BRINGING THE CORPORATION INTO CORPORATE BRANDING

Mary Jo Hatch
McIntire School of Commerce
University of Virginia
Adjunct Professor, Copenhagen Business School
001 804 924-1096/fax 001 804 924 7074
mjhatch@virginia.edu

Majken Schultz
Center for Corporate Communication
Copenhagen Business School
45 3815 3220/fax 45 3815 3840
ms.ikl@cbs.dk

and

John Williamson
Robert Fox
Paul Vinogradoff
Wolff Olins (UK)
44 (0)171 713-7733/fax 44 (0)171 713-0217
p.vinogradoff@wolff-olins.com

Submitted to European Journal of Marketing
March 2001
Special issue on Corporate and Services Brands

Special Issue Editor: John M.T. Balmer

BRINGING THE CORPORATION

INTO CORPORATE BRANDING

ABSTRACT

Due to the need for differentiation in a world of proliferating products and services, the locus of competitive advantage is shifting from products to organizations. A commensurate shift from product to corporate branding is underway. We contend that this shift moves branding well beyond the traditional discipline of marketing and reframes it within strategic, organizational and communicational practices and perspectives. This paper describes corporate branding as an organizational tool whose successful application depends upon attending to the context in which it is used. A model to help managers analyze context in terms of the interplay between strategic vision, organizational culture and corporate image is presented. Use of the model is illustrated by examining the stages of development that British Airways passed through in the creation of its corporate brand. The paper concludes with some specific advice for managing the process of corporate branding, wherein keeping up with the continuous adjustments of vision, culture and image is essential.

BRINGING THE CORPORATION INTO CORPORATE BRANDING

Among the changes that businesses make as they move toward globalization is a shift in marketing emphasis from product brands to the corporate brand (e.g Hatch & Schultz 2001, Harris & Chernatony 2001, Chernatony 1999, Olins 2000, Keller 2000a, 2000b, Knox et al. 2000, Ind 1997, Aaker & Joachimsthaler 2000, Aaker 1996, Schmitt & Simonson 1997, Kapferer 1992, Dowling 1993). This is usually ascribed to the difficulties of maintaining credible product differentiation in the face of imitation and homogenization of products and services, and the fragmentation of traditional market segments that occurs as customers become more sophisticated and markets more complex. In an era when companies can no longer base their strategy on a predictable market or a stable preferential product range, the ground rules for competition change. Differentiation requires positioning not products but the whole corporation. Accordingly, the values and emotions symbolized by the organization become key elements of differentiation strategies, and the corporation itself moves center stage.

Support for the shift to corporate branding often comes from within marketing. For example, some marketing researchers have claimed that a strong corporate brand has significant impact in creating positive consumer perceptions of existing products and new product extensions (e.g., Brown & Dacin 1997; Ind 1997). Others have addressed the special processes of creating corporate brands in the service area emphasizing their differences to fast-moving consumer goods (McDonald et al. 2001). This is because corporate branding brings to marketing the ability to use the vision and culture of the company explicitly as part of its unique selling proposition (Chernatony 1999, Ackerman 1998, Ind 1997) or as suggested by Knox et al. (2000; Knox & Maklan 1998) as part of its unique organizational value proposition. Parallel to this shift in the branding area, scholars in corporate identity are moving in the direction of what Balmer and Soenen (1999) labeled a “vision driven approach” to management. The vision approach expands the concept of corporate identity into a much more comprehensive mix of “mind, soul and voice” (see also Balmer & Wilson 1998, Balmer 1998). In their review of the development of this new approach, the authors show how identity management has been transformed from a dominating concern with visual manifestations into strategic change management.

In both of these areas, we find a growing awareness that corporate brands can increase the company's visibility, recognition and reputation, which traditional product-based thinking does not fully appreciate. The corporate brand contributes not only to customer-based images of the organization but to the images of all its stakeholders: employees, customers, investors, suppliers, partners, regulators, special interests, and local communities. The importance of employees to corporate branding and the need to better understand the actual behavior of the corporation have received particular emphasis in recent work. Chernatony (1999), Harris and Chernatony (2001), Hatch and Schultz (2001), Wilson (2001) and Balmer and Soenen (1999) have all argued that employees are the foundation for building relations to all the company's stakeholders as well as contributing to the meaning of the brand (i.e., by representing to others who we think we are as a company). In relation to external stakeholders, Duncan and Moriaty (1997, 1998) suggested that knowledge of communication processes can expand and improve brand relationships, making companies recognize the interactivity with stakeholders in everything they do - and do not do. Most recently, comparisons between the brand's foundation and aspirations for its future have inspired gap and interface analyses as vehicles for diagnosing and managing the brand and its identity. For example, Chernatony (1999) stated that brand building involves reducing the gap between brand identity and brand reputation, whereas the ACID Test developed by Balmer and Soenen (1999) focused on the interfaces between four types of identity (Actual, Communicated, Ideal and Desired). Also, in the Corporate Brand Tool-Kit developed by Hatch and Schultz (2001) the gaps between strategic vision, organizational culture and corporate image serve to identify key problem areas for corporate brands.

In spite of differences between the conceptual frameworks mentioned above, we argue that the involvement of multiple stakeholders and the recognition of gaps/interfaces between different dimensions of corporate brands all point to the relational nature of corporate branding. In this paper we build on this relational view by examining the interrelated processes of corporate branding. We are particularly concerned to emphasize the organizational implications of shifting from the product to the corporate level which we believe are not being addressed adequately in the marketing literature.

To move toward rectifying this situation, we begin by examining how corporate branding differs from product branding and by identifying the main organizational implications of these differences. Then, building on the disciplines of management and organization theory, we offer a conceptual framework for understanding corporate branding. Our model expands the domain of corporate branding to include a broader range of concepts than is normally found in the brand literature. That is, we believe that the marketing-led corporate brand will never be effectively managed. Our corporate branding model depicts branding as a process that draws simultaneously on organizational culture, strategic vision and corporate images. We argue that this simultaneity requires companies to address the organizational implications of shifting from product to corporate branding in an integrated, cross-functional way; hence our thesis that it is important to bring the (whole) corporation into corporate branding, or at the very least, to make it the integrated effort of HR, Communication and Marketing departments led by top management. We illustrate our argument using the example of British Airways and conclude by discussing the key implications of our model for managers and their organizations.

