, namely customer mall satisfaction and customer mall brand-attitudes.

## Findings

The measurement model reveals a satisfactory model fit. Similarly, the data also fits the structural model well. There is a high goodness of fit with GFI=0.98; AGFI=0.96; CFI=0.99; NFI=0.98;  $\chi^2 = 93.9$ ;  $\chi^2 / df = 2.24$ ;  $p=0.01$  (Bollen-Stine); RMSEA=0.040 (0.030 to 0.051); Hoelter 0.05=467. The structural model estimates are presented in Table 1 in two parts: firstly, the explanation of customer satisfaction at the mall and secondly, the explanation of consumer mall brand attitudes. A high degree of explanation applies for each equation, namely 76 percent and 62 percent respectively.

Starting with customer mall satisfaction, atmosphere and merchandise are the driving forces. Atmosphere has a very high, standardized beta coefficient of 0.71 and significant at the one percent level. Merchandise also has a sizable effect with a beta coefficient of 0.24, also significant at the one percent level. In contrast, neither pricing nor service has any discernible effect, both having very small and statistically insignificant effects.

Table 1: Structural Model of Customer Satisfaction and Mall Brand Attitude (n = 755)  
Standardized beta coefficients (with CR ratios in brackets)

|                                      | Satisfaction  | Brand         |
|--------------------------------------|---------------|---------------|
| <b>Merchandise</b>                   | 0.24 (2.64)** | 0.30 (4.88)** |
| <b>Atmosphere</b>                    | 0.71 (6.13)** |               |
| <b>Pricing</b>                       | 0.01 (0.24)   |               |
| <b>Service</b>                       | -0.06(0.87)   |               |
| <b>Satisfaction</b>                  |               | 0.53 (8.54)** |
| <b>Squared Multiple Correlations</b> | <b>0.76</b>   | <b>0.62</b>   |

\*\* Significant at the 0.01 level

Moving to the model of customer mall brand-attitudes, we see that satisfaction and merchandise are the driving forces. In particular, customer mall satisfaction is the dominant explanation of customer mall brand-attitudes, with a beta coefficient of 0.53, significant at the one percent level. Merchandise is the only other variable to have a direct influence on mall brand-attitudes, with a beta coefficient of 0.30, significant at the one percent.

The findings suggest that mall branding is essentially *experiential branding*. That is, customer satisfaction is the key driver of customer mall brand-attitudes, with satisfaction an indicator of the mall *experience*. Appropriately, mall atmosphere (ambience) is the underlying dominating statistical influence on customer mall satisfaction.

## Theoretical implications

Experiential branding occurs through the trail from mall atmosphere through to mall customer satisfaction and in turn through to mall brand-attitudes. Interestingly, there is a strong literature on mall excitement (Wakefield & Baker, 1998), mall atmosphere (Massicotte, Michon, Chebat, Sirgy & Borges, 2011) and enjoyment of the mall shopping

experience (Hart, Farrell, Stachow, Reed & Cadogan, 2007). Notwithstanding, this cognate literature did not previously connect to explaining customer mall brand-attitudes, so the paper makes a major contribution in this way. Similarly, related mall image studies (Chebat, Sirgy & Grzeskowiak, 2010) have likewise fallen short of explaining customer mall brand-attitudes.

Merchandise assortment (tenant mix) is recognized in the literature as a contributor to mall image, but such studies have not connected merchandise to the mall brand. Thus, the current study advances our knowledge in this respect, by demonstrating that merchandise is the number two influence on consumer mall brand-attitudes.

### **Practical implications**

The findings offer guidance to mall managers in suggesting priorities in shaping the mall brand. An emphasis on mall atmosphere might provide a rationale for so many malls spending millions of dollars on a major refit or makeover. Our study reaffirms the logic of future *mall rebranding* efforts emphasising *mall atmosphere*.

The tenant mix is an important secondary consideration for both ongoing mall management and any potential future mall rebranding. Previous studies (Roberts, Merrilees, Herington and Miller, 2010) have indicated a possible role for better tenant-mall management relationships and better tenant mix as *internal branding* contributors. The current study endorses these *internal branding* measures with evidence from *external branding* influences from customers.

### **Limitations and future research**

The main limitation is that the study is conducted in one mall in one country. Although the large sample size is comforting, additional confidence in the results would come from extending to other malls and especially in other countries.

### **Originality/value**

The paper presents original research, which contributes to the sparse branding and shopping mall literature. First, the paper estimates a structural model with two key dependent variables, namely customer mall satisfaction and customer mall brand-attitudes. Second, the paper makes an original contribution by being the first to identify two critical consumer mall brand-associations: mall atmosphere and mall merchandise. An experiential mall branding interpretation is given to the findings. The paper also contributes to practitioner guidance because future mall makeovers can use these findings to improve the effectiveness of their mall rebranding.

**Keywords :** Corporate brand, shopping centre, mall, customer, branding, retail

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## **Measuring brand image: Personification versus non-personification**

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### **Purpose**

Our main purpose is to test whether there is a difference between using personification approach or non-personification approach in the measurement of brand imagery.

Corporate brand imagery can be measured in various ways (Keller, 1998). One approach is to ask respondents direct questions such as, “Do you trust this brand?” Alternatively, researchers can use personification approach to measure both product image (e.g. Aaker 1997; Bosnjak and Hufschmidt 2007; Geuens et al. 2009; Plummer 1985) and corporate brand/reputation (Davies et al. 2001; Slaughter et al. 2004; Whelan et al. 2010). The personification approach typically asks respondents to imagine that the company/product has come to life as a human being, then they are asked to rate the company/product in question, for instance, ‘If Brand X came to life as a human being would you trust him/her?’

Using personification metaphor could be considered as unscientific and potentially misleading (Davies et al., 2001). Conversely, some researchers claim that metaphors guide our perceptions and interpretations of reality (Ashton et al, 2004). Furthermore respondents might be willing to reveal attitudes that they are reluctant to admit to under direct questioning (Boddy 2005).

### **Methodology**

We hypothesised that the personification approach could lead respondents to answer questions less reluctantly. Moreover, personification approach would be superior at explaining useful outcomes in terms of reputation, satisfaction, and purchase, since it is often justified as capable of providing richer information than that from direct questioning (Davies et al. 2001).

Hence:

Hypothesis 1 (H1): The Personification approach provides a better explanation than non-personification approach for the dependent variables such as reputation, satisfaction and purchase.

Secondly, we might expect personification to be superior to direct questioning when a brand has more obvious humanistic associations due to the nature of the product or service that they provide. The imagery of corporate brands (for instance service brands where consumer contact with them is via other human beings), rather than product brands, should be more easily accessible using personification.

Hence:

Hypothesis 2 (H2): The Personification approach provides a better explanation of dependent variables such as reputation, satisfaction and purchase for corporate brands than for product brands.



For the preliminary study, in order to test these hypotheses, we used an online survey and a 2(a corporate brand vs. a product brand) x 2(personification method vs. non-personification method) factorial, between-subjects design. Half of the sample assessed brand imagery by responding to direct questioning (non-personification method), half to personified questions (personification method); half would assess a product brand, half a corporate brand.

We wanted respondents to assess easily the brands that they were asked to rate and so we opted for widely known brands. The corporate brand example was the retailer Marks and Spencer, which is one of the leading retailers in the British market where we undertook our research. The product brand was chosen as Pantene (Procter and Gamble's shampoo brand which is the number one in its category in the UK).

Our preliminary study aimed to test whether there is a difference in predictive ability between using personification or non-personification methods in asking similar questions about brand image. Specifically we wanted to know whether "direct questioning" (e.g. Hsieh 2002) is adequate enough, so that personification approach does not necessarily give different results.

We used a consumer panel and a convenience sample of 400 people randomly assigned to each of the four groups (100 for each). Two filter questions were included to ensure that respondents were responsible for their own shopping.

Then three satisfaction questions were asked taken from Davies et al., 2001: whether they would recommend the company/brand, whether they would be pleased to be associated with the company/brand, and whether they would feel an affinity with the company/brand.

Consequently, involvement questions (whether they choose carefully where they shop, what brand to buy; whether they are interested in shopping; whether they are told they are good at shopping; whether they are asked to help for shopping) adapted from the literature (Laurent and Kapferer 1985; Krugman 1977; Zaichkowsky 1985; Hupfer and Gardner 1971), were asked to control for any effects on response.

Then we included two questions to measure the respondent's expertise (Mitchell and Dacin, 1996; Alba and Hutchinson 1987). All questions used the same response scale from 1 to 7 with points 1, 3 and 7 labelled strongly disagree, neither agree nor disagree and strongly agree.

For the assessment of image, we selected items for each of three dimensions (warmth, competence and status) from published measures that we felt would be equally valid in both questioning formats, direct and via personification, which reflect dimensions in a number of published scales and which have theoretical support from stereotype content (e.g. Fiske et al. 2002; Caprariello et al 2009; Cuddy, Fiske and Glick 2008) and signalling theories (e.g. Han et al. 2010; Nelissen and Meijers 2011).

A five point Likert type scale was used to assess each item in this part of the survey with each point labelled from strongly agree to strongly disagree to reduce any Common methods variance (CMV) issues.

In the second study, we tested the first hypothesis that personification provides a better explanation of brand image related outcomes when respondents may be reluctant to provide open responses to direct questioning approach. Hence, the second study took place with employees as respondents and they were asked about the companies that they work for. The questionnaire was modified for the second study to increase the number of items of the different dimensions to have richer information. Moreover, since the second study is about understanding the difference in the employer-branding context, instead of the company/product brand, we asked their opinions about their employers (For instance, whether "they would recommend the organisation they work for to others" instead of "they would recommend the company/brand"). The other significant change was the involvement variable. Given the fact that employers are already aware of their employers, we changed this

variable to engagement variable. We included nine questions to measure the respondent's engagement; firstly examining intellectual engagement (whether the respondent focus hard on their work, whether concentrate on, and whether pay a lot of attention to their work), then social engagement (whether the respondent share the same work values as their colleagues, whether they share the same work goals and the same work attitudes as their colleagues), and finally affective engagement (whether the respondents feel positive about their work, whether they feel energetic, and are enthusiastic in their work) adopted from Sloane et al. (2012)'s Engagement Scale.

### **Findings**

Our first study with consumers showed that personification, as a measurement approach, is not a guarantee of a better explanation of outcome variables such as brand satisfaction than the less controversial, direct approach. Our second hypothesis that personification might be a more relevant approach in the context of a corporate or service brand was similarly not supported.

The hypotheses were tested using regression to see whether either measurement approach predicted greater variance in the potential dependent variables included in the survey. The results did not support H1 and H2.

We also examined the idea that personification is more relevant when respondents might be reluctant to provide responses. Pantene is marketed exclusively at women, so we wanted to see whether there is a difference between genders. When we reran the analysis to predict satisfaction the  $R^2$  for male respondents under non-personification was smaller compared to that for female respondents but the figures for personification were similar, with the regression for males yielding a slightly higher figure compared with that for females. This suggests that male might have been reluctant to admit to an affinity with a female oriented brand unless they were giving responses under personification.

Our second study is at its pilot stage and will differ from Study 1 in that the respondents will be employees. H1 will be tested in a context, where we might expect respondents to be reluctant to, for example, be critical of their employer. Secondly, in Study 1 only a limited number of items were used to assess brand imagery in both direct and personification surveys. In Study 2 more items will be used to explore the idea that personification provides a richer measure than is possible under direct questioning.

### **Theoretical implications**

Even though there have been are numerous academic studies carried on with both the personification and non-personification approaches when measuring brand image, there is a lack of consensus on what is the more valid measurement method, (e.g. Nguyen and Leblanc 2001). This is the main issue addressed in our research. Moreover, we do not only try to understand the difference between the two different approaches, but also try to explore different contexts in terms of consumers and employees and type of brand.

### **Managerial implications**

Personification is widely used as a measurement technique by practitioners. Some researchers such as Geuens et al. (2009) argue that the personification approach is superior to non-personification for measuring brand image, due to the fact that the consumers tend to use brands with a strong brand personality for building relationships with specific brands (Fournier 1998) or as a way of showing their own personality (e.g. Belk 1988). Other researchers point to criticisms such as personification being seen as unscientific and potentially misleading (Davies et al. 2001). Our work will offer guidance on such issues to both academics and practitioners.

Managing corporate branding/reputation is extremely crucial since it has an important effect on the consumers' loyalty (Nandan, 2005). Yet, there is a lack of consensus on what is the best and most valid measurement method, and this has been criticized (e.g. Nguyen and Leblanc 2001) as a lack of consensus on validity can lead to ineffective brand image and reputation management (Sarstedt et al 2013).

### **Limitations**

In this research we focus on only two stakeholder groups, customers and employees. In the first study we used only 2 brands in one country and culture. Further research for example among other stakeholder groups, and across a wider range of brands might be useful in generalising from our findings.

### **Originality/value**

No work on comparing the two brand image measurement methods, namely personification and non-personification, in the same context has, as far as we can tell from our review of the literature, been previously reported.

### **Keywords**

Corporate and product brand image, employer brand image, and brand image measurement

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## Customer-brand relationship: Lessons from virtual brand communities

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### Purpose

A recent addition to the literature on customer-brand relationship is the work on virtual brand communities (VBCs) and the customer attachment that such a community may generate. Little doubt exists about a VBC's strong impact on branding (e.g., Fournier and Lee, 2009; Schau and Muniz, 2002). Specifically, brand community identification, participation, and

community commitment all empirically lead to brand loyalty, positive word of mouth and purchase intention. However, the impact of VBC participation on customer-brand relationship remains unclear. There is a need for theory-based research on the basic mechanisms through which preferred VBC goals (Adjei et al., 2010), such as brand trust and commitment, are achieved. Specifically, scholars and practitioners should understand customer pathways to high level of brand relationship through VBC participation.

This study intends to uncover this issue and proposes a model of building customer-brand relationship in VBCs by integrating elements of social identity theory with the current literature on customer-brand relationship and virtual communities.

Figure 1 illustrates the proposed model. It starts with the three constructs that we have referred to as members' activity characteristics in VBCs. According to social identity theory, people tend to choose activities that are congruent with the important aspects of their identities and support those institutions that signify their identities (Ashforth and Mael, 1989), in this case a VBC. A person's identification level to a community is likely to be related to a set of behaviour patterns (Bhattacharya et al., 1995). We chose to study three such behaviours: frequency of visiting the VBC, average duration of time spent on the community website per visit, and frequency of posting behaviour. Identification is likely to be intensely associated with contact with the focal organization (Bhattacharya et al., 1995), here a VBC. Greater contact with a VBC increases a member's readiness to categorize and define him- or herself as a member of that particular social group (Dutton et al., 1994). We hypothesized that each of these behaviours is likely to be associated with the intensity with which members identify with the focal VBC.

**H1:** Members' frequency of visiting a VBC (**H1a**), average duration of time spent on the community website per visit (**H1b**), and frequency of their posting behaviour (**H1c**) has a positive effect on their social identity.

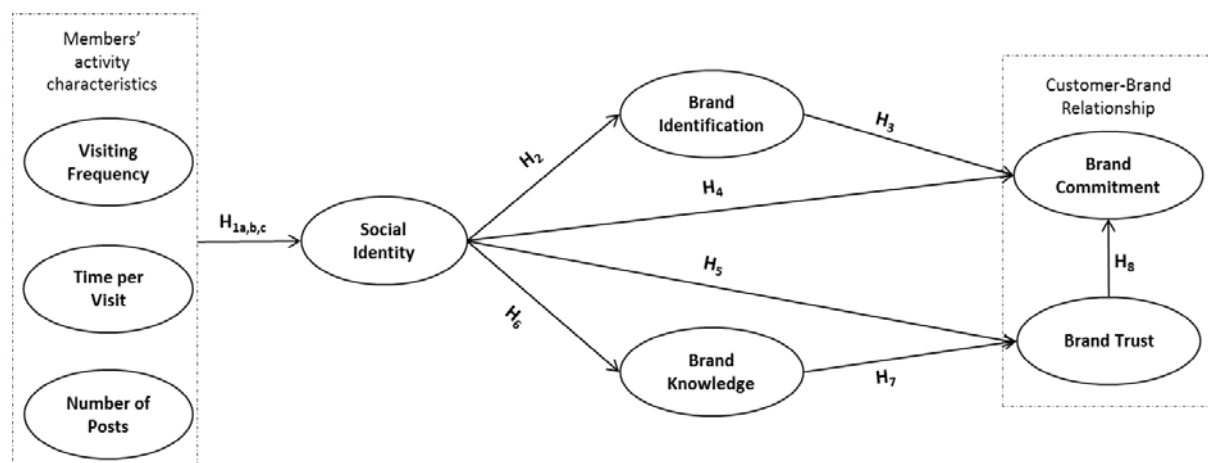


Figure1. The conceptual model

Brands and brand consumption can build a foundation for the classification of individuals into social categories, such as VBCs. By giving consideration to the way individuals develop and increase their social identities, Stokburger-Sauer (2010) states that embeddedness in social structures signifies a starting point for the creation of identities. Thus, VBCs serve as platforms for individuals to share their brand experiences and values and thus may enhance their members' identification with the brand. As members' social identity within a brand community increases, greater involvement with that brand takes place, which should promote the assimilation of the brand's image into one's identity (Bagozzi and Dholakia, 2006) and thus a member's brand identification.

**H2:** Members' social identity in VBCs has a positive effect on their brand identification.

Previous research has documented that individuals' identification with a brand may have a favourable impact on their brand loyalty and their brand commitment (Stokburger-Sauer et al., 2012; Tuškej et al., 2013). It is likely that a long-term, customer-brand relationship develops when individuals believe that the specific brand mirrors their own personalities and increases their self-esteem and social status (Wang, 2002).

**H3:** Members' brand identification in VBCs has a positive effect on their brand commitment. Membership in a brand community is primarily a social relationship (Chou, 2010). Contact with a group is associated with feelings of belongingness and attachment (Frijda et al., 1989) that is associated with corresponding action tendencies (Bergami and Bagozzi, 2000). When an individual is committed to an organisation, such as a virtual community, they become vested in the successes and failures of that community (Ashforth and Mael, 1989; Kim et al., 2008). Since a VBC is founded based on a specific brand, it is expected that its members' community identification will lead to their commitment to the brand as well.

**H4:** Members' social identity in VBCs has a positive effect on their brand commitment.

Dholakia et al. (2004) argue that one of the main motivations to interact with a brand community is knowledge exchange. Research on social identity theory suggests that when members identify themselves with a virtual community, they perceive themselves as an actual or symbolic part of that virtual community, and this identification has a positive influence on members' participation in that community (Casaló et al., 2010). Hence, members have more interactions and communication with each other and with the brand in these firm-hosted VBCs. Communication is a main antecedent of trust and feelings of proximity between the parties in a relationship (Casaló et al., 2008; Morgan and Hunt, 1994). Membership and communication in a VBC increase members' level of brand experience and brand knowledge and so their trust in the brand (Füller et al., 2008; Ha and Perks, 2005).

**H5:** Members' social identity in VBCs has a positive effect on their trust in a brand.

**H6:** Members' social identity in VBCs has a positive effect on their brand knowledge.

**H7:** Members' brand knowledge in VBCs has a positive effect on their brand trust.

Brand trust is essential to relational marketing (Albert et al., 2013) as a determinant of brand commitment and brand affect (Chaudhuri and Holbrook, 2001). Brand trust results in higher levels of loyalty and commitment, as trust creates highly valued exchange relationships (Matzler et al., 2006). Hence, based on the commitment-trust theory (Morgan and Hunt, 1994) and the customer-brand relationship literature, it seems reasonable to expect that trusted brands evoke a higher degree of commitment in customers.

**H8:** Members' brand trust in VBCs has a positive effect on their commitment to the brand.

## **Methodology/approach**

Members of an online panel (American residents) who self-identified as current members of real firm-hosted VBCs (visited in the last three months) served as respondents to an online survey. Following Porter and Donthu (2008), the online survey started with a description and several examples of real VBCs to provide a common understanding of definitions. Respondents then gave the URL address and named a community they were a member of and would refer to during the survey. Over a period of 3 weeks 729 usable cases with no missing data were gathered. Scale items for all constructs were derived from the literature.

## **Findings**

In the confirmatory measurement model (AMOS 20) all items load highly on their corresponding constructs ( $p < .001$ ). Cronbach's alpha for all constructs is above .88, indicating high internal consistency. Construct reliability of all constructs exceeds .89. Average variance extracted (AVE) is above .69 for all variables, confirming construct

validity. Moreover, there is sufficient discriminant validity as the AVE values for any two constructs exceed the square of the correlation estimate between them (Fornell and Larcker, 1981). The overall model fit indices ( $\chi^2(324) = 829.931$ ,  $p < .001$ ; RMSEA = .046; CFI = .98; NFI = .96; and IFI = .98) are satisfactory (Hair et al., 2010).

The structural model fit statistics indicate a good model fit:  $\chi^2(361) = 959.211$ ,  $p < .001$ ; RMSEA = .048, CFI = .97, IFI = .97, NFI = .96. **Supporting H1b and H1c**, there is significant, positive impact of average time spending on the community website per visit ( $\gamma = .22$ , standard error [S.E.] = .05), and number of posts ( $\gamma = .21$ , S.E. = .03), on social identity, explaining 24% of the variance. **H1a is not supported**; the effect of times visiting the community on social identity was not statistically significant ( $\gamma = .05$ ,  $p = .07$ ). **Supporting H3 and H4**, brand identification ( $\beta = .53$ , S.E. = .06), and social identity ( $\beta = .65$ , S.E. = .10) have a significant positive effect on brand commitment. **Supporting H2 and H6**, social identity's influences on brand identification ( $\beta = 1.33$ , S.E. = .07) and brand knowledge ( $\beta = .75$ , S.E. = .05) are significantly positive. **Supporting H5 and H7**, social identity ( $\beta = .24$ , S.E. = .05), and brand knowledge ( $\beta = .36$ , S.E. = .05) have a significant positive effect on brand trust. **Supporting H8**, the brand trust to brand commitment path is significant ( $\beta = .16$ , S.E. = .05). The antecedents explain 34% of the variance in brand trust and 81% of in brand commitment.

### Theoretical implications

The findings of this research clearly show that the more members spend time on the community website per visit and the more they post, the stronger will be their social identity. However, members' frequency of visiting does not have a significant impact on their sense of identity in VBCs. The findings of this study point to the crucial role of social identity in cultivating members' relationships with a brand in its virtual community. VBCs are platforms for individuals to share their brand experiences and values, and thus enhance their members' social identity within the community. As member social identity within a brand community increases, greater involvement with the community and the brand takes place. This involvement promotes the assimilation of the brand's image into a member's identity, increases his/her brand knowledge, and so their relationships the brand.

### Practical implications

Findings of this study have significant managerial value because they link the influence of VBCs to customer-brand relationship that will affect profitability and provide useful materials for marketing managers who then can advocate building VBCs for their customers. To manage customer-brand relationship through use of VBCs, companies must cultivate members' social identity. Specifically, the results suggest that by focusing on factors that will influence customer social identity, brand managers can achieve important and desired consequences. Managers can build competitive advantage and nurture members' social identity, and so their brand relationship development by encouraging members to spend more time in the community per visit and by encouraging them to post comments and/or questions more frequently on the community website.

### Limitations

This study suggests directions for future research. First, the sample members of this study are residents in the USA. Testing for cross-national and cross-cultural effects enhances the external validity of research results. Second, future research can consider the moderating role of member participation type on the model. Does a lurker (who visits but does not post

comments) or a poster (who posts comments) status moderate the effects of social identity in VBCs and so their relationships with brands?

### **Originality/Value**

The findings of this study offer a promising contribution to the growing research on VBCs. This research developed and empirically examined a framework for a mechanism through which a high level of member brand relationship would emerge in VBCs. Implications of this research will allow managers to know how individuals' participation in a VBC promotes pathways to brand trust and brand commitment and so how to utilize a virtual community as a channel to develop and maintain strong relationships with their customers.

### **Keywords**

Virtual Brand Communities, Customer-brand Relationship, Social Identity, Brand Trust, Brand Commitment

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## Perceptions of branded entertainment in South Africa

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### Purpose

This study explores the views of Branded Entertainment as an experiential marketing tool in South Africa. Branded Entertainment is a relatively new field that calls for more research to focus on how Branded Entertainment works, and how it can meet the various marketing and communication challenges in the current global marketplace (DeLorme, Reid, & Zimmer, 1994; Russell & Stern, 2006). Previous academic research has focused on research in the USA and Europe (Chan 2003), and no previous studies have been identified that have focused on Africa or South Africa. This study fills a gap in the literature as it specifically reviews the perspectives of South African practitioners of Branded Entertainment and discusses the utility of Branded Entertainment as a useful experiential marketing tool in South Africa.

## **Literature review**

Definitions of Branded Entertainment have evolved since the early description by Balasubramanian (1991), who defined the placement of brands in film as a new genre of marketing communication tools, which he called 'hybrid messages'. Branded Entertainment is defined by the UK Branded Content Marketing Association (BCMA 2011) as a company who pays a TV channel or a programme-maker to include its products or brands in their programme. The Association of National Advertisers (ANA 2011) defines it as a fully integrated means of linking a product within an entertainment source. Hudson and Hudson (2006) define Branded Entertainment as the integration of advertising into entertainment content, whereby brands are embedded into storylines of a film, television programs, or other entertainment mediums. This includes co-creation and collaboration between entertainment, media and brands. Hudson and Hudson (2006) proposed that the term Branded Entertainment will be used and be defined as the integration of advertising into entertainment content, whereby the brands are embedded into the storylines of a film, television program, or other entertainment medium. This involves co-creation between entertainment, media and brands. The literature review consisted of Experiential marketing (Schmitt 1999); the evolution of Branded Entertainment (Hudson & Hudson, 2006; Newell, Salmon, & Chang, 2006); challenges of Branded Entertainment (Russell 2007; Williams, Petrosky, Hernandez, & Page, 2011); and the ethics of Branded Entertainment (Chan 2003).

## **Methodology/approach**

This study was qualitative where we collected data from persons who have had experience in Branded Entertainment. The in-depth interview technique was employed because it is used in exploratory research, where respondents are probed on topics in a relaxed environment to maximise the richness of the discussion and data collection. The research population comprised marketing practitioners from advertising, brand and marketing agencies, and representatives from brands that engage in Branded Entertainment. To develop the sample, names were obtained from a variety of sources including industry directories and references obtained through secondary research such as published articles, the media, and online searches. Six Representatives from advertising agencies, branded entertainment, and marketing and PR agencies were targeted as well as six representatives from Brands that engage in Branded Entertainment concepts, partnerships, experiences, and projects. A semi-structured interview format for data collection was used, guided by a list of open-ended questions that focused on core themes. Personal interviews were scheduled with the relevant respondent at their place of work or at a location and time most suitable for them. The respondent insights were recorded using a dictaphone and then transcribed. Interviews were an average duration of 60 minutes. The interviews were content analyzed and themes, perceptions and opinions of respondents were identified and coded, and common themes were grouped.

## **Findings**

This study reflects insights from interviews of 12 Branded Entertainment / marketing practitioners. Seven interviewees were representatives from advertising agencies, Branded Entertainment, marketing and PR agencies. Five were representatives of brands that engage in Branded Entertainment concepts, partnerships, experiences, and projects. Of the seven representatives from Agencies interviewed, two respondents were from Brand Agencies, four from Marketing Agencies and one from an Advertising Agency. Of the five respondents interviewed as representatives from Brands, two were from the financial services industry and the other three from the food and beverage, fashion and media industry respectively. Interviews took place with respondents in Johannesburg between June and December 2013.

Ten of the respondents interviewed were male and two were female. Respondents reflected varying levels of seniority; all respondents had more than five years' experience and held senior positions within the marketing industry either with an agency or within an organisation, therefore representing a brand or brand portfolio.

We report on the interviewee responses to their definitions of Branded Entertainment; the challenges of Branded Entertainment; the factors for success as well as new findings not previously discussed in the literature.

Definitions included: *Branded Entertainment is placing a brand / product in any entertainment medium; Branded Entertainment allows brands to offer an experience to consumers; and Branded Entertainment can be linked to increased brand equity and customer loyalty.*

Examples the interviewees gave included: *Our brand has done Product Placement in music videos. The success is: first, it made people more aware of the brand, and second, gave it credibility among the very niche hip-hop consumer. This has not really translated into sales yet, they need more convincing, but trial is there. They are trialling products, are not converted yet, but we have started to build equity, they are definitely aware of our brand and have positive sentiments towards it; Coca Cola is featured on every episode of M-net Idols. Branded Coca Cola glasses are placed in front of the judges who sip from them during the entire show. This is an example of Product Placement.*

As far as the challenges are concerned, respondents stated two major ones: *There is a lack of agreed metrics to measure return, impact and effectiveness; and Branded Entertainment cannot be done in isolation.*

Factors for success included: *Branded Entertainment has become popular due to media fragmentation; Branded Entertainment has become popular due to various competitive forces: global, product category and media platform competition; Branded Entertainment is prevalent now due to media convergence; The Branded Entertainment must be relevant to the target audience; The Branded Entertainment must be relevant to the brand; Authenticity and realism are important factors for the success of Branded Entertainment; Understanding what today's target consumer wants is a key success factor for Branded Entertainment; Branded Entertainment is important now because of the lifestyle of the changing consumer; Branded Entertainment exists because we live in a brand world; Successful Branded Entertainment is well integrated into the entertainment vehicle; There is distinction between sponsorship, Product Placement and Branded Entertainment; and Branded Entertainment is important now because of technology, digitisation and social media.*

Our findings show that Branded Entertainment in South Africa is generally similar to previous studies in the developed world but some new issues were found (Hudson & Hudson, 2006; Russell, 2007).

### **Theoretical implications**

There were a number of new findings not found in the literature review that would have major implications for theory. Firstly, respondents described the convergence of media as a reason for the heightened use of Branded Entertainment. Secondly, marketing practitioners in this study described the importance of new marketing that fits into consumers' lifestyle. A few have noted demonstrations of how Branded Entertainment fits into certain consumers' lifestyles, such as Generation Y where music and entertainment is a lifestyle imperative, and Branded Entertainment can be created around this. Lastly, we live in a branded world and the result is that consumers today are more likely to accept brand images into areas of public life that were formally commercial-free and end up forming a natural part of everyday life.

## Practical implications

We provide practitioners with guidelines to follow for the success of Branded entertainment programs. The marketing of Branded Entertainment to consumers depends on the following criteria: competitive landscape; authenticity; target market; integration; budget; relevance; and new technology.

## Limitations

There may be issues of generalizability being a qualitative study.

## Originality/value

This study of Branded Entertainment is the first of its kind in an emerging market and in South Africa in particular. There are also some new findings that have implications for theory as well as practice. Respondents described the convergence of media as a reason for the heightened use of Branded Entertainment.

**Keywords:** Branded Entertainment; Product Placement; Experiential Marketing; South Africa

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## Place branding and certification in commodity and value-added product choice decisions

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### Purpose

Brands are considered to be perceptions based on consumer associations held in their own memory about the brand (Keller 1993). Further, these images are made up of beliefs and feelings toward an object (Dowling 2001). Stern et al (2001) have argued that brand images are holistic representations of a brand and they are formed as a result of branding stimuli and the consumer as the perceiver. Place branding is directly related to product and corporate brands because place also invokes a constellation of beliefs and feelings which creates an overall image that can influence decision making (Papadopoulos and Heslop 2002). Place branding is defined as using "the place of origin of a product as a marketing benefit to enhance a country's exports, protect its markets from foreign competition, retain or attract new development, or to place a country at an advantage domestically or internationally" (Papadopolous 2004, 36-37). Every place has an image that can be used to brand a product to create a unique competitive advantage (Bruwer & Johnson 2010). Place branding, although not new, is growing in popularity in academic marketing research (Kavaratzis & Hatch 2013). Global competition and international trade are increasing so that not only are domestic corporations in competition with each other, but also with foreign corporations (Dinnie 2004).

The images associated with a product are important because they influence the purchase decisions made by consumers. Specifically, the localness of the product may include perceptions of impacts on the local economy or environment (Megicks, Memer & Angell 2012). Certification and eco-labeling represent another opportunity to influence the purchase of place related products. Eco-labeling is used in many product categories. For example, in the forest industry, voluntary submission of forests to independent inspection can allow a determination about management standards and sustainability (Hrabovsky, & Armstrong 2005). However, there seems to be a disconnect between environmental marketers and their consumers as many studies have shown that consumers were unaware of the significance of certification (Thompson et al. 2010) (Ankit & Mayur 2013; Do Paco & Reis 2012; Kozak, Cohen, Lerner & Bull 2004; Ozanne & Vlosky 2003; Zabkar & Hosta 2013). Nonetheless, the ethical and moral implications apparently linked to certification still have an influence on their purchases (Hoek, Roling & Holdsworth 2013).

The selection of environmental products can be explained using justice motivation theory. Lerner (1980) suggested that people want to believe the world is just, that people ultimately get what they deserve, and that terrible things do not happen to good people. Others have argued that people are compelled to act when an injustice is perceived in order to relieve the related psychological distress (Blader & Tyler 2002). Therefore, in the context of local and certified products, the justice motivation theory suggests that people would buy these products because of the perceived alleviation of injustice associated with these products on the basis of economics or ecology. In addition, consumer characteristics can help explain the product choice of local and certified products. For instance, ethical consumers may be more likely to purchase local or certified products and they tend to be more involved in the information gathering part of the buying process (McEachern, Warnaby, Carrigan & Szmigin 2010).

