“Corporate Branding: the role of vision in implementing the corporate brand”

AUTHORS
Richard Jones

ARTICLE INFO

RELEASED ON
Thursday, 15 April 2010

JOURNAL
"Innovative Marketing "

FOUNDER
LLC “Consulting Publishing Company “Business Perspectives”

© The author(s) 2019. This publication is an open access article.
Corporate branding: the role of vision in implementing the corporate brand

Abstract

Corporate branding is a powerful tool for aligning the firm’s resources in the development of strategic competitive advantage. However, up to date the advantages have proved elusive in practice. It is argued that the current focus in the corporate branding literature on core values and culture makes the organization over focused on its own identity and reduces its responsiveness to change. Heterogeneity rather than homogeneity is seen as the key to building successful corporate brands that reach across a multitude of stakeholder groups and identities. Arguing from a market oriented approach, it is suggested that corporate brand vision offers a powerful tool for aligning the corporate brand whilst maintaining requisite flexibility. A model for the management of corporate brands is presented that highlights both the role of vision and the need for evaluation systems that monitor the ways in which the corporate brand creates value for key stakeholders.

Keywords: corporate branding, vision, corporate identity, multiple stakeholders.

Introduction

The topic of corporate branding has received considerable attention in recent years (e.g., Balmer, 2001; Hatch & Schultz, 2001; Ind, 1997; Schultz & de Chernatony, 2002; Schultz & Hatch, 2003). Corporate branding has been promoted as a tool to meet the multiple challenges of the firm today: the need for increased differentiation in increasingly commoditized markets (e.g., Ind, 1997), the need to attract and retain highly qualified staff to sustain the value generating processes of the firm (e.g., Harris & De Chernatony 2001), the need to address the expectations of an increasing number of stakeholders in order to maintain corporate legitimacy (e.g., Hatch & Schultz 2001) and, not least the need to present a credible, substantial and sustainable corporate image to competitors and investors in order to ensure corporate survival (e.g., van Riel, 2000). It is a topic that has been launched in the face of ever increasing complexity in corporate communications today and the need for the organization to find and express its voice (e.g., Cheney & Christensen, 1999; Schultz & de Chernatony, 2002). It has been argued that the corporate brand, not necessarily alone but in significant part, gives the firm a tool to break through the noise that characterizes the communication environment today. It has also been argued that the corporate brand has the potential for greater strategic impact than product brands since it rests upon a deeper, more credible brand identity: the identity of the firm itself (e.g., Balmer & Greyser, 2002). The impact of corporate branding is often argued as being two-fold: firstly, that through successful nurturing corporate identity can form the basis of a sustainable and unique differential advantage. Secondly, that a strong corporate identity enables, motivates and harmonizes the workforce around the corporate brand and, most importantly leads to consistency in the firm/customer service interaction. Many of the assumptions about the value of the corporate brand are summed up by Stephen King:

“Consumers’ choice of what to buy will depend rather less on an evaluation of the functional benefits to them of a product or service, rather more on their assessment of the people in the company behind it, their skills, attitudes, behavior, design, style, language, greenism, altruism, modes of communication, speed of response, and so on – the whole company culture, in fact.”

King (1991); p. 46

The strength of corporate branding as a tool for improving brand performance is widely accepted in theory (e.g., Aaker & Joachimsthaler, 2000; Balmer, 2001; Ind, 1997; Olins, 2000). However, practice has perhaps been more problematic. There is evidence that implementation of corporate brand is fraught with difficulties for the organization (Ind, 1997): most fundamentally many companies are unsure of why they develop a corporate branding strategy (e.g., Keller, 1999), whilst others do not adequately consider the development of the brand in relation to the organization’s various stakeholders (e.g., Hatch & Schultz, 2001). Indeed, a number of firms are reticent about introducing corporate branding. Take, for instance, Unilever and P&G, who after briefly considering moves towards corporate branding are resiliently focused on their product brands. This raises questions about the relevance of corporate branding (of when the corporate brand is a relevant branding tool and to whom?) and of how the corporate brand can be developed in relation to the firm’s various stakeholders (customers, consumers, employees, investors and so on).
corporate branding in practice is presented. A model for the implementation of limitations of current thinking about corporate branding. It is suggested that brand vision can play in overcoming some of the common causes of resistance to brand change both within and outside the organization. The article suggests that brand vision provides a powerful tool for communicating to several of the organization's stakeholders at one time and creating a meaningful future direction for corporate brand growth. The article first looks at the rise of corporate branding as a strategic brand communication tool: mapping out the emergence of corporate branding, its central concerns and assumptions. Next, the article discusses these in relation to the concept of brand identity and analyzes critically the consequences of transferring the logic of product brand identity to the corporate level; a number of concerns of using values as the basis of the corporate brand are presented as major barriers to the implementation of a corporate brand. It is suggested that brand vision has the potential to overcome many of the limitations of current thinking about corporate branding. A model for the implementation of corporate branding in practice is presented.