From Product Brands to Corporate Branding

Corporate branding differs from product branding in several respects (see Table 1). First and most obviously, the focus of the branding effort shifts from the product to the corporation. Of course product and corporation are related in that corporate brands add economic value to the variety of products and services offered by the company (Keller 2000b, Olins 2000, 1989; Fombrun, 1996; Ind 1997, Knox et. al. 2000, Knox & Macklan 1998). But the broader scope of the corporate brand pushes brand thinking considerably beyond the product and its relationship to the consumer or customer. In particular, because it focuses attention on the corporation in ways even endorsed product brands never did, corporate branding exposes corporations and their members to far greater scrutiny. This means that organizational behavior, even at the level of everyday employee interactions, becomes visible (and sometimes newsworthy) so that, for example, the organization becomes more transparent than ever before. This, in turn, elevates the importance of a healthy (i.e., non-cynical, non-repressive) organizational culture.

Table 1
How Corporate Branding Differs From Product Branding

	Product Brands	**Corporate Brand**
Focus attention on	The product	The company
Attract attention and gain support of	Customers	Multiple stakeholders
Delivered by	Marketing	Whole company
Time horizon	Short (life of product)	Long (life of company)
Importance to company	Functional	Strategic

A second contrast between product and corporate branding is a difference in domain. While product brands mainly target consumers or customers, corporate brands also contribute to the images formed and held by organizational and community members, investors, partners, suppliers and other interested parties (i.e., all company stakeholders). Instead of relating to consumers through a variety of individual products and services with distinct product brand names, the corporate brand relates all of the organization's multiple stakeholders and its products and services to each other through their relationship with the corporation.

A third difference between product and corporate branding involves defining who is responsible for the branding effort. Corporate branding requires much more complicated and sophisticated organizational practices than did product branding (for related arguments see Will, Probst & Schmidt 1999, Harkness 1999). Whereas product branding could be handled within the marketing department of a company, corporate branding requires organization-wide support. The whole organization from top to bottom and across functional units is involved in realizing the corporate brand, along with the audiences the brand is meant to attract and engage. As we will argue next, this is because a successful corporate brand is formed by the interplay between strategic vision, organizational culture and the corporate images held by its stakeholders. As this range of issues significantly overextends the expertise of the typical marketing department, we believe that successful corporate branding involves the integrated efforts of all organizational departments (e.g., operations, marketing, strategy, communication and human resources).

The temporal dimension constitutes a fourth difference between product and corporate brands. Product brands live in the present. They are short term in their ambitions to attract potential customers and help deliver sales. When product brands have been around for some time, like Tide or Budweiser, marketers feel a strong need to "freshen" them with innovative ad campaigns and to update their iconography. Corporate brands, by contrast, live both in the past and the future for, as Olins (1989) indicated, corporate brands stimulate associations with heritage and articulate strategic visions of what is to come. As a symbol of the company's heritage and of the vision of its leaders for the future, the corporate brand has a much broader temporal base than does a product brand.

Finally, because of the greater reach of corporate brands relative to product brands -- in terms not only of relating past and future, but also of the numbers of stakeholder groups targeted and the use of the whole company to support the brand – we believe that corporate branding takes on strategic importance relative to the functional (marketing and sales) importance typically accorded a product brand. The strategic importance of corporate branding lies not only in its positioning of the company in its marketplace, but in creating internal arrangements (e.g., organizational structure, physical design and culture) that support the corporate brand's meaning.

A Framework for Corporate Branding

A strong corporate brand acts as a focal point for the attention, interest and activity stakeholders bring to a corporation. Like a beacon in the fog, a corporate brand attracts and orients relevant audiences, stakeholders and constituencies around the recognizable values and symbols that differentiate the organization. But corporate branding is not only about differentiation, it is also about belonging. When corporate branding works, it is because it expresses the values and/or sources of desire that attract the key stakeholders to the organization and encourage them to feel a sense of belonging. It is this attraction and sense of belonging that affects the key decisions and behaviors upon which a company is built (see figure 1). A strong corporate brand taps this attractive force and offers symbols that help stakeholders experience and express their values and thereby keep them active.

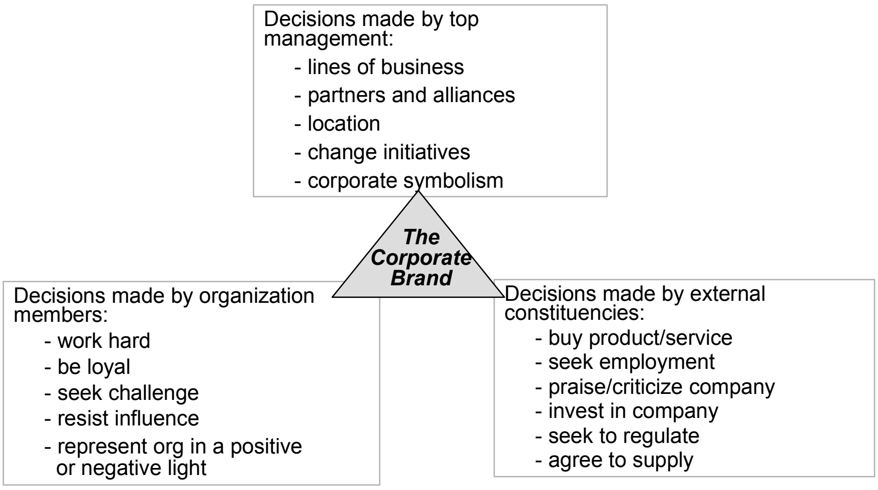

Figure 1: Successful corporate brands tap the attractive force that draws stakeholders to the organization. The company is then built upon the key decisions these stakeholders make.

One example of a corporate brand which has had this attractive force is the UK-based company Virgin. This company has garnered a certain amount of respect in the UK as the result of its demonstrated ability to extend its brand identity as "challenging and cheeky" to such different products and services as music (Virgin), soft drinks (Virgin Cola), insurance (Virgin Direct), airline transportation (Virgin Atlantic and Virgin Express) and most recently, though not yet convincingly, rail travel (Virgin Trains). This corporate brand is associated with the consistent use of the Virgin name, the Virgin red-and white colors and the Virgin graffiti-style typeface. Olins (2000) argues that this consistent association of a visual identity has allowed Virgin to transfer its brand values across business fields dominated by big, bureaucratic players making it possible to create the experience of "I am on your side against the fat cats". Such a blending of corporate and cultural values with marketing practices is the hallmark of corporate branding, and it is this concern with values that brings corporate branding practice into direct contact with organizational culture, as well as with strategic vision and corporate images.