This study focuses on the potential effect of place branding and certification in influencing the product choice decision. Specifically, this will be examined in the context of value-added and commodity forest products.

### **Methodology/approach**

Four hypotheses were developed to guide the investigation of place branding and certification on consumer beliefs, evaluation and intentions:

Hypothesis 1 (H1): Respondent's beliefs about local and certified products will differ between a sample of the general population and a sample of consumers in the home renovation market.

Hypothesis 2 (H2): There will be significantly higher mean scores on the assessment of quality, value and likeliness to purchase of local over imported forest products.

Hypothesis 3 (H3): There will be significantly higher mean scores on the assessment of quality, value and likeliness to purchase of certified over uncertified forest products.

Hypothesis 4 (H4): There will be a positive influence of quality beliefs and value assessments on consumer choices under the experimental conditions.

A self-administered questionnaire was utilized to test the aforementioned hypotheses. The questionnaire included questions about demographics and lifestyle including environmentally-friendly behaviour, local and certified product consumption, and environmental and economic concerns (e.g. Schlegelmilch, Bohlen & Diamantopoulos 1996). The questionnaire also contained eight different manipulations and three response measures to collect beliefs, evaluation and conation. This section was designed to capture information on the possible influence of certified and locally sourced products on consumers' product selection. The manipulations are represented by a 2x2x2 research design with two options for each of location (local versus imported), certification (certified versus uncertified) and product type (commodity versus value added). Both product types were forest products with the one being the commodity dimensional lumber product (i.e. "2X4") and a value-added product (kitchen cabinets).

Surveys were collected from a sample of consumers in a small Canadian city. Canada is an appropriate location for this study as it is the world's largest exporter of softwood forest products (Cashore, van Kooten, Vertinsky, Auld, & Affolderbach 2005; Statistics Canada 2012). Samples were drawn from the population at two locations to enable one to represent a forest product consumer (i.e. home renovation store) and the other to represent the general population (i.e. grocery stores). In total, 201 completed questionnaires were collected from the grocery store location (101 completed) and home renovation location (100 completed). Of the total, 91 were usable from the home renovation store, and 88 were usable from the general population locations. Responses were deemed unusable if more than 10% of the questionnaire was submitted as incomplete.

To test the hypotheses, a repeated measures ANOVA was performed to compare manipulations involving different combinations of products to determine consumers' attitudes towards each different type (i.e. H1, H2, H3). In addition, a regression analysis was performed to determine if quality beliefs and value assessments of a product had an influence on likeliness to purchase (i.e. H4). An exploratory correlational analysis was also conducted to examine the possible influence of environmental and economic consciousness on product attitudes.

### **Findings**

The ANOVA results lead to rejecting hypothesis 1. The mean scores for the eight manipulations for each of the population groups were compared and no significant difference was found between the two locations. Hypothesis 2 is accepted because the local conditions

had significantly higher mean scores for quality beliefs, value assessments and likeliness to purchase. Hypothesis 3 is partially accepted because the majority respondents viewed products in the certified conditions as having higher quality and value along with higher likeliness to purchase except when the local condition was present. The regression results support Hypothesis 4 with most cases showing quality and value were predictors but value was the most important indicator of the likeliness to purchase of forest products. An additional correlational analysis to examine lifestyle behaviours suggests that consumers are potentially motivated by economic and environmental reasons.

### **Theoretical implications**

There are three key aspects of the results. The first key implication in this study was that the local conditions had the highest perceived quality beliefs, value assessments and likeliness to purchase scores over all other conditions. Respondents found the local conditions to be the most important attribute when comparing it to the imported and certified products. The second key implication was that certified products were also rated high for quality beliefs, value assessments and likeliness to purchase. Consumers are interested in buying certified forest products, especially when purchasing the commodity product. The third key implication was that respondents were driven mainly by value when assessing their likeliness to purchase.

The results also provide support for justice theory motivation with the localness playing a role in operationalizing this theory in the context of environmental marketing. The justice theory of motivation appears to be operating as demonstrated by the correlation of the lifestyle behaviours. In terms of place branding, the role of place was found to be more important than the certification of the products.

### **Practical implications**

Based on the importance of product localness demonstrated in the results, it appears that marketers could offer more effective information to consumers of forest products by using place branding as a tool in local markets. Indeed, the place aspect was seen to be more important than certification.

### **Limitations**

This study was conducted with a sample drawn from one Canadian city. Future research should be conducted in other parts of the country and world to see if the results can be replicated. In addition, a single method using questionnaire experimental design was used. Future research should consider different methods to deepen our understanding of the findings from this research.

### **Originality/value**

The study is unique in that it examines the influence of place and certification in a single study using an experimental design. This testing is also done with a manipulation of product type (i.e. commodity versus value added). The study also collected and explored environmental consciousness levels of the participant to explore the role of environmental and economic concerns providing support that justice motivation may be at work.

**Keywords:** Place branding, environmental marketing, forest products, local, certification

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## **Identifying the nature of consumer's eWOM activity on Facebook brand pages: An exploratory study**

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### **Purpose**

Over the last decade there has been increased academic and practitioner attention to the areas of brand communities and online consumer interactions. Previous studies have discussed off-line (Muniz & O'Guinn, 2001) and on-line brand communities (Jang, et al., 2008; Hede & Kellett, 2012; Kuo & Feng, 2013); including company-managed and enthusiast-run (Dholakia & Vianello, 2011), small group (Bagozzi & Dholakia, 2006), and social and psychological brand communities (Carlson, Suter & Brown, 2008). These communities are made up of admirers of a brand who share common traditions, rituals, and sense of belonging to a group (Muniz & O'Guinn, 2001).

Recently researchers started looking into the social networking sites as platforms for brand communities (Jahn & Kunz, 2012; Goh, Heng & Lin, 2013; Zaglia, 2013). Consumers are offered an interactive platform to communicate with one another about brands, and are able to express their consumer-brand relationships on such platforms as Facebook, Twitter, and Pinterest. This interaction can include online brand reviews, product evaluations, or brand-related consumer conversations, and can be conceptualized as brand-related electronic word-of-mouth (eWOM) (Hennig-Thurau, et al., 2004; Kozinets, et al., 2010). Despite the influence of eWOM on consumers' brand attitudes, their product judgments (Lee & Youn, 2009) and perceptions of brand image (Jalilvand & Samiei, 2012), and loyalty intentions (Gruen, Osmonbekov & Czaplewski, 2006), eWOM activity among brand fans in the context online brand communities is yet to be approached with regards to any communities, let alone communities formed in social networking sites.

This study focuses on the company-created and fan-created brand pages on Facebook as a special of type of social media-based brand communities. They are however different from the traditional brand communities, where the latter are focused on a brand and the relations between the brand's admirers (Jahn & Kunz, 2012; Zaglia, 2013). Similarly based around a single brand, official Facebook brand pages are often more concerned with consumer-brand interactions; where brand page membership can project a specific self-image to the rest of the member's social network (Jahn & Kunz, 2012). Thereby, the nature of members' eWOM activities on such pages and inside their broader network of 'friends' are yet to be explored (Chu & Kim, 2010; Jahn & Kunz, 2012).

The purpose of the paper is to explore the nature of consumer participation in eWOM activities on Facebook brand pages. This paper aims to contribute to the academic literature on eWOM and brand communities by exploring consumer communication on the official (company-managed) and unofficial (enthusiast-run) Facebook brand pages and groups. The authors also look into the interconnectedness of the members' personal Facebook profiles and brand-related pages. The paper thereby does not limit the exploration of eWOM activity to the social media-based brand communities; but also explores the members' brand-related communication within their broader network of 'friends'. The study also looks into how the fans construct and project their image through their interactions with brands.

### **Methodology/approach**

The study adopts an exploratory approach. The researchers conducted 22 semi-structured face-to-face and Skype interviews with the members of official and unofficial Facebook brand pages. The average duration of each interview was 38 minutes. The snowballing approach was used to recruit participants. The participants represented different age groups, nationalities and occupations. The respondents were free to mention any brand that they followed on Facebook, and could include (but were not limited to) products, services and entertainment brands. During the interviews respondents were asked to relate their experiences with the brand pages, and how they communicated with others about the brands. Often the respondents were members of more than one brand-related page or group, and were free to discuss their eWOM activities on any page. The interviews were transcribed and coded to identify the main themes within the data.

### **Findings**

The preliminary results of the qualitative study shed light into the different nature of online behaviour of the members of official and unofficial brand pages on Facebook. Usually official brand pages are used to communicate with or provide feedback to the brand. Enthusiast-run groups attract consumer-to-consumer interaction, where the participants exchange their opinions about the brand, or follow its news.

Furthermore, the members' eWOM activities about brands are often tightly linked to the context they are in. Specifically, due to the embeddedness of the pages in the social networking site, the brand pages on Facebook are often not perceived as separate entities, but as being a part of the members' personal profiles on the social network. These communities are closely connected to the members' social network, and are often used to project one's self-image or to make a statement about themselves to their 'friends'.

In addition to commenting on the official and unofficial fan pages, members often spread the word about the brand to their social network. There is almost a feeling that this is happening simultaneously. Furthermore, this interrelation of the brand page with the person's profile and the network of their friends creates awareness about this brand among other Facebook users, and can even encourage further brand following.

Finally, revealing their real identity on social media-based brand communities affects the nature of their participation. Members of Facebook brand pages are often concerned about their privacy, as well as how they are perceived by other contacts in their network. This seems to shape their willingness to actively engage in eWOM both with other fan page members, and with their broader network of friends.

### **Theoretical implications**

The paper provides several theoretical implications. First, the study explores the specific context of social media, which is characterized by a large amount of consumer interactions. The paper further supports that brand-related consumer exchange is thus not limited by the

community boundaries, but often takes place within the members' social network. Brand followers often share content generated in the community with their friends who may not be members of the same brand pages. And this process seems to happen both intentionally and unintentionally, where the fans actively invite friends to 'like' the page, and share news from the page; or simply follow the brand, and this becomes visible to their social network.

The interviews support the previous research which has shown that official brand pages are preferred when communicating with the brand, whereas unofficial pages or groups run by enthusiasts are often used for interaction with other community members about the brand (Dholakia & Vianello, 2011).

The study further suggests that there is a link between the consumers' self-identity and their willingness to actively participate in the social media-based brand communities. Previous studies have discussed that often consumers engage in eWOM for self-enhancement reasons (Hennig-Thurau, et al., 2004), or to strengthen their reputation as experts among other consumers (Cheung & Lee, 2012).

Finally, the followers of these brand pages are often members of multiple brand communities on Facebook. It seems as if their need to express themselves, their opinions, or to socialize may be stronger than their admiration for the brand itself.

### **Practical implications**

Companies should appreciate that the members of online social media-based brand communities can be often seen as experts and influencers not just by the members of the community but by a wider group of potential consumers. Therefore they have a power to strongly influence the formation of brand reputation.

Brands should identify ways to encourage the socialization and self-expression of their fans on the social media-based brand communities. This is particularly important for the company-managed communities that wish to become stronger and increase their Facebook following.

The paper recognizes that the companies may find it challenging to manage their Facebook brand pages. The members of these communities do not just interact amongst themselves in a closed system. Typically they are participating in multiple social media-based brand communities, and interact with different individuals outside the brand community – within their broader social network. All these interactions are beyond the control of the companies that are actually manufacturing the brands, and that may have initiated the brand communities.

### **Limitations**

This study adopts qualitative research approach, which aims to explore previously under researched area of consumer interactions within social media-based brand communities. The findings thereby should not be generalized, and due to the preliminary stage of the data analysis, the results are there to shed some light on the investigated area. Furthermore, the study adopts snowball sampling, which may not be representative of the population.

Finally, the research regards the brand followers' activity on the social network as independent of other activities - that they are involved in both on-line and off-line.

### **Originality/value**

The paper looks into the different social media-based brand communities. The results thus include the insights from brand-initiated and fan-initiated pages and groups. Furthermore, the communities represent different brands, including both product and service brands.

The paper sees the members of social media-based brand communities as members of a broader social network. This network incorporates both other members of the communities

and also their social network contacts who might be unrelated, or even uninterested in the brand.

The study brings the understanding of the brand community to a different level, where the actual brands are participating in a social network filled with their actual or potential consumers. Consumers tend to participate in multiple brand communities and they regard these communities as active participants that they interact with.

**Keywords:** electronic word-of-mouth, brand community, social media, self-image, participation

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## Clustering Millennials using brand authenticity

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### Purpose

Brand authenticity can be considered one of the “cornerstones of contemporary marketing” (Brown et al., 2003), a response to current trends of hyperreality and globalness (Arnould and Price, 2000; Ballantyne et al., 2006), and a new business imperative of the experience economy (Gilmore and Pine, 2007). Being a socially constructed phenomenon (Beverland, 2006; Beverland et al., 2008, 2010; Grayson and Martinec, 2004; Rose and Wood, 2005; Thompson et al., 2006), several scholars have observed that brand authenticity has the power to legitimize a brand within its context (Beverland, 2006; Beverland et al., 2008, 2010; Grayson and Martinec, 2004; Thompson et al., 2006). Concordantly, Aitken and Campelo (2011) underlined the importance of customers in engaging in the brand community and in co-creating brand meanings (Bertilsson and Cassinger, 2011).

Nevertheless, also non-customers might have a crucial role in the construction of brand meanings, especially when they reject brands considered not authentic, generate anti-branding communities (Holt, 2002; Gustafsson, 2006), and diffuse a negative doppelganger of the brand image (Thompson et al., 2006). In particular, the new generation of Millennials (i.e., the cohort born after 1982, Howe and Strauss, 2009) plays a relevant role in creating brand communities that might sustain or reject brands depending on the perceived brand authenticity (Lantos, 2014), which could undermine the legitimization of well established brands.

Therefore, the aim of this study is to profile the Millennials’ perceptions of brand authenticity in relation to their experience with well established brands. In particular, the relationships between brand authenticity and brand related constructs (i.e., brand image, brand trust and premium price) has been considered.

### Methodology

In the last decades, several Italian brands have represented important assets of the manufacturing and service sectors, consolidating their brand authenticity over time. In this study, four well established Italian brands were selected to represent the automotive (i.e., Piaggio), food & beverage (i.e., Peroni), energy (i.e., Enel), and entertainment (i.e., Cinecittà Studios) sectors. In particular, since 1946 the Piaggio company has produced the globally known Vespa motorcycle, which became a symbol of national development in the 60s. In producing the best known Italian beer since 1846, Peroni has also played a relevant role in the Italian scenario. Besides manufacturing brands, the energy company Enel and the film studio company Cinecittà have constituted important pillars of the Italian service sector since 1962 and 1937, respectively.

To explore the Millennials’ perception of the aforementioned companies a 28-item questionnaire has been administered to 382 University of Rome Tor Vergata students (mean age: 21.6±0.6 years). The questionnaire included three sections: 1) demographic information;

2) five brand authenticity dimensions, which combined different but complementary dimensions of brand authenticity. In particular, brand heritage (five items), quality commitment (seven items), sincerity (two items) were extracted from Napoli et al. (2014), whereas originality (four items) and reliability (four items) were extracted from Bruhn et al. (2012); and 3) consumers' perceptions on brand image (two items), trust (two items) and premium price (two items) (Wiedmann et al., 2011). Respondents were asked to provide their opinion on a seven-point scale, ranging from 0 (completely disagree) to 6 (completely agree). The software SSPS (2007) has been used for statistical analysis. Constructs' reliability has been ascertained by means of Cronbach's alpha (Table 1). To profile the Millennials' perceptions of brand authenticity in relation to the brand image, brand trust and premium price, a hierarchical cluster analysis (Ward's method) has been performed.

Table I. Constructs' reliability

| <b>Constructs</b>                    | <b>Cronbach's alpha</b> |
|--------------------------------------|-------------------------|
| <i>Brand authenticity dimensions</i> |                         |
| Quality commitment                   | .933                    |
| Heritage                             | .901                    |
| Sincerity                            | .793                    |
| Originality                          | .867                    |
| Reliability                          | .889                    |
| <i>Brand related constructs</i>      |                         |
| Brand image                          | .734                    |
| Brand trust                          | .783                    |
| Brand loyalty                        | .800                    |
| Premium price                        | .793                    |

## Results

Four clusters of Millennials (i.e., the Engaged, the Cheated, the Believer, and the Sceptical) emerged (figure 1). In general, high and low consumers' perceptions of brand authenticity corresponded to high and low scores of consumers' perceptions on brand image, brand trust and premium price, respectively. No hierarchy between brand authenticity dimensions was found. The detailed analysis of the four clusters, indicates:

- 1) The Engaged. Consumers pertaining to this group are customers that conceive the brands as authentic, have high perceptions of the brand image and brand trust, and are willing to pay a premium price. The highest brand authenticity has been attributed to Peroni and the least to Vespa. Despite Vespa's customers having already paid a premium price to purchase this motorcycle, they reported the lowest scores in their willingness to pay a premium price.
- 2) The Cheated. This cluster includes actual (or former) customers not conceiving the brand as authentic, and showing low scores for brand image, brand trust and price premium. In particular, manufacturing companies showed the highest values with respect to the service ones, indicating that customers might feel more cheated when they had a negative experience of services with respect to products. In particular, customers attributed to Cinecittà Studios the lowest scores of brand authenticity and brand related constructs.
- 3) The Believers. This cluster includes respondents with no prior experience of the brand but showing positive perceptions of brand authenticity, brand image, brand trust and

premium price. Actually, this group of non-customers showed higher values than those reported by the Engaged counterparts. These high scores, based on mere perceptions of potential customers, confirm the strong appeal of these well established brands. In particular, Vespa has been perceived as the most authentic brand, followed by Cinecittà and Enel. Because Peroni did not appear in this cluster, prior experience of the beer seems to be necessary to appreciate this product brand.

- 4) The Sceptical. This cluster includes non-customers who perceive low brand authenticity, brand image, brand trust and premium price. In particular Cinecittà has been perceived as the most authentic brand, followed by Peroni and Vespa. Note, the cluster analysis revealed that Enel is not present in this group. These findings might be due to the fact that young non-customer Millennials could be more interested in products or entertainment services than in energy services, the latter being perceived as distant from their current actual lifestyle.

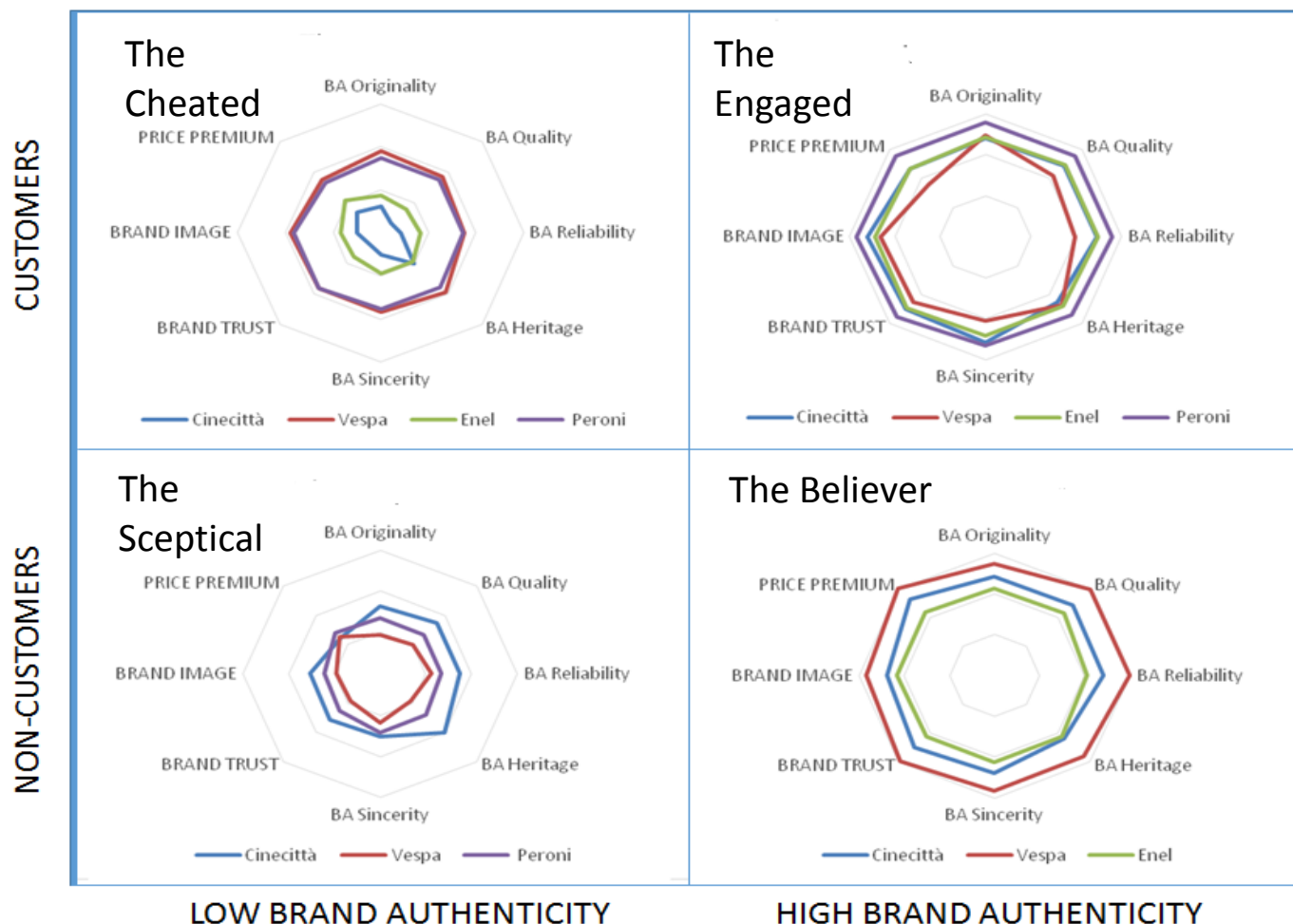


Figure 1. The four-cluster solution

### Theoretical implications

The main findings of the present study confirm brand authenticity as a relevant component of successful brands (Beverland, 2005; Kapferer, 2008) strongly linked to consumers' brand trust (Balmer, 2012; Schallehn et al. 2014). In addition, this work shows that brand

authenticity is also linked to brand image and to consumers' willingness to pay a premium price. Although brand authenticity has been strongly related to positive or negative consumers' experiences (Chalmers, 2008; Leigh et al. 2006; Gilmore and Pine, 2007), non-customers might also have different attitudes towards companies. In particular, well established brands might rely on positive perceptions of non-customers (i.e., the Believers) who value their high brand authenticity, trust and image. With respect to actual customers who have a positive experience with these brands (i.e., the Engaged), these potential customers might be stronger supporters of brands with high authenticity, being also prone to paying a higher premium price. Therefore, this study may provide a valuable starting point for additional research into non-customers' perceptions of brand authenticity. In particular, scholars are called on to explore non-customers' role in the legitimization of the brand within web brand communities. Lastly, this study also included brand authenticity perceptions of service brands, extending previous research on brand authenticity that mainly focused on product branding (Alexander, 2009; Beverland, 2005; Kates, 2004). In particular, findings highlighted potential higher risk from actual customers who negatively experienced the services of well-established brands (i.e., the Cheated) with respect to their non-customer (i.e., the Sceptical) counterparts.

### **Practical implications**

The proposed cluster analysis of brand authenticity dimensions and brand related constructs in young consumers (i.e., Millennials) may drive managers and, in particular marketers, to a new way of segmenting customers and non-customers. Therefore, managers should: protect the Engaged group of customers through actions of Customer Relationship Management (CRM), invest in the Believers and Sceptical groups of non-customers through actions of advertising and promotions, and invest in Public Relations (PR) resources for the Cheated group of customers who might seriously engage in anti-branding communities and negative word of mouth.

### **Limitations**

The main limitation of this study is due to using well established brands, thus limiting the generalizability of findings. Also, as the considered sample included only Millennials, further studies are needed to verify the replicability of the proposed clusters in different age groups of consumers.

### **Originality**

In providing a new segmentation of consumers based on their experience and brand authenticity dimensions, this study highlighted the central role of both customers' and non-customers' perceptions.

**Keywords:** brand authenticity, cluster analysis, Italian brands



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## Brand growth, when less is more

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### Purpose of paper

Brand extensions provide one of the most attractive growth strategies for companies because they can leverage the strength of existing brand names when entering into new product categories. However, brand extensions require cognitive effort on the part of consumers as they must learn and maintain new brand associations linked to the parent brand. As a brand grows the number of associations needed to maintain a working model of a brand's associative network in memory may grow to the extent that this weakens or dilutes the parent brand. The purpose of the current research is to demonstrate that is possible to create broad, yet strong, brands, by increasing the level of abstraction for key brand associations rather than increasing the number of associations.

### Theoretical Background

One of the key goals for brand organizations is to grow brands (Samuelsen & Olsen 2012) – and one of the most attractive ways of achieving brand growth is through brand extensions (Keller 2013). The epic growth of the Apple brand – from marginal PC maker into the most valuable brand in the world (Interbrand, 2013) illustrates how important extending brands into new categories can be. The success of the Apple brand also illustrates that the rewards from a truly successful brand extension are twofold: the direct and immediate increase in brand sales created by the extension itself – to wit: iPod, iPhone, iPad; as well as the more indirect and lagged effect on parent brand sales if brand extensions serve to strengthen and broaden overall brand awareness and knowledge. The Apple brand also suggests another key issue that may be important for brand growth strategies – while Apple may loom large in the mind of most consumers, it does not seem to require much mental effort to maintain this image. Previous research has shown that broad brands achieve greater levels of overall brand strength (Meyvis & Janiszewski 2004). However, there has been little focus on how brand managers should create broad brands – brands that are associated with a number of dissimilar product categories (Meyvis & Janiszewski 2004).

There are four commonly used bases of brand extension: (1) product category, (2) brand attributes, (3) usage situation, and (4) target market (Herr et al. 1996; Keller 1993). However, as both *usage situation* and *target market* may provide the basis for brands that span a large number of functionally dissimilar categories, the current research will focus on brand growth strategies based on *product category*- and *brand benefit* growth strategies. These two strategies are also the most common extension strategies examined in the brand literature and of particular interest in terms of creating broad brands, as prior research indicates that brand

extensions based on category similarity are easy for consumers to understand and are thus favorable when extending a parent brand into a similar and consistent category, but that consumers prefer extensions where the brand benefit is diagnostic when extending into a more dissimilar category (Broniarczyk & Alba 1994).

In terms of brand associations, brand extensions involve learning on the part of the consumer (Janiszewski & Van Osselaer 2000). When a brand is extended into a new category or the number of benefits a brand provides is increased, the consumer must update a number of associations linked to the brand. In both cases, the brand's associative network increases in size, and over time it requires increased effort to maintain a coherent model of the brand in memory. Previous research has shown that a brand's strategic concept (Park et al. 1986) may influence the potential breadth of the brand. Brands that provide symbolic value to the consumer tend to have more abstract brand benefits – and the abstraction level of these associations allow symbolic brands to be more easily extended into categories that, from a purely functional perspective, may seem quite distant (Park et al. 1991). This suggests that the abstraction level of core brand associations may play a major role in allowing a brand to grow into a broad brand. However, this has not been explored for functional brands – which are more grounded by their core associations and thus more difficult to extend far from the core. Prior research has however shown that for functional brands, broader may be stronger (Meyvis & Janiszewski 2004). Thus, if a brand extension increased the abstraction level of a functional brand's core associations(s) – essentially storing more global brand beliefs than brand exemplars (Ng & Houston 2006), this would require less effort to learn and maintain, as there would be no increase in the number of associations in the network, merely a moderate redefinition of existing associations.

Increased levels of abstraction could make it easier to maintain a coherent model of the brand in memory, as a smaller number of associations would be required to recall the solutions to a greater number of consumer goals. The current research proposes that by selecting brand extensions that increase the abstraction level of parent brand benefits, brand managers can reduce the amount of learning required by the customer. To date, two studies confirm that it is possible to use brand extensions to shape the parent brand associations of functional brand, and that there is a differential effect of extension strategy on brand attitude.

### **Methodology/Approach**

The objective of the first study was to demonstrate how an intermediate brand extension could be used to broaden parent brand associations and thus increase the likelihood of acceptance for a more distant target extension. The parent brand was a fictitious brand of suits and dress suits, and the intermediate and target extensions (levels of consistency to parent brand on ten-point scale) were dress shoes (8.35) and running shoes (2.21) – consistency scores between intermediate and target brand extensions was 5.81. Half of the respondents were not exposed to the intermediate extension.

### **Findings**

As hypothesized, attitudes toward the target extension were more favorable for participants that had been exposed to an intermediate extension (4.12 versus 2.85;  $t = 25.11$ ,  $p < .001$ ). Interestingly, the results also revealed a significant difference in attitudes toward the parent brand. Participants that were only exposed to the parent brand and the dissimilar target brand showed a much larger drop in favorability ratings for the parent brand (4.93 to 3.99;  $t = 4.89$ ,  $p < .001$ ) after exposure to the target brand than participants that were exposed to an intermediate brand extension (4.86 to 4.58; ns.). The first study demonstrated that brand extensions may be used to broaden the parent brand.

## Methodology/Approach Study 2

The objectives for the second study were to provide initial evidence of how respondents update the parent brand image through multiple extensions, and to identify which type of extension basis is more likely to generate extension success through multiple extensions. Participants received product and positioning information in three stages: first the parent brand (fictitious), then the intermediate brand extension, and finally a target brand extension. In order to test the ease with which parent brand associations could be updated, one group of respondents was presented with a brand-benefit based extension strategy from parent brand to both extensions, while the other group was presented with a category-based extension strategy. The product categories and extension strategies were selected such that under the brand-benefit based extension strategy, the parent brand and both extensions could easily be grouped under the abstract concept ‘user-friendly’, while under the category extension strategy the three categories involved: cookware, food processor, and espresso machine – could not be easily stored into a single abstract category – and would thus require more effort to process.

## Findings

As expected the brand-benefit extension strategy resulted in a more favorable attitude towards the target extension than the product category extension strategy ( $F(1, 101) = 33.10$ ,  $p < .001$ ). Planned contrasts showed that attitude towards the target extension was significantly more favorable for participants that had been exposed to a brand-benefit extension strategy than participants that had been exposed to a product-category extension strategy ( $M_{\text{Benefit-Ex}} = 4.49$  versus  $M_{\text{Category-Ex}} = 3.12$ ;  $t_{101} = 5.75$ ,  $p < .001$ ).

Planned contrasts of attitude to the parent brand revealed that participants that had been exposed to a brand-benefit extension strategy had a more favorable attitude towards the parent brand than participants that had been exposed to a product-category extension strategy ( $M_{\text{Benefit-P}} = 4.72$  versus  $M_{\text{Category-P}} = 3.61$ ;  $t_{101} = 5.18$ ,  $p < .001$ ).

To reveal the thought process underlying the attitude scores towards parent brand and target brand extension at stage three, mediation analysis using data collected on participants’ evaluations of the perceived relevance of the brand extension in terms of what they previously learned about the brand was used as a mediator between brand extension strategy (brand benefit versus product category) and attitude towards parent brand/target extension. There was a significant indirect effect of extension strategy on attitude towards parent brand through perceived relevance of the extension,  $b = .345$ , BCa CI [.094, .722]. This represents a medium-sized effect,  $k^2 = .145$ , 95% BCa CI [.043, .272]. There was also a significant indirect effect of extension strategy on attitude towards target extension through perceived relevance of brand extension,  $b = .474$ , BCa CI [.209, .927], and this effect was relatively large  $k^2 = .178$ , 95% BCa CI [.078, .317]. This evidence suggests that evaluations of both brand extensions and parent brand are at least partially based on the ease with which the relevance of extension-relevant associations can be recalled.

## Implications

The results of studies 1 and 2 provide evidence that the associations linked to a parent brand are updated each time the brand is extended. These experiments also provide initial evidence that using an extension strategy that allows consumers to store and maintain information about the brand with minimal effort is advantageous. The next study will involve confirming the learning advantage for abstract versus concrete benefit associations, and thus extend the literature on brand extensions by utilizing the principle that abstract concepts are more complex and are associated with a wider variety of situations (Barsalou & Wiemer-Hastings

2005) to create broad brands that are easier to store in memory. The practical implications of this research is to increase the extension potential of existing brands with less risk of weakening core brand associations.

**Keywords:** brand extensions, broad brands, abstract associations

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## From community addicts to disengaged: The influence of saturation on consumer-brand relationship

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### Purpose

Establishing and maintaining close interpersonal relationships are an essential need for human (Maslow, 1943). However, close interpersonal relationships are not limited to the type of dyadic relationships in which people choose to engage with and maintain. Brand relationship literature has shown that people choose to enter relationships with brands just as they do with other people (Fournier, 1998; Zayer and Neier, 2011). Consumer behavior

theories have also shown that people form self-brand connections (Escalas and Bettman, 2005). Brands are found to help customers articulate their identities (Aaker, 1996) and form relationships with them (Reimann and Aron, 2009).

Over the last decade, organisations are increasingly using social media as an integrated marketing communication to connect and establish strong brand relationships with their consumers (Mukherjee and Balmer, 2007-8; Mangold and Faulds, 2009). Through this, online brand communities became crucial in enhancing brand relationship with consumers (e.g., Owyang et al., 2009; Qualman, 2010; Lim and Melewar, 2011). In 2011, approximately 83 percent of Fortune 500 companies were using social media to connect with consumers who themselves are becoming reliant on the social platform to learn and interact with brands (Naylor, Lamberton, and West, 2012).

