ABSTRACT

It can be argued that corporate branding is essentially a strategic task spanning across functional boundaries and internal and external sphere of the organisation. What is the opinion of practitioners on the concept? This paper presents the findings from a study in the UK retail sector. The purpose of the study is to assess whether the practitioners share the view that the corporate brand is an integrative device and the process of corporate branding is holistic in nature.

KEY WORDS
Corporate Branding, Retail Sector, UK
CORPORATE BRANDING IN THE RETAIL SECTOR
A PRACTITIONER'S PERSPECTIVE

INTRODUCTION

Despite the growing interests among academics in corporate branding (Vick, 1993; Balmer, 1995; Ind, 1997, Hallawell, 1999), empirical studies on how practitioners actually perceive the concept are few and far between. This paper reports a study that attempts to provide some insights about how practitioners actually understand and relate to the concept. More precisely, the research takes interest in the extent practitioners in the retail sector share the view of corporate branding as a holistic process and the corporate brand acting as a kind of integrative device (Ind, 1998; Chernatony, 1999). The companies chosen for the study were discriminated against four factors. Obviously, all companies surveyed have to be in the retail sector. Second, all retailers have to be leading multiple businesses in terms of turnover and size with at least a significant domestic coverage. Third, the companies must have a strong corporate brand in terms of brand awareness among customers in the UK and its overall public appeal. Finally, each company should be described as being innovative or unique in terms of brand building and marketing activities with evidence drawn from media coverage and personal observations. These pre-conditions left a rather limited range of companies to qualify for participation. Subsequently, seven companies were invited to contribute to the study by mail and phone. These seven companies included all top-four multiple grocery retailers and three major non-food proximity retailers in the UK. Due to the constraints of time and resources, only three retailers finally participated in the study: two grocery retailers and one non-food proximity retailer.
THE STUDY

Semi-structured interviews were adopted as the most appropriate technique for the study. All interviewees were at senior level with sufficient expertise in marketing and brand development. The interviews were conducted during August and September 1999 and lasted about one hour each. The interviews were recorded, subsequently transcribed, and then approved by each interviewee. Due to the limited scope as well as the exploratory nature of the study, a quantification of the results was not attempted. Rather, the rich qualitative data was used to extract evidence about the interviewees’ perceptions and attitudes towards the issue of corporate branding.

The main purpose of the study is to assess how retail practitioners relate to the corporate brand concept in general and whether they share a holistic understanding of the corporate branding process. These two broad themes were developed into nine questions that were used in the interviews. The findings presented below might be seen as a result of explicit statements of respondents and the interpretations of their responses by the authors. Hence, the findings have to be read and understood under this premise.

THE FINDINGS

_**Do practitioners adopt a multiple stakeholder perspective or emphasise one major stakeholder group?**_

Product brands are commonly targeted at various customer groups and positioned accordingly. The whole branding process is seen as a discrete activity only relevant to customers as the main stakeholder group. Comparatively, a corporate brand has a much
broader appeal as the interface between an organisation and its various stakeholder groups. Although there might be still segment specific sub-brands at a product or service level, they are all related and linked to the overall corporate brand, channelling customer goodwill and trust towards the entire organisation no matter what life-style segment is catered for (Ackerman, 1998). Thus, customer loyalty shall be more enduring, since the various relationship links are formed with the organisation behind the product or service rather than with a single inanimate object or service occasion. Furthermore, the boundaries between different stakeholder groups are increasingly blurred and the boundaries between the internal and external sphere of an organisation are getting porous, thus the corporate brand has to be relevant to all these stakeholder groups in order to foster meaningful and beneficial relationships between these groups and the organisation (Duncan and Moriarty, 1997). Consequently, the success of an organisation depends as much on the brand’s appeal to customers as on its standing amongst investors, employees or suppliers.

All respondents had realised that there were more relevant audiences for a corporate brand than customers only, and considered employees as the second most important audience next to customers. This might be attributed to the fact that retail branding is very much dependent on the way employees behave and interact with customers. As one respondent said “if you want to appeal to families with kids then you need to have employees in stores who are friendly, helpful, and understand what the needs of mothers with kids are.”
Although all respondents considered employees as an important factor in the branding process of a retail business, only one respondent actually shared a broader stakeholder perspective as described above. While communicating with customers was perceived as an important aspect, it was seen as equally important to make investors realise what the corporate brand was all about and to make them understand “why we do not do things we don’t do.” Hence, shareholders need to understand what the brand represents, in order to make them “think strategically about the business.” in a long-term way. Moreover, although different needs and wants of various stakeholder groups have to be considered, there should be a degree of consistency across stakeholder groups. In practice, how the core values of the corporate brand are communicated and implemented is constantly monitored centrally. Furthermore, the respondents perceived the increased stakeholder overlap as an important issue to be considered. As one respondent said

“People who are dealing with investor relations, for example, obviously they focus on their information and activities in a particular way, but always having regard to the fact that some investors are also employees. When there is any dissonance in what we’re saying in a publication for investors and what we’re saying in a publication for employees, then we’ve got a problem.”