Figure 2 shows our framework for understanding corporate branding as embedded within processes linking strategic vision, organizational culture and corporate images (see also Hatch and Schultz 2001). These three elements form the foundation of corporate branding and are defined as follows:

1) Strategic vision – the central idea behind the company that embodies and expresses top management's aspiration for what the company will achieve in the future.

2) Organizational culture – the internal values, beliefs and basic assumptions that embody the heritage of the company and communicate its meanings to its members; manifests in the ways employees all through the ranks feel about the company they are working for.

3) Corporate images –views of the organization developed by its stakeholders; the outside world's overall impression of the company including the views of customers, shareholders, the media, the general public, and so on.

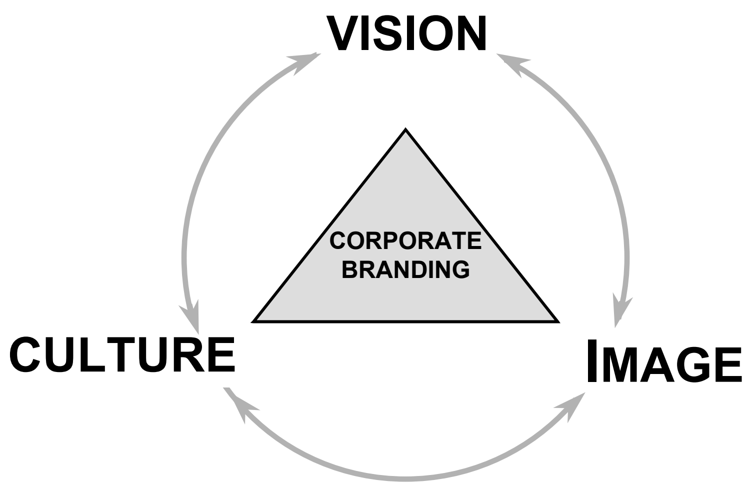

Figure 2: Successful corporate branding rests on a foundation of interplay between strategic vision, organizational culture and corporate image

How these elements interconnect in the corporate branding process is explained below.

Strategic Vision and Organizational Culture

Collins & Porras (1994), defined vision as 'what the organization aspires to be in the future'.

However the research conducted by these authors demonstrated that successful companies build their visions from redefinitions and reinventions of core values rather than revolutionary shifts from one value set to another. This suggests that although vision can stretch the company towards new goals and levels of achievement, it must also connect authentically with the company heritage. By implication strategic vision and organizational culture are strongly linked and there is a need for perceived long term coherence between them. Also, a more recent study conducted by Balmer and Soenen (1999) on the identity management practices among leading UK identity consultants confirms that attempts to manage corporate identity are driven by relating vision to changes in corporate strategy. However, in line with the concerns of Porras and Collins, Balmer and Soenen also showed that most consultants have a rather simplistic understanding of the relations between vision and the values embedded in the organizational culture.

We find that the concept of organizational culture held by most corporate branding practitioners is rather naive. For the most part they fail to distinguish between desired values (such as contained in many vision statements), and the emergent or practiced values at work in the organization (current organizational culture). Organizational culture may be a source of competitive advantage, but only when brand values are respectful of organizational culture and its core values. This requires careful reflection on the present organizational culture and an awareness of the tension between this culture and strategic visions of its future. The stretch between vision and reality is in line with Peter Senge's notion of "creative tension", about which he stated: "An accurate, insightful view of current reality is as important as a clear vision" (1990: 155).

We argue that if corporate branding is going to be more than romanticism about the organization's future, the claimed values of the corporate brand must resonate with the tacit meanings and values that organizational members hold and use. To create an authentic corporate brand, the company should build on the cultural values that produce the (often tacit) symbolic meaning of the organization. Since culture is deeply embedded in organizational behavior, brand values based on credible cultural expression will serve to create genuine coherence between the promise the brand makes and the performance the corporation delivers. This implies that organizational members are important contributors to the creation of corporate brand value. The corporate brand most likely to succeed is one that directly connects strategic vision and organizational culture. However, as figure 2 suggests, there is a third context for corporate branding that must be linked to both culture and vision – corporate images.

Organizational Culture and Corporate Images

Aaker (1996) argued that when brand values are consistent with organizational culture and company values they will create credibility in the eyes of key stakeholders (e.g., an innovative organization, a trustworthy organization, a liked and/or admired organization). In the case of corporate branding, credibility magnifies awareness among all stakeholders about who the corporation is and what it stands for, and enhances organizational attractiveness and reputation (see also Hatch & Schulz 2001, Schultz et al. 2000, Fombrun 1996; Barich & Kotler 1991; Bernstein, 1984). At the root of this reasoning is the link between the corporate brand, the organizational culture and corporate images.

Corporate branding efforts are generally an attempt to project the distinctiveness of the company to external audiences who are encouraged to perceive and judge them as attractive and desirable. We argue that successfully managing the corporate brand also involves reaching inside the corporation to better project and communicate practiced organizational values to external stakeholders. While this may connect organizational culture to corporate images, it still may not be enough. Following figure 2, successful corporate branding requires that corporate images also be related to organizational culture.

Many organizations try to manage corporate images through corporate advertising and other marketing communication and PR techniques (e.g., press conferences, staged media events). However, some researchers have argued that the primary effect of these efforts is to be found among organizational members. Broms & Gahmberg (1983) called this auto – communication (see also Christensen 1997) . In other words, when organizations communicate to the marketplace they first of all talk to themselves. This can mean that external images of the corporation formed by stakeholders have little in common with the images projected by and held within the organization. Too sharp a focus on image management can create an uncomfortable gap between organizational culture (i.e., everyday life within the organization) and the images held by other stakeholders. This gap can only be narrowed by listening to the views stakeholders offer on the corporation and confronting the culture with them, as Dutton and Dukerich (1991) showed in their study of the Port Authority of New York and New Jersey (see also Gioia, Schultz & Corley 2000). Similarly, only when corporate ideas about what image the corporation would like to have are confronted by actual images can the organization develop an effective corporate brand, as we explain next.