Social media today is highly sought after by marketers as it is being hailed as the turning point in how brands will be marketed (Qualman, 2010; Tuten and Solomon, 2012) and how brand relationships will be built, enhanced and managed (Zaglia, 2013). The link of social media to the social capital of people (Ellison et al., 2007) is the main marketing value that organisations are after (Qualman, 2010). Nonetheless, this same link can pose a key potential risk to organisations and their brands (Hoffman and Fodor, 2010). A careful evaluation needs to be done on the risks this social platform presents as there appears to be evidence that people are becoming overwhelmed with the fast paced society and its faster information production and distribution (Shenk, 2003). A hyper-production and hyper-distribution mechanism is surpassing today human processing ability leading to information overload (Shenk, 2003), social complexity (Dunbar, 1988), and social media overload (Safko and Brake, 2009). The consequences of these on brands and brand relationships are yet to be examined in the literature.

It is only very recently that few scholars have started to look at the negative variables that may undermine brand relationship (Fournier and Alvarez, 2013). Despite the increasing number of studies on brand relationship on online brand communities, there seems to be no attention paid to the growing serious challenge arising from customers' saturation in online brand communities that impose direct risk to brand relationship and value creation in these communities.

In the social psychology literature, saturation refers to "*the communication overload experienced by group members in centralised positions in communications networks*" (Shaw, 1976, p. 148). Saturated members of online brand communities have to compensate for the side effect of the "message dense" online community by filtering and blocking the information source as well as investing less time in it (Shenk, 2003, p.395) resulting in less engagement with the brand and driving potentially members to switch communities. The literature on saturation has been mainly developed from information system literature. However, given the lack of understanding in the marketing literature and the serious effect of saturation on customers experience in online brand communities, there is an urgency to provide overarching understanding of the effect of saturation on brand relationship.

The paper examines the effect of consumers' proneness in joining online brand communities on their brand and community relationship in a social networking environment.

## **Methodology**

A mixed-method approach was used to conduct the research. In study number one, a qualitative research methodology was used based on semi-structured 40 face-to-face interviews with open-ended questions. The interviews were conducted in the Middle East and were recorded and transcribed into NVivo 8. The questionnaire spanned across 40 questions with the average interview taking up to 30 minutes

Using the finding from study one and further conceptualisation from the literature, the second phase generated a conceptual model which was tested on 175 respondents using a well known official online brand community (Nokia) in Facebook.

## Findings

The first exploratory study identified proneness in joining online brand communities as being a key saturation variable affecting brand-consumer engagement and relationship over social networks. In the second test phase, using LISREL 8.8 to estimate the model, the findings show significant effect of saturation on consumer-brand relationship. The estimation of the model shows a good fit with  $X^2=242(111)$ ,  $P\text{-Value} = 0.00$ ,  $NNFI=0.971$ ,  $CFI= 0.977$ ,  $RMSEA = .0782$ .

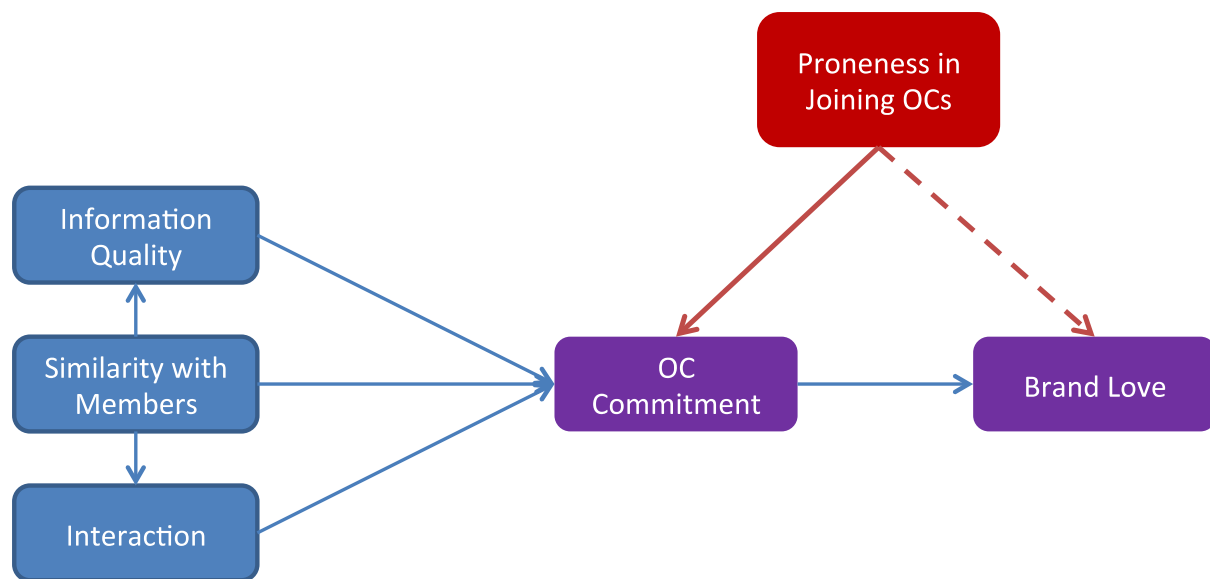


Figure 1 - The Conceptual Model

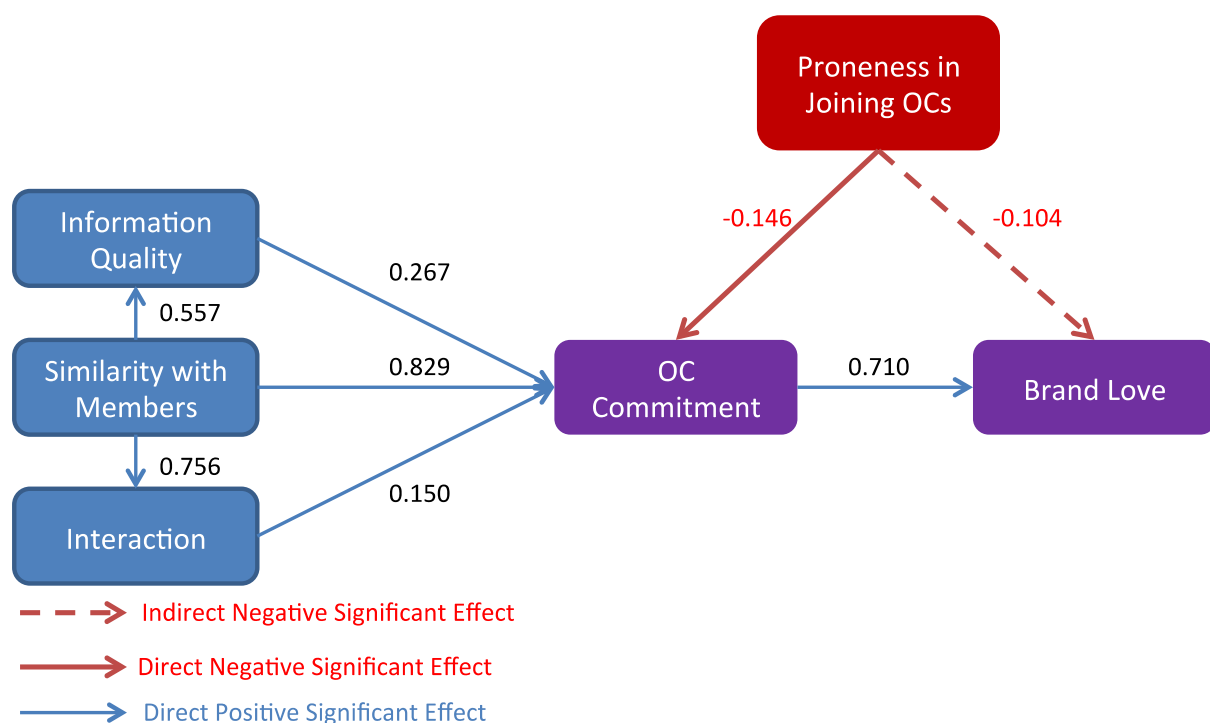


Figure 2 – Model Estimation

The study shows that as members of the Nokia online community kept on joining new online communities on Facebook, the level of the community commitment decreased. Through this, the attention span and time availability of consumers start limiting the dedication of consumers to one or selected few online communities as also noted in the qualitative research stage by the following respondent;

*“The first group you enter you’re happy with but after some while when you enter several communities it become monotonous. It reduces your involvement.” (Age non-disclosed, female)*

Through this, the study found empirical proof that the proneness saturation variable affected the brand-consumer relationship model.

### **Theoretical implications**

Proneness to joining other online communities had been discussed in the literature not as a saturation variable but as a motive to engage in online communities, mainly to access information (e.g. Wellman et al., 1996; Nonnecke et al., 2004). With the exception of Power and Wren (2011) who viewed the overall social media as a source for channel saturation based on the many social media channels people join, proneness in joining online communities within one form of social media (hereby social networking sites) was not regarded as a negative variable in brand relationship in the literature.

This study’s contributions focused on developing an integrated framework addressing the saturation effects on consumers’ online experience in online brand communities originating from the extensive use of this medium in social networking sites. The study integrated the mix of the online brand-consumer encounter in social networking sites and brand relationship. The saturation effect of proneness in joining online brand communities was added to the overall model to test the hypotheses that in a social network context, consumers’ experience in an online brand community (Nokia) and subsequently their relationship with the brand are negatively affected.

### **Practical implications**

In light of the findings obtained through this study on Nokia’s online brand community on Facebook, the implications for companies are considerable. While companies and marketers today are focusing all their engagement strategies to be based on their Facebook pages (online brand communities) and other similar platforms, it seems they are not yet fully aware of the potential downsides the saturation of their consumers can cause on their brand relationship. Therefore, companies need to first understand the negative influence of consumer saturation on their brand relationship through the following:

1. Companies must understand that consumers’ experience in their online brand communities is vital to their efforts to build and maintain successful brand relationship in these communities. Therefore, companies should understand that consumers’ experience can be directly affected by the presence of saturation.
2. Once saturation spreads, consumers’ experience will be negatively impacted leading to a reduction in the commitment to the community and to a lesser engagement with the brand.



3. Once consumers have high proneness levels to join other online brand communities, proneness may reduce consumers' online community commitment and brand love which can lead to a reduction in consumers' engagement with the brand that can be more serious for companies' future competitiveness.

### **Limitations**

The limitations of this research are mainly derived from the location and industry/brand it focused on. The study was done in the Middle-East (mainly Lebanese respondents in the qualitative research stage and Lebanese and Jordanians in the quantitative stage), limiting the generalisability of the study.

Another limitation of the study was that it focused on the mobile phones industry, namely Nokia. By the time of the study, Nokia had only the Lebanese online community in the Middle-East on Facebook. By early 2013, Nokia had extended its Facebook online communities to Egypt, Saudi Arabia and Syria. The study was conducted when Nokia commanded high market share and was leading the mobile phone industry.

### **Originality**

No study has been developed to integrate the online experience variables under a social networking site with brand relationship taking into consideration the direct and indirect effects of a saturation variable. This study confirmed that saturation in social networking sites negatively affects the brand-consumer relationship. The direct saturation effects were shown to be significantly affecting the overall model, proving that in social networks' communities, brand-consumer relationship can be at significant risk which companies might not be fully aware of. In fact, these online communities are currently the focus of most companies that exploit them with the aim of having a better engagement with consumers that would enable them to further co-create values and build a stronger relationship with customers. Nonetheless, the findings from Nokia's online communities in the Middle East show that saturation poses serious challenges and can have implications on brand-consumer relationship.

**Keywords:** Saturation, Addiction, Online brand community, Social Network, Brand Relationship.

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## **Certification in the luxury and premium manufactured goods sectors – The impact of country of origin on UK brands**

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Fairburn, Jon

### **Purpose**

The purpose of the paper is to explore the development of certification linked to luxury and premium goods which would be valued by stakeholders in the supply chain, from raw materials to final consumers. An inductive approach will be utilised.

The luxury sector is the focus of an EU initiative launched in December 2013 (European Commission 2015) to enable the sector to respond to challenges such as strengthening competitiveness in a global world, fighting against counterfeiting and the protection of intellectual property rights. It is believed that there are regional, national and international manufacturers, such as within the ceramics sector, which could benefit from a certification process to give credibility to genuine origin marked products and to counteract counterfeit goods.

The research addresses the prevailing attitudes and beliefs relating to COO/CoI/COM and COD along with the potential for a certification process in the luxury high-end industries, comparing sectors that may be receptive to the initiative.

### **Methodology/Approach**

Due to the exploratory nature of the study an inductive approach is used. In addition, information and data are collected through a series of one to one interviews with senior managers in the selected industry sectors. A research instrument had been designed to address the following areas;

- Heritage and branding
- Existing brand values
- Impact of counterfeiting
- Current practice re country of origin labelling
- Attitude towards country of origin labelling
- The importance of intellectual property and accreditations
- Explore the links between CSR and country of origin
- Made in Britain as a phenomena
- Impact of country of origin on branding.

The research instrument will be utilised to guide the semi-structured interview. Data received will be analysed using appropriate software such as Nvivo.

It is decided to focus the research on four distinct sectors in the UK –

Sector 1 - Premium/Luxury Leather Sector (West Midlands)

Sector 2 - Premium/ Luxury Ceramics Sector

Sector 3 - Premium/Luxury Fashion - Menswear (UK)

Sector 4 - Premium/ Luxury Fashion - Womenswear (UK)

Secondary research was carried out on each sector to identify potential respondents and current certifications held.

A judgement sampling method will be utilised with a maximum of eight interviews from each sector.

### **Findings**

An outline of secondary research findings are as follows;

#### **Sector 1 - Premium/Luxury Leather Sector (West Midlands)**

The roots of the leather and saddle manufacturing industry in the UK are concentrated in Walsall in the West Midlands. Saddlery, as well as other types of leather manufacturing, is heavily reliant on hand-produced and bespoke manufacture and there has traditionally been limited innovation in the industry (GPrix Report 2010).

## **Sector 2 - Premium/ Luxury Ceramics Sector**

The UK Ceramics sector's annual gross added value contribution to the UK economy is around £650 million, with 32% of the sector based in North Staffordshire (Staffordshire University 2013). The area has over 350 ceramics-based businesses. Variation in labelling is evident intra-brand portfolio, demonstrating different positioning of brands to appeal to specific segments.

## **Sector 3 - Premium/Luxury Fashion - Menswear (UK)**

As British men become increasingly fashion aware, retailers are turning their attention to the menswear category (Mintel 2014). The market has increased by 18% between 2008 and 2013 with the strongest segment currently in the demographic 25-34 years of age. Men are also twice as likely as women to prefer branded clothes (19% versus 8%). (Mintel 2014). There is a strong focus either on heritage or "Made in Britain/UK", in the product ranges offered. Some have royal warrants, in line with the leather sector. There is a lack of formal certification.

## **Sector 4 - Premium/ Luxury Fashion - Womenswear (UK)**

Young women in the UK continue to drive fashion sales, as they place such high importance on the latest trends, but future growth opportunities will come from older women (Mintel, 2014). The womenswear market has grown by 4.6% in 2013 to reach £24.9 billion, as women continue to prioritize buying new clothes over other areas of spend. While women's clothing sales have risen 19% over the last five years, growth in 2013 has been impacted by high levels of discounting. A review of the organisations selected demonstrates a mix of approaches, weaker emphasis on the COO re manufacture for global designer brands, embryonic brands positioned as "Made in London/England": there are none who truly emphasise "Made in Britain". It would therefore appear that the geographic locations of London or England are more important in the womenswear sector than in menswear.

**Table 1. Summary of Certification within the 4 sectors.**

|            | "Made in Label" (MIL)<br>country Supported with certification |   | MIL country<br>Unsupported | "MIL" regional |   | Royal Warrant | Country Image, certification unsupported and lacking MIL. |
|------------|---------------------------------------------------------------|---|----------------------------|----------------|---|---------------|-----------------------------------------------------------|
| Leather    | L                                                             |   | H                          | H *            |   | H             | M                                                         |
| Ceramics   | **H (B2B)                                                     | L | M                          | **H (B2B)      | L | L             | H                                                         |
| Menswear   | L                                                             |   | H                          | L              |   | H             | M                                                         |
| Womenswear | L                                                             |   | L                          | ***M           |   | L             | M                                                         |

### Notes

\* Leather : Made in prevalence specifies "Walsall"

\*\* Refers to B2B where Made in Britain/Made in Staffordshire is dominant.

\*\*\* Womenswear favours Made in London or Made in England \*\*\*

### **Theoretical implications**

The debate over the impact of COO, and related measures have oscillated over the years (Usunier 2011, Al-Sulaiti, K.I., Baker, M. J. 1998). Zeugner-Roth & Diamantopoulos (2010) summarized COO as representing a subset of supporting and differing influences. Examples include country of manufacture (COM) country of brand (COB) and country of design (COD) thereby accentuating the growing complexity in the field. However the transient nature of this area of study has questioned whether COM is still relevant to today's consumers as "Made in Labels" have diminished in importance (Pharr, 2005; Usunier, 2006; Phau and Chao, 2008, Samiee, 2010). As a result of this evolution it is suggested consumer's perception of brand origin (COB) is now dominant to COO (Usunier 2011). Therefore the emergence of CoI (Country of Origin Image), sometimes used interchangeably with the broader CI (Country image), (Souiden, Pons and Mayrand 2011), has allowed more in depth analysis of the phenomenon, addressing the "why" rather than just the "if" of consumer buying intentions (Roth and Diamantopoulos 2009). The concept can be classified into three themes (Roth and Diamantopoulos 2009), namely the more generalist approach to CoI image (Martin and Eroglu 1993, Verlegh and Steenkamp 1999) the product country image or PCI (Jaffe and Nebenzahl 2001) and the product image (country related) or (PI).

Tseng and Balabanis (2011) suggest "Made in Labels" still retain provenance in marketing, and remain effective marketing tools to augment and support products through emphasizing strong product country influences (PCI) (Nebenzahl, Jaffe and Lampert 1997, Balabanis and Diamantopoulos 2004). Roth and Romeo (1992) refer to this connectivity as "product – country" matches when the associations are strong whereas Usunier and Cestre (2007) refer to product ethnicity when accompanied by stereotypical consumer behaviour. Combining the emerging themes, the relationship between COO through the prism of CoI/CI (Country of Origin image) and PCATI (product category image), Diamantopoulos Schlegelmilch & Paliawadana (2011) suggest the relationship of these variables impacts the brand image, with full potential being reached when COO/CI capitalizes both on the product level as well as the brand level.

Adding to this, the influence of consumer ethnocentrism levels, Hustvedt, Carroll, & Bernard, (2013) posit that on the product level, the influence of PI can reduce to "state" or regional level in consumers with high CET scores as well as country level. This infers the difference between evaluations based on product, category level could be extended to regional or geographic differences. Overall the connectivity between the two themes of COI /CI and product/category –country and consumers CET level remains fluent and expansive with context and extrinsic factors apparently moving the debate away from the intrinsic or normative discussions (Roth and Diamantopoulos (2009).

Despite these developments in COO literature, research relating to organizational branding has suggested the traditional COO effect has been shown to have a significant impact for purchasing managers (White and Cundiff (1978). Similarly in the area of luxury brands, traditional interpretations of COO retain much of their significance. Aiello et al (2009), confirm the influence of COM (country of manufacture), (Samiee 1994) as a prevalent influencer in consumer perceptions of luxury brands, which differs from the broader definitions of CoI suggested by Roth and Diamantopoulos (2009) & Pereira, Hsu, & Kundu, (2005).

Therefore the internal focus of the proposed study seeks to investigate the concept of COO in its many evolving guises, within the context of premium and luxury brands. Through the lense of corporate identity (Aaker and Joachimsthaler 2000, De Chernatony 2001, Suvattjis & De Chernatony cited in De Chernatony, McDonald & Wallace 2011, Melewar & Elif Karaosmanoglu 2006 ) it is the intention to explore how companies in the identified sectors adopt the various existing and emerging themes of COO and "Made in Labels" in the

marketing and branding of their product ranges. Acknowledging the work of Roth and Diamantopoulos (2009), the study will address both the intrinsic and extrinsic influences of the concept, including how if at all, the use of COO may create a sense of “belongingness” between stakeholders of a company (Hatch and Schulz 2003, De Roeck, Maon, & Lejeune 2013 ).

### **Practical implications**

The focus and drive of the exercise is very much driven by a need to produce a commercial and viable solution relevant to the needs of businesses operating within a defined geographic region with a relevancy and currency with regard to certification and country of manufacture.

### **Limitations**

The geographic regions selected are narrow and hence to add validity a wider geographic region could be selected.

Sectors are defined and may be considered limited.

The research method selected lacks the rigour of a full quantitative analysis and review and as such the exploratory nature of the study may be considered a weakness.

### **Originality/Value**

The outcomes may result in a more meaningful contribution to the prevalent literature with a focus on the views of the company rather than the perceptions of the consumer. The contribution to theory relates to the impact on how the corporate identity of luxury and premium brands is influenced by country of origin of manufacture.

### **Keywords**

1. Luxury/Premium Certification
2. Country of Origin
3. Brand Identity

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## **When and why do established brand names remain important for consumers?**

Round, Griff  
Roper, Stuart

### **Purpose**

Research into the role and importance of the brand name element has generally been focused on new products. This is despite the fact that established products and services make up the bulk of purchases made by consumers. Many studies have identified that the choice of a particular brand name can have a significant difference on the success of a newly launched branded entity and the value and meaning that it provides consumers (Mehrabian and Wetter, 1987; Lowrey and Shrum, 2007; Gunasti and Ross, 2010).

It has generally been assumed within the literature that this importance of the brand name element remains when products and services become established (Aaker, 1991; Keller, 2008). However, there has been a lack of empirical work to support this assumption. In order to address this weakness a research project was established.

The purpose of this paper is to discuss that part of the project that has looked at when and why established brand names remained important to consumers.

### **Methodology**

#### *Theoretical Discussion*

Existing literature was examined to develop a theoretical argument for the importance of the brand name element for established products. Following the work of Bastos and Levy (2012), the brand name element was conceptualised as having two primary value generating functions.

#### *Denotation function:*

The brand name element signifies or identifies the branded entity. In general, the brand name is the principal signing device employed by a branded entity and it is difficult to make reference to a brand entity without the use of its name.

#### *Connotation function:*

The brand name gives symbolic value or equity to a branded entity *in its own right*. In other words because the branded entity has a particular brand name and not a different name the perceived value of the branded entity by consumers is different.



From the literature, it could be considered that the relative importance of the brand name would generally diminish over the lifecycle of the branded entity. Looking at the connotation function first, when a branded product is new then there are few associations that a consumer can make about it, other than from its brand name. Over time new associations are formed based on marketing programmes and consumer experience of using the product (Esch *et al.*, 2012). This may often lead to the actual brand name of an established product contributing little to the associations typically held about the branded entity and therefore holding limited importance (Riezebos, 1994).

From the perspective of the denotation function, there are elements in addition to the brand name that can and do fulfil such a function for a branded entity; for example a branded entity's packaging, slogan and logo. It may be the case that for established products the importance of the brand name as an ongoing signalling device for the consumer has been overstated, given other elements that can provide a similar function. In support of this view, a number of branded entities have changed their names in recent years (e.g. Marathon to Snickers, Charmin to Cushelle) whilst maintaining their other elements that provide a denotation function, with no obvious detrimental corporate impact (Round and Roper, 2012; Edwards, 2010). There has also been a growth in copycat branded products. Their success derives from leveraging the equity of the original brand that they mimic (Kapferer, 1995; Zaichkowsky, 2006; van Horen and Pieters, 2012). This often occurs without an appropriate brand name being used by the copycat product to provide a denotation function towards the initial branded entity, with other elements used instead.

#### *Prior Research*

This theoretical proposition that the importance of the brand name element reduced as products became established was examined in a quantitative experimental study, involving 100 participants (Round and Roper, 2011). These participants were adults from North West England, mixed in age and of both genders. This showed that in the vast majority of cases the importance placed on the brand name element was indeed relatively modest. However, for around 13% of the participants this was not the case. For this minority the brand name element was calculated to be of significant importance, equivalent to at least 60% of the price of the branded product.

#### *Research Design*

This unexpected empirical result led to a qualitative study investigating the reasons behind the continuing and extreme importance of the brand name element for this minority of consumers. All of the research participants who had been identified as placing a substantial value on the brand name of a particular established product were asked to take part in follow-on research and 11 agreed to do so. This took the form of a series of in-depth semi-structured face-to-face interviews. These took place at a university in North West England during 2013 and 2014.

An interview guide was developed to explore their perception of the causes of brand name element importance. Interviews were structured to attempt to initially elicit reasons for importance without interviewer prompting, before subsequently turning to discussion of other potential causes.

Interviews were audio recorded, transcribed into NVivo10 software and analysed using template analysis. This is essentially a grounded approach for the thematic organisation and analysis of textual data, where themes are generally initially generated from existing theory (Dey, 1993).

#### **Findings**

A number of interesting findings came out of the data analysis. In every case, participants recognised the high importance that they placed on the brand name. However, it proved hard

for them to articulate directly the reasons for this. However, detailed thematic analysis did identify a number of potential causes for the importance of established brand names that appeared to be applicable for many of the participants.

#### a-Product Involvement as necessary precursor to Brand Name element importance

It was invariably the case that participants were heavily involved with the relevant branded entity associated with the brand name. They were often heavy purchasers of the branded product, had been for many years and were generally reluctant to use alternatives. However, this high level of involvement with the product appeared to be a necessary precursor for the placement of high importance on the brand name, rather than its primary cause.

Three factors, discussed below, appeared to be relevant for the importance of the brand name element for an established product

#### b-Brand Name element as Signifier of an unchanged Branded Entity

The denotation function of the brand name identifies the branded entity. However, participants within this study perceived this identification role broadly. They did not regard it as simply that of facilitating the physical location of a particular branded entity. Rather they saw the brand name's function as the identifier of the specific meanings and values, rational and otherwise that a particular branded entity holds. An unchanged brand name was perceived as signifying that the branded entity was unchanging. If the brand name were to change then they considered that they would have no way of knowing for certain that the branded entity was unchanged. Given the high involvement that these participants have with specific branded products the unchanging nature of the branded entity is imperative to them and therefore this signifying role performed by the brand name is very important.

*(Talking about a Yorkshire Tea change of name)* Well it would annoy me actually in my mind, because it's a different name and it is a very small thing, but it is a different name. I know it's the same product, but it's the perception in my head of what I think it is...I don't know, I just... I don't believe in change for brands, I think it can be very risky, particularly if you're attached to it [Lucy]

#### c-Brand Name element as Signifier of a strong Consumer/Brand Relationship

A number of participants considered that much of the value that they received from the branded entity resulted from the ongoing relationship that they felt they held with it (Fournier, 1998; Carroll and Ahuvia, 2006). The brand name element was seen as a signifier of their relationship. If the brand name were to change then this would lead to a significant weakening of the relationship, as it would have been carried out unilaterally by only one party within the relationship.

*(Talking about a Lipton's Iced Tea change of name)* And if that changes then you'll try it, you would see it and you'd be like well it's not Lipton's is it and you'll try it and then it might be alright but to me my brand loyalty wouldn't be there because it's not Lipton's, in my head I might know well they've just changed the name but it's still not Lipton's [Annabelle]

#### d-Individual Value and Meaning associated with the Brand Name element

For a number of participants the importance of the brand name element appeared to have been considerably developed by the individual participant. This was due to its association with meaningful events in the life of the individual and from becoming central to the identity of the individual. These meanings and values associated with the brand name were not primarily determined by the corporation. This is in line with an assertion that brand value is the creation of the consumer in addition to the corporation (Hatch and Rubin, 2006; Elliott and Wattanasuwan, 1998), where neither consumer nor corporation have complete control over brand meaning (Batey, 2008) and therefore importance to the consumer.

I would hate to be defined by... but I am a *Guardian* reader yes. I wouldn't want it on my gravestone but I think it would be something that my friends would all know about me as well [Sarah]

### **Theoretical and practical implications**

The first implication is that the denotation function of the brand name element is broader than might have been considered. It signifies to the consumer a number of important aspects about the branded entity, in addition to basic physical identification.

A second implication is that consumers often play a much more active role in the development of consumer brand equity than is generally assumed within the literature (Kapferer, 2008), where the emphasis is development by the corporation. Co-creation is no longer a new topic within the Marketing literature but it needs greater integration into established theoretical branding frameworks.

A third implication that follows on from co-creation is that the idea of co-ownership should be considered. Where brand value and meaning have been jointly developed by the corporation and the consumer then it may be considered that they are now also co-owned (Belk, 1988). In a world of co-ownership, there are implications for one party acting unilaterally to the detriment of the other. These appear particularly pertinent from a relationship marketing perspective.

A final practical implication is that corporations should be mindful of the ongoing roles played by the brand name element and why it may be of particular importance to certain of its customers. They need to appreciate that for these customers a change in brand name may always be problematic and should factor this into their branding strategies.

### **Limitations**

There are inevitable limitations associated with a qualitative study. The sample size used within the research raises generalisation issues. In addition, there may be concerns about the subjective interpretation of the findings. It is the intention to address these, through the employment of a complementary quantitative study in the future.

### **Originality/Value**

This research improves our understanding of the brand name element and its relationship with the branded entity and when and why it may remain important for established products. It also provides support for co-creation activity occurring within branding and suggests the exploration of the notion and implications of co-ownership.

### **Keywords**

Brand-name element, Brand equity, Co-creation

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## **Understanding and managing negative electronic word of mouth (eWom): The role of trust, dissatisfaction and negative brand relationships**

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### **Purpose**

Brand experience can be a source of negative emotions for consumers, which may trigger behavioural outcomes (i.e negative electronic word of mouth, brand switching). An important question that arises in web 2.0 environments is if negative electronic word of mouth (eWOM) is a behavioural indicator of switching behaviour or just a temporary emotional release without any intended conduct (Verhagen et al., 2013). The effects of negative eWOM on the receiver's attitudes and intentions have been studied at length, but the question of under

which conditions negative eWOM leads to a behavioural outcome (switching decision) has received less attention in the literature.

*Negative electronic word of mouth (negative eWOM)* is defined as any negative statement made by actual or former consumers about a brand, which is available to a multitude of people and institutions via social network sites (Hennig-Thurau et al. 2004). The purpose of this paper is to analyse the effects of negative eWom in the context of brand switching, paying special attention to the role of trust, negative brand relationships and dissatisfaction. The goals of this paper are two-fold. Firstly, it analyses the impact of the negative eWom on brand switching from the sender perspective. EWom is often the major reason for non-brand choice and can decrease the revenues of firms, therefore, more research on how negative eWom contributes to the sender's behaviour is openly called for (Lee et al., 2012; To and Ho, 2014). Secondly, it analyses the combined impact of brand trust, dissatisfaction and negative brand relationships on negative eWom and the interactions among those variables. With the exception of some qualitative studies that have addressed motivations for engaging in WOM in brand-related conversation (Hennig-Thurau et al. 2004; Sundaram, et al., 1998), no systematic research has investigated drivers of negative eWOM beyond dissatisfaction. Trust is included in the research model as it is an important factor for measuring the behaviour of web 2.0 users because allows the mitigation of uncertainty and lack of face-to face contact and permits the creation of stronger brand relationships (Casaló et al., 2008; Gefen et al., 2003). This paper also analyses the impact of the emotive responses and connections with the brand, namely brand relationships on eWom. While practitioners recognize this aspect of online brand experience as being critical to the success (Rappaport, 2007), academic research largely overlooks them (Morgan-Thomas and Veloutsou, 2003; Mollen and Wilson, 2010). The research model is presented in Figure 1.