The other respondents seemed to be rather customer-focused and customer-driven with comments like “the only one audience that actually matters are our customers.” One respondent added: “if you worry too much about communicating with all those other constituencies you get it wrong for the customer. So, the customer is what really counts.” In sum, focusing on “delivering things that our customers want and they’ve told us they want”, the corporate brand might be communicated to various other constituencies, but always as a measure to support or enable customer satisfaction, rather than as an activity in its own right.
Do practitioners perceive the corporate brand as a mere expressive device or as a formative dimension as well?

One important tenet of the corporate branding is the notion of brands acting as expressive as well as formative devices. While brands are traditionally seen as a vehicle to communicate and express certain values and attributes, the corporate brand is seen as having a structuring dimension as well, hence aligning the company’s capabilities and resources in order to meet external factors and demands (Mosamans and Van der Vorst, 1998). Thus, the corporate brand should not only express what the company aspires to achieve or what cultural values it adheres to, but also act as organising factor streamlining organisational processes and structures in order to fulfil these aspirations (Urde, 1999).

All respondents showed concern about the impact of internal factor such as processes and structures on the success of a retail business, but only one respondent explicitly ascribed to the corporate brand some kind of formative significance.

“I think the important thing about building a brand is actually consistency. The reason that is important is two things. One is that it comprises creating consistency to customers, but more importantly, it means that the organisation begins to shape itself around those messages as well.”

In fact, he perceived the corporate brand of his company as some kind of strategic reference point guiding strategy formulation and implementation. As he emphasised: “any sort of brand strategy has to be supported by reality that has implication for how you run your business, what kind of attitude you foster within your business.”

Furthermore, the corporate brand and the values it represents have an impact on the way the organisation is shaped. Indeed, the respondent firmly believed that the way a
business was operated was in tune with what the corporate brand actually represented. Branding strategy had implications for all other business activities and areas. In a broader sense the formative dimension of corporate brands was acknowledged by another respondent as well, as he argued that their recruitment procedures took account of certain characteristics which potential recruits should have in common so that they “properly represent that sort of organisation that we want to be, they are going to represent the brand properly.”

Do practitioners regard the corporate brand as belonging to the external or internal sphere of an organisation?

Traditionally, brands have been understood as mere expressive devices, largely targeting at the external sphere of an organisation. Branding is used to create a certain image about a company or its products in order to appeal to external constituencies (mainly customers) and to predispose them towards the company in a favourable way. However, the corporate branding approach urges companies to consider an internal dimension as well. First, it is important to realise that the corporate brand’s message is also received by internal constituencies and it has an impact on internal aspects of an organisation (Gilly and Wolfinbarger, 1998)). Second and more importantly, the corporate brand represents the interface between the external and internal areas of an organisation linking them in an interdependent way, hence it is a shared property belonging not to any single sphere or constituency in its totality (Burghausen, 2000).

The first aspect of the corporate brand’s internal dimension was supported by all respondents, and partially reflected by the role of employees as the second most
important stakeholder. One important theme from the interviews was that the corporate brand did help to shape the perceptions and attitudes of internal personnel. Indeed, part of the branding process is “all about how you, yourself as organisation treat your employees, talk to them, inform them, keep them involved in the business, and reward them”. More precisely, one essential aspect of the corporate branding process is seen in employees internalising a company’s core values. As one respondent explained, “what we do is to expect people to understand what those (core qualities) are by virtual management behaviour, publications, training, conferences; all is a constant process built into people’s thinking.” Another respondent emphasised the long-term dimension of this issue and the need for consistency in saying, “it requires a long time to get people to believe, to act and to behave in a particular set of ways.”

One respondent explicitly stressed the importance of the corporate culture and the company’s history for the corporate branding process, and showed some concern about the connection between internal and external sphere of an organisation:

“There is a balance to be managed there. We are conscious about the fact that it would be rather easy to create a dynamic sort of organisation by throwing out a whole lot of historic stuff. If you do that, it affects not only your employees, it’s going to affect very quickly your relationships with external stakeholders.”