Strategic Vision and Corporate Images

Developing the corporate brand usually involves articulating a strategic vision. However, this vision will then be interpreted in relation to images held by external stakeholders who will use information about the organization that goes beyond what the corporation provides. Because of this outside influence, the branding process involves elements that lie outside the direct influence of management. However, one of these elements does lie within the influence range of the organizational culture – direct contact between organizational members and the stakeholders of the organization, for example, through responses to requests for information or service. But other influences, such as those of the media, business analysts, competitors or special interest groups, may cause stakeholders to form opinions of the corporation that conflict with those desired or expressed by the strategic vision.

Managers who are sensitive to the images that others form of their organizations will be better at developing successful, sustainable corporate brands because they will benefit from recognizing tensions or discrepancies that arise between strategic vision and the corporate images held by key stakeholders. When they also learn to bring organizational culture into this equation, they will be in a position to better manage corporate branding.

Doing Vision, Culture and Image Simultaneously

We hypothesize that organizations whose managers attend to the dynamics of vision, culture and image will outperform those whose managers either ignore these issues or do not understand the interplay between them. Our conclusion will discuss the implications of our model for managers seeking to think about and act upon their corporate brand within the framework of vision, culture and image presented in figure 2. But first we will illustrate the model using a case example and consider how strategic vision, organizational culture and corporate images are linked in a process that embeds corporate branding and thereby influences its outcomes.

For this purpose we will consider developments within British Airways over the last two decades. We focus on events and strategic shifts that illustrate how the branding process at this company was deliberately related to vision, culture and image, knowing that other initiatives also were involved. We focus particularly on the strategic transformation of core symbols such as British Airways' slogan, logo and design style, and the continued use of more mundane symbols such as coffeepots, styles of dress and behavior. Inspired by the culture school of organizational analysis, we find symbols lead us to the complex attitudes and behaviors that relate corporate branding to vision, culture and image. Studying how British Airways transformed some of its key symbols provides an illustration of our framework and helps us to better explain corporate branding practice.

Corporate Branding in Practice: The Case of British Airways

British Airways' experience of driving culture change through the process of privatization and downsizing, working intensively with issues of image and vision, means that they make a good case for analyzing the interplay between vision, culture and image in relation to the matter of corporate branding. However, was not a bed of roses for British Airways, as we will show by first describing the case and then relating it to our model.

The early years. British Airways was privatized in early 1987. Before privatization, and for a time afterwards, people in Britain said that BA stood for "Bloody Awful". They held images of British Airways as operationally incompetent and as indifferent to customers. However, by the early 1990's BA was in an enviable position. They had succeeded in privatizing and through severe downsizing and corporate-wide customer service training turned a once stodgy, military-style bureaucracy into a profitable, respected and highly competitive corporation.

The change took shape after a lengthy preparation that included repositioning the company around the idea of "the world's favorite airline". The word "favorite" symbolized the new attention to customers that was to characterize the company's transition to private enterprise and, over the years, British Airways conducted dozens of change programs aimed at developing a service-minded culture. These change programs considerably improved BA's image with its customers allowing the airline to overcome its former reputation for incompetence and indifference. However, this proved not to be enough for a demanding, globalizing marketplace such as that served by the airline industry.

Ten years on. In the mid-1990s, BA faced several additional pressures for change. Marketing research showed that the airline's customer base was shifting. By this time only 40 per cent of their passengers were British, and the numbers were falling. Along with changes in its customer base, an alliance frenzy in the airline industry and incessant talk about globalization throughout the business world put pressure on BA to globalize. Under the then new leadership of CEO Robert Ayling, BA decided to make its move.

The first step undertaken was to address BA's strategic vision of being 'the world's favorite airline". Ayling and his managers did not see the need for an entirely new vision, but rather shifted the emphasis from being the "world's *favorite* airline" to being the "*world's* favorite airline". Although this in itself did not seem like a major change, implementing this transition caused the corporation to recognize the need to address its market in a less rigidly 'national' tone of voice. To engage its global market more fully British Airways decided to embody a diversity of national origins and styles in a bold new visual identity.

The most immediate and controversial aspect of the new corporate look was the tail fins of its fleet of airplanes decorated with patterns taken from contemporary, original folk art that British Airways commissioned artists around the world to create. A different design was planned for each airplane. The tailfins were to be a visual celebration of the world's diversity carried throughout the world by BA's fleet of airplanes – a flying art gallery. In addition, to avoid nationalistic associations, the British flag used previously to mark the planes as the property of British Airways was replaced by a more contemporary symbol that retained the red and blue colors of the British flag without actually displaying the Union Jack. According to a company spokesperson at the time, the new tail fin designs were "a creative expression of a company, which, both in the letter and the spirit, regards the whole world as its customer".

Using work from artists in different countries to decorate the tail fins of an airline fleet was a radically new idea for expressing a strategic vision. In place of a single mark, style or color palette, British Airways chose to embrace and emphasize diversity. This idea carried over into other areas of communication. For example the annual report for 1996-7 is illustrated both on the cover and throughout with photographs of British Airways staff from many ethnic backgrounds. The same message was implied in television commercials that showed people on different continents being reunited with family members from overseas.

Symbols of trouble. The new look of the repainted airplanes did not run very deep into the organization nor even inside the airplanes where the British accents, manners and styles of traditional Britishness continued to reign. For example, British Airways staff were expected to manipulate large, heavy and completely unadapted traditional metal tea and coffee pots. This is awkward, clumsy and hazardous; but it conforms to a notion of old world style and correctness promoted by traditionalists as synonymous with being British. Thus there was dissonance between the revamped exteriors of the airplanes, with their message of inclusive diversity, and the interior where an aggressively deferential service culture, along with the silver tea service, symbolically signaled the continued dominance of traditional Britishness within the company culture.

The culture of traditional Britishness presented some problems for the airline. For many who reside outside Britain, it was a reminder that Britain was once a formidable colonial power. In June 1997, CEO Bob Ayling told the Yorkshire Post: "We want to show a modern Britain rather than an imperial Britain". But it was not necessarily associations with bygone days of colonization that were objectionable. Apparently the British tone of the service was not appreciated by all passengers, which challenged the desired global image and reach. In July of 1997, the Financial Times reported Ayling telling shareholders that "there were elements of 'Britishness' that were standing in the way" and he was quoted as saying, "We are seen to be slightly aloof."