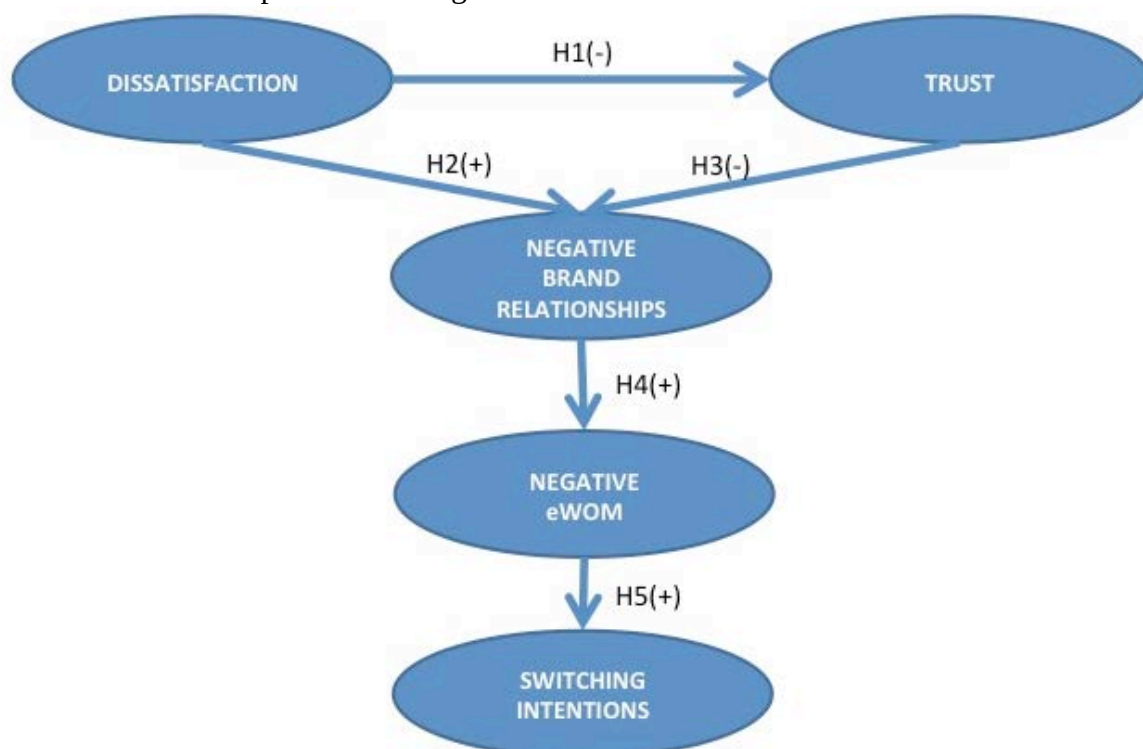


Figure 1. Research model

### Methodology/approach

The relationships among brand trust, dissatisfaction, negative brand relationships and negative eWom and the effect of negative eWom on switching behaviour are tested through

structural equation modelling techniques. Data was collected in May-June 2014 using a sample of 302 Spanish university students who have posted negative reviews online in the past year. According to the “V Study of Social Media in Spain” (International Advertising Bureau, April 2014), young adults (18-30 years old) represent the largest group of social media users in Spain. As in previous studies on social media (Lee et al., 2008; Zhou, 2011), selecting students as our sample was deemed as appropriate.

A questionnaire was drafted using existing scales which was pilot tested with 25 individuals with previous experience writing negative reviews online. All questions were related to a brand with which respondents have had a bad experience. Negative brand relationships were measured as a second order construct adapting the scale developed by Veloutsou (2007) which captures two dimensions of brand relationships: two-way communications and emotional exchange. The scale of dissatisfaction is based on Keaveney et al (2001) research and trust is captured using three items based on Kim et al (2009). Negative eWOM is measured with 3 items adapted from Bougie et al. (2003) and switching intentions with 3 items adapted from Putrevu and Lord (1994). All the variables were measured using 7-point Likert scales (“strongly agree-strongly disagree”).

### **Findings**

After validating the measurement model, a structural equation model was estimated. Data analysis shows that negative electronic word of mouth has a direct and strong influence on brand switching intentions ( $\beta=0.82$ ,  $p<0.01$ ). The results show that negative brand relationships represent an important outcome of dissatisfaction ( $\beta=0.87$ ,  $p<0.01$ ) and lack of trust ( $\beta=-0.12$ ,  $p<0.01$ ). Trust is very dependent on dissatisfaction ( $\beta=-0.59$ ,  $p<0.01$ ). As the empirical study also found a direct influence of consumer negative brand relationships on negative eWom ( $\beta=0.84$ ,  $p<0.01$ ), dissatisfaction arises as the key variable to explain negative eWom as it directly increases negative brand relationships and reduces trust.

### **Theoretical implications**

This study contributes to existing research in three ways. Firstly, the academic literature on the behavioural outcomes of eWom (Cheung et al., 2008, Park et al., 2007; Verhagen et al., 2013) is extended, by focusing on the sender perspective. The proposed model rooted in brand relationship literature, self-perception and dissonance theory, demonstrates that negative eWom is indicative for the intended switching behaviour of the sender of these messages.

Secondly, the role of negative eWom as a direct outcome of negative brand relationships captures the long-term emotive connection between the consumer and the brand. The findings show that an important goal of brand communications in social media should be to build emotional relationships and allow consumers to exchange experiences in a two-way communication with the brand. The findings support previous research stating consumers form relationships with the brands they interact with (Morgan-Thomas and Veloutsou, 2013). Thirdly, the research model goes beyond dissatisfaction. A thorough assessment on how different variables related to brand experience (dissatisfaction), consumer beliefs (brand trust) or brand relationships, affect consumers’ willingness to disclose negative comments about the brand is offered. Previous studies (Casaló et al, 2008; Hazra et al., 2009; Morgan and Hunt, 1994) highlight that the variables included in this research model contribute to building long-term relationships. The research model identifies trust and dissatisfaction to be key antecedents of negative brand relationships in a web 2.0 context.

### **Practical implications**

This research provides companies with knowledge of what aspects to highlight in their communication strategies to minimize switching behaviour and to deal with the negative comments posted by their customers. Managing negative eWom is of vital importance to companies because goes beyond being not only of influence for other consumers, but also it being highly predictive of senders' intended conduct.

Practical recommendations to improve consumer negative relationships with brands, to increase trust and guidelines to reduce dissatisfaction are provided. Companies need to maintain strong brands based on emotional connections with users that go beyond the technical performance. The influence of trust in negative brand relationships involves a series of actions by companies. Firstly, sincerity and transparency are worthwhile in terms of fulfilling the commitments and the promises made by the brand. Secondly, the brand communication policy must promote achievements of objectives, which are complementary to those of the brand target. Thirdly, considerable investment is necessary to provide resources to ensure that consumers perceive greater competence and skill in the organization which owns the brand they are interacting with. The importance of the role of dissatisfaction for trust and on negative brand relationships means that brands need to analyse continuously the factors in the consumer experience with the brand which can generate consumer satisfaction (customer care, design, product quality, etc.), as in the end, more satisfied consumers mean more loyal ones. Companies might want to use customer centered-care teams to resolve problems. This customer care teams should build emotional attachments to the brand and to engage in two-way communication with consumers who recently expressed themselves negatively. This would result in fewer negative messages online. Finally, in order to minimize the negative eWom, trust has to be enriched with brand related feelings that connect the consumer with the brand. Creating trust bonds and positive interactions with the brand, companies can minimize the negative eWom.

### **Limitations**

The study focuses on the antecedents of brand switching from the consumer perspective. However, customers often engage in activities after switching that may still affect the switched-from brand (spreading negative eWom about the dropped brand etc.). Further research could focus on the behaviour of consumers after having switched to another brand. Another limitation of the study is the potential response bias because data has been collected from a student sample. Students are heavy-users of websites 2.0 where it is normal to engage in complaining behaviour, but alternative sample groups might be used to further test the robustness of our findings. Due to the importance of trust, more research with the alternative conceptualization of trust (trust as an intention instead of a belief) would be useful in understanding the role of trust in switching intentions. Previous studies have identified antecedents of trust such as brand familiarity and disposition to trust (Gefen et al., 2003; See-To and Ho). Therefore, further research considering these factors could also enhance the understanding of consumer brand switching behaviour.

### **Originality/value**

Unlike most research focused on examining key drivers of loyalty in online environments, this paper deals with negative assessment, attitudes and behaviour. This work aims to combine the influence of trust, dissatisfaction, negative brand relationships and negative eWom in order to construct an improved model for explaining brand switching. Although the linear relationship between dissatisfaction and negative eWom seems almost intuitive, the interaction with other variables in web 2.0 environments can affect these relationships. This research is novel in that it integrates the mediating effect of negative brand relationships and

a variable associated with the uncertainty of behaviour (trust), on the relationship between dissatisfaction and negative eWom. Moreover, this paper is one of the few studies that consider the negative eWom from the sender perspective. Finally, this paper extends the notion of brand relationships to include the emotive responses (emotional exchange) and connections with the brand (two-way communications) that consumers build over the time on web 2.0 environments. Despite new dimensions having been discovered in brand relationships that go beyond technical performance (Veloutsou, 2007), this is the first study that analyse the direct influence of negative brand relationships on negative eWom.

### Keywords

Trust, satisfaction, brand relationships, eWom, switching behaviour.

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## **The importance of brand competence to seaports in the Middle East**

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### **Purpose**

This paper will present the results of a study which explores the relationship between seaport brand personality, capacity and performance. The study is based on an empirical analysis of the text from the websites of 10 seaports in the Middle East. Each seaport's website is content analysed. Regression analysis is used to ascertain whether interaction relationships existed and whether brand personality dimensional strength (Competence, Excitement, Ruggedness, Sincerity and Sophistication) moderated the relationship between a seaport's capacity (number of births) and performance (twenty-foot equivalent units or "TEUs").

A port's brand acts as "shorthand" to aid and increase speed and brevity to choice by improving recollection of information, resulting in faster transaction judgments (Cohen, 2009, Jain and Golosinski, 2009). A brand's personality is an anthropomorphisation. It involves attributing human characteristics to a non-human creature or physical object. A brand personality represents the character of the brand as if it were a person (Phau and Lau, 2001, Cappara et al., 2001, Aaker, 1997, Grohmann, 2009). It is a way to sustain individuality and create differentiation by emphasising psychological values, beyond a brand or product's functional utility. A brand permeates the entire company and in this way, the sum of a seaport actions, behaviour, dealings and communications form its brand personality. The four P's of marketing play a crucial role in stakeholder evaluation of port offerings (Cahoon, 2007, Cahoon and Notteboom, 2008, Cahoon, 2004). However, seaports offer very similar Products, in terms of container transshipments; have very little control over Price in terms of the economics of doing business in a location (for example energy, labour costs) and

once a location is initially chosen, have little control or ability to relocate (Place). Thus Promotion is the element which gives most flexibility and is increasingly being used as a tool to draw attention to less tangible aspects of a seaport's value proposition. Promotion therefore, is increasingly being used when communicating valence characteristics, as part of a differentiation and positioning strategy, and ultimately as a means of competitive advantage. A seaport's success is dependent upon its ability to compete, retain and attract customers. In order to compare maritime supply chains and performance, a variety of factors around efficiency, quality, ease competence, ability and frequency are used (Sorgenfrei, 2013) and well performing ports are considered competent. Increasingly, Seaport's are required to position and differentiate themselves as preferential in the minds of stakeholders (Cahoon, 2004), often when they occupy similar geographical positions. As a result, management strategies have paid increased attention to marketing and brand management. In particular, emphasis has been placed on Promotion in the form of marketing communications (Sorgenfrei, 2013), which is thus far predominantly anecdotal and under researched (Cahoon, 2007, Stopford, 1997).

Branding has become increasingly important for newer ports, which must develop new marketing strategies and approaches (Sorgenfrei, 2009; Misztal and Aldershot, 1999) as well as marketing communications strategies (Cahoon and Notteboom, 2008). In a highly globalised and competitive environment, these must be clear and articulate a port's offering and value proposition (Cahoon, 2007). Sorgenfrei (2013) argues that this is especially true in the case of sister ports, as a symbiotic relationship is established and maintained to share resources between ports.

It is acknowledged that promotion and marketing communications are under researched for ports (Cahoon, 2007, Stopford, 1997). It has been acknowledged that brand and marketing management are important for ports, however this is predominantly anecdotal. Therefore, the overall aim of this research is firstly to ascertain whether top Middle Eastern container seaports are indeed communicating a brand personality online and secondly whether an interaction relationship exists between port capacity and performance, and brand personality. Brand personality is measured across each of Aaker's 5 brand personality dimensions: a) Sincerity b) Competence c) Excitement d) Ruggedness and e) Sophistication

### **Design/Methodology/Approach**

The Port of Jebal Ali (1), Jeddah Islamic Port (2), Port of Khor Fakkan (3), Port Said (4), Port of Salalah (5), Shahid Rajee Port (6), King Abdulaziz Port Dammam (7), Port of Alexandria (8) and Port of Haifa (9) were selected as the largest container seaports in the Middle East by Twenty foot Equivalent Units ("TEUs"). Sohar Port (10) was selected, as the most recently rebranded (Prabhu, 2014) port in the Middle East. Sohar is viewed as a new competitor in the GCC (Lammers, 2013) and is the sister port of Rotterdam Port, widely acknowledged to have a strong brand (Dooms et al., 2013).

The website pages were downloaded for each party. This provided 134,184 words for analysis. Brand personality was measured using Aaker's (1997) brand personality scale and Opuku's (2005) dictionary of synonyms. The frequency of words was used to assess brand personality across Aaker's five dimensions of Competence, Excitement, Ruggedness, Sincerity and Sophistication. Statistical analysis was conducted to ascertain whether interaction relationships existed and whether overall brand personality moderated the relationship between seaport capacity (number of berths) and performance ("TEUs").

### **Findings**

The findings indicate that while capacity explained a significant and large amount of variance of performance alone, brand personality played a significant moderating role. Each

dimension was tested separately as an interaction term, between capacity and performance; significance\* and increase in variance explained due to interaction were examined: a) Sincerity ( $p=.323$ ) b) Competence\* ( $p<.05$ ,  $R^2\text{-chng}>10\%$ ), c) Excitement ( $p<.1$ ), d) Sophistication ( $p<.1$ ) and e) Ruggedness ( $p=.308$ ). Thus, only the interaction term of brand personality competence was significant and explained a significant portion of extra variance. Upon further examination, findings showed that brands with low levels of capacity, but high levels of brand personality competence performed better than port's with similar capacity and lower levels of brand personality competence. At low levels of brand personality competence (-1 SD on mean), the relationship between capacity and performance was negatively affected. At medium levels of brand personality competence (mean), the relationship was significant and positive. At high levels of brand personality consistency (+1 SD on mean), the relationship became increasingly stronger.

### **Theoretical implications / What is original / Value of the paper**

The findings of this research add to the existing body of literature on brand management, brand communication and port brands.

The literature recognises branded marketing communications and port competency as important, but there has been no empirical research to establish whether an interaction relationship exists between brand personality, port capacity and performance. This research is therefore original in that it provides empirical evidence across 10 seaports to test these relationships. Findings highlighted the significance and interaction of brand personality competence.

### **Practical limitations/Implications**

This study is important for seaport marketing managers who are designing their communication strategy. Our findings show that brand personality competence played a significant role in moderating the relationship between a seaport's capacity and performance. Thus, marketing managers should seek to explore their own brand personality communication strategy with a particular emphasis on the communication of competence.

### **Research limitations/Implications**

This is a single study within a Middle Eastern context, and so the results may not be generalisable beyond the Middle East. Also while the study captures a large percentage of the population, the sample was small, thus a further study should attempt to examine a larger number of seaports. The study was conducted at a single point in time and so would not account for brand personality changes over time. Further research should therefore explore different sectors and collect brand personality data over time. This study used port websites to measure brand personality and thus a confirmatory study would be useful to verify port brand personality as perceived by stakeholders.

### **Keywords**

Seaport Brand Management; Seaport Branding; Seaport Marketing Communications;

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## Brand partnerships creating destination brand identity

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Komppula, Raija

### Purpose

The existing research on tourism destination branding, although largely acknowledging involvement of multiple stakeholders in branding (Fyrberg & Jürriado, 2009), has focused on certain perspectives to the phenomenon. One of the main angles has been the ability of Destination Marketing Organizations (DMO) to develop or coordinate the destination brand (Bregoli, 2013; Hankinson, 2012). Additionally, branding is commonly conceptualized as a process (Hanna & Rowley, 2011) which has been useful in understanding the lack of DMO's control over the whole process (Morgan et al, 2003). This, however, may also result in oversimplifying approaches to the phenomenon (Saraniemi & Kylänen, 2011). Consequently, several important actors are being marginalized from brand creation, both theoretically and in practice.

Literature has demonstrated the central role of partnerships in destination branding (e.g. Hankinson, 2012). Several actors in destinations participate in delivering brand experience (Bregoli, 2013) comprising a network with more or less formal structure (Fyrberg & Jürriado, 2009). Partnerships may manifest themselves between public and private sector actors through various activities within a local community: co-branding between organizations, DMO's guidelines via brand manuals, common marketing programs or informal meetings for ensuring consistent brand message (Hankinson, 2012). Often the literature and branding practice, however, have been DMO-oriented and not examined the alternative perspectives of other actors to brand creation (see Bregoli, 2013).

Comprehensive models of destination branding have been presented (Park et al., 2009) including both image and identity sides of the brand (Nandan, 2005). Recently, the focus has been particularly on the supply-side of the brand, (Konecnik and Go, 2008), being visible also in the discussions of stakeholders' dynamic interactions around the brand and brand identity (da Silveira et al., 2013; Vallaster & von Wallpach, 2013). Mainstream branding literature has tended to define brand identity as a desired core of the brand dictated by management and communicated to the audience (Aaker, 1996; Kapferer, 2008). Thus, the brand identity is seen as a fixed entity (da Silveira et al., 2013), subject to controlled changes every now and then. However, engaging customers has turned the essence of brand identity as being dynamic (da Silveira et al., 2013) and evolving.

Based on earlier described collaborative logic of branding (Merz, He & Vargo, 2009), this study takes a multi-stakeholder approach to brand identity creation (Gyrd-Jones & Kornum, 2013) within a destination brand context and poses the question: *How does destination brand identity evolve in a multi-stakeholder environment?*

### Methodology

This is an intensive case study of a tourist resort in Northern Finland, here called as Fell. The data consists of fifteen narrative interviews among owner-managers (5) and managers (3) of local tourism enterprises, other enterprises (1), representatives of events (1), municipality (3) and the tourism organization (2). Following the model of the narrative research process proposed by Czarniawska (2004), interpretation of the stories was made by reading through the data several times and by paying special attention to what was common and what were the differences in opinions or interpretations of the events during the development of Fell. On the basis of the narrative analysis, a new story about the development of tourist resort Fell and its brand was created (Erikson & Kovalainen 2008, Chase 2005).

## Findings

The evolution of the Fell brand identity goes hand in hand with the development of Fell as a tourist destination. Since the early stages in the 1960s and 1970s Fell has been one of the leading Finnish tourist resorts due to its strong and innovative *pioneer entrepreneurs*. The image of Fell was based on the skiing and the resources provided by the great outdoors, experienced by early customers.

*"...it was a pioneer stage where Fell's fame as a skiing resort was more based on customer experiences, and we did not advertise at all at the time" (I3).*

*The local skiing culture and a culture of cooperation created a foundation for the identity of the Fell tourist area, which reflected a feeling of solidarity that the tourists found appealing and made them more eager to visit the area.*

In the 1970s key entrepreneurs started to make *systematic investments* to generate a competitive edge and develop the Fell image and identity into a versatile, *top-class ski resort*. Regular customers from the Helsinki region were especially important as *advocates of the resort*.

*Conscious 'branding' of Fell started in the 1980s, based on the skiing product. The ski lift company together with an advertising agency created a logo for Fell and a development plan for the Fell brand. Meanwhile, the Fell area had grown into a village centre with more versatile services that attracted new tourism enterprises, which provided a strong foundation for the brand. The Fell! logo had major significance in the brand communications in the 1980s, but the basic idea of the tourism entrepreneurs was that the core of the brand should be cooperation and the versatile service culture.*

*"...it didn't take long for us to reach the consensus that we must do things together! After all, there was no summer tourism to Fell at the time, which meant that our content was winter and Fell." (I3)*

In the late 1980s, *joint marketing* of Fell started. *The ski lift company owned the brand logo* and the other companies paid their share of the marketing expenses to the lift company's bank account.

In the 1990s, development of Fell into an *international tourist attraction* started. The *service selection became more versatile* and the skiing product was no longer Fell's only attraction. Led by activity services entrepreneurs, the Fell brand identity was developed into a top-quality international tourist resort *open all year round*.

*"The early years of the 21<sup>st</sup> century were a great time because us companies were able to agree that we will keep the services available all year round. That we wouldn't close down our services during the less busy times. That was a great change; it really felt like we shed the ski resort label and became a tourist resort." (I2)*

In 2002, the largest tourism enterprises in the region joint forces with the town of Municipality to establish the *Fell-Municipality Tourism Association*, aiming at promoting year-round tourism activities under a joint brand of the Fell-Municipality.

*"...the tourism association was established [in the beginning of the 21<sup>st</sup> century] and that's when we started marketing summertime as well. The municipality paid a large share of the association's costs. That's when we started using the so-called double brand or the red Fell brand and the green Municipality brand." (I3)*

The launch of shared co-brand in the early 21<sup>st</sup> century *blurred the brand's key values and the brand identity* in the minds of some of the parties involved. Although the purpose was to communicate improved offering, the creation of the Fell-Municipality co-brand made it difficult for people to understand the key values of the original ski resort brand, the Fell. Furthermore, it *impeded efficient brand communications*.

As the executive director of the Tourism Association changed in the beginning of 2014, the association's board decided to *reform* both the Fell-Municipality *logo* and the *content of the brand communications*. The new logo is based on the original red *FELL!* logo with the word 'Municipality' added at the bottom meaning that the brand's visual appearance will be more similar to the original brand that focused on the Fell Ski Resort.

### **Theoretical implications**

This study contributes theoretically to brand management and governance discussion through describing how destination brand identity evolves in a multi-stakeholder environment. First, our data demonstrates that the destination brand identity builds on elements that the resort can offer *on its own* (nature, scenery, cleanliness) and elements that *locals* or *stakeholders* have built or enabled (culture, pioneer entrepreneurs, functional infrastructure, cooperation, brand communication). Thus, our findings are in line and extend those of Saraniemi (2009) who described the components of destination identity based on corporate identity model by Melewar and Karaosmanoglu (2006).

Second, our study is one of the few in place, and particularly in tourism destination context (see e.g. Bregoli, 2013; Kavaratzis & Hatch, 2013) to reveal that brand identity is created in dynamic interactions in several relationships between stakeholders. Findings reveal underlying structures for destination indicating sense of place and community as profound elements of destination brand identity. Bregoli (2013) mentions "brand commitment" to this end. In general business context, da Silveira et al. (2013) suggested that brand identity originates from brand management but develops over time through their and stakeholders' inputs indicating that brand identity is adaptive to its environment.

Third, the interactions between stakeholders are based more on common goals and vision than legal ownerships of the brand. The vision may change over time but values of the brand are more stable indicating that part of the identity is adaptive to changes (cf. da Silveira, 2013), e.g. customer needs and experiences. However, mutual trust and capabilities for co-operation are needed between key entrepreneurs (see Wang & Krakover, 2008). As a form of brand partnership, co-branding between companies (see Hankinson, 2012) and even between destinations for transferring and developing destination brand equity is possible. In this study, one corporate brand was leveraged as a brand of the whole area, and later co-branded with Municipality and other destination indicating both brand value and equity, and expanding the identity and its communication.

According to this study, more formal co-operation as a form of DMO expanded the offering but also blurred the brand identity and values especially among local entrepreneurs. Thus, the genuine presence of key stakeholders in the brand creation process is important for retention of unity of the brand identity. This strengthens the previous findings in the literature (e.g. Vallaster & von Wallpach, 2013) that brand identity is not a static entity but under ongoing negotiations and changes.

### **Practical implications**

This study strengthens the advantages of multi-stakeholder orientation in brand creation instead of DMO-centric activities. Marginalizing meaningful opinions may cause lack of mutual understanding of the vision and values of the destination.

### **Limitations**

This was a single case study presenting only supply-side perspective to brand identity involvement, however enabling to capture specific details in the context.

## Originality/value

This study is one of the few to examine brand identity evolvment from multi-stakeholder perspective.

## Keywords

Destination branding, stakeholders, DMO, co-branding

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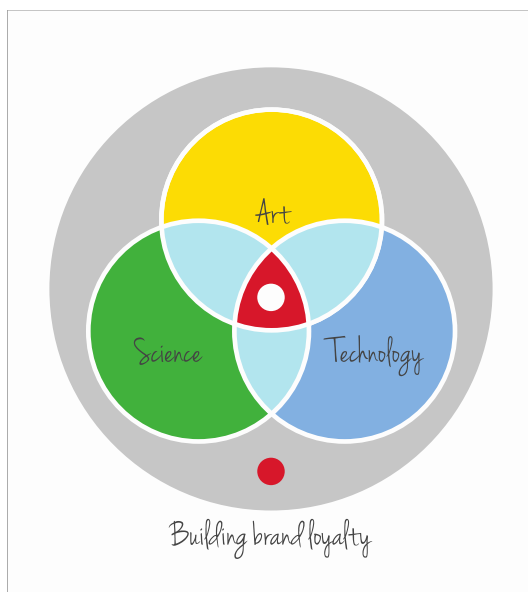


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## Senses and sensibility: A human-centred branding strategy

Saris, Brenda

A brand is the soul of a business. Whether we are marketing a product or a service, brand value is significantly grounded on emotions that are activated through the five human senses. Studies have indicated that successful brand strategies convey meaningful experience to the five senses to elicit and trigger buying behaviours. Customers do not buy products and services; they seek stories, engagement and meaningful experience that the product or service conveys. However, although the internet has become an omnipresent channel for branding with customers seeking high quality multi-sensory and multi-experiential brand interactions, designing for the five senses is largely forgotten when brand strategies are devised for this technological environment. In the globalised world where the five human senses and socialisation interact with social media, the challenges ahead are complex. The *Senses and Sensibility* connection is discussed, along with human behaviour, and socialisation within social media. Key elements emerge for a successful brand strategy to enable business to stay competitive in the shifting landscape of humanistic branding. Brands that harness art, science and technology (AST) to delight the human emotions engender higher brand equity. The AST continuum combines and synergises these three disciplines in order to build brand loyalty.



The general theoretical literature on brands and branding in the context of measuring sense experience and brand loyalty within social media appears inconclusive. Guzman and Iglesias (2012) suggest that future studies might consider associations between developing consistent multisensory brand experiences across all touch-points, and the role of social media in current branding. Similarly Hong-Youl (2004) and Chiou, Hsu & Hsieh (2013) assert that brand loyalty, the internet and factors affecting brand loyalty particularly within an e-commerce context, has limited coverage in the literature. Although one could draw conclusions based on Lindstrom's (2005) assertions that powerful branding (and loyalty) is built on all five senses,

designing for them within a social media context appears problematic. Others dispute how affective designing to the senses may be when the customer engages with a brand online (Yohn 2013, 128; Murray 2003, 7; Clark 2004, 67). The designers/photographers' subjective assessment and intent, may not communicate successfully with an intended target audience, because an individual will rather project their own subjective assessment onto the image. To further complicate matters, it has been reported that 92% of customers trust word of mouth, and 70% trust user generated-content, more than any other form of advertising, social media or email marketing (Guzman & Iglesias 2012, 388).

**Purpose of the research was to ask:** How do the five human senses affect brand loyalty in social media? How are the five senses relevant to a purpose or belief about a brand within social media context? How could the practice of branding benefit from the proposed AST continuum?

### **Methodology/approach**

Opinions were sought from a series of focus groups and tested through simple subjective assessments (*two part* cross-sectional quantitative questionnaire). Participants were introduced to each of the eight objects within the focus groups, with the questionnaire distributed to gauge opinions and reactions to different scenarios, and the impact of social media. Through this process, the research moved towards hermeneutic phenomenology in seeking meaning through linguistic descriptions of participants' emotional experience with these objects in relationship to their five senses and the social media context. Data from three groups were analysed see Table 1.

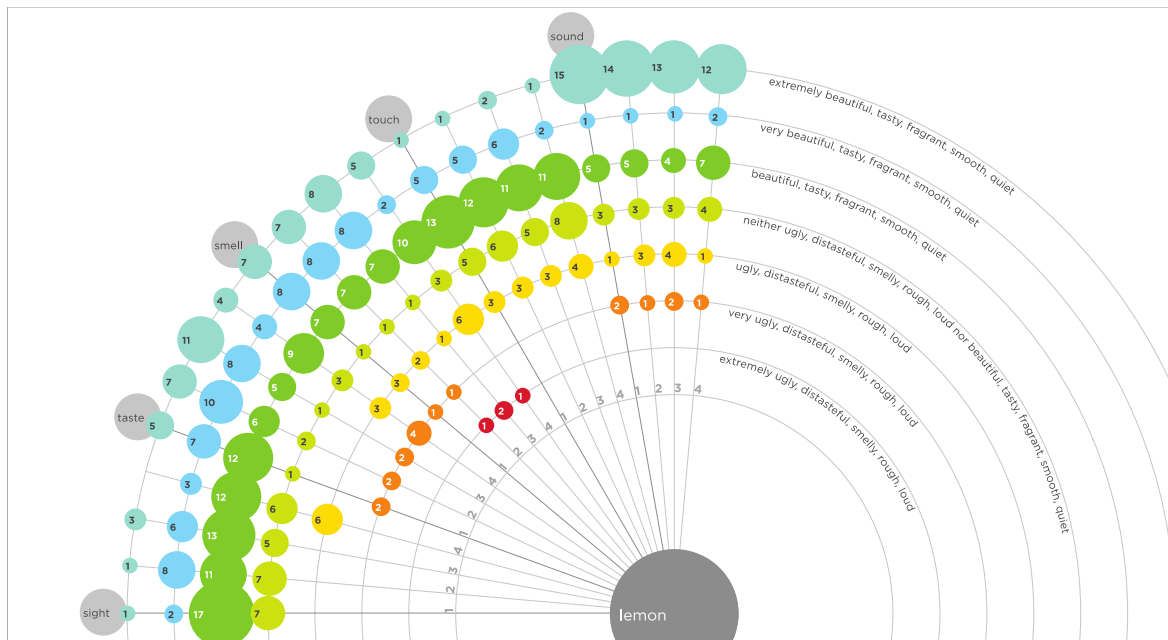
| Table                                                                                        | 1:                           | Participant | Groups    |
|----------------------------------------------------------------------------------------------|------------------------------|-------------|-----------|
| Group                                                                                        | Age sample size              | Total       | Ethnicity |
| Student group<br>Architecture<br>Communications<br>Commerce<br>Humanities<br>Law             | 18 - 25 (5 male, 4 female)   | 9           | European  |
| Designer group<br>Web / Interactive<br>Graphic / Brand<br>Illustration<br>Fashion<br>Product | 28 - 50 (7 male, 2 female)   | 9           | European  |
| Customer group<br>Marketing<br>Administration<br>Law<br>Government                           | 30 - 55 (4 male, 5 female)   | 9           | European  |
| Total                                                                                        | 18 - 55 (16 male, 11 female) | 27          |           |

Relationships the research explored: Potato / lemon; Nike shoe / headphones; Fragrance (perfume/aftershave) / fly spray; Stapler / eraser. Objects were chosen which exemplified those used in everyday life and to determine how human-centred responses may provide insight into brand strategy. Potentially there were other factors to be inferred from objects. For example, a stapler might be representative of work, an eraser mistakes. The lemon and potato are commonly used ingredients and offered potential into brand/variety recognition. As Nike holds powerful global and local cachet, the brand was offset with headphones to better understand how powerful the brand might be when compared to a stronger sense experience (sound). If the participant had a preconceived understanding about that brand, which of the senses were most associated with the brand? If the brand was unknown, or lesser known, which of the senses do people access first?

#### *Questionnaire Part one*

The simple subjective assessment tested four objects (lemon, potato, Nike sports shoe and headphones) with positive and negative social media response factors. The second four objects (flyspray, fragrance, stapler and eraser) were tested with negative and positive social media response factors. A sensewave (Fig.1) was created for each individual object.

Fig. 1: Sensewave for a lemon



### Questionnaire Part two

Designed to gauge overall sense experience and offer insight into variations on Lindstrom's (2005, 69) BRAND sense study. The mean for sight, sound, touch, taste and smell was found across the entire participant group (27) for the all objects. The lower the number, the stronger, the association (Table 2).

Table 2 Scores for sight, sound, touch, taste and smell - all objects.

|        |                |              |              |              |              |
|--------|----------------|--------------|--------------|--------------|--------------|
| Potato | / touch = 2.78 | sight = 3.19 | smell = 3.63 | taste = 4.48 | sound = 4.81 |
| Lemon  | / taste = 1.48 | smell = 1.74 | sight = 3.0  | touch = 3.85 | sound = 4.93 |

|            |                |              |              |              |              |
|------------|----------------|--------------|--------------|--------------|--------------|
| Nike shoe  | / sight = 1.33 | touch = 1.85 | smell = 3.63 | sound = 3.70 | taste = 4.48 |
| Headphones | / sound = 1.41 | sight = 1.89 | touch = 2.93 | smell = 4.19 | taste = 4.59 |

|           |                |              |              |              |              |
|-----------|----------------|--------------|--------------|--------------|--------------|
| Fragrance | / smell = 1.07 | sight = 2.37 | touch = 3.30 | taste = 3.96 | sound = 4.22 |
| Flyspray  | / smell = 1.30 | sight = 2.70 | sound = 3.41 | taste = 3.63 | touch = 3.96 |

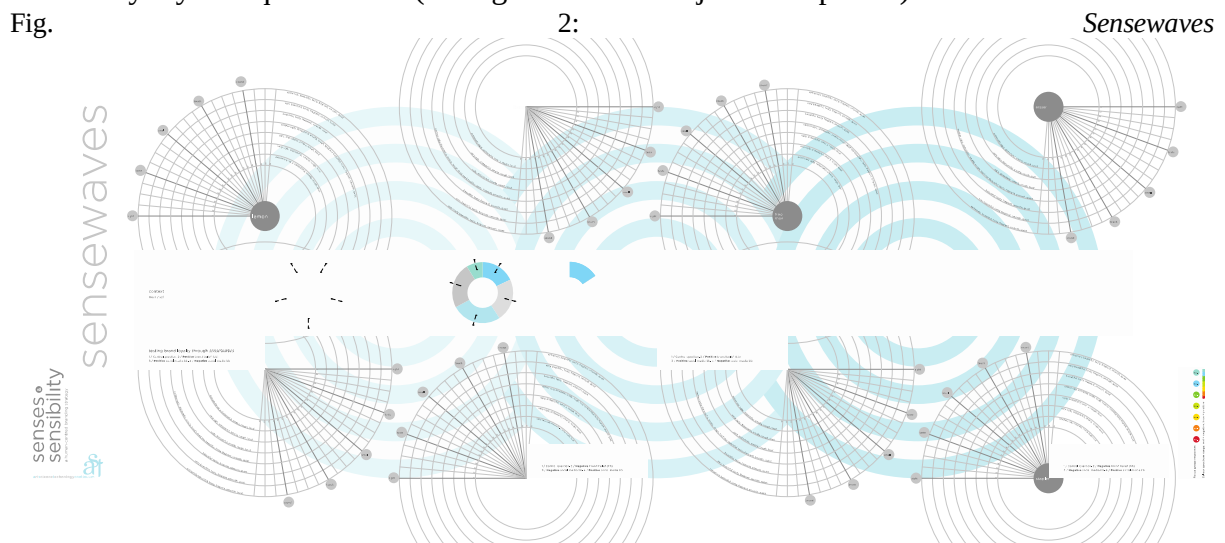
|         |                |              |              |              |              |
|---------|----------------|--------------|--------------|--------------|--------------|
| Stapler | / touch = 1.70 | sight = 1.81 | sound = 2.74 | taste = 4.37 | smell = 4.37 |
| Eraser  | / touch = 1.37 | sight = 2.07 | smell = 3.41 | sound = 3.63 | taste = 4.52 |

## Overall findings

When a belief was imposed in **Part one** of the questionnaire (Table 3), the sense/senses which ranked highest in **Part two** were found to be placed at greatest compromise. Since in all object relationships the same senses were implicated (except the stapler, which was eliminated), there is a potential risk to brand loyalty in regard to the senses found to be most implicit with the experience of that object. In the BRAND sense study, smell was found to be the second most important sense after sight, and touch ranked lowest on the scale (Lindstrom 2005, 69). However, this research has found sight and smell to be the least predictable senses, the participants failing to make context evaluations about a brand based firstly on sight, then smell with touch ranking last.