This balance between the internal and external aspects of the corporate brand is also related to the way the corporate brand is implemented. While the core values of the corporate brand remain rather stable over time, which are fundamentally related to the internal aspects such as corporate identity and corporate vision, other more executional aspects are changed frequently and adapted to the external sphere. In the words of one respondent,
“We take account of the environment in which we are representing our brand. So, whilst there are absolutely fundamental elements that we will not change without a great deal of agonising, there is a whole surrounding series of characteristics which we are regularly changing.”

**Does the corporate branding span functional boundaries, acting as a kind of integrative device?**

Whether the branding process spans different functions and departments is an important issue. The corporate brand might act as an integrative device embracing all activities and processes of the value chain and the whole value creating network, because it is not confined to any single or internal domain of a company (Knox and Maklan, 1998). Interestingly, all respondents perceived the corporate branding process as a shared responsibility across different functional boundaries:

“Well, I think I would say everybody is involved in the corporate branding process. You know, we obviously have functional specialities within the business, which are in marketing, in trading or in store operations. But, it is very much the case that everything we do is agreed and focused upon by all areas of the business.”

This view was shared by the other respondents with the words *it is a long list of people, in fact, who are involved in the process*. The respondents unanimously agreed on the involvement of customer-related activities such as marketing, research and development (e.g. own-label products), market research or store operations and design. However, one respondent said that the corporate communications department was mainly responsible for investor, media, employee and customer relations. He also named the personnel department as an important actor for “recruiting the right sort of people” as essential part of the whole branding process. He was the only one to consider the branding process as an essential part of corporate strategy development, which is “concerned with developing new ideas, new thinking, acquisition, managing
The respondents also stressed that the CEO of the company played a crucial part in the development of the corporate brand, since the CEO had a “very clear view of how it all fits together.” In sum, although all respondents acknowledged the importance of cross-functional involvement in the branding process, there was no agreement about which functional department played a more important role in the branding process. Only one respondent actually expressed a perception broad enough to include almost the entirety of the organisation.

**Do practitioners perceive the corporate brand as an evolving entity founded on emergent properties?**

One essential aspect of the corporate brand construct is the fact that a brand is understood as an evolving entity founded on emergent properties existing in reality and the perceptual space alike (Burghausen, 2000). Hence, a brand is never based solely on associations attached to it by the key audiences, but also on a set of different internal and external characteristics such as product attributes, a company’s history and corporate culture, the industry it operate in, as well as its various relationships. Thus, a brand does not exist as a separate entity, but is embedded in a broader context of economic and sociocultural conditions. All respondents acknowledged that the corporate brand was based on a multitude of various aspects or properties making the whole process of branding a rather complex activity. In fact, as one respondent explained:
“Branding [our company] is extremely complex as it affects everything we do and say. The brand is the stores, own-label products, and advertising. But we also have our service culture which means you never have complete control over the brand because it is so broad.”

Consistency along two dimensions was seen as the single most important aspect in brand building. Consistency over time was also regarded as important. Indeed, it was argued that “you can’t just sort of tomorrow say right we’re not going to do it this way, we will do it that way”. “Unless you identify what you want to do and then keep doing it over a long time, you’ll never succeed.” In this respect, consistency was perceived as important for the customer and for the company itself, since it takes a considerable amount of time to establish the right behaviour or to gain people’s commitment. More interestingly, the consistency between image or perception and actual reality was seen as equally important. In fact, all respondents acknowledged that “the way a company behaves, the way a company operates has to be consistent with what it portraits to the outside world”, what images (associations) it tries to foster. Indeed, “any sort of brand strategy has to be supported by reality.” Consequently, the corporate brand is as much based on perceptions and images, as it is dependent on reality, which is related to processes, structures, and other societal factors.

Although consistency was seen as a very important factor, all respondents agreed that consistency should not lead to complacency and that the corporate brand is “constantly evolving and updating.” Hence, a corporate brand is evolving along internal changes as well as external changes. Even though one respondent described the corporate brand as firmly rooted in a company’s “historic strength” or “grounded in the history of the organisation”, he said that rapid changes in the marketplace and other environmental
conditions did have impact on the way the brand was presented. Moreover, since there was "always the danger that the corporate culture becomes something that holds you back rather than enables the organisation to move forward", change within the organisation was encouraged and supported, but all these innovations "must not do anything that damages the company's brand."

**How do practitioners relate to the role of core values?**

Core values are described as one of the most important concepts in regard to the corporate brand (Wilson, 1997; Ackerman, 1998; Gregory and Wiechaman, 1999). Core values are basic assumptions and belief about why and how a firm does its business. They are guiding principles that represent an organisation’s vision, and its sole purpose of existence. Hence, while a company’s vision says something about why it was founded in the first place and what it is striving for; the core values, on the other hand, determine the way the company is trying to achieve it, i.e. the processes and policies.

