Introduction
The Challenges of Corporate Branding

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Corporate branding has been hailed by some as a way of circumventing the problem of escalating media costs, which have to be shouldered by corporations launching new brands. Unfortunately, this has erroneously led some organizations to treat it almost as a giant-size product brand. Organizations are awakening to the fact that reliance on corporate heritage and identity as mechanisms to save promotional launch costs is short-term thinking that has the inherent danger of diluting corporate brand equity.

Enlightened corporations approach corporate branding as a pan-company activity that cuts across both functional areas and business units. This pan-company perspective changes corporate branding from a marketing-communication activity into a strategic framework, which gives companies a clear sense of direction and provides the basis for competitive advantage. Capitalizing on corporate branding blends thinking from diverse disciplines such as marketing, organization theory, strategy and corporate communications.

There are a variety of benefits from a well-conceived corporate branding strategy. It provides management with a holistic framework for conceptualizing and aligning the many different activities by which companies express who they are and what they stand for. Thus, corporate branding provides a solid foundation for developing a coherent and engaging promise to all stakeholders. It acts as a mechanism to align organizational subcultures across functional and geographic boundaries, enabling companies to better balance issues of global recognition and local adaptation. In increasingly overcrowded markets that demand more transparency and new sources of involvement, corporate branding provides a basis for a corporation to develop and express its distinctiveness through its consistent relationships with all stakeholders. Provided this is valued by stakeholders, a successful corporate branding strategy provides an opportunity for generating a significant future income stream.

The explosion in the plethora of new media and new distribution channels, along with increasing consumer sophistication, has led to greater stakeholder involvement in co-creating corporate brands. This is particularly evident as Internet-based communities interpret, discuss and confer agreement about the status and favorability of corporate brands of interest to them. In the bricks and mortar environment, corporate brands such as Harley Davidson have evolved through interested owners coming together and jointly experiencing, then refining the brand. The challenge for this corporate brand is similar to that being faced by other corporate brands, ie how to take the corporate promise and seamlessly
transfer it from a bricks to clicks environment.

Over the past few years, corporate branding has attracted tremendous interest among managers, consultants and academics. It has been conceived as many different things, for example as a metaphor, a conceptual framework, a management process, a strategic tool-kit and a communication facilitator. The growing public interest in corporate brands has led to accusations of brands manipulating consumers and the growth of global inequalities (Klein, 2001). Although these criticisms represent important challenges to everyone engaged in branding, corporate branding turns the argument upside down, as corporations can be — and will be — held responsible for their actions to all stakeholders throughout the world.

This special issue of the Corporate Reputation Review presents a collection of insightful and innovative articles on some recent developments in corporate branding. It includes a range of authors both from academia and business. They come from a variety of countries, including the UK, USA, Australia and Scandinavia. Building on different academic disciplines and professional experiences they offer a variety of frameworks to improve our understanding and management of corporate branding. Some papers show how companies have undergone organizational transformation, better appreciating who they are and becoming more capable of presenting coherent brands, regardless of stakeholders’ points of contact. Other papers present empirically based insights about how corporate branding is of strategic value, and show how integrated corporate branding strategies can be enacted on-line and off-line. Others papers offer new tools to assess the impact and the coherence between the internal and external dimensions of corporate brands. Together, they look to the future to consider how corporate branding might influence our perceptions of corporations and how we interact with them. This special issue identifies a range of business challenges through the lenses of corporate branding and demonstrates the claim that corporate branding is becoming a strategic framework for leadership and business building.

Based on these contributions, and our research, we have identified a number of important issues regarding the future development of corporate brands. We raise our observations as statements and questions for researchers and practitioners to consider.

**LIVING THE CORPORATE BRAND: BRAND VALUES AND BRAND ENACTMENT**

Companies pursuing corporate brand strategies are much more dependent on their employees delivering their brand promises than companies engaged in arms-length product branding strategies. Firms’ abilities to understand and orchestrate their employees will increasingly differentiate high performing firms from mediocre firms. In the case of line branding employees are often regarded as executors of brand communication. In corporate branding, the attitudes and behavior of employees play a central role in brand delivery. For employees to more effectively fulfill their role in bringing brands to life, they will have to be more aware of their brands’ values. Capitalizing on staff as critical stakeholders will be high on managers’ agendas for the next few years.

de Chernatony, in the paper: ‘Would a Brand Smell any Sweeter by a Corporate Name’, argues that the brand concept is context independent. He offers, the brand triangle model as the foundation of a strategic process to design and deliver a corporate brand. The paper argues that the values of managers, staff and the corporate brand may differ and such differences need
surfacing if a coherent promise is to be made and delivered. de Chernatony takes the reader through a series of techniques to identify sources of values diversity and suggests ways to minimize such diversity.