1. Corporate branding as the strategic focus for corporate communication

The surge of interest in corporate branding and related areas of corporate identity, reputation and image (e.g., Balmer & Greyser, 2003; Ind, 1997; Kapferer, 2004; Markwick & Fill, 1997, see also special issues of European Journal of Marketing, 2003 and Corporate Reputation Review, 2002) represents a significant development in the field of branding; this results in many challenges for the firm in defining the value of corporate branding for the company, harnessing this value and recognizing the limitations of the concept. The concept suffers from a mixed heritage and a resultant confusion in its meaning (Balmer & Greyser, 2003). Within the branding literature it has been argued that corporate brands promise to act as umbrellas for multiple brands by integrating brand communication at the corporate level (Aaker, 1996). Thus, the corporate level brand (e.g., Nike) offers the potential to amalgamate product communication under the corporate brand with resultant cost efficiencies. Further, using corporate credibility in areas such as social responsibility and sponsorships, the corporate brand allows benefits to be spread across the house of brands.

However, corporate branding is much more than a cost reduction exercise – it is fundamentally concerned with the creation of differential value and thus brand equity. Knox & Bickerton (2003, p. 1001) remind us, “The goal of branding … has been to explore ways to add value to the basic product or service and thus create brand preference and loyalty.” Within mainstream branding literature brand value has been most recently focused around building brand identity based around a unique brand essence or personality (Aaker & Joachimsthaler, 2000; Kapferer, 2004). The value proposition of the brand is then communicated around the relatively narrow universe of the product or service to the consumer through traditional marketing communication, most notably advertising. Significantly, the recent focus on brand identity (as opposed to brand image) has shifted brand managers’ attention to looking at their role in making a brand unique (e.g., Harris & de Chernatony, 2001), but also increasingly at the relationship between the brand and the consumer (e.g., Fournier, 1998). The shift of focus from brand image to brand identity in many ways reflects a need to create more credible and intimate exchanges between the brand and the consumer; an exchange that is not simply about the projection of brand images to the consumer but also about the co-creation of value and relationships as the source of differentiation (Prahalad & Ramaswamy, 2004).

Corporate branding takes this development a logical next step: In a market situation where product differentiation becomes difficult, many companies are turning to their own identity as a way of building brand personality. Not only does the corporate brand come to embody corporate identity, but it also deals with a markedly increased number of stakeholders: “There is an increasing realization that corporate brands serve as a powerful navigational to a variety of stakeholders for a miscellany of purposes including employment, investment and, most importantly, consumer buying behavior” (Balmer & Greyser, 2003, p. 972). This creates two requirements for corporate branding:
firstly, that the organization focuses on coordination of the organization’s structures, processes and activities, and secondly, that it develops a brand platform or promise that reaches across all the organization’s stakeholders.

In management terms, these requirements are typically expressed in terms of the need for consistency in the firm’s corporate brand expression both internally and externally (Olins, 1995) and for coordination of brand activities (Knox & Bickerton, 2003). The increased interest in relationships as reflected in the importance of the contact between employees and customers in service situations, between the firm and its investors in terms of corporate governance, and between the firm and its other stakeholders in terms of corporate social responsibility has given rise to the calls for a coordinated and unified approach to the corporate brand. The combined role of a more informed and critical consumer (Ind, 1997), the advent of technology that both makes integration of communication possible and gives the consumer greater insight into the firm and its competitors, and the breakdown in the traditional conceptualization of the boundaries of the firm has led, according to Schultz (1996), to the “inevitability” of integrating marketing communication. In branding terms, the role of integrated communication ensures that all the firm’s stakeholders receive consistent and credible messages from the firm regarding the brand. In this respect, the successful management of corporate brands is reliant on developing satisfactory integrative systems within the organization (de Chernatony, 1999).

Consequently, corporate branding has three main goals: Firstly, it seeks to bring the organization together internally. A major focus of corporate communication today is internal; at motivating employees and building positive organizational cultures that increase loyalty and productivity. Particularly in the aftermath of mergers and takeovers, this can be the main strategic issue for the firm (Andersen & Rasmussen, 2004; Soderberg, 2000). Secondly, it seeks to harmonize internal and external communication. Under the challenges of greater transparency (to the media, to investors and to other stakeholders) creating consistent messages reduces the chances of conflict and increases the profile of the organization. Thirdly, integrated communication aims to enforce a core, enduring and distinctive identity for the organization. It is this element that seeks to use the corporate brand as a differential variable in an over communicated market.

The issue of identity provides arguably one of the greatest challenges for the successful management of corporate brands (Balmer, 2001). The concept of identity links corporate brand’s focus on corporate identity to product brand’s focus on brand identity. However, where the concept of brand identity focuses on how the organization imbibes the brand with an identity, i.e on the relation between the brand, the brand manager and the consumer, the concept of corporate identity is far more complex. We need to address the issues of to what extent corporate brand identity can be managed, and what tools are relevant in relation to the corporate brand’s various stakeholders. These questions concern both the barriers that exist in order to achieve this level of integration but also, if corporate branding is to be a strategic tool, the ways in which identity and values can be integrated into the firm’s strategic corporate branding communication. The next two sections look at the theoretical basis for the firm’s use of identity and values as a basis for communication.

2. Sources of corporate brand identity

As corporations increasingly look to actively communicate their identity and values, reflected in the move towards corporate branding and value-based management systems (Pruzan, 1998), a number of questions arise as to the nature of the relationship between identity (brand identity and corporate brand identity) and values and the assumptions that these forms of communication rest upon.