All respondents showed some sort of understanding about their company’s core values. However, the nature of these core values varied significantly. One respondent emphasised the customer dimension of the brand’s core values, hence expressing a brand proposition related understanding of core values. This might be interpreted as evidence for the existing confusion about basic brand and marketing terms. What the respondent perceived as core values might be more appropriately described as part of its company’s vision, as the following example shows: “our objective is to be Britain’s
Another respondent described the core values of his company by using a few keywords such as *innovation*, *dynamic* or *populism* and explained what these actually meant for the company’s branding activities. For example, being *dynamic* meant that the company was actively seeking and embracing change, constantly improving its operations in order to get it right for the customer. This aspect was closely linked to *innovation* leading to the development of new ways to serve the customer and being first in doing new things. A third respondent, though not being very clear in defining the core values, did actually show a good understanding about the role core values played in the branding process. Core values as understood here, were seen as kind of *core qualities* to be applied even across different sectors or business units regardless the type of the business.

*Is the corporate brand understood as embodying the company’s reputation amongst stakeholders?*

Reputation is an essential part of the corporate branding framework. It is perceived as the cumulative result of a company’s past actions and future prospects. Reputation is the representation of how an organisation is valued in terms of reliability, credibility, trustworthiness and responsibility by its various stakeholders over time (Fombrun, 1996). Hence, corporate reputation acts as a kind of storage device for all the impressive images formed in the past and gives structure, meaning and stability (Rindova, 1997). Strong reputation may act as perceptual filter mediating new
impressive images, whether favourable or unfavourable. All respondents claimed that their companies had acquired some sort of strong reputation amongst different stakeholder groups. They focused on customer relevant aspects of reputation, such as service quality, speed of delivery, or value for money. Reputation was explicitly linked to the corporate brand. As one respondent said:

“There is no doubt that part of the reason for our company’s success, both internally and externally, is that it is viewed by the world in general a, shall we say, campaigning type of organisation. While some retailers are viewed with a degree of scepticism by customers, we are viewed as a company that does campaign on behalf of customers.”

Another respondent perceived its company’s reputation as a building block for brand development, which formed a part of the core values of the company. This might be attributed to the fact that this particular company focused very much on its historic roots and the reputation it had acquired over time. In fact, the external reputation of the company had been internalised by the organisation, thus becoming a core value in itself. One respondent linked reputation and performance by saying, “if the attitude of the investor community towards the company is declining or is less positive than it was, then they have done vote with their feet in terms of selling your stocks”; though a measurable quantification of reputation was not seen as sustainable or feasible.

**Does the corporate brand represent various relationships formed with different stakeholder groups?**

The corporate brand embodies various relationships a company may form with different stakeholder groups (Mottram, 1998). These relationships are formed at different levels ranging from the more abstract corporate level to a more concrete inter-personal one. The way these relationships are nurtured and developed is seen as a key success factor
in today’s business environment, with its emphasis on loyalty, alliances, and networks. The corporate brand acts as the focal point for all these relationships, bundling them and channelling them towards the entire organisation rather than single product or discrete business units within a company (Macrae, 1999).

All respondents perceived relationships as an essential aspect of corporate branding with customer loyalty as the most important issue to be addressed. Indeed, as one respondent said: “loyalty is a holy grail to every retailer, because it costs a lot of money to attract a customer and it costs a lot of money when you lose a customer.” Another respondent asserted that “the strength of our brand is that it generates customer loyalty.” Moreover, customer loyalty was seen as being advantageous for the business not only in terms of reduced costs, but also when introducing new products or services, as “most loyal customers are the first to adopt new products.”

However, they were less clear about how they should foster and maintain this loyalty. For one respondent customer satisfaction was the one and only route to customer loyalty as he commented, “loyalty is built by satisfying what the customer wants.” A long term dimension was acknowledged: “if you continue to do that on a consistent basis every time they [the customer] walk into your shop then there will be no reason for them to change”. However, there was no explicit appreciation of the real potential inherent in a strong customer relationship. Nor did any of the respondents even think about other stakeholders when talking about the relationship dimension of corporate branding.
To what extent do practitioners share the belief that the corporate brand is implemented along different expressive dimensions?