The paper: ‘Why Internal Branding Matters: The Case of Saab’, by Bergstrom, Blumenthal and Crothers presents a framework for internal branding. Their framework is based on principles such as communicating the brand to employees, convincing them of the relevance and worth of the brand and linking every job in the company to the brand delivery. The authors demonstrate how such internal branding has been used by Saab and illustrates each step of the internal brand building process.

A growing stream of research into the role of staff in corporate brand building programs will help firms develop even more sophisticated branding programs. Organizations will require to become more attentive to organizational culture and value-based management, since it is difficult for companies to get the right balance between a strong, coherent and engaging culture and a controlling, uniform ‘Big Brother’ culture. When does the brand overstep the mark and become too much of a ‘Corporate Religion’? When does a brand become so tightly controlled that it alienates committed and capable employees?

Moving corporate branding from an externally directed marketing tool to a strategic framework entails alignment between the internal and external expressions. To successfully achieve this, managers need to appreciate how the internal and external drivers of alignment interact.

Striving for coherence has been one of the major drivers in the multidisciplinary approach to corporate branding. The internal dimension of corporate branding has often been conceived in terms of culture and identity (based on organization studies), whereas the external dimensions address image and reputation (based on strategy and marketing). Much of the past work on corporate branding has been concerned with the conceptual argument as to why interrelations between internal and external dimensions need understanding and how they can be analyzed (Hatch and Schultz, 2001; de Chernatony, 2001; Ind, 1997; Balmer, 2001).

This special issue advances our understanding by introducing new analytical models, showing how the internal and external dimensions of a corporate brand can be assessed in terms of contributing to brand coherence. Drawing on methods from other areas, these papers demonstrate the benefits of auditing perceptions of corporate brands. The paper: ‘Gaps Between the Internal and External Perceptions of the Corporate Brand’, by Davies and Chun, uses the notion of brand personality as a metaphor to illuminate the internal identity and the external image of a corporate brand, from which a gauge of coherence can be inferred. The paper on ‘Corporate Branding through External Perception of Organizational Culture’ by Kowalczuk and Pawlish, builds on the Reputation Quotient measurement tool to study how outsiders’ perceptions of organizational culture in high-tech companies influences corporate brands. These two papers demonstrate how corporate branding expands the scope

RELATIONS BETWEEN INTERNAL AND EXTERNAL DIMENSIONS
The importance of the internal dimension of corporate branding has generated a set of questions regarding the relations between the internal and external dimensions of a corporate brand. Recent conceptual developments in corporate branding have been concerned with these interrelated perceptions of the brand, testing whether brands that they represent create a coherent promise to all stakeholders.
of brand management and show the need to include both internal and external stakeholders in corporate brand strategy. Finally, the paper: 'To Brand or Not To Brand? Trade-offs in Corporate Branding Decisions' by Griffin, addresses the strategic decisions when managers have to balance internal and external factors influencing the brand. Based on mapping different environments, the paper identifies a range of branding strategies that companies could follow in order to adapt their managerial process to the relevant strategic context.

Looking to the future, the question is raised as to whether it is possible to enhance the coherence between the internal and external dimensions of a corporate brand. What if, for example, business diversity, geographic complexity, diverse managerial mindsets and sub-cultures in corporations prevent coherence in brand expressions? Will this damage brand perceptions? What would be the implications regarding the credibility and trust of the corporate brand in an era of growing global skepticism about brand trustworthiness?

Increasingly, relations and roles between internal and external stakeholders are becoming more intertwined. For example, employees are both shareholders and customers of their organizations' brands. This makes it harder to maintain the distinction between internal and external dimensions of corporate brands. As such, we question what happens to current notions of corporate brand management in a strategic context of increasingly overlapping stakeholders. How must they change?