Much of the corporate branding literature regarding organizational identity and culture assumes that these concepts are uniform across the organization. There are possibly two reasons for this: Firstly, it is the genealogy of the concepts. In the organizational literature, organizational culture has been traditionally studied as a homogeneous concept (Gregory, 1983). Schein (2001) suggests that organizational culture is based on a common set of underlying assumptions within the organization on which values and organizational artefacts are based. This view is reflected in Albert & Whetten’s (1985) definition of organizational identity; as that which is central, distinctive, enduring about the organization. It is particularly this definition that makes the concept of organizational identity appealing as a source of differential advantage in a corporate branding context. However, other commentators have argued that organizational identity has many sources and that these result in multiple identities for the organization (Berg & Gagliardi, 1985). Gregory (1983) argues that it is unrealistic to talk of a single organizational culture or identity since organizations consist of many sub-cultures where sources of their identity can be found both within and outside the organization. Gioia (1998) argues that organizational identity is multifarious due to the
many sources of identity that are present in a given organization. These may be, for example, professional, departmental, personal and/or cultural. Within a given organization, therefore, there exist many possible combinations that might result in the emergence of a dominant organization identity or, possibly more realistically, parallel identities. Internally, the corporate brand manager may be facing a desire to develop a unified corporate brand identity but equally see a need to respect local identities. Externally, the same manager finds him/herself having to accommodate different interpretations of the corporate brand and manage them accordingly. Ultimately, the desire for a unified corporate identity becomes replaced, whether the manager likes it or not by multiple identities created through the needs and expectations of different stakeholder groups (Cheney & Christensen, 1999).

Consider the example of the largest bank in Denmark, Danske Bank. Following its merger with a number of national and regional financial institutions in Denmark, Sweden and Norway, it has worked to reduce the number of brands from 19 to 4: Danske Bank, BG Bank, Realkredit Danmark (a mortgage company) and Danica Pension. Under the umbrella of the Danske Bank brand banks in Norway and Sweden have maintained their local names but are otherwise subsumed under Danske Bank’s visual and corporate identity. The challenge for developing Danske Bank as a corporate brand has been to transfer the homogeneity of the various brands (of different cultures and significantly different market positions) into a homogeneous corporate brand. To this end, 5 core values have been identified to which each brand is to align itself. These values: Integrity, Commitment, Accessibility, Expertise, and Value creation, appear benign enough in relation to a bank, but what is less clear is how these values emerged and whether they simply represent an ideal picture of homogeneity at the corporate level rather than a reflection of corporate identity(ies). Furthermore, if firms are expected to “live the brand” (Macrae, 1996), who’s brand are they expected to live? Given that customers and employees choose a bank for many different reasons, is it realistic to expect these groups, together with other stakeholders such as investors, to be able to relate to a common set of core values such as these? In this example, despite the adoption of core values the bank has chosen to maintain the “old” corporate identities by retaining the original brand names. At one level, there appears to be a desire to create and maintain a corporate identity and at another, a need to maintain local identities. It is important to recognize that the corporate branding process attempts to deal with the paradox between the need for difference and sameness (see, Berg & Gagliardi, 1985). This raises some interesting questions about the desirability of homogeneity and the extent to which this should be achieved. Furthermore, if branding is about identity then whose identity are we communicating and how can monolithic identities communicate to heterogeneous target groups?

3. Using values as a basis for corporate communication

Values and beliefs are fundamental to individual’s understanding and interaction with the society around them. The same is often assumed for organizations: “Core values and beliefs are the organization’s basic precept about what is important in both business and life, how business should be conducted, its view of humanity, its role in society, the way the world works and what is to be held inviolate.” (Collins & Porras, 1991, p. 35). Indeed, the role of values is either implicitly or explicitly central to all major works on corporate branding to date (e.g., Harris & de Chernatony, 2001; Hatch & Schultz, 1997; Hatch & Schultz, 2001; Knox & Maklan, 1998; Urde, 2003). Values are explicitly related to definition of the central core of the brand (Urde, 2003), as both brand and corporate values (Aaker & Joachimsthaler, 2000), as the corporate religion (Kunde, 2000), and “the way employees all through the ranks feel about the company” (Hatch & Schultz, 2001). The interest in values relates both to their role in the creation and maintenance of culture and their role in influencing behavior (Reynolds & Gutman, 1988).

The difficulty in using values as a basis for corporate branding is that where the organization is heterogeneous, values must be broad and general enough to give meaning to each group within the organization. If an organization then wants to use these values to communicate to external stakeholder groups this problem becomes exacerbated. As values become more generalized there emerge two specific problems. Firstly, these values will have a tendency to look like those of other organizations. Especially within the same industry we often see the emergence of “category” values. In relation to the example of the Danish bank’s values (Integrity, Commitment, Accessibility, Expertise, and Value creation), how many other organizations have these values and how many other banks have them? Morsing & Thyssen (2003) found a striking similarity between different corporate value systems. Secondly, the role of values in corporate strategy remains unclear. As organizations develop and focus around their corporate values they often lose sight of the strategic direction of the firm. Looking at Danske Bank’s values, what do they tell
us about the market they should be in and the way they should develop in the future? The difficulty is where the firm sees its values as defining its core competencies and market potential. Arguably, the toy manufacturer LEGO suffered from this by over focusing on its core values of creativity and play and consequently stretched the brand to a range of products with which it has little experience and into categories characterized by intense competition (Schultz & Hatch, 2003).