Meanwhile, at home, the new designs provoked anger and hostility in traditionalist quarters. Symbolizing this reaction, to the delight of the news media that captured her gesture on video tape, Maggie Thatcher, former British Prime Minister and arch conservative, draped her handkerchief around a model of a repainted BA airplane sporting one of the new designs. This clip was seen repeatedly throughout Britain for many months and rallied conservative business class passengers around demands that the Union Jack not be removed from BA's planes. At the time, Britain was engaged in an extended political debate over the values of Britishness, and there was much interest shown by the New Labor Party and its Prime Minister Tony Blair in finding fresh ways of articulating those values. It is likely that this political discussion influenced strategic thinking in British Airways. However, while Ayling's vision seemed to lie with a New Britain, there continued to be considerable resistance by the Old Britain.

Pressure to conform to traditional British style does not constitute a full description of the resistance to the changes within British Airways that the new look symbolized. Immediately following the launch of the new look the UK cabin crew union held a 72-hour strike over a new pay scheme and the outsourcing of catering services. Part of the British Airways effort to be globally competitive involved substantial cost reductions (to be competitive with their US rivals). But cost reductions are always difficult internally and the reaction of the cabin crews at the precise moment of the launch showed that employees were not positively engaged by the new vision nor fully involved in the campaign to promote it. The strikers emphasized the contradictions found between cutting costs internally and spending millions of pounds on corporate branding.

BA today. While the multi-racial and multi-cultural nature of British Airways has remained an important theme of its communications, the radicalism of its new look came to be regarded by the company as less than successful. This evaluation led to announcements in 1998 that the full series of tail fin designs would never be implemented. Although reasons for this decision were not spelled out clearly, Ayling suggested that resistance by the lucrative and conservative British business class passengers caused BA to curtail its tail fin program. The media and many employees at the time believed that the costs of the program were simply too high. Regardless of the logic used, British Airways, it seems, lost its corporate nerve. They also lost Robert Ayling, who in early 2000 was replaced as CEO.

British Airways remains concerned to communicate a sense of belonging to the world and to being made up of representatives from many different parts of it. The retreat from repainting the tail fins has not altered the corporation's resolve to have a global image, and for the moment at least, the look of BA is caught between traditionalism and the global diversity of those planes whose tail fins still sport the colorful images of the curtailed program. The half-repainted fleet of BA aircraft stands as testimony to the still unresolved issue of BA's commitment to globalization.

Analysis Using the Vision, Culture and Image Model

Surely at the time of the launch BA would have said they did everything right according to the model shown in figure 2: their vision was global, their culture was service-oriented and their image as "the world's favorite airline" was ready for modification to "the undisputed leader in world travel", which would position BA for global brand extension. Yet, even though BA had all the pieces of vision, culture and image in place, their corporate branding program lacked the integration of these elements.

First, BA's culture did not support its vision. Instead employees, who were being subjected to another round of cost cutting at the time of launching the new brand, saw the expenditure of £60M on tailfin painting as a breech of faith. They expressed their anger with a strike timed to coincide with the launch of the new global vision campaign.

Second, the images key stakeholders associated with British Airways were not in line with the airline's new global vision. BA's move to implement its global vision was met with formidable resistance by British conservatives, many of whom constituted BA's lucrative business class passenger pool. For these passengers, on whom BA still depends for their revenue stream, BA was an icon of British culture – evidently they were not ready to share it with the world.

And finally, BA experienced a rift between its culture and image symbolized by the juxtaposition of its global ambition and the look of its planes and its service. As the tailfin program preceded it became obvious to passengers, if not to employees, that the airline might be global on the outside, but inside it was still terribly British. From the traditional silver tea service down to the properly stodgy uniforms of the cabin crew, little about the culture encountered inside the planes (or the company!) matched the global expectations encouraged by the proud display on the tailfins.

Following the reasoning of the vision, culture and image model led us to ask: If British Airways had been fully in touch with British traditionalism and its effect on their image would they have leapt so quickly to a new, global (non-British) look? Or, for that matter, if they had been fully committed to the global diversity of their vision, would they have been so quick to pull the plug on their tail fin program? While the halted tail fin repainting may not at first blush seem like an important issue, its symbolic impact as a statement of BA's not yet realized global vision stands as a public reminder of the failure of this ambition. One must wonder if this testament precipitated Ayling's departure as CEO. These and other questions remain to be answered, and this case is not in any sense concluded, but the reasoning presented here does suggest that the vision, culture and image model is a useful diagnostic tool.

Our application of the model to BA reveals how corporate branding can go wrong. The British Airways case shows that managers may not always be able to handle thinking about vision, culture and image simultaneously, as implied by figure 2. Instead the BA managers appear to have used sequential attention, as is indicated by a redrawing of figure 2 to incorporate the dimension of time (see figure 3). Put simply, as soon as issues with regard to one element of the model were addressed, their dynamic interplay readjusted the other elements so that new issues in another area of the model arose. The BA managers were pulled from one side of the model to another as they followed, rather than anticipated, the dynamics of their corporate branding process.

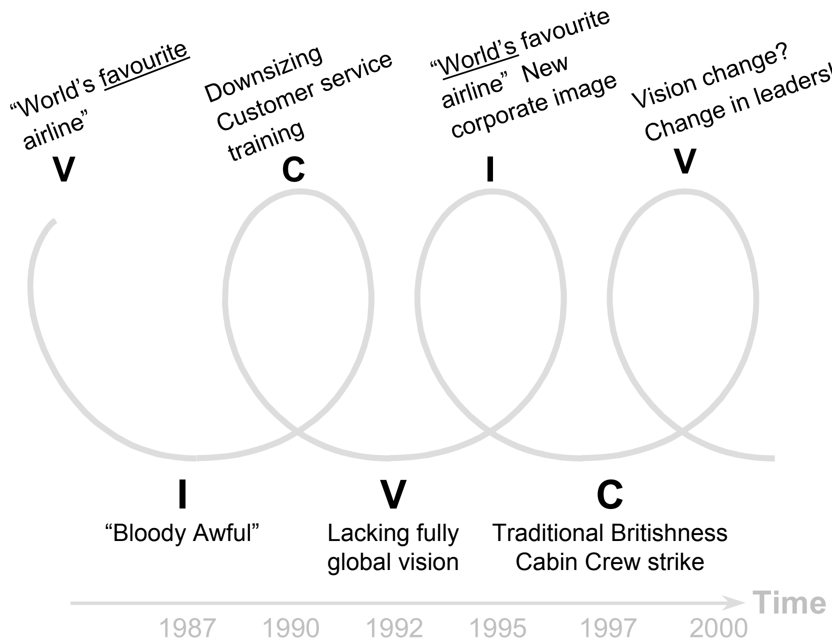

Figure 3. The vision, culture and image model stretched over time and applied to British Airways