The final question is concerned with whether practitioners think that several different dimensions need to be considered when implementing the corporate brand. The four main dimensions are communication, behaviour, symbolism, and products/services (Birkigt and Stadler, 1986; Ind, 1997). All respondents were aware of the fact that corporate branding was more complex than just to be executed by some kind of marketing communication (e.g. advertising). Although traditional communication activities such as advertising, direct mail, or point-of-sale activities were still regarded as an important part of any branding approach, all respondents showed a clear understanding that “branding a company is extremely complex as it affects everything we do and say.” In fact, “the brand is the stores, own-brands, and advertising, but we also have our service culture.” The respondents stressed the importance of the internal and external design of stores as a very significant aspect in retail branding. Hence, from the interviews it became rather clear that all four dimensions were seen as contributing to the whole picture of a corporate brand. This is in tune with the contention that any sort of branding activity has to be consistent with processes and operations, which underpin the brand’s proposition or promise (Knox and Maklan, 1998).

The respondents also stressed the importance of behavioural aspects in retail branding. Indeed, as one argued:

“If you want to appeal to families with kids then you need to have staff in stores who are friendly and helpful. And again, you can say that, but actually achieving it with 80,000 people in stores requires a way of working within the business, which develops that kind of behaviour.”
Another point that emerged during the interviews was that all these aspects were carefully scrutinised as they were seen as important in the branding process. As one respondent emphasised:

“Those have to do with store environment, training of our people, or staff uniforms, the use of literature, all of these things. We see all those as elements of the brand presentation. There are all very carefully managed.”

Finally, all respondents agreed that a retailer’s own label products and services were an integral part of the overall corporate brand strategy. In fact, own-label products were perceived as providing customers with wider choice, enhancing customer value and consequently differentiating one’s own offering from competition.

DISCUSSION AND CONCLUSION

The first contention of the corporate brand construct is that the corporate brand encapsulates the core values of an organisation (Burghausen, 2000). In reference to the findings, it is argued that core values are indeed a central part of the corporate brand. However, there is only partial evidence that the belief about the nature of core values as guiding structures and policies is shared by practitioners. Core values are mainly understood as customer relevant values rather than organisational values. This might be attributed to the fact that most respondents expressed a customer-driven attitude. Nevertheless, the corporate brand as such is seen as having some impact on structures and policies.

Closely related to the previous contention is the tenet of the corporate brand as strategic reference point aligning internal capabilities and resources with external factors and demands, thus guiding corporate strategy. From the study, it can be followed that
practitioners did actually share this view, although it might not be explicitly stated. All respondents stressed the importance of consistency over time and between the brand’s promise and the actual reality that underpins that promise. Hence, the corporate brand and what it stands for have an impact on organisational reality. Moreover, the corporate brand was described as being constantly evolving and updating in order to cater for changing market environment, while keeping some basic aspects consistent at the same time. Consequently, it can be argued that the corporate brand supports the alignment of internal resources and capabilities with external factors and demands.

Another contention is that the corporate brand embodies all relationships an organisation forms with its various constituencies (stakeholders) as well as the reputations it has accumulated over time. This contention was only advocated in reference to a company’s customers, but not for any other stakeholder group. Only customers were seen as the one stakeholder group to be relevant in terms of relationship formation. This might be traced to the fact that most respondents expressed a customer driven attitude and the popularity of customer relationship management (CRM) amongst retail businesses with their emphasis on customer loyalty.

The corporate brand construct postulates that the corporate brand signifies and reinforces an organisation’s identity. From the findings, it can be argued that all respondents did perceive an organisation’s reality and its corporate culture as an important issue. Indeed, they agreed that the corporate brand helped to foster certain attitudes and behaviour amongst staff which was seen as essential for fulfilling a brand’s promise or proposition. Hence, there needs to be a fit between both corporate
brand and identity in a way as it underpins and supports the brand’s promise and fosters the right attitudes and behaviour at the same time.

There is growing awareness amongst practitioners of that corporate branding is essentially a holistic process. In fact, all respondents shared the belief that branding should be of concern to the entire organisation and it was shared responsibility spanning functional boundaries. Moreover, branding was seen as embracing not only customer-related activities, but also recruiting as well as investor relations.

Some interesting conclusions can be drawn from the study. First, practitioners expressed a clearer understanding of the complexity and multiplicity of corporate branding than it was anticipated. Second, all respondents were aware that there was more to corporate branding than expressing some sort of customer tailored brand proposition. Indeed, it is commonly agreed that the corporate brand has to be supported by reality, not only in terms of corporate conduct or performance, but also in terms of organisational structures, policies or operations. Third, all respondents acknowledged the impact of different stakeholder groups on their company’s success. Finally, corporate branding is implemented along different expressive dimensions which are mutually dependent. While the practitioners believed that successful corporate branding was dependent on a multitude of factors, such as employee commitment, operational structures and processes, branding as such was seen as an activity directed towards customers and as an essentially expressive process.
REFERENCES