Those organizations that do develop strong (unique) corporate cultures (e.g., Body Shop) must ensure that culture plays only a supportive role in the strategic development of the firm. Kotter & Heskett (1992) looked at the relationship between culture and organization performance in a survey of 207 firms. They concluded that strong cultures are not sufficient criteria for corporate performance. Furthermore, by over focusing on the organization’s existing culture and values the firm is in danger of becoming fossilized at particular point in time. Even if the organization’s values emphasize innovation and adaptability there will always be a strong tendency for existing routines and norms to become institutionalized and the organization becoming flattered by its own culture (Powell, 1988). Thus, Hatch & Schultz’s (2003) suggestion that vision, image and culture should be aligned may provide a static view of the organization. At any one point in time this may be desirable, but as a strategy for innovation and growth, alignment is inadequate.

The tendency for organizations to create and support systems that reinforce its own logic is well documented in the organization literature (Luhmann, 1995; Weick, 1976). In terms of organizational communication, Dutton & Dukerich (1991) suggest that organizational identity, defined as the way internal members perceive the organization, provides both logic of stability and the impetus for change. Thus, in their analysis of the Port Authority of New York’s response to the issue of homelessness in and around their facilities they noted that "The Port Authority's identity offered implicit guidelines for evaluating the effectiveness of its actions" (p. 546). As Weick (1988) also notes, an organization's identity is one of the vehicles through which "preconceptions determine appropriate action" (p. 306). In this way organizational culture and identity tend to both constrain the organization (by buffering the organization from external complexity) and predetermine its responses to change.

March (1981) suggested that organizations create routines and structures with the explicit function of simplifying complexity in their environments. Whilst these routines attempt to create stability for the organization they also have the effect of reducing organization sensitivity. The paradox between balancing stability with flexibility (Weick, 1979) is central to understanding the strengths and weakness of corporate branding processes. Flexibility is a key requirement of adaptation. In order to react to and meet environment demands, organizations need to be responsive to these changes: in the field of product development they need to be able to develop the ability to adopt production techniques; in the field of marketing they need to be able to respond to changes in channel demands and expectations; and in the field of corporate communication they need to be responsive to different stakeholders claims on the organization. However, too much flexibility and responsiveness threaten the core of the organization and its stability. Organizations need stability to develop routines and to provide predictability in an otherwise chaotic environment. As McGlashan (1967) phrased it: “Man must remember if he is not to become meaningless, and must forget if he is not to go mad” (p. 5). Organizational memory lies in maintaining its culture and identity. Lack of memory allows a greater flexibility – but as Weick notes: “Chronic flexibility destroys identity” (Weick, 1979, p. 215).

Developing systems that maintain this balance between flexibility and stability are, however, not enough on its own in today’s markets. Market leaders are defined by their ability to innovate and their ability to create market possibilities. Boynton & Victor (1991) argue that strategic success is dependent on firms being able to satisfy tomorrow’s customers by “adapt[ing] to changing and often unknowable product demand” (p. 65). In order to develop proactive strategies that seek to meet latent demands and create markets, organizations need to develop systems that allow them to identify and explore market potential. In this respect, the demands on firms today are not just to be responsive to change (i.e. flexible) but to be proactive in creating change and market position before the competition.

It is against this background of creating internal stability, in order to develop a common direction for organizational growth and develop internal capabilities, whilst maintaining both flexibility and innovation, that corporate branding operates. The existing focus in the literature on organizational values is insufficient to provide a framework within which corporate branding can be successful; its focus on stability tends to accentuate status quo and fall into the trap of preserving (historically) successful cultures rather than looking forward.
Rather than building corporate brands upon values, the corporate brand manager needs to use an overarching concept that can both unite the organization and make it forward looking; I will argue that this is provided through corporate brand vision.

4. Vision as the driving force of the corporate brand

Vision has been discussed in the literature (e.g., Collins & Porras, 1991; de Chernatony, 2001; Hatch & Schultz, 1997; Tellis & Golder, 1996), but it is a concept that is both vague and undervalued. Indeed, in the marketing literature vision is often overlooked in favor of the concept of corporate mission (Kotler, 1997). Where vision is considered it is often defined vaguely and is left unexplained. For example, Hatch & Schultz (2001) define vision as “top management’s aspirations for the company” and argue cogently for the desirability of aligning vision with culture and image, but strangely fail to examine the concept in its own right. In the following I will present vision as a two layer concept: firstly, as a guiding beacon for the firm, and secondly, as a sense making tool that allows the organization to guide itself through turbulent environments. I will then outline how the concept can be used within the context of the corporate brand by the manager. I will argue that it is at the implementation stage that organizational values become relevant guides for organizational action, within the context of the vision.