Figure 3 shows how British Airways first addressed its poor image with its organization-wide cultural retraining in customer service and its proclaimed desire to be seen as “the world’s *favorite* airline”. Following this the company addressed the need to develop a global vision ("the *world's* favorite airline") in response to external pressures to globalize. These pressures resulted in attempts to encourage stakeholders to form a global image of the company using tail fin art. This in turn revealed a new problem -- the disparity between its global outside and its British inside. This disparity seems to have derailed the new corporate look and suggests an urgent need for redirection if the vision of a global future for the airline is not to be lost. The question now facing British Airways is this: As a symbol of strategic vision, what does the thwarted tail fin program say about BA’s strategy for globalization? It is hard to see quite what direction British Airways may be planning to take in globalizing its brand, but it seems clear that re-addressing its vision to better align with its corporate images and organizational culture is the next step. The lesson we learned from BA is that it is the relationships between vision, culture and images, not the elements themselves, that determine the success of corporate branding efforts.

Implications

In this paper we have argued that organizations that succeed in establishing a corporate brand based in the integration of their vision, culture and image are better equipped to compete in conditions of unsustainable product differentiation created by globalization and fragmenting markets than are those that rely on product branding or conventional product-focused marketing. However, we have also argued that corporate branding is more complex than product branding in that it is simultaneously strategic (vision), has implications for organizational behavior (culture) and must be far more attentive to and communicative with the ways it is seen by all of its external stakeholders (images). This complexity arises from the interplay of vision, culture and image, as was explained in this paper. Based on these insights we offer the following practical advice to managers, however, you should note that the definitive approach to corporate branding will depend on the particulars of your situation. Here are some general guidelines that have proven helpful to a variety of companies, some of which are used illustratively below:

Be Honest

Begin the process of corporate branding with an honest assessment of both culture and image as a prelude to developing and communicating a strategic vision. We do not imply that the only vision possible is what the organizational culture will currently accept or what key stakeholders think you are right now. Rather we argue that management must be honest about where the culture and images presently sit so that the direction of desired change and strategic vision and their likely consequences for all involved can be acknowledged and communicated clearly and fairly.

Values imposed and sustained only by autocratic authority will not have the same credibility in the marketplace as expressions of genuine value and belief supported by a culture that stands behind and is a central part of the corporate brand. By the same token, corporate vision that overreaches cultural "reality" by too great a margin risks losing image points and inviting cynicism or outright resistance, as the British Airways case has clearly shown. Respect for values and beliefs supported by the existing culture invites perceived coherence and bestows authenticity.

Organize To Serve The Corporate Brand

As the value of the corporate brand is created and sustained in part by the company's people, internal processes and systems, a strategic shift to corporate branding may require the company to undergo reorganization to support the corporate brand. Here, the Danish company Bang & Olufsen provides an example of reorganizing that seeks to engage all key stakeholders in the creation of "A

Life Less Ordinary" for everyone. The company understands the need to integrate its single source retailers into its corporate processes while eliminating multiple brand dealers if they are to deliver against the promise made by their new corporate brand. This integration process has been driven by a vision to transform the culture of the company from "us in headquarters" versus "them in the markets" to a One Company mindset, where cultural differences create synthesis rather than conflict. At the same time, the company is integrating its internal and external communication functions into what they have labeled a "Story Lab" and giving communication a more prominent position close to top management. Bang & Olufsen has also reorganized its HR function in order to support the people who will act as international guardians of the brand.

Financial services, and banking in particular, is another business area much influenced by the organizational implications of corporate branding. They not only have to integrate internal and external communications, but must include everything from services offered at their internet-banking websites to the design of retail outlets in their efforts to create a strong financial corporate brand (see also McDonald et al. 2001). Most recently, financial analysts have made it clear to Nordea, a Scandinavian bank merger between four countries, that they prefer the bank to integrate it's technologies and working processes as soon as possible when building the cross-national corporate brand. This demonstrates that reorganizing to serve a corporate brand is no longer an internal managerial issue alone.

These examples show that a move to corporate branding may require an overall organizational restructuring. The heart of the restructuring will involve closer cooperation between marketing, communication and HRM, but in the end will touch all aspects of the business since everyone is needed to support the corporate brand.

Engage Multiple Stakeholders

A powerful corporate brand depends upon the actions and reactions of many people. To develop such a brand you need to forge lasting relationships with all of them. For instance Shell engaged internal stakeholders in creating a new vision for their corporate brand demonstrating that it is possible to actively engage internal stakeholders even in a very large and geographically diffuse organization. In addition Shell US is experimentally using interactive media to engage external stakeholder groups in continuous dialogue about their concerns and their images of the company (Fombrun & Rindova 2000).