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Potato</b></p> <p><i>Sensewave result, risk to loyalty (A1) – sight, taste and touch.</i></p> <p>This finding combined with the context question concludes that the senses most implicit with the experience of a potato are: <i>touch</i> (2.78), <i>sight</i> (3.19), <i>smell</i> (3.63).</p> <p><b>Lemon</b></p> <p><i>Sensewave result, risk to loyalty (A1) – taste.</i></p> <p>This finding in combination with the context question concludes the senses most implicit with the experience of a lemon are: <i>taste</i> (1.48) and <i>smell</i> (1.74).</p> <p><b>Summary lemon/potato relationships</b> (similarities and differences).<br/> Similarities. Implicit risk to brand loyalty: <i>taste and smell</i>.<br/> Differences. Implicit risk to brand loyalty: <i>touch and sight (potato)</i>.</p> | <p><b>Fragrance</b></p> <p><i>Sensewave result, risk to loyalty (A1) – smell and sight.</i></p> <p>This finding combined with the context question concludes that the senses most implicit with the experience of fragrance is: <i>smell</i> (1.07) and <i>sight</i> (2.37).</p> <p><b>Flyspray</b></p> <p><i>Sensewave result, risk to loyalty (A1) – smell.</i></p> <p>This finding combined with the context question concludes that the senses most implicit with the experience of flyspray is: <i>smell</i> (1.30).</p> <p><b>Summary flyspray/fragrance relationships</b> (similarities and differences).<br/> Similarities. Implicit risk to brand loyalty: <i>smell</i>.<br/> Differences. Implicit risk to brand loyalty: <i>sight (fragrance)</i>.</p>       |
| <p><b>Nike sports shoe</b></p> <p><i>Sensewave result, risk to loyalty (A1) – sight and touch.</i></p> <p>This finding combined with the context question concludes that the senses most implicit with the experience of a Nike shoe are: <i>sight</i> (1.33) and <i>touch</i> (1.85).</p> <p><b>Headphones</b></p> <p><i>Sensewave result, risk to loyalty (A1) – sight.</i></p> <p>This finding combined with the context question concludes that the senses most implicit with the experience of headphones are: <i>sound</i> (1.41) and <i>sight</i> (1.89).</p> <p><b>Summary Nike/headphones relationships</b> (similarities and differences).<br/> Similarities. Implicit risk to brand loyalty: <i>sight</i>.<br/> Differences. Implicit risk to brand loyalty: <i>touch (Nike), sound (headphones)</i>.</p>     | <p><b>Stapler</b></p> <p><i>Sensewave result, risk to loyalty (A1) – none of the 5 senses.</i></p> <p>Therefore the context question concludes that the senses most implicit with the experience of a stapler are: <i>touch</i> (1.70) and <i>sight</i> (1.81).</p> <p><b>Eraser</b></p> <p><i>Sensewave result, risk to loyalty (A1) – sight.</i></p> <p>This finding combined with the context question concludes that the senses most implicit with the experience of an eraser are: <i>touch</i> (1.37) and <i>sight</i> (2.07).</p> <p><b>Summary stapler/eraser relationships</b> (similarities and differences).<br/> Similarities. Implicit risk to brand loyalty: none.<br/> Differences. Implicit risk to brand loyalty: <i>touch and sight (eraser)</i>.</p> |

Findings from **Part one** and **two** were synthesized through information graphics (Fig. 2), so business might view how designing for the five senses within brand strategy may be tested. This may in turn help to determine which of the senses are most implicated (impacted) when brand loyalty is questioned (through friends subjective opinion) within social media.



## **Theoretical**

## **implications**

The theory of subjectivity requires reassessment in order to further understand the dynamics of subjective influence with regard to establishing brand loyalty. The established framework for brand loyalty suggests that loyalty is achieved through designing brand experience (Peters 2003; Neumeier 2007; Jung & Soo 2012). However, this study suggests that designing brand experience is unlikely to be a successful strategy for some customers with an apparent distrust in their own beliefs. This pattern is consistent with the problem of consciousness and complex thinking (Garvey & Stangroom 2012; De Bono 2000) but contradicts that of adherence to brand tribes (Neumeier 2007).

The theories for identity also require reassessment, to further understand implications of unconscious and conscious behaviour with regard to subjectivity, desire and motivation. The framework for identity suggests that desire enables the achievement of motivation (Morillo 1990). This study identified that such a benefit is not likely for some customers who have little regard for brands and branding, and therefore have little or no motivation. This pattern is consistent with a study undertaken in New Zealand (Chapman-Smith, 2013), but contradicts that of many theorists (Veblen 1898; Sterns 1994; Morillo 1990).

## **Practical implications**

### *Affect of brand loyalty in social media*

Of the eight objects tested, all revealed a minimum of one sense and maximum of three which were implicit in brand loyalty when subjective assessments were made in the focus groups about positive and negative beliefs received through social media. Of these objects, similarities were found in the relationships between the lemon/potato taste, Nike/headphones sight and flyspray/fragrance smell. The differences as would be expected, related more specifically to the object; for example, Nike sports shoe/touch and headphones/sound. Thus compromise to brand loyalty through the senses in social media is evident. *Not all five senses were found to be relevant in response to a purpose or belief within social media.*

There was a minimum of one sense and a maximum of three, which were found to be implicit in brand loyalty with the eight objects. The study has revealed that when outside influences (social media friends) add their subjective response to a purpose or belief about the brand, some change how they respond. The described experience may manifest as a response correction through the five senses. These corrections are influenced by subjectivity, especially in cases of limited brand experience. Without experience it is more difficult for a customer to form a view, and in this instance they may seek the opinion of others. *The practice of branding may potentially benefit from the proposed AST continuum.* Art is one of the key creative processes for individuals (customers) to create their own content, or designers to create brand experience, which potentially stimulates further customer connections. In current branding, knowledge of neuroscience techniques may be employed to understand human behaviour, and utilising the internet as a channel for branding has never been easier: customers access technology through social media in a globalised world.

## **Limitations:**

The data revealed that age was a confounding factor in the focus groups. Younger participants were influenced more by negative response received through social media. Other limitations include the relatively small sample size, and lack of ethnic diversity indicative of this pilot study, with future studies designed to involve larger groups.

### Originality/value

The study found that there are relationships and connections between brand loyalty and the positive or negative effects of social media on the five human senses. There was evidence that some senses were compromised by subjectivity in the focus groups, affecting a change in brand loyalty. But not all five senses were found to be relevant in response to a purpose or belief within social media. The AST continuum is considered to be useful as this human-centered strategy considers emotional and subjective capabilities of the customer. A key model emerged (Fig. 3) for small business own application. A tree metaphor indicates business growth and the notion of the AST continuum being continuous. When these three parts combine there is the potential for experience touchpoints, customer value, loyalty and business equity to be created.

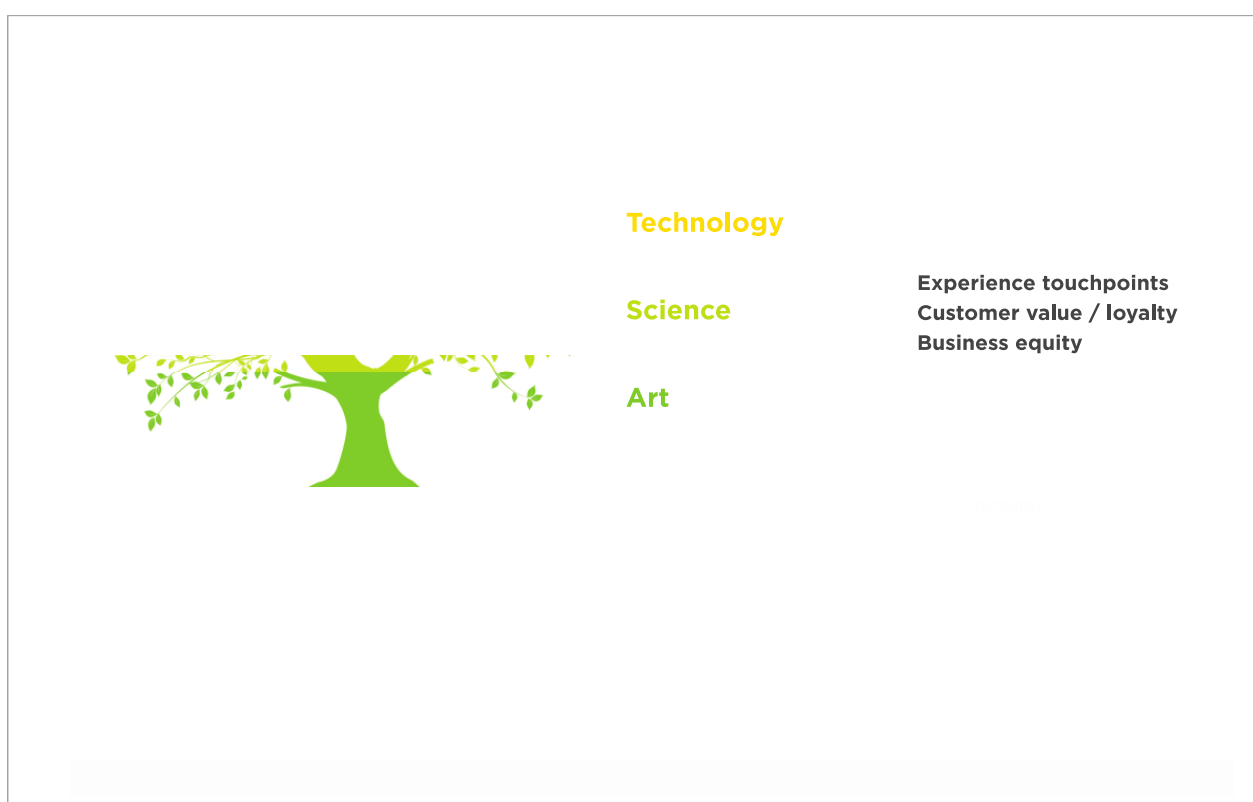


Fig. 3 Senses and sensibility: A human-centred branding strategy

### Keywords

Branding, senses, social media, subjectivity

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## **The importance of pensions in the attractiveness of the employer brand**

Shaw, Kitty  
Waite, Kathryn

### **Purpose**

This purpose of this paper is to examine to what extent the workplace marketing of pensions is important as part of an employer brand, by considering workplace marketing of pensions in terms of their effect on the attractiveness of future employers to young graduates. Barrow first developed the concept of the employer brand in the economic boom of the 1980s, seeing the need to apply marketing and specifically branding principles to the management of human resources, in order for organisations to succeed in the growing competition to recruit and retain talented employees (Ambler and Barrow 1996). The brand image of employers has been shown to have a positive influence on the likelihood of individuals to apply for jobs



(Knox and Freeman, 2006). A key principle of the original concept still applied today, is that the employer's brand, like the consumer brand is a holistic entity encompassing all aspects or touch-points of the employer/employee relationship and ensuring a consistent set of values and experiences across these is key (Mosley, 2007). Ambler and Barrow (1996) define the employer brand as '*The package of functional, economic and psychological benefits provided by employment, and associated with the employing company*'. Their employer brand wheel below illustrates the range of activities encompassed within the employer brand and forming part of the value proposition to employees.

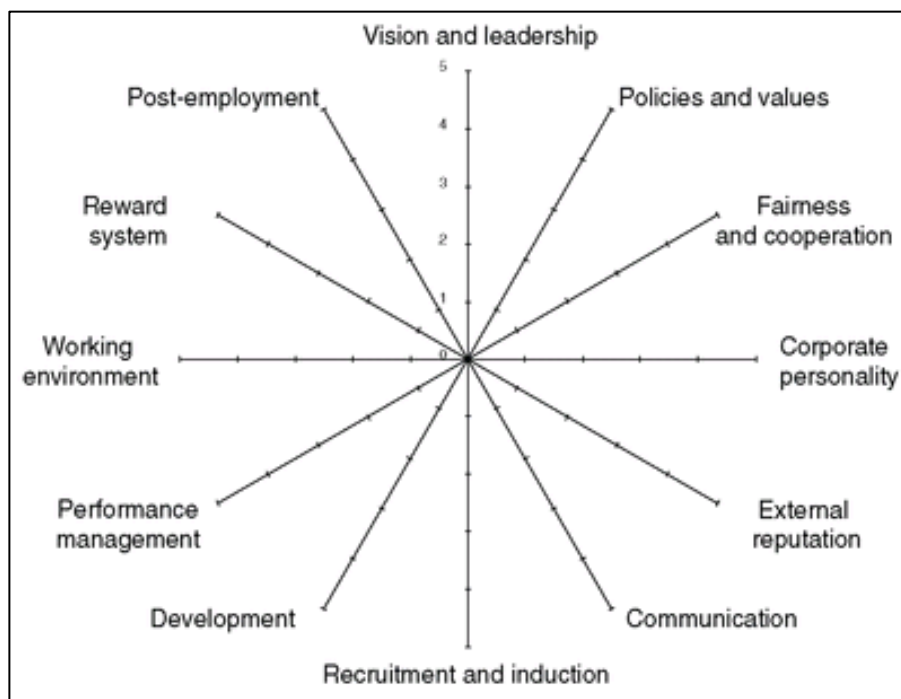


Figure 1. The Employer Brand Wheel (Barrow & Mosley, 2005)

The employer brand is still an important part of a company's armoury in recruiting and retaining key talent as the UK employment market recovers from the Global Financial Crisis and competition for talent becomes more intense (CIPD, 2013). Generation Y, defined as those born between 1980 and 2000 (Young & Hinesley, 2012), are set to comprise fifty percent of the UK's workforce by 2020 (Huizing, 2012) and so are an important recruitment target. Hence competition to recruit the most talented of this cohort is intense among employers. This cohort present a challenge to employers as they have a very different outlook and attitudes towards work than the Generation X incumbents, (born 1964-80), responsible for recruiting and managing them in the workplace (Ashridge, 2013; Gray, 2013; Coleman, 2014). They also have high expectations in terms of salary and other benefits (Stern, 2008; Ashridge, 2013).

Drawing on an exploratory qualitative empirical study undertaken with young males from the Generation Y age cohort, the paper suggests that workplace marketing of pensions and the provision of financial education as part of this could be an important aspect of employer brands in attracting Generation Y recruits. Pensions and other benefits form part of the reward package, which is just one element of the employer brand wheel, but employer approaches to key benefits such as pensions may give an indication of their policies and values as well as their corporate personality.

Research by Towers Perrin (O'Donovan, 2014) has shown that significant numbers of employers are enhancing their employee benefits packages or introducing new flexible benefits packages with a view to improving their recruitment and retention of key talent. Research by the pensions provider NOW: Pensions found that 53% of employers believed that paying higher employer pension contributions would aid their recruitment success and that in the South of England where recruitment competition is intense, 62% of employers were paying higher pensions contributions for this reason (Paterson, 2014). The workplace marketing of these benefits, and pensions in particular, is a growing marketing phenomena and an important part of the employer brand for these companies (Rosethorn and Mensink, 2007; Coleman, 2014).

### **Methodology/approach**

Data gathering involved a series of five friendship dyads with Generation Y males who were about to or had recently entered the workforce. Friendship dyads or paired interviews, which involve interviewing two respondents together, have been used successfully in previous research with young adults (Lohm, 2011). The main advantages of the approach is that first it encourages participation where the subject matter is unfamiliar topic (Hight, 2003) and second, some interesting responses are generated as respondents reflect on each other's answers and give their own views on these (Lohm, 2011). The sample included final year undergraduate business students, recent graduates and post-graduate students. Semi-structured interviews discussed the levels of awareness and understanding of the UK auto-enrolment regime and respondents' attitudes towards retirement and pension planning. Interviews took place in early 2014. Interview transcripts were analysed using a thematic approach (Bryman, 2012).

After an initial inductive coding, the Framework approach was used (Bryman, 2012) to organise data around themes, compare findings between interviews and individual respondents and to develop a fuller analysis.

### **Findings**

In line with the literature, the Generation Y young men in this study were found to be very confident about their future and career and earnings prospects. They were also found to be generally financially astute with cautious attitudes to debt and some short-term savings for emergencies. Despite this they also seemed to have a blindspot in terms of longer term savings or pensions. The study found an inherent reluctance by these young men to consider their own old age or retirement, which were seen as both temporally and conceptually distant and wholly unattractive. There was an acknowledgment of the pensions crisis and need for action, but pensions and the UK's auto-enrolment regime are seen as complex and ever changing and therefore not relevant. A further barrier to engagement with pensions that came through strongly in all interviews was a strong mistrust of financial services organisations as a result of the Global Financial Crisis. This led to calls from all respondents for a source of unbiased and user-friendly information that would help them to make informed decisions. In discussion, this led to a call for employers to have a greater role in providing information/education for employees and that this was something these respondents would expect from employers. Some respondents had been already exposed to auto-enrolment communications through part-time student jobs and felt employers needed to do a lot more to help employees understand what was involved and the issues at stake in pensions savings. Some reported examples of employers providing minimum levels of information, which did nothing to encourage employees to be part of a pension scheme. There was a strong feeling that employers should have a greater role in explaining pensions options and their importance to employees.

### **Theoretical implications**

This paper builds on existing employer branding theory (Barrow and Mosley 2005), taking a more detailed approach to understanding the components of the employer brand offering as illustrated by Barrow and Mosley's Employer Brand Wheel. By looking at pensions as one element of the employer brand within the reward package it has been possible to explore how this element contributes to employer brand implementation and how it relates to other elements of the employer brand such as policies and values, when translated by potential recruits. This has implications for other elements of the employer brand including internal marketing and internal branding, which are part of the corporate personality as well as the communications programme.

### **Practical implications**

This study has implications for how employers market themselves to future recruits. It presents an opportunity for employers to take the lead in providing a trusted source of financial information or education for employees, thus improving financial literacy. This in turn would help employees to engage with retirement planning and plan better for their future.

Previous studies have reported that Generation Y employees have different expectations and priorities to previous age cohorts in the workplace. As Generation Y becomes an increasingly important part of the UK workforce and competition to recruit and retain talented young people intensifies, it will be critical for employers to understand what this cohort look for in an employer brand. This study has flagged that this highly educated group of Generation Y males would look for employers to provide them with unbiased information to help them make decisions about their pensions. Thus employers who are doing more than the regulatory communications around pensions and offering financial education may have an advantage in attracting this group, who mistrust financial providers and are looking for another source of reliable and unbiased information that they can trust.

### **Limitations**

This was an exploratory empirical study with well-educated Generation Y males who all expected to go into professional roles. Future research should extend this to other educational levels and socio-economic groups, where levels of pensions awareness and understanding may be quite different. Furthermore as this study particularly focused on pensions it would be worthwhile approaching this as part of a broader study considering employee expectations of employers' responsibilities more generally. This study took place in the UK and is particular to the UK pensions regime.

### **Originality/value**

This paper provides an empirical contribution to understanding of employer branding. It specifically focuses on pensions as part of the employer brand and role of workplace marketing, which is a growing marketing phenomena and component of the employer brand, that has been largely neglected in academic marketing literature. This paper is original in being an early study of the UK's auto-enrolment pensions regime and its implications for employer branding and the opportunities this creates for employers.

### **Key words**

Employer branding, pensions, workplace marketing

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## **Brand paranoia: The impact of fraud on consumer confidence, retail development and brand equity in developing markets**

Shehu, Jallo  
Croft, Robin

### **Purpose**

Most studies of the impact of counterfeit goods on brands agree that the problem is huge, growing exponentially in line with the growth of online retail channels, and that the fraud being detected is only a fraction of what is actually taking place (e.g. Gentry et al 2001, 2006; Lambkin and Tyndall 2009). The problem of counterfeiting is described as one restricted to developed economies such as the US and EU Lambkin and Tyndall (2009), where by far the most common category affected is fashion, and in developing economies with burgeoning consumer sectors such as South East Asia (Gentry et al, 2001, 2006).

Our research finds that counterfeiting is a widespread and largely unreported problem in less developed economies also. In West Africa, counterfeit fashion goods, consumer electronics, software and DVDs may be sold, but the range of fraudulent retailing appears to be much wider: leading brands are being copied and sold in much more mundane sectors such as motor oil, sugar, over-the-counter medicines and automotive parts.

Our study focuses on Nigeria which has a population of around 180 million and a significant, educated and growing middle class, with an appetite for western brands supported by increasing purchasing power. Like other mineral-rich economies in Africa its population is comparatively young and is expected to double in the next two decades. Yet there appears to be no discernible awareness or concern amongst brand owners or scholars as to the extent of the problem.

The literature offers different types of brand imitation like, piracy, counterfeiting, gray marketing goods and imitation brands (Lai and Zaichkowsky 1999). These actions however seem to play a huge part in the retailer effort to offer brand trust to consumers at the point of purchase. Previous studies have focused on imitation in the supply chain (Albers-Miller 1999; Alcock et al., 2003), however, there seems to be more focus on the consumer response to brand imitation within the areas of consumer misunderstanding (Kapferer 1995; Lai and Zaichkowsky 1999; d'Astous and Gargouri 2001) and consumers voluntary acceptance of counterfeit (Bloch, et al., 1993; Nia and Zaichkowsky, 2000; Gentry *et al.*, 2001).

This exploratory study intends to find how consumers establish that what they are buying is authentic. This is particularly important in developing economies where there are none of the implicit safeguards provided by large retailers. We believe that brand equity is being undermined by counterfeit brands, which additionally are exposing consumers to health and safety risks based on misplaced trust. Fraud is undermining the growth aspirations of burgeoning retail networks in west Africa, and is giving rise to a problem we term *brand paranoia*. Here consumers implicitly believe in the attributes promised by leading western brands, but are subverted by fears that what is on offer is not the genuine item.

## **Methodology/Approach**

This is a wider study which, given the lack of prior research largely adopts an exploratory, interpretive approach (Lincoln and Guba, 1985). In this early paper we focus mostly on the retail network, with some additional preliminary interviews being conducted with ordinary consumers.

Our aim is to identify the nature and extent of brand paranoia in sub-Saharan economies. We will aim to discover the strategies used by consumers and retailers to protect themselves from brand fraud, and will also examine supply chain issues. Our initial interest in the area was stimulated during the field work for another study in Nigeria, where it quickly became apparent that counterfeit brands were ubiquitous in retail outlets generally, and where there was evidence of local and national initiatives to combat fraud.

Consequently, Steinar (1996) seven interview stages were followed where we used a small number of semi-structured interviews with consumers to help scope the study and to inform the design of a questionnaire used in telephone interviews with retailers in Nigeria. Consistent with Steinar's (1996) view, we used a range of closed and open ended questions to encourage managers to come forward about a problem which is always present but about which little is said. Further, the study adopts Braun and Clarke (2008) six phase thematic analysis approach to arrive at the results.

## **Findings**

The retailers in our study varied from the complacent to the proactive. In some cases the items being sold were felt to be too bulky (for example bottled drinks), or too low in value to be worth counterfeiting. However, our research found that even relatively cheap staple products, such as the leading brand of sugar, were being copied by manufacturers from outside Nigeria and the retailers were merely ignoring the problem. In other cases the managers we spoke to described at length the ways they sought to build trust within the supply chain (including where possible trading directly with the accredited importers), as they recognised that the key to their long term success was to be able to communicate this supply chain integrity to consumers.

A recurring theme among retailers and consumers alike was the importance of packaging: it was universally believed that fakes were "obvious" where the retail packaging was sub-standard. Some retailers, curiously, used packaging cues of this kind in a bizarre display strategy, offering a well packaged (and highly priced) leading brand alongside something visually similar but poorly packaged (and at a lower price). The intention, it would seem, was to allow shoppers the choice between the high priced original and a more affordable replica - in much the same way that western consumers choose between brands and similarly packaged own-label products.

We found some equally curious strategies adopted by consumers in the service sector. One respondent told us how when his car needed servicing he bought OEM components himself from retail outlets and then paid for these to be fitted by mechanics. This behaviour was recognised by other respondents and we term it *Buy-it-Yourself* or *BIY*: here, consumers believe that the tradesman will invariably use sub-standard components but will charge the customer for the branded items.

This extension of brand paranoia into comparatively mundane areas such as vehicle safety and healthcare seems to have prompted government action to identify and combat fraud. In both areas we found official consumer protection measures in place: in some cases these consisted of accredited authenticity labelling schemes, and in other the provision of consumer helplines backed up by batch numbers, expiry dates and scratch card-type technologies on packaging.

### **Theoretical implications**

The clear consensus amongst our respondents that packaging was the key to identifying counterfeit is reflected in many of the published studies-albeit most of these relating to the problem of so-called *copycat* packaging rather than fraud. One early exception was Morgan's 1988 article on pharmaceuticals which referred to tampering of packaging. Our research found this to be a problem in Nigeria also, but whereas in the US this was done for malicious reasons, in our study we learned that fraudsters regularly repackage leading brands, keeping the original wrappers but substituting inferior contents. Kauppinen-Räsänen (2011) studied the same sector, but was more concerned that elderly consumers were confused by visual cues in packaging.

The recent studies on copycat packaging (Mason et al 1996; Olson, 2012) point to the importance of packaging design when it comes to combating the 'threat' of own label brand lookalikes. Like most research, though, the data comes from developed economies. Shetty and Manoharan (2012) look at the issue as it manifests itself in India: but like other studies, their work focuses on own label lookalikes, something that is not a factor in less developed economies in sub-Saharan Africa.

(Gentry et al., 2001) shows that, in fashion and recorded music at least, consumers often know buyers of counterfeit, particularly high-grade fakes that are almost indistinguishable from the real thing. We found no evidence of this, although this could be explained by cultural factors (most of Gentry's respondents were from South East Asia) or by economic differences (fashion or luxury goods did not feature in the discourses of our respondents). This study intends to further understanding of brand behaviour and perception in emerging economies within the consumer brands. It will further advance knowledge of retailers branding effort at the point of purchase towards customer assurance and brand authenticity.

### **Practical implications**

Packaging quality was highlighted by Silayo and Speece's (2007) work; like Simms and Trott in (2010) they argued that brand owners should invest in research and development in packaging, both to enhance and distinguish brand values and, by implication, to reduce the capacity for counterfeiters to produce equivalents. However, Gentry et al's (2006) work suggests that in developing markets brand owners may sometimes be complicit in fraud, and (perversely) welcome it as it helps to provide value to the originals; this is perhaps reflected in our observations of how originals and fakes are sometimes sold alongside each other in Nigeria.

Similarly, while authors such as Olson (2012) and Satomura et al (2014) provide useful methodologies for measuring the similarities between leading brands and lookalikes, these address the problem of consumer deception rather than the fraudulent practices that are found in other markets. Chen (2007) had already reported on the problem of grey (or gray) marketing, where genuine branded products undermine leading brands by being sold at discount prices in non-sanctioned retail outlets. Chen's concerns seem to have been reflected in those of our respondents that brand owners should be working with the supply chain to help build trust and integrity into retailing in Africa. These points are also implicit in Gentry et al's (2006) study, where the salience of non-mainstream channels (for example online and market stalls) in providing a conduit for counterfeits is described.

### **Limitations**

Our study largely focused on retailers in Nigeria, with just a few consumer interviews used to help contextualize the work and to inform the data collection. The wider research will be looking more closely at consumers, and we intend to adapt Gentry et al's methodologies (2001, 2006) for answering questions about the strategies ordinary shoppers adopt to

counteract perceived brand anxiety or brand paranoia. It may be that this later phase of the research will highlight the problems in relation to luxury goods that the 2001 article described.

### **Originality/value**

The research provides an insight into the ways in which a huge problem for brand owners in developed markets, counterfeit and fraud is being played out in less developed economies. In sub-Saharan Africa the sheer size of the population (now estimated to have reached one billion), its growth and the evidence of burgeoning retail networks supplying new middle class market segments, should be enough to give brand owners cause for concern. We have found that counterfeit is not just a problem for luxury brands, drink and tobacco; it is undermining even comparatively unglamorous areas such as medicines, staple foods and auto parts.

### **Keywords**

Fraud, counterfeit, brands, Nigeria, retail

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## The drivers of consumer-brand identification

Sihvonen, Jenniina

### Introduction

Brand managers are not only challenged by how to create and manage distinctive brand identity components, but also the need to understand the psychological processes of the customers, such as individual and social meaning making (Zaichkowsky, 2010) In essence, the goal is to develop brands that customers can strongly identify with (Nandan, 2005). In this conceptual review the drivers of consumer-brand identification (CBI) are discussed with an eye on different psychological and sociological perspectives presented in the extensive literature on identity-relevant consumer behavior.

Levy (1959: 117) pioneered the idea of product having an identity role in a consumer's life. The literature on consumer-brand relationships, with Fournier (1998) in the forefront, has underpinned this line of thought and enriched understanding of consumers' varied types of relationships with brands. Especially the concept of self-connection, also termed self-concept connection (e.g. Swaminathan *et al.*, 2007) is a dimension of the consumer-brand relationship, which indicates the amount that the brand contributes to one's identity, values, and goals (Fournier, 1998). Recently, self-connection has been considered as an equivalent concept to that of CBI, receiving also empirical support (Papista and Dimitriadis, 2012).

Few studies have shed light on the drivers of CBI, even though self-connections with brands have attracted a lot of interest among researchers since the 1990's. Stokburger-Sauer *et al.* (2012) outline brand distinctiveness, brand prestige, brand social benefits, brand warmth, and memorable brand experiences as the antecedents of CBI, bringing together the social, cognitive and affective factors, yet ignoring the functional value of brands in the identity projects. Lam *et al.*, (2012) remind us that consumer-brand relationships can be driven by both utilitarian and symbolic factors. The study at hand continues this discussion by introducing a solid paradigmatic reasoning behind the drivers of CBI and takes into account both the consumer's identity formation and the viewpoint of strategic brand identity/personality management when addressing the drivers of CBI.

### **Purpose of the research**

The study at hand aims to review the drivers of consumer-brand identification (CBI) by acknowledging consumer identity, identity projects, brand personality, and brand user image as the main forces underlying the realization of a self-brand connection. In doing this, different paradigmatic lines from prior research on consumer identities will be integrated and the different roles of brands in the consumer's identity work identified.

*This paper presents an integrative framework for consumer-brand identification (CBI) with the purpose of bringing together different viewpoints to the development of consumer identities and brand personalities in order to address the challenges and possibilities for brand identity management.* We can distinguish the perspective of brand identity development on the one hand, and consumers constructing their identities on the other. How can these two strivings coexist without friction? On the one hand, brands have personalities of their own, and on the other, consumers' personalities and lifestyles can develop independently without brand influence. Thus, the development of CBI is assumed as a two-way process.

### **Approach**

The construct of consumer-brand identification (Donavan *et al.*, 2006; Kuenzel and Halliday, 2008; Stokburger-Sauer *et al.*, 2012; Lam *et al.*, 2013) has been introduced to point out the "consumer's psychological state of perceiving, feeling, and valuing his or her belongingness with a brand" (Lam *et al.*, 2012: 308). More specifically, the concept of self-brand congruity has been identified as a direct antecedent of consumer-brand identification when addressing the similarity or dissimilarity between the self and the brand with regard to concrete personality attributes (Sirgy, 1982). The concept of consumer-brand identification can be distinguished from, for example, consumer brand engagement, which despite measuring "the level of a customer's cognitive, emotional and behavioral investment in specific brand interactions" (Hollebeek, 2011), does not presume self-connection with a brand. Moreover, CBI differs from the concepts of brand personality and brand identity, as these do not represent the consumer's viewpoint in terms of identification with a brand (cf. DeChernatory, 1999; Aaker, 1997).