**ENGAGING STAKEHOLDERS IN CYBERSPACE**

One of the challenges in creating brand coherence is to engage stakeholders in the co-production of the brand. The emergence of cyberspace and digital channels is having a major impact on the principles of building corporate brands. These provide a mechanism for interacting with stakeholders, and managers are seeking to find more active ways of engaging stakeholders with their brands. Digital channels and the growing penetration of broadband channels are transforming consumer behavior. The intensity and quality of new channels is turning consumers into 'streamies', affecting their media consumption and purchasing patterns. For example, this has led to the formation of virtual communities, opening up a multiplicity of perceptions about corporate brands. As a result of this, the management agenda is moving from seeking to control corporate brand communications, to listening to stakeholders and understanding their diverse perceptions. This challenges companies to reconsider how they organize themselves and how they develop brand communication in more imaginative ways for consumers who are but a click away from competitors' brands.

This special issue addresses the business possibilities related to managing corporate brands in cyberspace. The paper on 'Brands and Broadband — A Communications Opportunity' by Oechsle demonstrates the profound implications of broadband penetration on both the conceptual foundation of brand identity and the management of corporate brands. The paper takes the reader into the emergent world of virtual identities and high-performing communities. Based on case studies, the paper indicates how companies who take time to understand ways to capitalize on this new opportunity can reap significant benefits in the future.

With increased stakeholder involvement in cyberspace, firms no longer 'own' brands. While they might orchestrate the communication of the brand, they do not control the interpretations and exchanges of digital communities. The more engaging the brand becomes to its stakeholders,
the more difficult it will be for the firm to maintain brand coherence.

BRANDING EXPERIENCES: CORPORATE BRANDING IN RETAIL

Much of our knowledge about brands originates from product line branding in consumer markets, where advertising activity dominated brand budgets. As such, corporate branding becomes more widespread and new business models are emerging. This special issue looks at the growing retail section, where corporate branding is more prevalent.

The paper ‘Corporate Branding, Retailing, and Retail Internationalization’ by Burt and Sparks shows how corporate branding has been embraced by leading retailers. The authors demonstrate how corporate branding involves new operational issues, including creating a multiplicity of consumer relations and the need for employees to personify and deliver the brand promise. These challenges are illustrated with rich case-material from Tesco, Marks & Spencer, and Sainsbury. Their paper also considers the problems of corporate branding as retailers expand internationally. The paper ‘Corporate Branding: A Framework for E-retailers’ by Merrilees and Fry demonstrates how corporate branding is posing new challenges to e-retailers. Based on an empirical study among CD-users, the authors show that building e-interactivity and e-trust is crucial to the success of corporate brands in cyberspace.

The process of internationalizing corporate retail brands raises more challenges for managers. The ability to create supportive relations between employees and consumers is critical for establishing the credibility and trust of a corporate brand. Yet, in a global context, companies are confronted by the dilemma of creating coherent and centralized corporate brands, encouraging the likelihood of similar brand experiences across national boundaries, or adapting their brands to local cultures. Many lessons can be learned from the experiences of the retail sector over the next few years, as firms continue with their international expansion programs.

BRANDING AS STRATEGY: NEW FORMS OF DECISION-PROCESSES

One of the implications of corporate branding is that the relations between branding and corporate strategy becomes much more intimate. When LEGO Company declares that they are engaged in brand-driven business, this implies that all major strategic decisions from concept development and marketing spending to retail expansion and new business set ups, are based in the assessment of how they impact the LEGO Corporate Brand and how they contribute to future brand building. When a company such as Virgin is able to expand its corporate branding across a range of different businesses, it is because the strategic management of the company has focused its decision processes on the core of what the Virgin Corporate brand stands for, no matter what the business context. Integrating corporate brand and strategy is not an easy task and requires that companies are able to re-think their decision-processes in ways that ensure the business is driven from brand.

The paper by Jennifer Griffin explores how corporate branding influences strategic decision processes. The paper presents a framework for managers, identifies critical internal and external pressures affecting those decisions and shows four types of corporate branding strategies, based on different decision-models. The paper includes concepts and issues from the fields of strategy and institutional theory and is a further example of the cross-disciplinary venture involved in studying corporate branding.

Van Riel and van Bruggen (Incorporating Business Unit Managers’ Perspectives
in Corporate-branding Strategy Decision Making) take a closer look at the decisions within companies, as they address the likelihood for business unit managers to support a corporate brand. Based in a continuum of different corporate branding models, they offer a conceptual framework, the SIDEC-model that suggests under which conditions those managers are willing to support a uniform corporate branding strategy — and under which conditions they prefer a more autonomous branding strategy of their own. They provide examples from the corporate world, showing the relevance of these issues to most global companies.