5. Vision and mission

Before moving further it is important to highlight the difference between mission and vision. Defining the firm’s mission is the first stage in the strategic planning process. Mission statements are characterized by a limited number of goals, clearly define the firm’s relationship to key stakeholders and competitors (Kotler, 1997). They are focused and concrete, quantitative strategic goals and they are a reflection of a rational business argumentation. Vision, on the other hand, is focused on the overall future view of the firm in a broad societal perspective. As De Chernatony (2001) argues, vision is about bringing a future environment into being. Vision is essentially emotional in nature since it must appeal to deep held assumptions of a variety of stakeholders: it guides the expressive strategy of the firm and the brand (Aaker & Joachimsthaler, 2002; Berg & Gagliardi, 1985). Whereas mission is expressed in terms of rational goals, vision is often expressed in terms of storytelling (van Riel, 2000). As will be argued below, both are equally important for the development of corporate brand strategy but fulfill distinctive roles.

6. Vision as a strategic tool

Vision has the potential to provide the impetus for the firm; many companies have recognized the value of vision for many years, but it is increasingly being seen on companies’ annual reports and home pages as they begin to develop their corporate brand. Management vision has allowed many firms to overtake mature markets and other to maintain substantial market presence in the face of extreme competition. JVC, for instance, emerged as the market leader in the video machine market in the 1970’s after having the vision to invest in the research needed to reach the mass market. This research lasted amazing 21 years, but propelled the firm to instant success. Vision was needed to guide the firm and investment over this period. It engaged the firm and was the only justification for the large-scale investment that was needed. This is the same vision that has allowed Richard Branson to enter many markets with his low-cost solutions: it is a vision that drives the company and, significantly, forms the basis for the creation of organizational values: “Vision is an overarching concept under which a variety of other concepts are subsumed” (Collins & Porras, 1991, p. 32).

The relation between vision and values is the key to understanding the role of the two in relation to the corporate brand. Values have to be controlled by the vision. Take, for instance, the example of Apple Computers. It was Steve Jobs’ vision of the mass market for user-friendly personal computers in the face of Big Blue (IBM) that gave focus to both the firm, its employees and to thousands of loyal customers. Epitomized in slogan “Think Different” and the “1984” advertisement at the 1984 Superbowl, it was a powerful vision. However, as we now know the cult(ure) built up around the brand overtook the vision in the 1990’s; the company became entombed in its own self-identity and culture and became increasingly irrelevant to the brand mass market.

It is the vision to see the mass market that has enabled the success of so many brands: from Heinz and Kodak to Starbucks’ and Dell (Tellis & Golder, 1996). In these examples, vision focuses on internal investment decisions and the strategic thrust of each firm; it also provided the foundation for a series of investment decisions in each company, which were inevitably reliant on external support. The vision that drove each firm internally was also the vision that drove external stakeholders to believe in the firm and their vision of market potential. Vision is not about premonition of market success or about prophecy; vision enables internal and external resources by providing a common focus as a nexus for innovation and effort. To further develop the
concept of vision I propose that it be divided into two levels: as a guiding beacon for the firm, and secondly, as a sense making tool that allows the organization to guide itself through turbulent environments.

7. Vision as guiding beacon
At the first level, the vision provides direction and purpose for the whole organization. It is firstly the statement about an intended future state and the firm’s role in it. This vision is articulated by management, but it does not necessarily only reflect management’s aspirations. Indeed, a successful vision is best achieved when it emerges as a result of a dialog process within the firm so that it is shared throughout the organization: “A well-conceived brand vision enables employees to appreciate better the journey they are undertaking. Through focusing on … the envisioned future, there is an opportunity to consider what environment the firm wants to bring about 10 years ahead” (de Chernatony, 2001, p. 113).

Below the expressed intent of the vision is the shared sense of purpose across the organization. Most importantly vision provides the umbrella under which organizational strategy develops (Collins & Porras, 1991). In this way vision acts as a beacon for the development of the company and as a focus for its stakeholders. Collins & Porras suggest that vision is like a genetic code (p. 34), but I believe this to be too confining and too similar to culture. As a beacon the vision allows different meaning to be imbibed into it; vision is an end state at a future (arbitrary) point of time, but says nothing about how to reach that state: in this way it allows different groups (be they sub-cultures within the organization, employee teams or external stakeholders) to share the vision, whilst allowing flexibility in how to fulfil the vision.

8. Vision as sense-making
At the second level, vision is more strategic in nature and is concerned with organizational sense-making and proaction. As de Chernatony (2001) hints at, vision is also about enacting the organizational environment; it is not enough for the firm to have consistency between vision, image and culture (Hatch & Schultz, 2001), it must have a direction and be able to move the firm in that direction which is favorable for the firm. The value of visions is that they give direction to the organization. Here the analogy with a sailing boat is useful. Maneuuvrability is achieved through motion; without motion the boat is marooned. It exists, but it has lost its ability to manoeuvre within its environment and is thus totally vulnerable and has no control. Here vision is the sail that gives the boat movement. However, vision is not just about achieving direction, it is also inextricably linked to the organization’s ability to interact and respond to the environment. Again, if we consider the boat, its movement through the water gives feedback. Any sailor will know the value of feedback; the vibrations through the rudder and the lie of the sails – in steering the boat’s course and as a vital input to optimizing the performance of the boat. Likewise the action and direction of the firm gives feedback, from employees, from competitors, from suppliers, from the media which give inputs to optimizing the performance of the company. The value of vision is not in the vision itself but in the directions and movement that it gives the organization. Neisser (1976) suggested that perception (in his case individual’s perception) of the environment and their sense-making are aided by locomotion and action. Movement (or change) creates discontinuities for the firm (normally referred to as turbulence). Whilst much literature is focused on reducing turbulence, its total removal is detrimental to the firm. It is these discontinuities that allow the firm to “feel” or sense its environment. To sense whether they are on the right course or whether they should “trim their sails”. In this way the core requirement of vision is that it engages the employees of the company and that it results in movement or action by that company that can be felt by the company’s stakeholders.