In this study the connection between consumption and identity is reflected by acknowledging different identity needs and the roles of the brands in a consumer's life. Following Kirmani's (2009) line of thought, different inferences about the brand user's identity, the consumer's own identity, and consumer goals can be assumed to occur in brand relationships. Relatedly, we may think back to the states inherent to living: *having*, *doing*, and *being* (Sartre, 1966; Fromm, 1976; Belk, 1988; Shankar and Fitchett, 2002). These modes of existence are relevant to the question of who we are, and also make a bridge between acts and objects of consumption and identity. Moreover, three basic concerns guiding consumer's identity formation can be distinguished based on previous literature (e.g. Reed *et al.*, 2012) 1) the need for distinctiveness and self-enhancement, 2) the principle of identity relevance, and 3) the need for self-continuity. As a whole, identity is a complex entity, as it is a collection of multiple social and personal identities, it relates to lifestyle and taste as those are concrete manifestations of how identity is expressed and defined, and it develops dynamically during one's lifetime, involving both memories from the past and goals for the future.

### **Findings**

As illustrated in figure 1, we may identify three key drivers of CBI – *brand personality*, *lifestyle*, and *personal driver*. The managing of brand personality (product/service) attaches to the having-dimension, whereas the consumer's everyday tasks and goals in terms of constructing own lifestyle refer to the doing-dimension. A consumer's striving for coherent

identity formation reflects the being-dimension. The *brand personality driver* stems from the management of brand personalities. As shared symbols within consumer culture, brands can enable consumers to express themselves in their social encounters and expand their self-concept. The *lifestyle driver* refers to the concrete, routinized and goal-oriented behaviors in the everyday lives of consumers. The *personal driver* of CBI, for one, concerns the individual's striving for self-verification and finding self-concept connections with the objects of consumption.

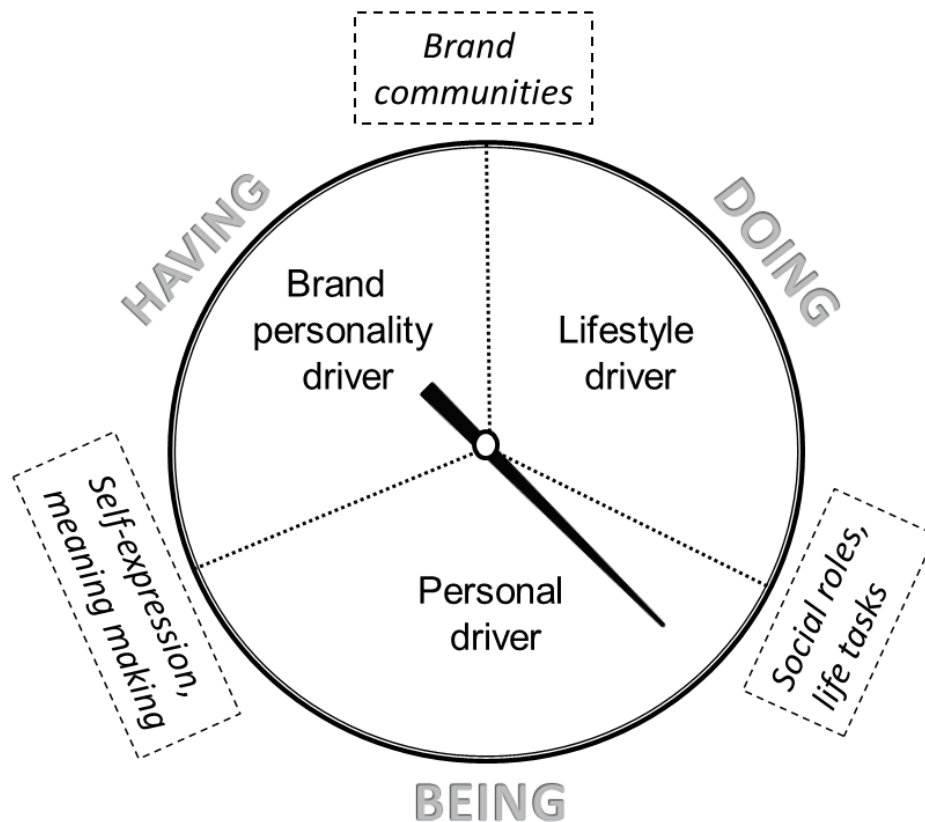


Figure 1 The three drivers of consumer-brand identification

When considering the interconnections between the three drivers, we can identify three different research approaches in the field of consumer-brand identifications. First, the individual's need for self-expression and meaning making describe the brand's symbolic role in the consumer's identity formation. This consumer psychology-oriented stream of research has applied conceptualizations such as attachment and the extended self. Second, participation in brand communities relates to the brand's role in enabling consumers to socialize, carry out rituals and traditions, and to develop a shared consciousness (Muniz and O'Guinn, 2001). Research on brand communities has been grounded in the discipline of sociology. Third, the interconnection between personal driver and lifestyle driver brings out the viewpoint of social psychology that addresses identity formation in terms of intergroup relations and the social context of a consumer (Deaux, 1992). This stream of research captures issues such as social roles and life tasks of consumers in their everyday lives.

Holt (2002) has distinguished three paradigms of brand management that are meaningful also when discussing the drivers of CBI. *Modern* brand marketers consider themselves as cultural engineers who specify and orchestrate the identities, ideals, and pleasures that can be accessed only through their brands (as material embodiments). *Postmodern* brand managers

admit that brands do not define a consumer, but a consumer uses brand for self-creation and in the pursuits of the optimal experiences. There is a clear quest for personal sovereignty and a more artistic consumption style. *Post-postmodern* paradigm of branding identified by Holt (2002) realizes that brands are less orchestrated by brand managers than before. Instead, brand communities have taken an active role in being empowered brand evangelists and interpretive communities. Despite the seemingly sequential logic, it appears that all of the paradigms are prevalent in contemporary brand management. The brand personality driver represents primarily the *modern* brand management paradigm, whereas the personal driver resonates with the *postmodern* paradigm and the lifestyle driver with that of the *post-postmodern* paradigm.

### **Originality and theoretical implications**

This review brings together the different threads of research on consumer identities in introducing three drivers of CBI. The study distinguishes 1) the brand personality driver, which relates to how people make sense of their social encounters by interpreting and adopting personality traits of the brands, 2) the lifestyle driver, which makes brands resources for a consumer when constructing his/her own way of life and managing the encountered life tasks, and 3) the personal driver, which implies that brands aid in verifying and addressing a consumer's own personality and values in life.

### **Practical implications**

A shift from emphasizing brand personality towards consumer-centered brand identity management is foreseen to take place as it is likely to provide solid ground for strong and long-lasting consumer-brand relationships compared to one-way brand personality management. It seems plausible to suggest that if one wishes to take advantage of the brand personality driver, the personality should possess such carefully selected attributes that give a clear reason to buy the product – as it differentiates. On the other hand, if one decides to ground a brand in the lifestyle driver, the careful choice of target consumers becomes essential, because if a brand fails in knowing its customers, it cannot best fit the product to their lifestyles. Thirdly, consumers who are very committed to pursuing their values in life would appreciate a brand sharing this devotion. Instead of searching for an extraordinary distinct brand identity, the focus could be on finding common and relevant ground with the customer in terms of values and appreciations.

Supported by the rationale of identity verification and avoiding identity conflict, whatever the driver chosen, positioning a brand in a way that it resonates with consumers' identity concerns is likely to influence consumers' brand appeal and thereby also their purchase decisions. DeChernatory's (1999: 157) classical suggestion that "strong brands require homogeneous brand identity with congruent identity components" holds, but there is more to brand identity management from the viewpoint of two-way interactions with consumers.

### **Limitations**

There remains a need for empirical studies in differing social and cultural contexts that would examine the role of the key drivers of CBI regarding the degree of affective, evaluative, and social facets of brand relationships. Empirical examinations that would harness the three drivers in relation to different product categories are highly encouraged as well.

**Keywords:** consumer-brand identification, identity, lifestyle, brand personality

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## **As good as new – Valuing brands in the second-hand markets**

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Second-hand market is an interesting and growing arena for consumers to buy and sell brands. Especially second-hand online fashion sales have gained ground in the recent years, and is evidenced by increasing number of for example Facebook flea markets with thousands of members. This paper focuses on the little research area of second-hand markets from the viewpoint of perceived value of brands. Even though the main interest of brand managers lies in what happens BtoC markets, it should be borne in mind that customers are not always buying products for themselves, but they can be considering future uses of the product and the resale value of it. Even if they did not think of the cycle of consumption further, the quality and durability are among the key criteria for many when buying clothes. Therefore consumers are ever more interested in hearing and reading about the brand experiences and opinions of their fellow consumers. This makes it worth for a brand manager to listen to what consumers think of the quality of brands that they have used, and how they value them when selling further.

The virtual points of sale differ from traditional ones especially with their emphasis on the human visuals, as the possibility for the sense of touch is missing. Moreover, prior literature suggests that trust plays an important role in online shopping (Dennis, Merrilees, Jayawardhena & Wright 2009). This is especially true when concerning CtoC markets where the private online vendors are typically strangers to the buyer. As regards the consumer experiences of brands, the presence of specialized vendors and the standard of service are missing, and thus those do not bring any added value to the brand.

### **Purpose of paper**

The purpose of this paper is to give insights into how consumers negotiate and determine the perceived value of fashion brands in online flea markets. Accordingly, we first aim to identify the plethora of possible dimensions of perceived value. Second, we aim to identify how consumers discuss about the perceived value of fashion brands in the online flea markets. Third, we aim to demonstrate how the value of brands is perceived in Facebook-flea markets. Value creation is widely discussed in marketing literature (e.g. Holbrook 1999; Sinha and Desarro et al. 2001; Gale 1994; Ravald & Grönroos 1996; Nilson 1992; Yang & Peterson 2004). The perceived value can be regarded as “consumer’s overall assessment of the utility of a product based on perceptions of what is received and what is given” (Zeithaml 1988: 14). The perceived value concept has evolved from two pivotal dimensions: the economic (trade-off between quality and price i.e. transaction value) and the psychological (related to experiential aspects). This dichotomy has extended to more elaborated dimensions, such as emotional, social, quality, and price (Sweeney & Soutar 2001). Holistically, we could define that the perceived value of a brand is a consumer’s subjective assessment of many different qualities and meanings related to a brand (Holbrook 1999). Moreover, the perceived value relates to the willingness to pay for the brand. Indeed, Netemeyer et al. (2004) suggest that

perceived quality, perceived value for the cost, and brand uniqueness would be the direct antecedents of a consumer's willingness to pay a premium price for a brand.

This study brings novel insights into research on perceived value by addressing the construct in the context of second-hand market, which offers a fresh and under-researched area (Guiot & Roux 2010). The perceived value has been subject of research in the traditional retail environment (Sweeney & Soutar 2001). However, little research has addressed the perceived value construct in the context of second-hand market, where the retailer is left in a more minor role. In CtoC markets, consumers may apply different ways of negotiating the perceived value of the branded product, when facing many types of uncertainty, e.g. when trusting to a seller or when trying to determine the authenticity of goods, but at the same time they are able to take more empowered roles than in traditional markets. In prior literature there are a small number of studies that have been discussing second-hand buying in its different forms (e.g. Cervellon et al. 2012; Roux & Korchia 2006; Guiot & Roux 2010). Some of the studies have focused on second-hand sales of fashion and clothing. However, the consumer perceived value has not been discussed in the context of used goods, except few studies adopting an economic perspective to studying the resale of durables such as used cars (Andrews & Benzing 2007).

## Methodology

The data for this study consist of several Facebook forums established for flea markets in Finland. These facebook forums include 1), flea market for kids' brand clothes (*Muksujen merkkituotekirppari*), which has 33 522 members, 2) flea market for children's brand clothes (*Lasten merkkipaatekirppis*), which has 9143 members, 3) flea market for branded products for adults (*Aikuisten merkkituotekirppis*), which has 19 390 members 4) Flea market for quality brands (*Laatumerkkien fleamarket*), which has 7891 members, 5) flea market for semi-brands (*Semimerkkien fleamarket*), which has 6173 members, 6) Flea market for Vero Moda, Only & Gina Tricot (*Vero Moda, Only & Gina Tricot kirppis*), which has 20 280 members, and 7) Flea market for rags and retro clothes (*Rättei, lumpui ja retroi*), which has 16 289 members. The number of members for each flea market is as it was the situation in the end of October 2014. Most of the participants in all of these flea market groups are women. The empirical study is conducted first of all by analyzing the existing categories of online flea markets, and secondly by analyzing the content, that is, the discussion concerning the rules of what brands to sell, sales discussions, and the selling prices of these brands. The data was analyzed inductively: after reading and re-reading of the data, the codes were created to structure and highlight the ways through which consumers discuss the perceived value of second-hand goods. Thereafter, the codes were compared and re-considered. Finally five higher-order categories describing of dimensions of perceived value considerations on the second-hand markets of brands were created. In the end, these five dimensions were brought to the discussion with previous theoretical underpinnings on perceived value.

## Findings

The preliminary findings highlight that perceived value is negotiated and evaluated through five dimensions in the context of online flea markets. These are perceived quality, price, design, origin, and brand availability.

*Perceived quality* relates to the product attributes and condition. Here, picture and material descriptions are essential for the buyer in order to evaluate the quality of the product. Naturally also fit of the product concerns the buyers, therefore further discussions often related to size and measures of the product. Authenticity was a premise for each product sold in the flea market, and therefore not under the sales discussions. Instead, sellers often referred to the condition of the old product "as good as new".

*Price* is a salient clue of the value of the product sold. It was noticed that the higher the recommended retail price of the product, the more likely is that it will be mentioned also when reselling it. On the contrary, low cost fashion brands are not valued against their original price, but other aspects, such as design and condition, are considered.

*Design* is an inherent aspect for valuing fashion brands. In addition to picture of the brand, the sellers often wanted to give their more subjective evaluation about the product sold, such as to appraise its great fit or “wonderfulness”. It appears that many consumers interested in higher price flea markets see fashion buys as investments, and therefore they appreciate clothes that are timeless and transcend seasons. Sometimes the perceived value was not determined by price and quality, but the design. For example Finnish high-quality brand Marimekko was not accepted to be sold in one of the flea markets that did not favor the retro design, which Marimekko stands for.

*Origin* of a brand refers to two different aspects; brand’s country of origin and the place of brand purchase. The country of origin was noticed to play a role especially when the brand is unfamiliar to the buyers. Here, the country could be used to describe the quality of the product, when brand is not enough to assure it. Instead, the place of brand purchase, e.g the well-known retailer or department store was occasionally used to justify the price of the branded product.

*Brand availability* refers to how unique or rare the brand is perceived to be. If many consumers can access the brand due to its low price and a great amount of distribution channels, high availability lessens the perceived value of a brand. In addition, the age of the garment also affects the availability: the older the item gets, such as vintage, the harder it is to find, especially in a good shape.

In conclusion, the context of second-hand sales of fashion, the perceived value of a brand is negotiated and determined through additional dimensions than previous literature of perceived value suggests. The discussions concern quality, price, design, origin and brand availability. Accordingly, the flea markets are grouped in Facebook on the one hand according to the quality/price considerations, on the other hand according to design and brand-origin related factors.

### **Originality and implications of the research**

This study brings forward novel viewpoints to discussions on brand marketing by connecting the issue with the topical phenomenon of second-hand and perceived value. As regards brand management, the findings shed light into the consumers’ perceptions of brands’ quality differences and resale values. This study also elaborate further the value discussion by highlighting the consumers’ active roles in negotiating and determining the dimensions perceived value of fashion brands in online second-hand context.

### **Limitations and future research**

The empirical data was collected from Finland and from online flea markets that need facebook-membership. Therefore, not every consumer’s perspective to perceived value of fashion brands can be argued to be covered in this study. In the future it would be interesting to study, if online secondary markets differ from traditional flea markets in terms of perceived value of different fashion brands.

**Keywords** - brand, perceived value, second-hand, fashion, flea market



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## Does a short brand story on the package affect consumers’ brand responses?

Solja, Eeva

### Introduction

The purpose of this study is to investigate how consumers’ brand responses are affected when a short brand story is added to a brand’s marketing communication in form of packaging. The paper will show that a company originated story, which is added to the marketing communication of an existing, fast-moving consumer brand packaging, may have positive effects on consumers’ brand responses. A review of storytelling and packaging in brand management and marketing reveals that the empirical study has several important contributions for both academia and practice.

### Background

Stories are embedded in our social and cultural environment and have been told in some form throughout our existence in all civilizations (Barthes 1975). People think in terms of stories (Bruner 1986; Schank 1990) and communicate everyday events in story-like manner giving them a beginning, a climax, a low-point, and an ending (Gergen and Gergen 1988). Stories fascinate, inspire, and arouse feelings. A story reflects a fundamental structure in which we

make sense of and organize our comprehension and our experiences (Bruner 1986; Egan 1989; Shankar et al. 2001) as well as how we list, store, and retrieve information (Woodside 2010). Stories make facts easier to remember (Rossiter 2002) and large amounts of information faster to assimilate (Schank 1990). Compelling stories persuade (Green and Brock 2002) entertain, and engage the audience (Busselle and Bilandzic 2008).

Findings on the positive effects of storytelling on consumers can be found in disciplines such as anthropology, education, linguistics, psychology and sociology. Within the field of business, storytelling has been studied in particular in connection to organizations and strategy, where the benefits of communicating via stories are acknowledged (e.g. Denning 2006; Herskovitz and Crystal 2010; Spear and Roper 2013). Despite the intriguing nature of stories and the proposed effects on consumers, there is scant academic research on the subject in the context of brand management. Only in the fields of advertising (e.g. Stern 1994; Escalas and Stern 2003; Mattila 2000; Phillips and McGuarrie 2010), tourism (e.g. Hsu et al. 2009), and services (e.g. Mossberg 2008) the persuasiveness of stories has been fully recognized.

It is rather surprising that stories have not been studied with equal depth in the product and brand literature. Nothing indicates that stories would have less of an effect when applied to brands. Research shows that consumers construct stories in relation to brands (Megehee and Woodside 2010; Woodside et al. 2008; Woodside 2010). In addition, well-constructed brand stories may create positive brand associations (Escalas 2004b; Chiu et al. 2012; Lundqvist et al. 2013), drive a bond between a company and a consumer (Fog et al. 2010), and make consumers more likely to engage with the brand (Escalas 2004b). They help individuals interpret the meanings of brands and connect to the brand (Escalas 2004b; Salzer-Mörling and Strannegård 2004).

Packaging is a way to convey marketing communication and it affects consumers' perception and evaluation of a brand (e.g. McDaniel and Baker 1997; Garber et al. 2000). In addition, packaging is an important competitive tool that catches consumers' attention and affects the buying decision (Little and Orth 2013; Nancarrow et al. 1998; Raghurir and Greenleaf 2006; Silayoi and Speece 2007). Despite the active use of packaging as a channel to convey brand stories in practice and the demonstrated effects of packaging on consumers' brand experience and purchase intentions (Schoormans and Robben 1997; Underwood 1999; Underwood 2003), academic research on the effects of packaging as a means to convey a brand story is non-existent. Previous studies on brand storytelling from a brand management perspective have utilized stories conveyed in separate texts, or storyboard form (Escalas 2004b; Huang 2010; Chiu et al. 2012; Lundqvist et al. 2013). To our knowledge, stories conveyed on packaging have not been investigated previously.

To conclude, there is little empirical research that directly investigates the impact of very short brand stories on consumer responses, and such research is particularly lacking on packaging, where stories are ubiquitously used. The lack of research is surprising, since previous studies indicate that storytelling can, when used correctly, have a positive impact on consumers' brand experience and increase positive behaviors, such as spreading positive word of mouth and buying the brand.

Based on the literature review, we hypothesize that communicating a brand story on the package will lead to more positive consumer responses as opposed to when no story is present. The consumer responses that are investigated are brand attitude, perceived value, as well as purchase intentions and other intentions to act in favour of the brand.

## **Research Method**

The empirical study was conducted as an experiment, which is suitable for investigating the causal linkage between an independent variable and a dependent variable in a controlled

environment (Söderlund, 2010). A short brand story is the independent variable in this experiment while consumers' brand responses represent the dependent variable.

The study utilized a between-subjects experimental design to test the hypotheses. In order to determine whether the treatment (short brand story) is causally linked to the reactions (consumers' brand responses), a control group was included. The presentation of the case was the same in both groups, except for the inclusion/exclusion of a short brand story.

#### *Participants and procedure*

One hundred four (n=104) business students participated in the study, which is a sufficient number of observations for an experiment (Croson, 2002). The responses were collected on three separate occasions in classroom settings. The participants were randomly allocated to the treatment or the control condition. Fifty-one (n=51) participants were exposed to the package with a story and fifty-three (n=53) to the package without a story. Both groups were exposed to the same introduction, in which the participants were told that the aim of the study is to evaluate the redesigned packaging of a laundry brand. After the introduction the participants were given a picture of the laundry package, the extracted packaging text, and a questionnaire for the responses to the package, brand, and story (experiment group). Evaluation questions on the package design (attractiveness, colour, font etc.) were added as confounding measures. Background information was collected at the end of the questionnaire and included questions on the respondents' current buying and usage habits of laundry detergents, their involvement in the category as well as demographic information. An open question at the end ascertained that the participants did not guess the real purpose of the study (story effect on brand).

#### **Findings**

A short brand story on the package of a fast-moving consumer good has a positive effect on brand attitude, perceived value, as well as purchase intentions and other intentions to act in favour of the brand.

#### **Theoretical implications**

The study adds evidence to the brand management literature on consumers' responses to firm created brand stories. Current research has focused on understanding and conceptualizing consumers' own stories of brand experience. Second, the study contributes to the literature on packaging and its ability to communicate marketing messages to consumers, in order to positively affect brand equity. There are currently no studies on packaging as the means to convey a brand story. Third, the study increases our knowledge of consumers' responses to stories in the context of FMCGs. These are often low-involvement products, where the visual packaging is important for consumers who want to complete their purchases quickly. Such products have been neglected in past research on brand stories. Fourth, the paper provides evidence that stories can be successfully introduced later in an existing brand's life, to influence consumers' brand responses. Previous studies on firm-communicated stories have been mainly conducted with brands that are unknown to the participants in the studies.

#### **Practical implications**

The study provides managers with information on how consumers react to a short brand story introduced later on in an existing brand's life. Moreover, it gives managerial implications on how packaging can be utilized to convey a short brand story.

#### **Limitations**

The study cannot tell how likely consumers are to read the story when encountering the package in-store. Hence, the study will provide evidence only on how the story affects

consumers when they become aware of it. Moreover, the study was delimited to investigating only one short story for one brand. The story was designed to simulate the kind of stories that can be found on many product packages. The story lacked a strong emotional element. Future studies need to include also other elements to investigate if the responses will differ.

### **Originality/value**

The study has three important contributions. First, it contributes to previous research on storytelling by providing empirical evidence of story effects, which is currently lacking in the literature. Despite the number of ways in which stories can be used in marketing, only a few have been explored to a greater degree and, in particular, branding has been neglected. Second, marketing communication often needs to be brief, for example, on packages and in ads. The story needs to be short, yet captivating. There is a paucity of studies on the effect of short brand stories (< 100 words) on consumers' responses to the brand. In comparison to printed ads, a package sets even more severe limitations to the length of the story. Third, the marketing communication effect of packages has been recognized as important, particularly among fast-moving consumer goods, but there is a paucity of studies on the subject. This study contributes to existing research on communication effects of packages by showing that a short story on the package has positive effects on brand attitude, brand interest, as well as perceived value and behavioural intentions.

### **Keywords**

Storytelling, brand story, short story, packaging, brand response

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## The role of storytelling in co-creating a corporate brand with employees

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### Purpose

This paper investigates the role of stories in corporate brand management, specifically how storytelling can enable the co-creation of a brand with employees.

### *Significance of corporate brand management*

Organizations are increasingly realizing the strategic importance of corporate branding. Corporate brand management is important to ensure that the reality of a brand experience lives up to brand communication and meets stakeholders' expectations. It is important to recognize that corporate brands cannot be solely controlled by managers. Instead, brands are co-created through interactions between an organization and its stakeholders, and stakeholders' experiences with the brand (Cooper, Schembri, & Miller, 2010; Hulberg, 2006; Iglesias & Bonet, 2012; Melewar, Gotsi, & Andriopoulos, 2012).

Corporate brand management needs to consider multiple stakeholders (Hawabhay, Abratt, & Peters, 2009; Iglesias & Bonet, 2012; Stuart & Jones, 2004). This paper focuses on an organization's internal stakeholders, as employees are directly affected by corporate branding activity and also influence other stakeholders' relationship with a corporate brand and the assignment of brand meaning (Abratt & Kleyn, 2012; Iglesias & Bonet, 2012). A key element of corporate brand management then is to ensure that employees are ready to deliver on the brand promise, both attitudinally and behaviorally. In particular, internal communication is important to build understanding and support for the brand (Abratt & Kleyn, 2012; Hawabhay et al. 2009; Iglesias & Bonet, 2012; Punjaisri, Wilson, & Evanschitzky, 2008).

### *Corporate stories in internal communication*

Stories are increasingly acknowledged to be important in corporate communication (including by Herskovitz & Crystal, 2010, Otubanjo, 2013, and van Riel & Fombrun, 2007). Previous studies indicate potential benefits of using stories as part of corporate brand management. Stories can help maintain employees' loyalty and engage employees with corporate brand values (de Chernatony, Cottam, & Segal-Horn, 2006; Gill, 2011). Stories offer opportunities for brand co-creation, as storytelling involves an active exchange between the storyteller and audience, and audiences can co-produce stories (Boje, 1991; Boje, Luhman, & Baack, 1999; Marzec, 2007). However, this has not been explored in the context of corporate brand co-creation with employees. Despite the potential benefits of stories, it is suggested that many leaders find storytelling "unfamiliar" or "uncomfortable" (Marshall & Adamic, 2010: 22). Researchers have subsequently been called to investigate to what extent stories are utilized effectively by managers (Dolan & Bao, 2012).

Based on these gaps in the literature, this study investigates the role of stories in co-creating a corporate brand with employees, in order to provide guidance for managers in the use of stories as part of corporate brand management.

#### *Narrative theory approach to investigating stories*

Previous empirical studies have used narrative theory in investigating stories in internal and external corporate communication, including Boje (1991), Heugens (2002), O'Connor (2002), and Smith and Keyton (2001). Narrative theory focuses on examining and understanding the structure and content of stories (Stanzel, 1979/1984; Woodside, 2010). This offers potential insight into the role of stories in corporate brand co-creation, and narrative theory is therefore adopted as a theoretical approach in this study.

### **Methodology**

Case studies were conducted on two organizations in the UK energy industry. The research focused on the energy industry due to the poor brand image of many energy companies and the increasing focus on brand management in this industry (Joseph, 2013; Owens, 2013; Shakespeare, 2013). The case study organizations were selected from the six electricity and gas suppliers and seven distribution network operators (DNOs) who are the major companies in the industry ("Electricity distribution", n.d.; "Networks", n.d.). Case studies were subsequently conducted with one supplier and one DNO, referred to here as Energy One and PowerOn, involving semi-structured interviews, documentary research, and observation research. The study explored stories from the perspective of employees in the organizations, as employees are critical in delivering the brand and will impact external stakeholders' brand experience.

#### *Data collection and analysis*

69 interviews were conducted with employees in corporate, customer service, and operational areas of the organizations, in front line (non-managerial), middle manager, and senior manager roles. Interviewees were selected using a judgement sampling technique, to gain a range of perspectives on stories in the organizations. Interviewees were asked to recount stories they had told or heard within or about their organization. Interviewees were also asked how stories were conveyed in the organization and how stories affected them. 45 documents were collected in the documentary research, including nine company newspapers/magazines from the six months prior to the research. Observations of communication materials around buildings were recorded at 16 locations.

In accordance with a narrative theory approach, the analysis involved identifying stories in the data, and investigating their structure and content, in order to understand how they played a role in brand co-creation. The stories identified were coded for key themes in their content, using an inductive approach to draw themes from the data itself. The stories were then grouped thematically, which allowed key types of stories to emerge from the data.

### **Findings**

228 stories were identified in the nine company newspapers/magazines and 271 stories in the interview data. These included official stories which had been conveyed through planned communication channels (including verbal, print, and digital channels) and unofficial stories which had been conveyed in unplanned communication. Unofficial stories tended to be shared verbally, and employees also posted stories to blogs and forums on the intranet. Employees were encouraged to share stories around some of the brand values, often in response to stories in planned communication or stories told by other employees. This varied however between the organizations and between different business areas. Employees often repeated official and unofficial stories to other organization members, and nine stories in the interview data were recounted by at least two interviewees.

The stories were analyzed thematically, based on the story content, and eight key themes emerged. These themes indicated the main types of story which were told in the organizations, specifically safety, service, history, cost-cutting/efficiency, performance, community/charity, management, and team stories. The analysis showed that stories could be positive, negative, or neutral. Negative stories, unsurprisingly, were mainly evident in unofficial storytelling amongst employees, whereas official stories tended to be positive.

### **Theoretical implications**

The findings illustrate how stories play a key role in the co-creation of a corporate brand with employees. Official and unofficial stories about safety and service reinforced corporate brand values, and helped employees remember and understand the values. Positive stories about how the company had helped customers or communities encouraged emotional engagement with the corporate brand by positively influencing employees' feelings. These findings support the benefits of stories suggested in conceptual papers by Dowling (2006), Gill (2011), and Woodside (2010).

Stories also influenced brand delivery, by illustrating desirable and undesirable behavior by employees. Service stories celebrated positive behavior when interacting with customers, and were perceived to motivate employees to improve service delivery. Safety and performance stories were perceived to help employees learn from past problems and change their behavior to avoid problems in the future, as suggested by Chen (2012) and Dailey and Browning (2014).

However, negative stories were also evident in the organizations, such as stories about poor performance or customer service. These had a detrimental impact on the corporate brand by negatively influencing employees' feelings, and leading employees to assign conflicting or damaging meanings to the brand, as noted by Leitch and Motion (2007) and Merrilees and Miller (2009).

Employees acted as co-producers of corporate stories by reinterpreting and repeating stories to other organization members, which supports previous studies by Boje (1991) and Boje et al. (1999). This meant that stories spread beyond their initial audience, which widened the impact of stories on the corporate brand, both positive and negative.

Previous studies have questioned to what extent stories are understood and utilized in corporate communication, such as Barker and Gower (2010), Marshall and Adamic (2010), and Yang (2013). The findings in this study support the lack of appreciation for stories in organizations, particularly by middle and senior managers. This is concerning, as the findings also indicated that it was important for managers to tell official stories, and to encourage employees to share stories, in order to enhance the role of stories in corporate brand co-creation.

### **Practical implications**

The findings have implications for organizations in using stories as part of corporate brand management. Managers and corporate communication teams should use stories in planned communication, and should encourage employees to share their own stories. However, the limited awareness of stories in the organizations indicates a need for organizations to train managers in the use of stories. Training should emphasize how stories can be used to reinforce the corporate brand values, increase brand engagement, and influence employees' behavior in delivering the brand.

It is also important for managers to track the stories that circulate within an organization, in order to determine whether stories shared by employees are likely to have a beneficial or detrimental impact on the corporate brand. Stories that undermine and conflict with desired



brand meaning indicate where there are problems within an organization that need to be addressed as part of corporate brand management.

### **Limitations**

This paper discusses the use of stories in co-creating a corporate brand with employees. However the data indicated that stories are also used in communication with external audiences. Further research should investigate the use of stories in external communication and their role in brand co-creation with other stakeholder groups. Corporate storytelling should also be explored in other industry and organizational contexts in order to increase the generalizability of the findings.

### **Originality/value**

The study provides insight into the role of stories in co-creating a corporate brand with employees, by reinforcing brand values, increasing engagement with the brand, and influencing brand delivery. The findings support previous studies with empirical evidence regarding the lack of appreciation for stories in corporate brand management. The findings also bring new insight into the types of story told within organizations, and their influence on employees. This has implications for corporate brand management by illustrating how stories can both reinforce and undermine desired corporate brand meaning.

### **Keywords**

Corporate brand, stories, narrative theory

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## The role of co-creation in corporate branding: The case of a higher education institution

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### Purpose

While it is argued that, in theory, co-creation can play an important role in the formation of a corporate brand particularly in reinforcing internal corporate identities and external corporate images and ensuring their compatibility (Dowling, 1993; Pich 2012; Spry, 2014), there is limited empirical evidence devoted to co-creation and its relationship with internal corporate identity and external image. Responding to this identified gap, this paper reports on findings from a larger study looking at corporate branding in Higher Education Institutions (HEI's) by drawing on primary data which specifically considers how co-creation can help close the gap between corporate identity and corporate image.

De Chernatony and Harris (2000: 268) define corporate identity as being 'an organisation's ethos, aims and values that create a sense of individuality...'. Specifically, Balmer and Gray (2003: 981) claim that values are derived from 'a federation of subcultures' which give an organisation its uniqueness. However, Melewar and Karaosmanoglu (2006:857) suggest that having a unified culture in such organisations is 'virtually impossible' as evidenced by Roper and Davies (2007) where employees' opinion of the corporate brand was low. According to Kapferer (2012: 151) corporate brand identity *precedes* corporate brand image and it is therefore essential that 'before projecting an image to the public we must know exactly what we want to project'. However, Melewar *et al* (2012) stresses that a corporate brand needs the engagement of stakeholders to co-construct brand meanings and influence branding strategies. Rindell and Strandvik (2010: 277) describe this concept as the co-creation view where the customer has more of a defined role in the brand building experience. Payne *et al* (2009: 388), who developed a conceptual approach to understand the co-creation of a brand, discovered that senior managers in several companies found the model to be a useful and practical tool in supporting them to 'co-create the brand relationship experience with their customers'.