Like Shell, LEGO strives to involve multiple stakeholders in building its corporate brand. However, sometimes stakeholders themselves may initiate the relationship. One such example is the foundation of the First LEGO League (FLL) in the US in 1998, where a non-profit organization First, with a mission to inspire interest in science among youth, suggested a partnership with the LEGO Company, where kids and their parents could learn and compete on how to built robots with LEGO Mindstorms. FLL now involves more than 25,000 kids in many countries and includes both internet based community-building and local events at schools and science museums. As stated by a one of the local sponsors: "FLL enables us to be a player in the community. The kids enjoy it and our employees get a kick out of it as volunteers. The feeling is that we are all in it together. It's a mental challenge" (Tom Pirelli, Chariman, ArialPhone Systems, www. Mindstorms.com 22.2.01)

An example of a failure to engage multiple stakeholders is provided by Nike. Nike's low pay and poor factory conditions in its Asian manufacturing facilities indicated a lack of concern for employees of its Asian subcontractors. Nike also ignored the concerns of its customers and the public at large who were offended by Nike's extremely high prices and by the fact that some children who could not afford Nike shoes were stealing them from those who could, sometimes right off the feet of the child with the shoes! When the media brought stories of the exploitation of labor in Asian factories together with consumers who were concerned over crime and resented the price of Nike shoes, a highly explosive set of attitudes toward Nike began to form and pressure was put on the company to reform its labor practices. Greater engagement with stakeholders would have permitted Nike to see this situation as it developed as opposed to being negatively surprised by the devaluation of its corporate brand. Most importantly, notice how many stakeholders became involved as the situation developed, and how their interactions created a crisis that continues to effect Nike today.

Know Your Symbolism

A corporate brand is a set of symbols that allow stakeholders to make their own meanings in the context of their own lives. A powerful corporate brand delivers on its promise to be an experience with a certain style and attitude. What that experience is will be redefined by each individual who personally takes the brand into their own world. However, because symbols and meanings are so subjective, there is great difficulty in using rich symbolism to communicate the corporate brand. It is nonetheless important to do so because the emotional response provoked by symbols is a source of potency for the corporate brand.

For example, Ben & Jerry’s ice cream flavor names such as Cherry Garcia and Rainforest Crunch offer the chance for ice cream lovers to free associate their favorite flavors with memories or images of the Grateful Dead, the 1960’s and the ecology movement. These associations help Ben & Jerry’s stakeholders form lasting relationships with the company. However, the company has faced difficulty translating this symbolism into foreign cultures because the meanings of these symbols are so heavily dependent upon appreciation of American counter-culture.

What is required for success in corporate branding on a global scale is to either choose symbols that can work universally (as McDonald’s has done with its ‘golden arches’) or to translate rich symbolism like Ben & Jerry’s uses into terms to which members of target cultures respond. For instance, if Ben & Jerry’s wants to maintain its unpretentious, community building, counter-cultural associations as it reaches out into the world, then it must find stakeholders with compatible attitudes and, either associate Ben & Jerry’s symbols with their meanings, or integrate the new stakeholders’ own symbols into Ben & Jerry’s culture. In recent years the company has been doing just this. Attempts to connect new target audiences with its symbolism have led Ben & Jerry’s to focus on ice cream in the UK, community mindedness in France, and its hippie image in the US. But this strategy asks a lot of stakeholders who have to sort this all out, for instance, when they travel. It also adds complexity in the form of managing different sorts of Ben & Jerry’s shops across national boundaries, a problem that now transfers to Unilever as the new owner of Ben & Jerry’s Ice Cream.

Though managing symbols can be tricky, it is important to recognize that all corporate brands are symbolic expressions and thus a poor use of corporate brand symbolism can limit the power of a corporate brand. Shell is an example of a company that is not effectively using a symbol that it has been careful to develop and protect over many years. The pectin (the shell shape in Shell’s logo) is globally recognized and strongly associated with the company, yet at the present time they do very little to capitalize on its power to make meaning. By the same token, strong brand symbolism can magnify the power of a corporate brand. If you have any doubts, just think about how McDonald’s has managed to seduce us into believing that its yellow arches are golden!

Tell Your Story

A story is a very good device for creating emotional and aesthetic connections between diverse groups, such as stakeholders normally are. In fact, every corporate brand has its own story. Because stories are such potent communication tools, telling the story of the corporate brand can be an important – and meaningful – way to relate the company to its stakeholders.

Virgin's story of the creation of the company by its charismatic founder Richard Branson has the appeal of a modern fairytale. It is a story about tough fights with the establishments of the music and airline industries, most notably Virgin Atlantic's successful court battle against British Airways. This story has been told in numerous best-selling books about Virgin and has turned Branson into something of a folk hero, particularly among members of the younger generations in Europe. Virgin has transformed this company history into the story of its corporate brand. Although the initial struggle for survival is long over, the story of Virgin as the anti-authoritarian good guys challenging the well-established "Fat Cats" to be fair to the rest of us is repeated each time that Virgin moves into a new line of business. So far, the story does not seem to have lost any appeal for Virgin's growing number of fans who are continuing to join the ranks of devoted Virgin stakeholders.

A good story has the effect of causing people to want to share it with others. This means that the story needs to be engaging enough to be told and retold by stakeholders. But having a good story alone is not all there is to building a powerful corporate brand. It is acts of storytelling that bring benefits to the company. An example of what we mean is offered by GM's Saturn Group. The Saturn Group used storytelling to combine the launch of a new product with celebrating the people behind that product. Saturn's story of the rebirth of the values of rural America was told in the voices of the people who make the car, giving the story both warmth and credibility. Similarly, telling stories about Branson and Virgin has become a pastime among the company's stakeholders. Storytelling engages these stakeholders in a way that few other acts can.

Have Courage

Diagio's courageous renaming after the merger between Guinness and Grand Met offers a lesson in stick-to-itiveness. Once you have a corporate branding process underway and it has begun to connect your vision, culture and images you are likely to come up with reasons to rename, redesign or relaunch your corporate brand. This is especially true when mergers and acquisitions are undertaken. As was the case for Diagio, the company will often bear the brunt of negative publicity and hostile reactions from those not fully on board with the new vision or who still feel attached to the old days. Experience shows that it pays to hang tough. Many critics will quickly adapt to the changes and others will eventually be won over by them.

British Airways is an example of a company that lost its nerve in the middle of its corporate brand re-launch. While the company obviously suffered right from the start of its strategy formulation process from a lack of understanding of the relationship between vision, culture and images, once committed to rebranding through the tailfin repainting program it would have been wise to see the campaign through. Some adjustments to advertising in response to stakeholder objections might well have saved the company considerable embarrassment. Instead, the costly interruption of the program indicates only part of the price British Airways will pay for not having courage.