The key to successful vision is that, firstly, it can encompass and be meaningful to all the organization’s stakeholders and, secondly, that it is unique. The corporate mission then backs up the vision. This is the means to achieve the vision and is again future oriented. The mission expresses a desired state of affairs and is action oriented. Vision and mission in this way act as a guiding force for the organization and its stakeholders. They are future oriented and, thus, have the advantage in that they can release the organization from its past trajectories and more importantly from its old values.

These theories apply equally to commercial and non-commercial organizations. A public organization that is at present undergoing radical change is the BBC in the UK. It is a good example of an organization that is facing radical change in its environment and one which has to meet the demands and expectations of a range of stakeholders. The BBC is in the midst of an organizational crisis where its whole basis for existence is up to review in relation to the review of its Charter. Environmental turbulence could hardly be larger: at question is the future role of public service broadcasting in the UK and the future
of the licence fee; aspects that dig down to both the core assumptions of the organization and its financing. In such a situation any organization could be excused for becoming embroiled in introspection and fire fighting. However, in this situation the director general Mr. Mark Thompson is using these challenges as a springboard for a renewed vision for the corporation. Through a vision “to be the most creative, trusted organization in the world” (BBC, 2004), Thompson has broadened the vision to be “the greatest force for cultural good on the face of the earth” (Thompson, 2004). This is backed up by a mission to: “enrich people’s lives with great programs and services that inform, educate and entertain” (BBC, 2004). This is a good example of the difference between mission and vision. Vision is uplifting and non specific. It is abstracted from the daily reality of the activities of the organization and, therefore, has the possibility to move the individuals and inspire them. The mission is more specifically related to the business that the organization is in and is the vehicle to striving towards the achieving vision. Vision cannot cover up poor management and financial malaise but when used as part of a comprehensive management philosophy it becomes a powerful tool for strategic communication. Vision defines not just who the organization is, but also what it wants to be. It galvanizes stakeholders on an emotional level to move the organization forward. It has the capacity to release the organization from current crises (as in the case of the BBC) and to both revitalize and to redefine the organization’s core values.

9. Translating vision into action

The key challenge for the firm is to turn visions into action: action on the part of the brand, in converting vision into brand value; and action on the part of the stakeholder, to invest in the brand; either through purchase, investment or alliance. Action on the part of these stakeholders means making the brand work for them.

Visions do not “work” on their own. A vision can be an empty promise to the firm’s stakeholders if it is not followed up by action: i.e walking the talk. The following section outlines a model of the way in which vision is implemented through the corporate brand. Figure 1 outlines the basics of the model, which consists of three elements: Vision, Communication and Action. These three elements are then related to corporate strategy, through key questions for management.

---

**Corporate strategy**
- What direction does management want the organizations to take?
- How does the organization create value for its stakeholders?
- What are the organization’s core competencies?

---

In this three-stage process management articulates the vision and moves the firm forward. The vision provides the common point of reference for all the organization’s stakeholders, both internal and external: it is at one time specific enough to be able to define a definite objective for the firm whilst at the same time general enough to appeal to a broad spectrum of stakeholders. Often vision is ascribed to the founder of the firm, for example, Richard Branson at Virgin; however, vision must not remain the prerogative of the founder but is the prerogative of current leadership. Corporate vision must reflect their long-term strategic priorities. Once the vision is identified it then has to be communicated and adopted by the firm’s various stakeholders. Depending on the strategic priorities of the firm this will be management, employees, suppliers, alliance partners, customers and so on. Communication to each of these groups will have different focuses to reflect the value that such communication creates for them. Thus, employees will seek to be able to relate the vision to their everyday working lives, suppliers and other close stakeholders should perceive vision in terms of issues of product reliability, quality of service etc., whilst customers may be less focused on the actual vision of the company and more on how this is expressed through their experiences with the firm. The objective is to
make the vision meaningful for stakeholders, such that it creates value for them. Communication must be capable of transferring meaning to diverse audiences (McCracken, 1988). It is only through the transfer of meaning that vision can become an active for the firm. Once communication has ensured that the vision is known, accepted and given meaning, the firm must then ensure that it is backed up through action. Action here is defined by the activities internally and externally by the firm and by the actions of its stakeholders. The firm’s specific action will include: setting measurable goals in relation to the corporate brand, activities that will support the attainment of these goals and an evaluation system that can provide feedback to the firm on the success of its corporate brand and its vision. It is not simply enough that the firm “lives the brand” (Macrae, 1996), its stakeholders must be moved by the vision to invest in the brand. This investment can be in the form of purchase, strategic alliance, or involvement depending on the way in which brand success is measured in relation to the particular stakeholders.