While Iglesias *et al* (2013) highlight the need for multiple stakeholder involvement in the development and management of corporate brands, research devoted to the exploration of co-creation and its interrelatedness with internal corporate brand identity and external image is limited, particularly in the context of a HEI. This lack of research is surprising given the complexity of multi-faceted features in universities (Chapleo, 2010) as well as additional pressures to attract funding and satisfy students. The aim of this study therefore is to explore

co-creation, and the engagement of external stakeholders such as students and other external partners, and examine how this can contribute to closing the identity-image gap discussed above.

### **Methodology/approach**

A qualitative paradigm was employed as an understanding was required of individuals' perceptions and expectations concerning corporate branding. This was an important consideration as qualitative data is characterised by a 'richness and fullness' (Saunders *et al*, 2010: 482). Qualitative data was collected within a single revelatory case (Yin, 2009) as the researchers had access to an environment that had not previously been studied in the context of corporate branding. The research conducted in this study took place at a post-92 University in the United Kingdom (UK) and more specifically in a Faculty of Education, particularly focusing on its Initial Teacher Training (ITT) provision. Balmer and Liao (2007) deem the case study approach the most relevant when little is known about a particular phenomenon. Further, this approach 'can give a powerful boost to knowledge and understanding' (Robson, 2011: 255). Bell (2005) claims that case studies are useful in identifying key issues, while Cohen *et al* (2007) maintain that it may only take the occurrence of one single event to provide an important and significant insight into either a person or situation which Gerring (2007: 40) describes as 'light bulb moments'.

The research included fourteen in-depth interviews with employees involved with Initial Teacher Training (ITT) within a university's faculty of education and members of the university's marketing department. Stage two involved three focus group discussions with teacher trainees on Primary, Secondary and Masters education courses. Interviews and focus group discussions were conducted between August 2013 and February 2014. Themes covered were primarily the different interpretations of corporate branding and those key components that operate in the corporate branding sphere including corporate identity and related values, corporate image, corporate reputation and co-creation. Interviews/focus groups were transcribed by the researchers and analysed using Butler-Kisber's (2010) two stage thematic inquiry analytical process and clustering patterns (Miles and Huberman (1994).

### **Findings**

The University's corporate identity was unclear to its internal stakeholders which has led to the perception that it has a middle-of-the-road position in the marketplace '*trying to do everything for everybody*'. Most of the employees' interviewed were unenthusiastic about the University's values, particularly the language that was used, and their launch was not viewed as an all-inclusive process. Communications in the University has not helped the situation, as it was generally viewed as top-down and hierarchical. The University is also losing sight of some of its target markets as overall students feel undervalued by the University.

Ongoing changes in the teacher education sector has resulted in a shift in the Faculty's identity and the way in which staff work in terms of programme design and delivery. This has resulted in the Faculty embracing different cultures within different programmes teams. Far more importance is attributed to "true" values rather than impartial marketing values, which are teacher-specific, far-reaching and something to which students can relate. Consequently the Faculty of Education was perceived much more positively by students. The values of staff link strongly to the relationships they hold with the students which is evidenced by the positive comments received concerning the staff. This is due to the wider partnerships that have been developed with schools and colleges and the subsequent co-creation of a Vision for a Teacher statement and related values which are congruent with all

stakeholders. Training programmes have emerged with their own unique identity and a positive brand image is perceived by the students who were excited not only at securing a place on the different programmes but expectations when they joined the programmes were '*surpassed*'.

### **Theoretical implications**

This study adds to the limited knowledge on co-creation and particularly how it can positively contribute to the relationship between internal corporate identity and external corporate image in an HEI environment. This finding is particularly useful for post-92 UK universities where there is little to differentiate offerings between competitors (Hemsley-Brown and Goonawardana, 2007), for example, most hold a similar position on the regional league tables. Furthermore, through co-creation it is the ITT programmes that have evolved with their own identity, values and image which has implications for both the corporate branding and educational literature as this could apply to a number of different training establishments and schools.

Underpinning these new contributions is the Faculty of Education's Vision for a teacher, which was developed with wider partnerships and underpins the ITT courses. This resonates with Rindell and Strandvik (2010) and their idea of co-creation of "brand image" but not specifically the vision of an organisation. There has been some research on the idea of the involvement of staff in developing a vision (Hemsley-Brown and Gonnawardana, 2007) and values (Keene and Fairman, 2011). However, as far as the author knows, there is no evidence of research into co-creation of programmes with external organisations.

### **Practical implications**

The University is clearly seen as the "umbrella brand" but managers need to focus on what is distinct and unique about the University so that its identity can be understood through its image, by both internal and external stakeholders. The results of this case study research have important implications for managers, as evidence suggests that staff are already practising corporate branding, but in the context of their own environments and, in the case of this study, their own programmes. The partnerships held with external stakeholders and their involvement in co-creation of the brand is unique. This may provide the very source of competitive advantage required for a post-92 university seeking to hold a corporate branding with a competitive edge (Abratt and Kleyn, 2012). Differentiation needs to be more than outstanding teaching and widening participation (Temple, 2006). Implications for professional practice is that there is a disparity between the students' views of the University and that of a Faculty. Attention therefore needs to be paid to the uniqueness of different disciplines, the particular external environments in which they operate and the diversity and demands of both their programmes and students.

### **Limitations**

The research study only considered one university and the very specific context of teacher education. While the problem of generalisability (Butler and Kisber, 2010) is acknowledged, the focus was on depth rather than breadth. As claimed by Yin (2009) the revelatory case study provided the researchers with the opportunity to explore corporate branding in a context that had not previously been researched and a phenomenon was uncovered that is considered to be revelatory in nature (Yin, 2009). It is felt that more research into this area would provide a more holistic representation, particularly if external schools and colleges, ie the partners were included, as they played a key part in the co-creation of the Faculty's Vision for a teacher and the programmes.

## Originality/value

This paper fulfils an identified gap in the body of knowledge that there is limited research devoted to exploring the interconnectedness between corporate identity, corporate image and co-creation. There has been some research on the involvement of staff in developing a vision (Hemsley-Brown and Gonnawardana, 2007) and values (Keene and Fairman, 2011). This resonates with Rindell and Strandvik (2010) and their idea of co-creation of “brand image” but as far as the author knows, there is no evidence of research into co-creation of teacher education programmes with external partner organisations as opposed to customers. The findings generated in this research may be used by stakeholders within and beyond HEI’s so as to understand how their brands are developed and how they are understood. This research may be used as a basis for future comparative studies with other contexts to explore similarities and differences across research areas and assess the transfer potential of the concept of co-creation in the branding process.

## Keywords

Corporate branding, Brand identity, Brand image, Co-Creation, Education

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## Understanding (Chinese) city branding: The ideology/creativity nexus

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### Purpose

The field of 'city branding' (Lucarelli and Berg, 2011) has developed, over the past two decades, from a somewhat fragmented base of theorizing to more holistic approaches today (Kavaratzis, 2004, 2007, 2008; Braun, 2008). Much of the literature on city branding and marketing, however, is dominated by Western-led research paradigms and cases (e.g. Karvelyte and Chiu, 2011, Fan, 2014a). Yet, as Chinese cities take their place among the world's biggest and most populous cities, research must be updated to reflect the idiosyncracies and importance of Chinese city brands. At the moment, however, city branding is still a vague and confused concept in the context of China (Liu, 2009; Wen and Sui, 2014).

The topic of city branding and marketing for Chinese cities is particularly intriguing because they operate under a socialist ideology set within the context of one of the world's most dynamic economies (marked by an embrace of capitalism that is extraordinarily rapid and successful). The ideological underpinnings of Chinese city branding, therefore, raises intriguing issues for place marketing researchers. This paper aims to analyse the ideological influences on city branding and to investigate how such underpinnings facilitate or hinder brand creativity in the branding of Chinese cities. The key questions, therefore, are: how do ideological factors influence city brand construction and design in China? How do they

influence creative processes of Chinese city branding? To address these questions, we focus on the mechanisms and drivers for city marketing in the state of Chongqing in China.

### **Role of government and ideology**

The role of the government in city branding processes has been explored extensively in the literature. As one of the stakeholders in city branding processes (Beckmann and Zenker, 2012; Stubbs and Warnaby, 2015), government departments are at least partly supervised by China's propaganda system (Shambaugh, 2007). City branding is, arguably, much more intensely controlled by the central government in China than in the West (So and Shen, 2004; Xu and Yeh, 2005); even with the declining impact of official ideology in diverse spheres of Chinese life (Seckington, 2005), Chinese city branding is still strongly influenced by ideology from central government level – this influence is pervasive both on branding policies and its practices (Bjorner and Berg, 2014).

As noted by Stubbs and Warnaby (2015), government policies, incentives and institutional positioning on key issues “are, in many ways, the key component in deciding the fate of a place-and its branding and promotion”. Yet, successful city brands in the 21st century have often been led by private sector enterprise and creativity. In the light of these perspectives, therefore, the authors focus how, and to what extent, political ideologies influence city brand design and construction in China.

### **Xi Jinping's Comprehensively Deepening Reforms and China Dream**

The President of the People's Republic of China, Xi Jinping, released a ‘Comprehensively Deepening Reforms’ campaign at the Third Plenum of the 18th Central Committee in 2012. This reform, termed “comprehensive deepening reforms” (*quanmian shenhua gaige*), was considered as the direct inheritance and development of Deng Xiaoping's theory (Kroeber, 2013). In the economic realm, the Plenum announced that “market forces” would begin to play a “decisive” role in allocating resources.

Xi first used the phrase ‘China Dream’ during a high-profile visit to the National Museum of China in 2012. While the Chinese Dream was originally interpreted as an extension of the American Dream, which emphasizes individual self-improvement and opportunity<sup>5</sup>, the slogan's use in official settings since 2013 has taken on a noticeably more nationalistic character, with official pronouncements of the “Dream” being consistently linked with the phrase “great revival of the Chinese nation”. (Xi Jinping: The governance of China, 2014) The policy implications of the “Chinese Dream” remains unclear since this is a new ideology proposed by CCP and still need further interpretation from official doctrine.

### **Chongqing city**

Recognised officially as a municipality in 1997, Chongqing is one of the largest water, land and air transportation hubs on the Chinese mainland and where the mighty Yangtze and Jialing Rivers conjoin. In 2010, the Chongqing Liangjiang New Area formed the third national economic development zone in a triangle together with Pudong and Binhai. In the past decade, Chongqing has developed several city brand concepts including (but not limited to): “Dream City”, “City of Magic”, and “Mutual Wealthy”. From 1999 to 2014, Chongqing city conducted three major city branding (or city promotion) campaigns namely ‘Harmony Chongqing’, ‘Five Chongqings: Safe Chongqing, Liveable Chongqing, Forest Chongqing, Healthy Chongqing, and Convenient Chongqing’ and ‘Chongqing Dream’(before the ‘Harmony Chongqing.’ Previously, there were only fragmented city promotion campaigns

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<sup>5</sup> Chasing the Chinese dream, *The Economist*. 4 May 2013, pp. 24-26



such as ‘Construction of the three major economic zones构建三大□□区’, ‘Four Chongqing’ campaign四个重□活□, ‘Green project青山绿水工程’ and ‘The clearance project of city主城净空工程’)<sup>6</sup>.

## Methodology

To answer the research question, ‘how do ideological factors influence the (creative) branding of Chinese cities?’ requires a research design that is pragmatic in orientation (Creswell, 2013). We are interested in how and why certain conditions shape practices – it is important, in our view to stay flexible rather than deterministic. Thus, this research draws upon a mixed methods approach. Data consist of government reports, city slogans, banners and campaigns. The method of data collection will be through content analysis, non-experimental survey questionnaires and interviews. A questionnaire has been designed and will be piloted upon 25 ministry officials in the Chongqing municipal authorities. Preliminary interviews have been conducted with a small number of them.

## Findings

Based on the proposed framework, some strong ideological impacts on policies and practices in city branding can be discerned.

First, the slogans used in Chongqing’s city branding campaign are apparently affected by the CCP’s political ideologies. Many slogans resonate with a particular central government ideology. For example, the ‘Half an hour main city’半小时主’ and ‘8 hours Chongqing project ‘8小□重□’ were directly praised in official documents as messages that ‘earnestly implement the central government policy of expanding domestic demand. They are seen as seizing the opportunity to implement a proactive fiscal policy and national western development strategy’(认真贯彻中央扩大内需方针, 紧紧抓住国家实施积极财政政策和西部大开发战略的机遇); the ‘Thought of "Three Representations" as guidance’(以“三个代表”重要思想为指导)<sup>7</sup>; the ‘Harmony Chongqing’ and ‘Five Chongqing’ slogans have a populist colour which caters to Hu’s ‘Harmony society’ and ‘Scientific outlook of development’ ideology. Most strikingly, the newest ‘Chongqing Dream’ is explained as part of Xi’s ‘China Dream’<sup>8</sup>.

Second, campaigns are heavily propagandistic. From the early ‘Four Chongqing’ campaign<sup>9</sup> that aims to strengthen the ‘Civic morality education’ ideology of ‘Three representations’; to the ‘Singing revolutionary songs, Reading classic books, Telling stories and Spreading mottoes’ campaign that reflect a Hu’s era ideology of ‘Enhance national cultural soft power’ - campaigns are all used as a communication apparatus to convey the political ideology of CCP to the public.

During field research, many interviewers expressed positive but also confused views of the ‘Five Chongqing’ campaign. One interviewer stated: ‘we all witness the improvement of Chongqing public security and urban environment, it’s unnecessary to abandon these slogans because he (Bo) made a mistake. Besides, I have no idea about the Create a model city or Chongqing Dream even it is talked every day on the news, what does that exactly mean? What is the benefit for us?’

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<sup>6</sup> Chongqing municipal government work report 2002 2002重庆市政府工作报告

<sup>7</sup> Chongqing municipal government work report 2002 2002重□市政府工作□告

<sup>8</sup> Chongqing Dream and Chinese model 重庆梦与中国模式

<http://theory.people.com.cn/GB/12648727.html>

<sup>9</sup> Four Chongqing: Etiquette of Chongqing, sincerity of Chongqing, knowledge of Chongqing, charm of Chongqing 礼仪重庆、诚信重庆、知识重庆、魅力重庆 in Chinese spiritual civilization Yearbook 2003



The Five Chongqing slogans



New city slogan: Create a model city in 20<sup>th</sup> May, 2012

However, it is noteworthy that even though the slogans change frequently, the content of city branding in official documents tends to remain the same (or else they keep adding new content just as the political ideology of CCP keeps adding new leaders' idea). Early city promotion campaigns (from 1997-2002) focused on economy development, education, employment, urban development, attracting investment, infrastructure facilities<sup>10 11</sup>; the 'Harmony Chongqing campaign' still focused on these aspect, but added Housing, Healthcare Reform; the 'Safety Chongqing' and 'Liveable Chong' were originally part of 'Harmony Chongqing' and 'Five Chongqing' campaign added extra connotation such as Transportation reform, Citizen safety, Environment protection<sup>12</sup>; and the 'Chongqing Dream' has a wider content including all the above aspects, as systematically expressed in official doctrine, is a construction of 'political, economic, cultural, social and ecological civilization' (Xi Jinping; the governance of China, 2014).

## Theoretical and practical implications

The analysis of Chongqing's city branding campaigns expands current city brand paradigms well beyond elements such as urban infrastructure, the physical landscape, the role of events, citizen participation and so on. In the process, our paper destabilizes the 'liberal-democratic' model of city branding and opens the field up to consider other hidden dimensions of neo-socialist/capitalist economies that are experiencing unprecedented change. City planners and local authorities in these contexts and countries can thus better develop campaigns that either highlight or flatten ideological elements to appeal to specific audiences, something that China has yet to master on the world stage.

## Limitations

Due to the time limitation, the researcher only examined four parts of city branding. Other aspect such as advertising, community networks, public art, financial incentives were not

<sup>10</sup>Chongqing municipal government work report 2002 2002重□市政府工作□告

<sup>11</sup>Chongqing: five keywords of social harmony重庆: 社会和谐五个关键词

<sup>12</sup>Chongqing municipal government work report 2007 2007重□市政府工作□告

considered in my analysis. What's more, this research only studies one city in China and a larger sample would have to be considered in further research.

**Keywords:** city branding, ideology, China, Chongqing

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## **Authentic fake – Consumers' quest for authenticity in luxury fashion brands**

Turunen, Linda

Authenticity is regarded as an important, even self-evident, feature constituting a luxury brand (e.g. Tynan et al. 2010; Fionda & Moore 2009). Particularly in luxury fashion field, the authenticity concept has received growing importance, as the fashion field has turned out to battlefield of authenticity (e.g. Wilcox et al. 2009; Nia & Zaichkowsky 2000). Luxury fashion brands struggle with the phenomenon of counterfeiting, which refer to products bearing a trademark that is identical to a trademark registered to another party (Bian & Moutinho 2009), i.e. inauthenticity of a product.

Besides counterfeits that challenge the object-related authenticity, traditional luxury market has faced challenges in changing markets (Yeoman 2011). Earlier, luxury goods have been a privilege for small group of elite. Nowadays, luxury brands are even more available for a bigger number of consumers; they offer step-down brand extensions of different price and quality level to attract diverse target group. Original brands and their brand extensions diffuse the boundaries of luxury, but also affect perceived authenticity of a brand (Spiggle et al. 2012). Thus, the extended availability of a brand may have an impact on the perceived authenticity in brand level (e.g. Beverland & Farrelly 2010; Beverland 2004).

### **The purpose of the paper**

The consumers' quest for authenticity raises an interesting question that this study pursues to answer: how consumers define and perceive authenticity in different levels of luxury fashion brands. The research question will be approached through two objectives: First, this study aims to identify the perceived dimensions and characteristics that differentiate authenticity and inauthenticity in luxury fashion brands. Second, it is aimed to pinpoint how these dimensions become existent among different degrees of luxury brands. The study brings forward novel viewpoints of luxury consumption by highlighting the consumers' active roles in defining, evaluating and determining the authenticity in luxury product.

Authenticity as a characteristic of luxury brands is often understood as an object-related attribute, which refers to the perceived originality of a product (Chronis & Hampton 2008; Peterson 2005). Originality is an absolute, often company-driven criterion. Grayson & Martinec (2004) refer to indexical authenticity, as no reproduction can attain authentic status. In the context of luxury branded products, the company plays a central role as the definer of authenticity. In addition to the objective/indexical form of authenticity, it is also defined from different premises: authenticity can be seen as an existential or constructive/iconic construct (Leigh et al. 2006). Existential authenticity emphasizes the postmodern consumers' interpretation. This means that existential authenticity is a contrivance rather than reality (Wang 1999; Brown et al. 2003). The more authentic a representation looks and feels, the more real it is considered (Rose & Wood 2005).

Constructive authenticity in turn emphasizes the social context and active role of the consumer in authenticity creation: A consumer needs to have prior knowledge, as his or her interpretations of reality are constructed based on perceptions of objects. Such interpretations are socially constructed, and therefore emerge in a specific time and place. (Grayson & Martinec 2004; Liu et al. 2014.) Unlike objective authenticity, reproductions can be regarded to represent constructive authenticity, which Grayson and Martinec called iconic authenticity (2004).

In line with the extended understanding of authenticity construction, in previous literature authenticity has even been identified also in the patently fake (Brown 2001), obvious reproductions (Bruner 1994) and mass-market objects, e.g., luxury diffusion brands (Miller 2008).

### **Methodology**

The empirical data for this study consists of two forms of secondary data: written narratives and depth interviews. Two different kind of data was collected in order to answer to the objectives of the study, and thus grasp more detailed understanding of authenticity in luxury fashion field. The data was collected from Finnish consumers between 2009 and 2013. The informants represent fashion driven consumers who own branded goods they regard as luxury. Initially, authenticity was not the subject of research when collecting narratives or generating interviews, but the quest for authenticity emerged repeatedly, which is why the perspective was chosen to this study and empirical data was analyzed by the means of this concept.

Twenty narratives were written based on photo-ethnographical cues offered to informants. Seven narratives were written about pictures illustrated authentic luxury fashion brands, and 13 narratives about pictures of counterfeits, in order to uncover the dimensions through which consumers perceive and differentiate the authentic and inauthentic. In addition to the narratives, the empirical data was enriched by 20 personal interviews of consumers of luxury branded products. The interviews were analyzed in order to see whether the dimensions are same in different degrees of luxury that were spotted from narratives.

Most of the informants were women (15 of 20) and between the age of 23 and 40, they represented different demographic backgrounds with diverse economic resources. Interviews were transcribed afterwards and the textual data resulted in 163 pages of written text, which were analyzed by means of qualitative content analysis (Belk et al. 2012).

### **Findings**

The preliminary findings show that the brand's perceived authenticity of luxury fashion brands is regarded as continuum ranging from counterfeit to highly authentic items. Thus, authenticity is not a homogenous concept that can be divided as authentic – inauthentic. The levels of authenticity are negotiated through two main dimensions, which are complex, even contradictory, and establish the informants to ponder their roles as consumers when questing for authenticity.

The first dimension through which consumers evaluate authenticity is objectivity, which is derived from product features. Informants determined different levels authenticity based on price and quality perceptions, brand's history and heritage, perceived brand identity and products' age. Brand's history and heritage was regarded as more valuable than story behind the brand; for example, Louis Vuitton was seen to carry higher level of authenticity than Ralph Lauren. In addition, the brands with extensions were seen as diluting the perceived authenticity of original brand. The perceived product features were object-related evaluations, whereas the second dimension emphasized more subjective perspective of authenticity perceptions.

Second, the perceived authenticity was negotiated through experiential dimension: the authenticity was seen to be constructed by purchase experiences on one hand and consumption experience on other hand. The experiential dimension emphasizes consumers' subjective creation of authenticity. This form of authenticity is created through personal importance, memories and stories related to a product. In some cases also the lack of authenticity determined by company was acknowledged, but it was perceived as secondary. However, it is noteworthy, that in these cases the product could receive the authenticity perception only in personal level, but not in social context.

The preliminary findings shortly discussed above aim to pinpoint the dimensions through which consumers differentiate authenticity and inauthenticity in luxury fashion brands. Next step is to take analysis further by examining how these dimensions are emphasized and become existent among different degrees of luxury brands.

### **Theoretical and practical implications**

The findings of this study challenge the objective, a company driven authenticity, by emphasizing the social construction and consumers own experiences when interpreting the authenticity. From consumer perspective, authenticity receives more fruitful contents than objective authenticity manifested by a brand. Consumers may not blindly accept authenticity as add-on attribute associated to luxury, but instead, actively negotiate and participate to determine the authenticity of luxury branded products. Acknowledging the challenges of authenticity in luxury fashion field is valuable for luxury brand manager. The authenticity is rather social construction, which indicates that brand managers are not sole creators of brand meaning and thus perceived authenticity. Authenticity for some could indicate an original brand (not counterfeit), while for others authenticity may carry deeper meanings.

### **Originality and value**

This study pursues to understand the consumer point of view of evaluating authenticity of luxury fashion brands. Consumers regard authenticity as a central characteristic of luxury



goods, but instead of taking authenticity for granted, the informants are participating actively creating the perceived authenticity of branded product.

### **Limitations and future research**

The findings from this study are not without limitations. This study has limitations based on the empirical data: the sample size is small, the data is collected from Finland and most of the informants are women. Therefore, the findings are not generalizable to other countries and consumer segments. In addition, as the subject of research was limited only to the fashion field, the findings might only be applicable for drawing conclusions regarding the fashion field, not luxury brands in general. The future research could be extended to fields other than fashion brands, where the authenticity may receive very different meanings.

### **Keywords**

authenticity, luxury brand, consumers

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## **Towards collective activity - The key elements enhancing co-operation in place branding**

Vuorinen, Maarit

### **Purpose**

Place branding co-operation is an interesting and important topic to be investigated, especially when strengthening the understanding of how collective action of place branding is constructed, supported and organised. The purpose of this paper is to investigate the key elements in place branding co-operation and to gain knowledge about place branding processes creating joint activities. Place branding is seen as a participatory process rather than based on traditional managerial techniques (Kalandides 2011; Pryor & Grossbart 2007). In addition, the importance lies rather in the relationships, not the formal structure. When stressing the relationships instead it might lead to better co-operation in place branding (Konecnik & Go 2008). This research topic carries a value of social relevance as it aims at understanding how place branding environment is constructed and the collective action achieved. The outcome of this understanding is to strengthen a shared feeling for the place and to enhance stakeholder involvement towards place branding activities. However, achieving this joint collective action is surrounded by various challenges that need to be acknowledged and explained.

Place branding activities are not the outcome of just one organisation. If place branding is just leaning on the separate efforts of individual organisations, it will not reach the success, but instead create organisational fragmentation (Hankinson 2009). In place branding, broad stakeholder participation forms the place branding process itself (Kavaratzis 2012, 13). For this research place brands are conceptualised as relationships with value creation through relationship with stakeholders (Hankinson 2004; Payne, Holt & Frow 2001; Szondi 2010; Payne et al. 2001). The co-operative approach to branding places is chosen and especially the relational viewpoint is stressed. The place is considered as a social network that has various internal relations in it and is linked to the outside world (Pasquinelli 2012). By getting stakeholders to co-operate together it could strengthen the possibility to find a common course for the activities. Saraniemi (2011) states that the identity-based branding leads to better understanding of place branding process not only seeing it as a branding strategy. In addition, achieving a competitive advantage is not the only aim but the goal is also to strengthen stakeholders' local identity. Therefore identification with the place is seen important which also supports joint community development (Aitken & Campelo 2011; Ballantyne & Aitken 2007; Kavaratzis 2004.)

In this research co-operation in place branding was investigated among public and private actors. This leads to a focus on defining stakeholder roles and responsibilities in place

branding and also clarifying who and what organisations are involved in place branding and on what basis. It was important to empirically show the nature of place branding co-operation and gain better view on what stakeholders value as being specific key elements in place branding co-operation. Also the current status of the co-operational environment of place branding was validated.

### **Methodology/approach**

First a literature study and then an empirical study was conducted. The literature study offered multiple theoretical perspectives also revealing some gaps considering the chosen topic. As place branding is a multidisciplinary field in its nature and as previous theoretical frameworks did not fully clarify the process of place branding from the point of view of stakeholder co-operation, it was important to explore for more evidence from the stakeholders' point of view. The focus group study was chosen to be a suitable empirical research method for this research.

Place branding processes are difficult to observe outside their actual environment and organisational settings where they take place. The boundaries between the phenomenon and the context are not clear. (Yin 1994.) Choosing specific regions to study and choosing the focus group interview as a research method was seen as an appropriate research strategy when investigating place branding from the co-operational perspective. Four focus group interviews were conducted in three regions in Finland. Focus group interviews helped in generating categorisations of participants' views and insights (Morgan 1988) and helped in understanding how people construct meanings about their surroundings and how the participants make decisions. It also allowed access to information about professional practices (Wilkinson 1999) and offered better understanding of the various attitudes and values of the participants (Bertrand, Brown & Ward 1992). Focus group study as a data collection method supported connecting the research to the field of place branding. By connecting focus group study with a phenomenographic analysis it was possible to achieve the knowledge of how people structure the world and in what kind of ways the participants interpret reality? (Marton 1981; Marton & Booth 1997; Uljens 1991). In addition, phenomenographic perspective helped to understand different experiences connected to the process of place branding co-operation.

In this research the empirical focus group data was investigated in the context of stakeholder co-operation. The literature study and gaps found in the literature supported forming the themed discussion guide however the main findings and the themed categorisations of the data were derived from the empirical data. The intention was not to conduct the analysis process according to predetermined classifications (Francis 1996; Marton 1982).

### **Findings**

The literature and research findings show that there is an ongoing change in the place branding structure. If the goal for it is to become more collective activity oriented enhancing co-operational processes in place branding is at the core. However, this process is facing various difficulties which are related to the differences in the organisational setting where organisations co-operate as well as value orientation between various stakeholders. There still is a lack of understanding of how to empower multiple stakeholders to cooperate as well as how to entitle stakeholders to act. The findings of the data showed that the roles and responsibilities of the different actors in the co-operation were unclear and they often take place in unclear organisational setting. In addition, the various differing motivations between public and private stakeholders were considered to impact on stakeholder interaction.

When investigating the roles and relationships of public-private co-operation in place branding, four key elements that enhance co-operation were found. The key elements in place

branding co-operation: **Identity- and interest-based participation, Spreading of responsibilities beyond borders, Decision making beyond formal competence and Participative legitimacy**, offer a proper social and environmental setting for place development work. The four key elements are attached to a wider model '*Organising capacity – a collective process leading to place branding: Coordination, co-operation and engagement*' (Vuorinen 2015, work in print).

Collaboration relies upon many entities having the same operational goals and purposes (Engstrand & Åhländer 2008) and the stakeholders are able to offer various contributions to the joint processes (Hambleton & Howard 2013). However, the roles and relationships among public and private co-operation are currently changing as various networks between the public and private sector create different organisational settings to operate on. In one of the key elements of co-operation, namely **identity- and interest-based participation**, public and private stakeholders have a true interest towards a particular place. When private companies and local people connect themselves with the joint place branding processes and give their input in the process, an attractive basis for co-operation is created. Especially private stakeholders can be initiators in joint place branding and they reflect their own place identity and attachment to a particular place in their various activities. **Spreading responsibilities beyond administrative and geographical borders** is another key element in co-operation as it then might lead to finding a commonly accepted ground for co-operation in place branding. In addition, unofficial forms of co-operation are also recognised as they often represent a more bottom-up perspective and more emergent initiatives. **The decision making process is considered beyond formal competence** being one key element in co-operation. From the private sector perspective administrative decision making is slow and takes place in a bureaucratic setting. However, when enabling a joint base for the decision making activities it creates a more open process and eventually access is then enhanced for the various stakeholders. **The participative legitimacy perspective** is also one key element in co-operation. When place branding processes include participatory elements in its activities the process can claim legitimacy for itself. In addition, stakeholders are enhanced towards co-operation and thus can themselves be more easily legitimised.

**Theoretical implications:** A construction of the key elements of co-operation in place branding was created where identity- and interest-based participation, spreading of the responsibilities beyond borders, decision making beyond formal competence and participative legitimacy form the core. It recognises the core features of the dynamic organisational setting and helps to understand diverse collective principles involved in place branding co-operation.

### **Practical implications**

A current place branding is still dependent on public organisations despite of the clear recognition that the efforts of private actors engaged in joint processes are at the heart of place branding. This research stresses the uniformity of purposes and similarity of value which is beyond formal strategy and beyond administrative and geographical borders. Identity – and interest-based participation enhance co-operation which further strengthen broader place development work. Participatory view and openness in the co-operational processes will claim legitimacy for itself and collective action is then better achieved.

### **Limitations**

This research was conducted during a short period of time in four different regions. In the future, conducting a longitudinal research on stakeholder co-operation in numerous place branding networks could generate broader insight about the functional co-operational activities taken in place branding, offering solutions for the practitioners.

### Originality/value

In this paper and in the construction of the key elements of co-operation in place branding it is concluded that similar interests and a place-based orientation between and among stakeholders enhance co-operation. The key elements: identity- and interest-based participation, spreading of the responsibilities beyond borders, decision making beyond formal competence and participative legitimacy enhance co-operation in place branding. In addition, this paper clarifies various processes involved in co-operation and the ongoing changes in the organisational environment of place branding. Places need to reach for a uniformity of interest between and among various stakeholders. In order to understand co-operation in place branding future research needs to underpin these valuable enhancing factors in its activities.

**Keywords:** Place branding, co-operation in place branding, stakeholder engagement, place identity, collective activity

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## **From many to one: Can a public sector organisation develop one brand from many core values?**

Yognathan, Vignesh  
McLeay, Fraser

### **Purpose**

Public Sector Organisations (PSOs) have been driven to *brand* themselves in order to be more competitive, and better address stakeholder needs (Hariff & Rowley, 2011; Whelan *et al.*, 2010). PSOs interact with a diverse range of stakeholders (Luoma-aho, 2007; Laing, 2003). As a result, they naturally assume multiple identities to suit key stakeholder groups (Wæraas, 2008). This behoves PSOs to embrace the varied, and even contrary, views of different stakeholders to develop multiple brand identities, that cater to specific groups of stakeholders (Wæraas, 2008). Nevertheless, it is impractical to differentiate between groups of stakeholders of a PSO, since even their ‘customers’ are likely to include a variety of groups and the public at large (Laing, 2003). In addition, it is more resource-efficient to manage a coherent corporate brand that is consistent across stakeholder groups (Rao *et al.*, 2004), which makes a ‘one brand’ strategy more suitable for PSOs as non-profit oriented organisations.

In this paper we seek to address the one vs. many brands debate through the case of a large British PSO and investigate if this PSO was successful in the development of one coherent corporate brand from a diverse set of values. We refer to the case study organisation in this paper using the acronym SCC.