Conclusion

Corporate brands need to be managed in relation to the interplay between vision, culture and image. Achieving this requires effective dialogue between top management, external stakeholders and members of the organizational culture. Effective corporate branding will come with dedication to honest self-assessment, responsive attitudes toward stakeholders, and respect for the values that attract all parties to the corporation. In particular what is needed is to draw upon the rich resource that is the organizational culture and make it an integrated part of the effort to build a corporate brand. This will bring the corporation into the corporate branding process with all the competitive benefits that implies.

References

Aaker, D. R.(1996), *Building Stronger Brands,*.Free Press, New York.

Aaker, D.R and Joachimsthaler, E (2000), *Brand Leadership*, Free Press, New York.

Ackerman, L. (1998), " Secrets of the corporate brand", *Across the Board*, New York vol. 35:1: 33 - 36.

Balmer, J. and Soenen, G. (1999), "The Acid Test of corporate identity management", *Journal of Marketing Management, vol. 15: 69 – 92.*

Balmer, J. (1998), "Corporate identity and the advent of corporate marketing", *Journal of Marketing Management* vol.14: 963 – 996.

Balmer, J. and Wilson, A.(1998), "Corporate identity: there is more to it than meets the eye", *International Studies of Management and Organization,* Vol. 28/3: 12 – 31.

Barich, H. and Kotler, P. (1991), "A framework for marketing image management", *Sloan Management Review*, Winther: 94-104.

Bernstein, D. (1984), *Company image and reality: a critique of corporate communications,* Cassell, London..

Broms, H. and Gahmberg, H. (1983),"Communication to self in organizations and cultures", *Administrative Science Quarterly*, Vol. 28:482-495.

Brown, T.J. and Dacin, P.A. (1997), "The company and the product: corporate associations and consumer product responses", *Journal of Marketing*, Vol. 61: 68-84.

Chernatony, L. de (1999), "Brand management through narrowing the gap between brand identity and brand reputation", *Journal of Marketing Management,* Vol. 15: 157 – 179.

Christensen, L. T. (1997), "Marketing as auto-communication", *Consumption, Markets & Culture*, Vol.1 (3).

Collins, J. C. and Porras, J. (1994), *Built to Last,* Harper Business, New York.

Dowling, G.R. (1993), "Developing your company image into a corporate asset". *Long Range Planning,* Vol. 26(2):101-109.

Duncan, T. and Moriarty, S. (1998), "A Communication based marketing model for managing relationships", *Journal of Marketing* Vol. 62: 1- 13.

Duncan, T. and Moriarty, S. (1997*), Driving brand value: Using integrated marketing to drive stakeholders relationships*, Mc-Graw-Hill,. New York

Dutton, J. and Dukerich, J. (1991), "Keeping an eye on the mirror: Image and identity in organizational adaptation". *Academy of Management Journal*, Vol. 34: 517-554.

Financial Times (16 July 1997), "Investors attack British Airways livery revamp" (p.27).

Fombrun, C. and Rindova, V. (2000), "The road to transparency: Reputation management at Royal Ducth/Shell", in Schultz, M, Hatch, M.J. & Holten Larsen, M., *The Expressive Organization. Linking Identity, Reputation and the Corporate Brand.* Oxford University Press,Oxford.

Fombrun, C. (1996), *Reputation: Realizing value from the corporate image*. Harvard Business School Press, Boston. MA

Gioia, D. A., Schultz, M. and Corley, K, (2000), "Organizational identity, image and adaptive instability", *Academy of Management Review*, Vol 25, No. 1

Harkness, J. (1999), "Living and breathing the brand: The role of internal communication", *Journal of Communication Management*, Vol. 4, No. 1.

Harris, F. and Chernatony, L.de (2001), "Corporate branding and corporate brand performance", *European Journal of Marketing* , Vol. 35: 441-457.

Hatch, M. J. and Schultz, M. (2001), "Are the strategic stars aligned for your corporate brand", *Harvard Business Review*, February 2001

Ind, N.(1997), *The corporate brand* MacMillan Business, London.

Kapferer, J.N. (1992), Strat*egic Brand Management*, Kogan Page, London.

Keller, K. L. (1998), *Strategic Brand Management – Building, Measuring, and Managing Brand Equity*, Prentice Hall, New Jersey.

Keller, K. L. (2000a), "The brand report card", *Harvard Business Review*, January-February

Keller, K. L. (2000b), "Building and managing corporate brand equity" in Schultz, M., Hatch, M. J. and Larsen, M. H. *The Expressive Organization – Linking Identity, Reputation, and the Corporate Brand*, Oxford University Press, Oxford.

Knox, S. and Maklan, S. *Competing on value,*: F.T. Pitman, London.

Knox, S., Maklan, S. and Thompson, K. E. (2000), "Building the unique value proposition" in Schultz, M., Hatch, M. J. and Larsen, M. H. *The Expressive Organization – Linking Identity, Reputation, and the Corporate Brand*, Oxford University Press, Oxford.

Mcdonald, M., Chernatony, L. de and Harris, F. (2001), "Corporate marketing and service brands: moving beyond the fast-moving consumer goods model", *European Journal of Marketing,* Vol. 35: 335 – 353.

Olins, W. (1989), *Corporate identity*. Harvard Business School Press, Boston MA.

Olins, W. (2000), “Why brands are taking over the corporation”, in Schultz, M., Hatch, M. J. and Larsen, M. H. *The Expressive Organization – Linking Identity, Reputation, and the Corporate Brand*, Oxford University Press, Oxford.

Schmitt, B. and Simonsen, A. (1997), *Marketing Aesthetics – The strategic management of brands, identity, and image,* The Free Press, New York.

Schultz, M., Hatch, M. J. and Larsen, M. H. (2000), *The Expressive Organization – Linking Identity, Reputation, and the Corporate Brand*, Oxford University Press, Oxford.

Senge, P. (1990), *The Fifth Discipline,* Doubleday, New York.

Slywotsky, Adrian J. (2000), ”The age of the choiceboard”, *Harvard Business Review*, January-February

Will, M., Probst, M. and Schmidt, T. (1999), ”Who’s managing corporate reputation? A survey of Leading European Companies”, *Corporate Reputation Review*, Vol.2, No. 4, 1999

Wilson, A.(2001), “Understanding organizational culture and the implications for corporate marketing”, *European Journal of Marketing* Vol. 35: 353 – 368.

Yorkshire Post/Reuter (11 June 1997), "BA image revamp angers 'unhappy' staff" (p.3).