Fig. 2. Components of corporate branding program

10. Vision

Vision as outlined above can be divided into two elements: Envisioned Future and Mission. Envisioned future is where the direction of the company’s growth is defined in its broadest terms linking the company with society. This falls in line with de Chernatony’s (2001) approach to envisioned future, where the company asks itself where it would like to be in 10-years time. Take, for example, the vision of Novozymes (Table 1). Rather than, as is suggested in the existing literature, locking vision to organizational values, vision is the articulation and organizational enactment of selected societal values. The vision is the clearest link between the firm and society, its pulls from the common pool of societal values. Thus Novozymes, through their vision statement, not only articulate an envisioned future – they selectively pull from established value pools in society that appeal consciously to their different stakeholders: business values, environmental values and humanitarian values. These are then linked to the internal self-identity of the firm as a
biotechnology company in emphasizing “biological solutions”. In this way, vision is more than communication – it is a strategy.

Vision must then be translated internally into a mission or purpose. This is where vision becomes an internal affair and a management tool. The translation of vision to mission provides the company with a direction for renewal and innovation (see Table 1). It is then the challenge for the CEO and management to coordinate all the firm’s resources to move the whole organization in the right direction.

11. Communication

The next stage in the corporate branding process is based around communication internally and externally. The essential task is to establish the need for change with the organization’s stakeholders (Kanter, Stein, & Jick, 1999) and the enactment of this urgency through the involvement of the internal members of the organization. As Urde (2003) notes, values form important guidelines for the development of the firm. However, as presented here universal corporate values are not the driving force for this development. In a corporate branding strategy values have to be used strategically in relation to each of the firm’s stakeholder groups. Rather than attempting fully integrated and uniform communication as suggested in much of the literature, the firm should, rather, attempt to promote the development of locally based values in relation to each group. Thus, in the example of Novozymes, three different societal value pools are engaged through the vision statement. For communication to business partners the business value pool will be emphasized: additional values of financial responsibility, performance, growth, balance and accountability, which will first and foremost use the media of the annual report. Communication to internal stakeholders might emphasize teamwork, accountability, development of competencies, and technological expertise, using both internal communication channels, workshops and courses as well as auto-communication (Christensen, 1995) through traditional external mass media, through job adverts and advertising. The analysis could continue, but in each case communication consists of considerations at two distinct levels: the identification and articulation of local values and the development of a communication program for each stakeholder group.

For each group, the set of values that are invoked, whilst drawing from the umbrella of the corporate vision, is distinct.

<table>
<thead>
<tr>
<th>Table 1. Novozymes vision and mission statement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vision:</strong> “We imagine a future where our biological solutions create the necessary balance between better business, cleaner environment and better lives.”</td>
</tr>
<tr>
<td><strong>Mission statement:</strong></td>
</tr>
<tr>
<td>We will drive a significant expansion of the market for industrial biotechnology with enzymes and microorganisms as our basis.</td>
</tr>
<tr>
<td>We will find new and improved solutions to serve the market for biopharmaceuticals.</td>
</tr>
<tr>
<td>We will achieve double digit growth with a leadership position in all markets served.</td>
</tr>
<tr>
<td>Customers and partners throughout the world will seek our collaboration because of what we do and how we do it.</td>
</tr>
<tr>
<td>People from all over the world will want to work for us because of what we do and how we do it.</td>
</tr>
<tr>
<td>Society will be inspired by our work to choose biological solutions as a key part of the future.</td>
</tr>
<tr>
<td>We will drive a significant expansion of the market for industrial biotechnology with enzymes and microorganisms as our basis.</td>
</tr>
</tbody>
</table>

12. Action

The final element in the model is the most important one. Without some form of action the corporate brand is worthless. Action is about converting the value of the brand into value for the stakeholders of the brand; it is here that brand value is created through linking the corporate brand to the value systems of: 1. The firm – through enhancing brand performance (Ambler, 2003); 2. Employees – through aligning the goals of the organization’s members with the strategic goals of the corporate brand; 3. Customers – by creating value for customers; be it functional, symbolic or hedonic; 4. Distributors – by creating value for both the distributors and their customers.

In order to understand the ways in which the brand works for the organization, we need to distinguish between two types of action: Firstly, the action required by the firm to make the brand function effectively and perform, and, secondly, the action of the brand on the key stakeholders of the brand. The first concerns the issue of how to build a successful brand, to build and maintain brand performance in traditional brand performance terms: what financial value the brand creates for the firm, but in broader terms of “walking the branding talk”, of creating the requisite conditions to convert brand vision and communication into physical (and fiscal) manifestations. This might be termed “Action in the firm”. The second concerns making the brand work for the stakeholders. In these terms we are concerned with matching brand vision and communication with the value systems of the stakeholders such that the brand creates meaning and value; this can be in functional, symbolic or hedonic terms. This might be termed “(Inter)Action with the firm.”

**Action in the firm** – The firm is fundamentally concerned with the creation of shareholder value for
its long-term survival (Ambler, 2003; Doyle, 2000). The question that the model is concerned with is how brand vision can be converted into successful brand performance. At the practical level, action in the firm is concerned with translating corporate brand vision into a set of measurable goals, accompanying actions and action plans and evaluation of these actions in terms of the goals in relation to the corporate mission. For many companies there is insufficient time and effort given to this simple procedure. A systematic analysis of the corporate brand, from vision through communication to action tightens brand discipline and makes evaluation of corporate brand action both easier but also more strategically relevant. With the vision in place, the organization can better focus its activities and goals. The vision gives the organization the direction it needs to develop, evaluation procedures need to be in place to assess whether the organization is developing in this direction and to assess the results of this development.