SCC is the local authority of a historic city and its suburbs on the Northeast coast of England, which employs over 4,000 local residents and services a population of around 275,000. As many other PSOs, SCC has faced far-reaching macroeconomic changes since the 1980’s and has undergone further changes to its organisational structure and operating model within the past five years. In parallel to these changes, SCC embarked on an organisation-wide effort to uncover and articulate the core values underpinning its (corporate) brand. This was intended as means by which SCC strengthened its relationship with its multitude of stakeholders.

Extant literature differentiates between market-led vs. employee-driven approaches to corporate branding. The traditional approach is based on the concept of market-orientation;

we refer to this approach as the *outside-in* approach. The second approach, which is a more recent development, is the inside-out approach of employee-driven corporate branding (Ind, 2007). Based on the theoretical perspectives we have discussed so far, we provide a typology of approaches to corporate branding (see Figure I). SCC adopted a monolithic corporate branding strategy, and followed an inside-out approach by engaging its employees to uncover the strongly held values that represent the organisation. An illustration of SCC's approach is provided in Figure II.

Other authors have referred to monolithic vs. multidimensional branding strategies. Monolithic branding strategies seek to build a coherent corporate brand that is consistent across different stakeholder-groups (de Chernatony & Segal-Horn, 2003). Alternatively, multidimensional branding strategies seek to promote different brand images to different stakeholder groups (Muzellec & Lambkin, 2009), similar to a company that adapts its product or service offering to target the preferences of specific consumer segments. The benefits of a monolithic branding strategy include better financial performance through resource maximisation (Rao *et al.*, 2004) and corporate identity-based differentiation (Wæraas, 2008). Monolithic branding strategies are common among service sector organisations (de Chernatony & Segal-Horn, 2003), which include PSOs.

### **Methodology**

SCC's management conducted a two-year long corporate branding exercise with its employees, as the result of which several value-statements were developed to reflect the organisation's brand. We applied the *projective technique* of humanising the brand (Davies, 2008; Power *et al.*, 2008) to these value-statements and developed 13 items for a questionnaire survey of SCC employees. The approach allowed us to develop contextualised scales rather than applying an "off the shelf" measurement instrument such as the Corporate Character Scale (Davies, 2008).

The questionnaire instrument was pre-tested in a qualitative research phase, which included 4 focus group discussions and three 90 minute interviews with members of the senior management team. During the qualitative phase, we also examined how the organisation adopted a monolithic branding strategy. A pilot survey was then conducted, resulting in 499 complete responses. Following minor adjustments to the questionnaire, a main survey was conducted to produce a representative sample of 1006 complete responses. The responses were analysed using exploratory factor analysis to purify the questionnaire-scale, following which 6 items were subjected to confirmatory factor analysis.

### **Findings**

From our qualitative research we were able to establish the salient features of SCC's branding strategy. A cross functional team was set up to spearhead the consultative efforts to engage employees from across the organisational divisions and feedback their views to the senior management team. This process of consultation between wider employee populace and the senior management team was reiterative and lasted for two years. Finally four broad values emerged from this process: *pride*, *decent*, *together* and *ambitious*. The last value, *ambitious*, became the centre of further debate. The senior management team was doubtful as to whether it accurately reflected the organisation's heritage and culture as opposed to a desired future state. This led to some further consultations with employees. From this it emerged that *ambitious* formed part of SCC employees' aspirations for the organisation and its future vision. However, they did not feel that it exactly represented the current state of the organisation. Therefore, *ambitious* was excluded from the final set of values that represent the SCC brand. This is indicative of SCC's approach to developing a corporate brand

underpinned by values that were compatible as opposed to contradictory; SCC's CEO reemphasises this as follows:

"There was a long debate around whether it was in the organisation to be ambitious. In the end we decided not to include it. Because people in the organisation didn't feel comfortable with it....really deep down it wasn't really them. Even *pride* was a bit edgy. When people thought saying pride from then sense of shouting from the rooftops about how high above they were, they didn't want to do that. It's not in the DNA [of people from this region] to shout about success. People had to play with this idea enough to understand it in connection with decency and togetherness. So *pride* was as much about being decent and being together as it was in its own right, it was only then there was a level of being comfortable with this idea. But *ambition* was like... off the spectrum in that sense!"

In respect to catering to competing stakeholder interests and values, SCC believed that a coherent corporate brand can achieve this effectively. SCC's CEO and HR Director had the following to say respectively in relation to how SCC was to achieve this:

The CEO:

"When we are challenged by different interest groups, the question we (SCC) have to ask ourselves is..... *what is the most consistent outcome benchmarked against our values*. To be truly consistent the organisation needs to be consistent with its values. It can do things in a different way, but it must *always* remain consistent with its values."

The HR Director:

"[different stakeholder groups] can *apply* our values to their context rather than *adapt* them I would say.....I think there's only one way to interpret the values.....we don't interpret them differently, but we apply them in different circumstances."

Thus, SCC aimed to develop one corporate brand from many values identified by its employees as reflecting the organisation's character and way of operating. Given this context, our quantitative analysis tested 13 value-statements and found that 6 of them accurately represented the SCC brand. These six value-statements are as follows:

- We have a sense of fulfilment from our work (in the organisation)
- We celebrate our successes
- We believe our organisation stands for integrity
- We support our colleagues
- We are self-respecting
- We treat people with great dignity when providing our services.

### **Theoretical and practical implications**

By reviewing extant literature, we have offered a typology of four corporate branding strategies which is illustrated in Figure I. The case we investigated in this paper, examines the inside-out monolithic branding strategy adopted by a British PSO. Wæraas (2008) contends that PSOs should seek *not* to stifle inconsistent internal values to build a monolithic corporate brand, instead harnessing them to create multiple brand identities that can be matched to inconsistent stakeholder interests. Wæraas' (2008) arguments, to some extent resonate with proponents of the inside-out branding approach (Ind & Bjerke, 2007), who emphasise the importance of diversity of values and employee-participation in the branding processes. Though SCC adopted a monolithic strategy, by following the inside-out approach of employee-driven brand building, they have developed a coherent and consistent corporate



brand whilst maintaining a healthy level of debate underpinning it. The following quote from SCC's CEO reiterates this:

“Even when there was a large consensus, there were still some areas of debate.”

From a practitioner's perspective, our study offers operational insights into how a PSOs management can aim to: a) develop a corporate brand, although corporate branding is a practice typically associated with private sector organisations; and b) whilst embracing the inherent conflict of values within such an organisation, build a coherent corporate brand underpinned by a consistent set of values.

### **Limitations**

Whilst our theoretical typology identifies four different strategies to corporate branding, our case study has only been sufficient to illustrate one of these strategies: inside-out monolithic corporate branding. We call upon fellow researchers and corporate branding theorists to undertake further studies that would shed light on the remaining three strategies identified in our typology.

### **Originality/value**

Theorists have provided compelling arguments on the subject of corporate branding. To the best of our knowledge, ours is the first attempt to examine a public sector case which illustrates normative corporate branding theories and offers practical insights into the monolithic vs multidimensional branding in PSOs debate. Studies such as ours are an essential element in developing the empirical evidence to identify and support the most apposite corporate branding strategies for PSOs.

### **Keywords**

Corporate-branding; public-sector-branding; inside-out-branding; monolithic-branding

Figure I: Typology of Approaches to Corporate Branding

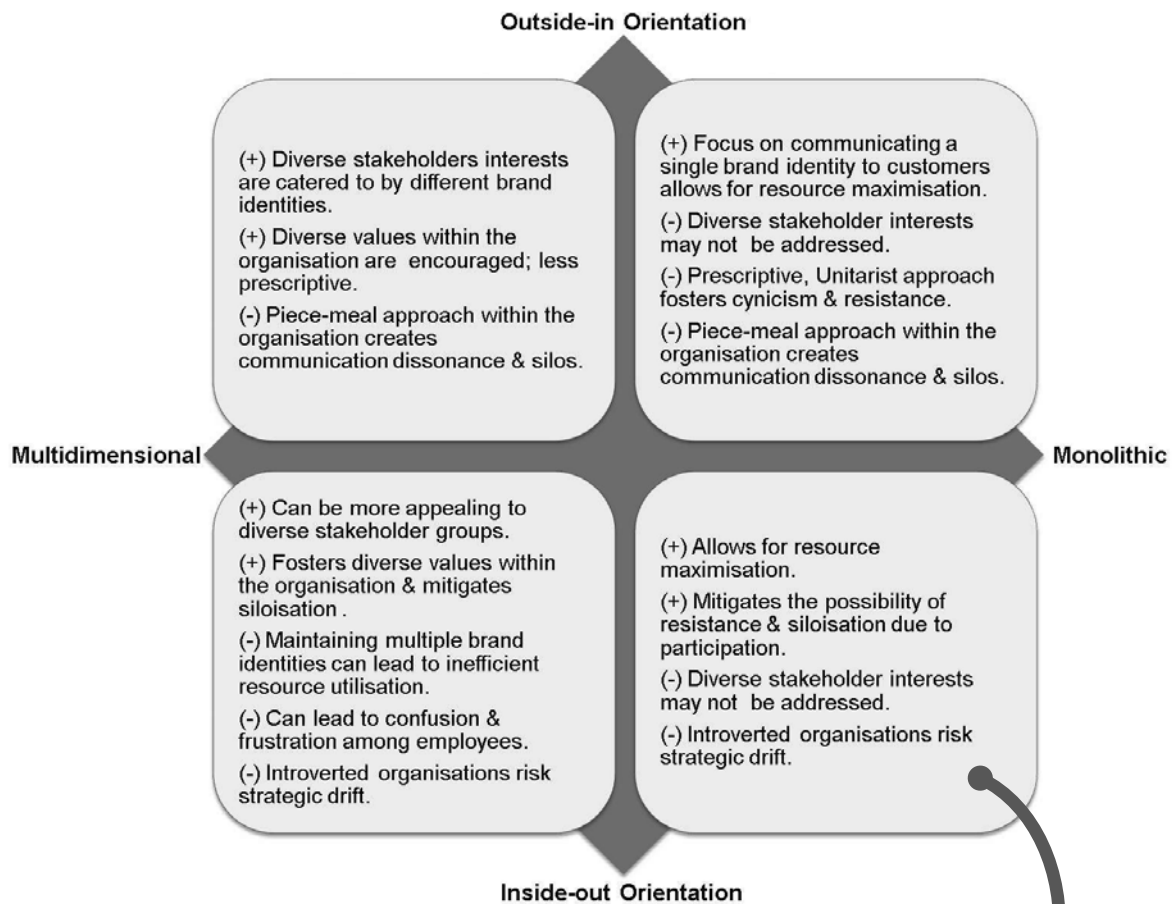
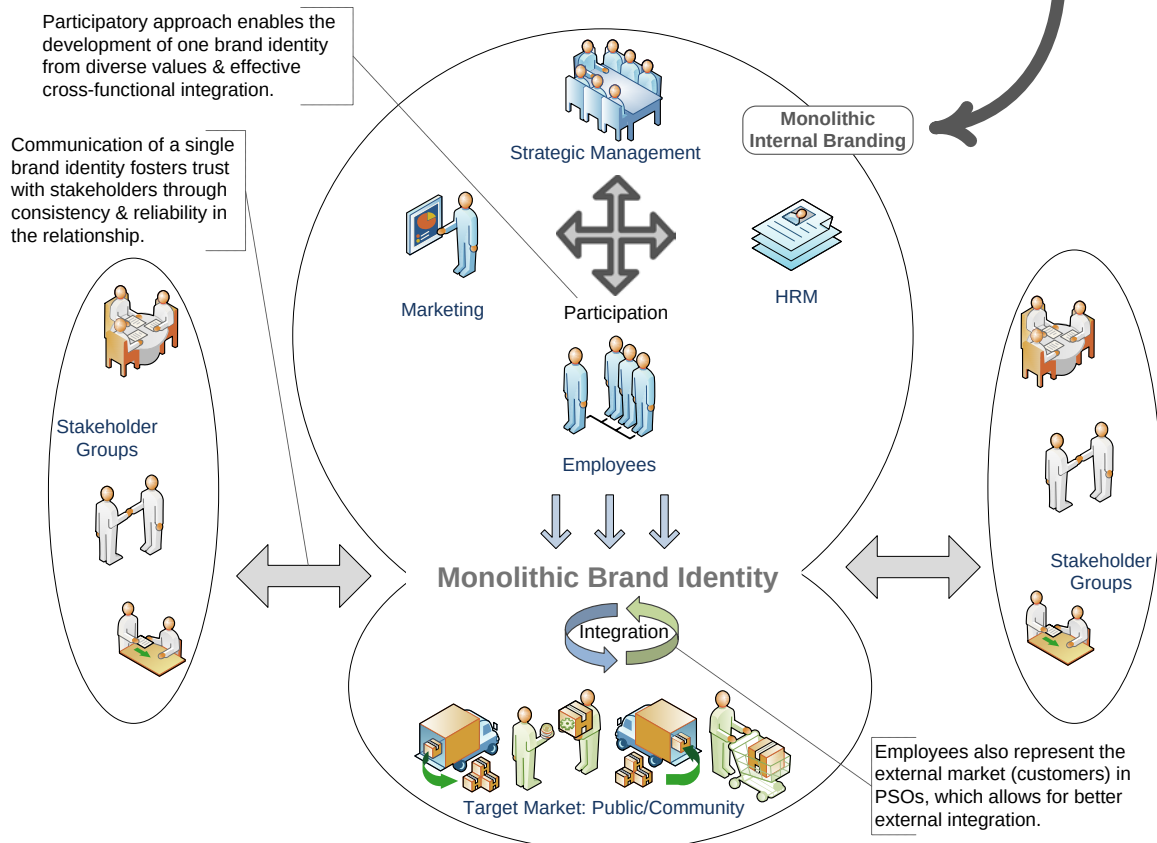


Figure II: Monolithic Corporate Branding



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## Brand strategy co-creation: A strategy-as-practice approach

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### Purpose of this paper and theoretical positioning

Recent branding research is characterized by a radical shift from static to dynamic branding approaches. Stakeholder- and activity-focused perspectives on brands gain momentum, promoting an understanding of brands as social processes. These processes continuously and dynamically develop through context-relevant social interactions and practices among multiple, networked stakeholders (Hatch & Schultz 2010; Iglesias, Ind & Alfaro 2013; Merz, He & Vargo 2009).

This shift in perspective appears particularly relevant for corporate brands. Corporate branding research first acknowledged the relevance of multiple stakeholders as targets for corporate branding efforts (Balmer & Gray 2003) and the existence of complex systems of multiple interrelated stakeholders (Gregory 2007). Only recently, stakeholders are perceived as active agents of co-creation. These stakeholders comprise “any individual or group inside or outside the organization that shows an interest in a brand and actively participates in brand-related discourse” (Vallaster & von Wallpach 2013, 2-3).

Critical corporate intangible assets like corporate brands and their meanings thus emerge through continuous social interactions and practices among multiple stakeholders. These social interactive processes are “strategic” in the sense that they shape a corporate brand’s mission, vision, goals, and objectives (cf. Bhattacharya, Korschun & Sen 2009), allowing corporations and their stakeholders to jointly decide on what they want to achieve and how (cf. Biraghi & Gambetti 2013). Corporate brands and their meanings are thus no longer

“manageable” in the conventional sense; that is, unilaterally determined by brand management. Managing brands requires acknowledging multiple stakeholders’ involvement in processes and structures related to corporate brand development.

These new dynamics of brand strategy co-creation have so far neither received sufficient theoretical nor empirical attention. This paper aims to illuminate the process of brand strategy co-creation by adopting a strategy-as-practice perspective (Vallaster & Mühlbacher 2012). The focus is on simultaneous or sequential actions and complex interactions (referred to as *strategizing*) that unfold over time and temporarily constitute events, states, or entities (referred to as *strategy*)—which form the basis for further processes (Langley & Tsoukas 2010). *Strategy* encompasses “situated, socially accomplished practices of members of an organization and its external stakeholders and the outcome of these practices at a certain point in time” (Vallaster & Mühlbacher 2012, 394). These practices are institutionalized, rather stable forms of behavior, but still adaptable to situations and contexts (Wilson & Jarzabkowski 2004). They guide the actual social interactive process of *strategizing*.

Based on a strategy-as-practice perspective, this paper conceptualizes brand strategy co-creation as dynamic integration of strategizing processes and temporarily stable strategic outcomes (*strategy*). Strategy is perceived as a co-constructed system of practices and meanings containing context-independent and context-dependent elements (Vallaster & Mühlbacher 2012). This paper intends to contribute to extant corporate branding as well as strategy-as-practice literature by investigating the institutionalized practices (*strategy*) that simultaneously drive and result from the process of brand strategy co-creation (*strategizing*).

## **Empirical Study**

### *Methodology*

For this study, we rely on a case study, that is, an empirical investigation that allows studying a contemporary complex social phenomenon within its real-life context (Yin 2003). The focal unit of analysis is the childcare institution “Kindergruppe Haidhausen”, located in Munich (Germany). A pedagogical team of six people takes care of 35 children. The institution is led by a yearly (re-)elected team of five parents. They all work on an honorary basis. The unit of analysis appears particularly relevant for studying the phenomenon of interest since the corporate brand’s strategy is continuously co-created by all stakeholders involved—securing the initiative’s continued existence.

In order to trace the process of brand strategy co-creation in the context of this small, non-commercial institution, the authors opted for an ethnographic approach. The first author, being a mother having two kids in the kindergarten, and being the CEO of the initiative throughout five years, served as key informant for this study (Thorpe & Holte 2008). Knowledge was generated through participant observation, regular discussions with stakeholders involved in the co-creation process, and document analysis. This triangulation of data collection methods ensured reliability of information gathered. The authors applied an inductive categorization procedure to analyze the data material (Spiggle 1994). Data were first analyzed separately by both authors; the results were then compared and a joint interpretation of the process of brand strategy co-creation and relevant practices was developed.

### *Findings*

The official pedagogical statement of the Kindergruppe Haidhausen includes the strategic aim to “*Providing the best childcare possible. ... Children will always be accepted, respected and cared for. It is our aim to provide individual space for each child*”. Such “institutionalized” practices aim to help children developing towards autonomous, responsible, and self-conscious human beings. Some situational and contextual influences require/inhibit the adaptation of brand practices and so determine the process of brand strategy co-creation:

#### The duality of brand practices—adaptation versus perseverance

The responsibility to establish practices and routines to care for the children is in the hands of the pedagogical team, headed by the pedagogical leader. While the day is structured along defined activities (e.g., free play, lunch, resting), the experience and personality of each team member influences the “tonality” of each interactional practice with the children. As long as this varies within a non-defined continuum of acceptance on how to deal with the kids, the brand practices align with the expectations of both, pedagogical team members and parents. However, parents’ perception whether a childcare practice is considered as “good or bad” varies strongly, depending on the perceived needs of their own child. “With great regularity we discussed whether the offered activities accommodate the desire of boys, aged between five and six, to move around”, explains the CEO. Parents of boys criticized the pedagogical team of not catering enough for the needs of boys. “Why should they—they are all women in this kindergarten”, expresses one angered father. On behalf of the pedagogical team leader, there was strong resistance to offer more active games. Only when she left the kindergarten new sports activities were introduced.

#### The resilience of brand practices—protecting against external threats

External threats like the lack of finding adequate locations for establishing childcare institutions, high rents, shortage of public funding, or the difficulty in finding professionals pose high demands in managing a kindergarten. „As a parent initiative in Munich, we face great difficulties to find well educated personnel due to two major reasons: (a) A lack of professionals, and (b) We are in direct competition with public institutions that offer very attractive salary“, explains the CEO. Asked why they still prefer to work in a parent-initiative, team-members enlist (a) Friendly parents and children, (b) Fine working atmosphere, and (c) Feeling of being cared for by the leading team. “We as parents launched activities to foster team-spirit such as joint dinners, additional incentives like more holidays or subsidizing of educational trainings”, mentions the CEO. Such interventions helped ensuring that team members do not switch jobs and helped making brand practices more resilient against external threats.

#### Democratization of brand practices—actively involving parents

Parent conferences usually take place every six weeks and can be considered as interaction platform amongst parents, and between the leading team and the parents. “Many parent conferences lasted many hours. Every little detail is discussed—for instance, how much apple juice can be poured into the water bottles of the youngest (if at all)”, explains a parent. While this causes lengthy discussions (not favored by all parents), such democratization of brand practices is inherent part of a parent initiative. In return, parents are obliged to work certain hours to make sure the kindergarten runs smoothly. „While this thought sounds good in theory, a „recipient mentality” sips in with regularity—at the same time, parents expect to have the right to bring in their ideas. Consequently, some parents have the feeling to work a lot for the kindergarten while others do not do anything. This causes an animus ambience”, explains the CEO. Although the managing team tried to solve this situation through e-mails and in personal conversations, there was not much improvement. „We finally searched for solutions to make sure all parents show responsibility. A “task force” was formed which proposed the following instrument to increase pressure on parents to fulfill their duties: If a family does not work the required 30 hours per year, a fine of 30€ per hour is automatically charged on their bank account. This procedure was legitimized by all parents and included in the kindergarten’s rules and regulations.

### **Theoretical and practical implications**

The results reveal that brand strategy co-creation strongly involves the “actions, interactions and negotiations of multiple actors” (Jarzabkowski, Balogun & Seidl 2007, 7). Various situations and contexts facilitate or hinder brand strategy co-creation processes: Parents with their *individual context-dependent* expectations shape decisions, selected methods, and tools to provide best childcare. Brand strategy co-creation is a socially accomplished activity, constructed through situated practices various actors draw upon. Brand strategy co-creation is a particular type of activity that is connected with particular *organizational practices* (e.g., parent evenings and associated highly emotional discourses). Such practices have genetic properties that define the possible variations of brand strategy and meaning (Jarzabkowski 2004). Also, *market characteristics* (e.g., difficulties of finding personnel, public subsidies), shape brand practices. These insights provide practical value as the analysis provides a different perspective on brand management, shifting away from a highly normative to a reflective approach with the possibility to identify new ways of manoeuvring a brand in contexts where stakeholders heavily impact the brand co-creation process.

### **Limitations**

This study provides insights into the so-far under-researched phenomenon of brand strategy co-creation by identifying relevant brand strategy co-creation practices. Future research should further elaborate on how various contexts (individual, organizational, market) shape brand strategy co-creation practices.

While providing in-depth longitudinal insights into the phenomenon of interest, the present research design (case-based, ethnographic) does not allow for generalization. Future research should investigate brand strategy co-creation in other contexts and with different research methods to complement this study’s findings.

### **Originality and Value**

This paper contributes to extant discussions on brand co-creation by directing the focus of interest on the co-creation of brand strategy. The application of a longitudinal strategy-as-practice perspective provides unprecedented insights into the practices involved in processes of brand strategy co-creation.

### **Keywords**

Brand strategy, co-creation, strategy-as-practice

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## **Toward an understanding of an inside out perspective to city branding – A study of Leeds and Istanbul**

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### **Purpose**

Over the years many cities have often experienced an identity crisis in a post-industrial world (Skinner, 2008; Trueman *et al*, 2008, Kotler and Gertner, 2002). Consequently city planners have to review the fundamental purpose and rationale of the urban within the context of 21<sup>st</sup> century requirements; often with the aim of rebranding and marketing places in a revised context. It is therefore not surprising that opportunities for rebranding are tempting as city brand managers re-examine the identity of cities in a post industrial environment and strive to overcome negative perceptions about places, as well as to attract visitors, new businesses and residents as well as powerful stakeholders and financial investment (Kavaratzis, 2004; Gilmore, 2002; Goodwin, 1993).

Until recently, the term ‘city branding’ has been most associated within the context of tourism related marketing literature (Tasci and Kozak, 2006; Hankinson, 2001; Kotler *et al*., 1993), indicating an outside-in approach towards marketing places, often in an attempt to gain a wider perspective of a city (Price and Brodie, 2001). However, such an approach in tourism seems to be lacking depth and considered to be fragmented rather than comprehensive, since it ignores local communities. In support Kavaratzis (2004) highlights

that whilst economic development is essential for residents' basic needs; identification with their cities enables them to associate their personality through the perception of city's image that adds to the desirability of the city.

Breakwell (1993) outlines the concept of four processes in relation to place identity: place related distinctiveness (referring to places to distinguish oneself), place referent continuity (place as a reference to one's past) and place congruent continuity (place as confirming one's beliefs), place related self-esteem (referring to place as a means to self-fulfillment) and finally place related self-efficacy. In perspective of this concept, it is important to highlight the implication of being 'attached to' a place through sense of place of the local community which feeds the social capital for a sustainable city (Lin, 2002; Lloyd and McCarthy, 2003). Furthermore, Trueman *et al.* (2004) add that environmental developments play a key role in improving perceptions and influence the local community to take ownership of the city and pride hence enhance the brand value.

In consequence, the purpose of this paper is to present the preliminary findings of research into the concept of identity within urban spaces in the context of brand ownership from the perspective of residents who may have an important influence upon city brand identity. The research aims to explore perceptions held by residents in order to understand the impacts of spatial identity in city branding.

## **Methodology**

A grounded theory methodology was seen as appropriate and found to be valuable for the present study due to the lack of insight in relation to the specific factors and/or factor associations that comprise the different perspectives of the subject area.

The study adopts a constructivist approach to grounded theory (Charmaz, 2000; Charmaz and Mitchell, 2001) as this approach embraces and encourages attention to possible broader, contextual influences that is in parallel line with the complex nature of this study. The constructivist view (Charmaz, 2000) on grounded theory aims to highlight the phenomenon that is being studied rather than the methods of studying it by adopting the grounded theory guidelines as tools but not advocating of its objective and positivist stance in its earlier formation (Denzin and Lincoln, 2005).

This was a significant viewpoint in grounded theory approach as it recognised the role of the researcher and the possibility that the categories arise through the interpretations "of" the data, not "from" them (Denzin and Lincoln, 2005: 509).

City branding, especially if the study is taking an inside-out perspective by emphasising the notions of identity and residents of a city, requires research data that is diverse and socially constructed. Charmaz (2006) notes that all analysis come from a viewpoint or perspective; ideas or data are not mere external objects that researchers can passively observe. In addition, according to the constructivist approach, the researcher's prior knowledge and experience are ingredients of our interaction with empirical data but not determinant elements of inquiry (Charmaz, 2006).

In accordance with the constructivist view on grounded theory method, the study consisted of two-stage sampling involving initial and theoretical sampling with both stages including purposive sampling design. The initial stage included seven participants and the main inclusion criteria were that they had to be residents of Leeds, UK for a minimum of five years and had no direct links to the researcher.

Based upon the findings from the initial stage, emerging concepts and properties provided the basis for selecting subsequent research participants for the theoretical sampling process. The guiding principle of this stage was to gain further understanding and making sense of the emerging categories. Emerging concepts from the initial stage suggested that living in an environment where there are people from different cultural backgrounds indicated a feeling



of safety and a welcoming environment. Therefore the stage two of the study was designed to involve the addition of Istanbul, Turkey to the original proposal of Leeds in order to 1) explore the associations or differences in cultural backgrounds to the concepts of ‘safety’, ‘welcoming’ and ownership, 2) compare and contrast the meanings of the key themes of the study in two different cultures. As a result the second stage will consist of further in-depth interviews with the residents of Leeds as well as Istanbul.

Although there are important differences between two cities, both cultural and geographical, the purposive sampling design will be maintained in both locations. In Istanbul, because the city is divided into two main regions as European and Asian side, the potential participants will include residents from both sides.

## Findings

This particular study aimed to study the significance of residents in the aim of effective and sustainable city branding. In order to achieve this the literature review focused on the subject fields of environmental psychology, urban studies and brand management that lead to a conceptual framework emphasising the key stones of the study (Figure 1.1)

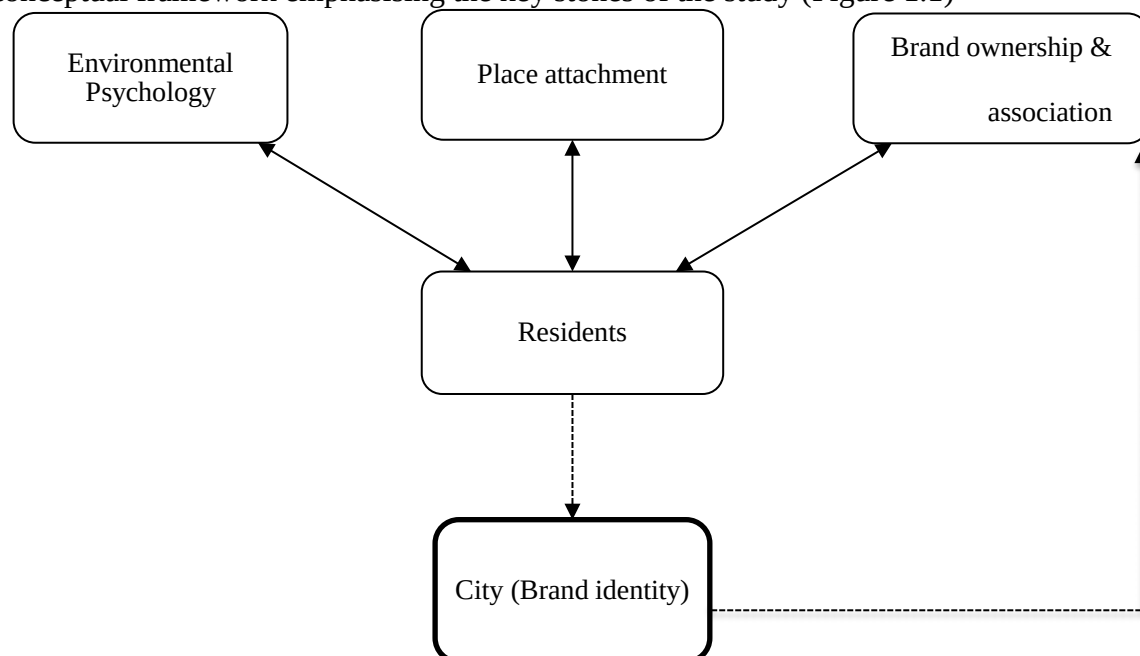


Figure 1.1 Conceptual framework of inside out approach

Indeed traditional, purist grounded theory (Glaser, 1978) rejects a prior knowledge, in this study extensive literature review was carried out in order to gain directions and indicate ways of how the subject area has been studied to date.

Although the present study is still on-going, the preliminary findings of the initial stage reveals rich insight on the processes between the key concepts of the study highlighted in Figure 1.1.

The key themes arose from the initial stage is the behaviour of transitory population and residents on sense place and impacts on ownership of immediate environment and the city of residence in general. In addition as mentioned earlier cultural diversity is associated with the meaning of ‘feeling safe’ and ‘welcomed’ by the participants and the second stage of the research aims to study further in a comparative study of Leeds and Istanbul.

It is important to highlight at this point that the proposed research is still an on-going study and is at the initial phase of second stage data collection however the researcher plans to collect and analyse further data by the date of conference presentations.

### **Theoretical implications**

Most city planners take the concept of identity lightly, see branding merely as an instrument to attract outsiders and disregard the influence of internal stakeholders, specifically local communities. However a social-geographical perspective highlights the significant influence of places on human life and suggest that individuals often react to a place with a deep sense of attachment and pride, whereas, from a branding perspective place attachment is often associated with ownership and loyalty. In addition, recent studies about place branding indicate that environmental developments play a key role in improving perceptions and influence the residents to take ownership of the city and pride hence enhance the brand value. Consequently, from a theoretical perspective this paper aims to bring the two subject fields of urban studies and brand management under the significance of spatial identity and ownership in the pursuit of a sustainable and effective city branding.

### **Practical implications**

City branding has been employed by the national governmental bodies as well as local authorities in an attempt to attract new visitors, residents and businesses. However it is often seen as an easy promotional activity and often carried out unstructured and rushed. Unlike in product branding, neither a customer satisfaction can be guaranteed to attract more buyers nor cities can have a traditional sense of branding department to serve across all its target audiences. In perspective of taking cities as multidimensional entities with unique spatial identities, with several different stakeholders and audiences (Hospers, 2010), it is important to explore and understand the three concepts of identity, ownership and differentiation.

The present research aims to highlight the differences between “gaining new customers” and “keeping existing customers happy” in the context of cities, in an attempt to emphasise the inside out to city branding management. The concept of city branding has been under an influx of several fields of study and practice; marketing, urban and environmental and even social studies being the stronger fields. This research aims to bring a new perspective to the existing city managements by highlighting a focal point of “keeping the existing customers happy” through investigating and understanding the role and significance of residents, their attachment to where they live and how this insight can be cooperated into creating and developing a sustainable city brand.

### **Limitations**

The proposed preliminary findings neither can be considered as representative of the concept of identity within urban spaces and its significance, nor aims to generalise findings for policymaking. Every city is unique with its distinct physical environment and sense of place; hence, it is possible that the research aims to develop a unique theory that will represent Leeds and Istanbul comparison.

### **Originality/value**

Many post industrial cities are in competition and in process of regenerating areas of decline and re-inventing their “brand identity” in the 21<sup>st</sup> century in an attempt to attract inward investors and visitors. However without a deeper understanding and an insight about the aspirations of residents, it is difficult for city planners and marketers to devise a successful scheme for change (“rebranding” and “regeneration”). Hence the highlighted inside out approach attempts to provide an essential starting point and a valuable insight into how individuals within these communities identify with the city from a spatial perspective, how attached they feel in terms of brand ownership and how they interpret the city.

## Keywords

City branding, brand ownership, spatial identity, grounded theory

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