More than this, however, these procedures are necessary to monitor the validity of the vision. Where vision is used as a strategic sense-making tool it needs to be both enacted and monitored constantly. This is the main task of management in the organization; brand maintenance is the task of brand managers, strategic corporate brand development is the task of top management. Monitoring ought to focus on 3 elements: 1. Environmental monitoring (Camillus & Datta, 1991); 2. Strategic management (Ansoff, 1980); and 3. Articulation and enactment of organizational identity (Cheney & Christensen, 1999). Each of these is relevant to developing the exploratory potential of corporate vision as outlined in this paper. The systematic reassessment of corporate strategy, the driving forces of corporate brand performance and their relation to the corporate vision is an essential element in ensuring innovation and implementing strategic change (Christensen, 1997). In addition, however, the way can be highlighted in which issues can be used (rather than simply reacted to) to project corporate vision both internally and externally. Corporate stances on issues (from product quality assurance to social issues) are a concrete realization of corporate strategy and can bolster the foundations of the corporate brand promise.

Interaction with the firm – The success of the corporate brand is determined by creating value for its stakeholders. Increasingly, it is being recognized that value creation must focus on the nature of the relationship between the organization and its stakeholders (Vargo & Lusch, 2004). This implies shifting focus from relations as independent transactions to a service logic.

The organization needs to be clear about what kind of value it creates and where it creates it. For the consumer, the firm’s products could be experienced in terms of functional benefits of low cost and/or emotional benefits of security in knowing that the product will meet expectations. However, it is far from certain that the same customer wants to know anything about the organization; it is often only in times of crisis that the consumer begins to link the product with the corporate brand (and often only for the duration of the crisis). Brand vision is primarily used to mobilize the organization, to direct its resources and competencies towards creating corporate brand value. In this respect, it must consider both customer and end-user value processes. Value may be created through effective supply chain management (e.g., Tesco supermarkets in the UK), through product design (e.g., Bang & Olufsen in Denmark), through retailers (e.g., Waterstone’s bookstores in the UK) or through brand communication (e.g., Marlboro cigarettes). The task of corporate vision is to support this value creation and develop it. Vision provides the beacon under which the organization’s value systems must be aligned. Alignment is in terms of focusing the organization on the competitive challenges of the future and aligning organizational resources to exploit and develop them. Creating uniform values across the organization does not necessarily achieve this; the vision seeks to bring diversity in the organization together synergistically to aid brand performance. Communicating values to external stakeholders does not necessarily achieve this; as Macrae (1996) notes, good leadership is transparent, thus vision may be shared by some stakeholders, but it is more its leadership role that is important; its role in aligning the organization to its stakeholders and creating a path to future success.

Conclusion

Corporate branding is a powerful concept that has the potential to align the resources of the organization towards the achievement of strategic competitive advantage. However, up to date the advantages have proven elusive in practice. Current thinking about the concept has focused on the concepts of corporate identity and image and debate has mostly focused on the role of organizational culture in relation to the corporate brand. Little attention has, however, been paid to a discussion of the value of corporate brands for the firm’s bottom-line and the ways in which corporate brands might be managed in relation to the various stakeholders. This paper seeks to redress this shortcoming.
The paper supports the underlying assumptions about the value of corporate branding as a marketing management tool. However, it questions the implicit assumption in the literature that the success of the corporate brand consists in developing a homogeneous corporate culture based on core values. The paper focuses on the often multiple identities that the organization operates with in relation to its many stakeholders and suggests that for values to be relevant to all the organization’s stakeholders they become diffuse. Furthermore, over focusing on values tends to reduce the organization’s responsiveness to change. The paper, therefore, explores the role of vision in creating a beacon for corporate development.

Brand vision has the ability to transgress the divide between existing perceptions of brand identity and culture, as sources of brand strength, and transpose them into a vision of the brand as a living and developing entity; in this way, it fulfils the need for constant renewal and innovation that contemporary brands have to have in order to maintain their brand position. Brand vision also has the ability to reach across different stakeholder perceptions of what the brand is and what it stands for. Current thinking says that managing multiple identities of the brand require ambiguity and multiple messages to multiple stakeholders: the creation of sub-brands is a suitable translation of this requirement in terms of brand management. But where we are operating within the corporate brand, we cannot simply separate brand communication in relation to each stakeholder: we need to bring stakeholders together both internally and externally under the same brand vision. Brand vision has the ability to transgress these boundaries, to motivate by providing common, future oriented meaning for the brand and to create symbolic value for stakeholder.

The model presented in this paper is a tentative step to working with corporate branding in practice. Its emphasis on the three elements of vision, communication and action is grounded on existing literature on corporate culture, organizational change and marketing strategy. This model needs to be developed: in particular, workable performance measures and evaluation systems need to be developed so that corporate brand managers can effectively monitor the performance of the corporate brand. Further work on relating brand performance to different stakeholders groups is the next logical step to being able to understand the ways in which the corporate brand creates value and realizes the full potential of the corporate brand.

References