If branding drives strategy, then what are the implications for the ways we think about strategy? And what are the implications for the people in companies who previously have perceived branding as their 'managerial turf'? What happens when global companies decide to try and create coherent corporate brands at times when local managers have had more influence on 'their brand'? The shift to corporate branding positions the overall responsibility for the brand with the CEO, but it also implies that a cross-functional team of managers (including at a minimum, human resources, marketing, communication and portfolio management) take charge of the brand and lead in the same direction.

**PERSPECTIVES FOR FUTURE RESEARCH**

Analyzing companies as corporate brands in a multiple stakeholder context invites scholars to engage in a host of new research opportunities. They span from conceptual definitions of the internal and external processes involved in corporate brand building to the development of new measurements of brand equity. In our opinion, corporate branding is a particularly exciting field because it requires a multi-disciplinary perspective to understand their full scope and implications. Thus, corporate branding might encourage different scholars to interact and exchange concepts and insights across well-established disciplinary boundaries. As demonstrated in this special issue, corporate branding is a relevant topic for researchers in marketing and corporate communication as well as organizational studies and strategy.

Together with a large group of researchers, Dacin and Brown have taken a leap in offering a proposal for future research into corporate branding and the associated area of corporate identity, with their paper: 'Corporate Identity and Corporate Associations: A Framework for Future Research'. Their proposal emerged from a research discussion workshop and provides an inspiring menu of ideas for all scholars interested in corporate branding. The proposal is based on a distinction between issues relating to (1) decision makers' planning and promoting an intended corporate identity/corporate brand, (2) the formation of corporate associations among all relevant constituencies, and (3) constituent responses to the associations they hold of the company. Based on each of these processes, and their relationships, the team raises a large number of evocative questions, which invite different theoretical perspectives, methodologies and company experiences.

We believe that their questions are relevant to all researchers and practitioners wishing to explore the new territories of corporate brands. It is our hope that this Journal can serve as a platform for exchanging concepts, insights, opinions and debate about corporate brands.

**CHALLENGES TO CORPORATE BRANDS**

On top of all these issues we postulate a set of challenges to both the academic and business community studying and building corporate brands. It is our hope that these challenges will stimulate work, resulting in
more effective corporate branding strategies.

Managing the coherence of the corporate brand
With such a diverse group of stakeholders influencing the nature of a firm’s corporate brand, is it realistic to expect managers to be able to control their corporate brand? Even though many papers stress the diversity of perceptions about the values of corporate brands, are there certain values that are so strongly held by staff that even when they are alerted to having values out of synchronization, they are not prepared to change? The suggestions for brand building stress the need for continually aligning values, but do we have sufficient knowledge about change models to confidently design powerful corporate branding strategies based on changed personal values?

Overcoming turf and internal rivalry in managing the brand
The creation of a corporate brand entails that branding shifts from solely being considered from a marketing discipline to a more strategic perspective, implying that the brand becomes the responsibility of the whole company, led by the CEO. No one internal department can claim to control or own the brand as their internal turf. Instead, they will have to engage in company-wide, cross-functional relations, where different functions each contribute to the building the brand. New ways are needed to organize companies intent on developing their corporate brand. Managers will have to consider what professional and managerial competences are needed across the company to build coherent corporate brands and how they can involve both internal and external stakeholders.

Measuring success in corporate branding
With such a variety of stakeholders interested in corporate brands, one wonders if the classical brand performance measures are providing too few insights into brand performance. The traditional measures, such as market share, customer loyalty and price differentials give a glimpse about the interaction between the corporate brand and its stakeholders. Authors, such as Ambler (2000) propose that a broader set of metrics should be addressed when considering staff’s contribution to corporate brand building. Some of the new measures could include staff awareness of business goals and their commitment to achieving these goals. Just as research has advanced methods to measure corporate reputation, so there is a need to develop a valid and reliable measure of corporate brand performance.

Protecting the corporate brand’s reputation
Due to the rich variety of interactions between stakeholders, it is difficult for managers to protect their corporate brand against the potentially harmful impact of gossip and erroneous inferences. In the bricks and mortar environment, conversations are notably influenced by the interactions between the linkage corporation-media-consumers. Yet, in a ‘clicks’ environment, communities discuss among themselves facets of the corporate brand, and while only one or two members of a community may interact with the corporation, their views are rapidly transmitted and amplified throughout the virtual community. There will no doubt be a growing reliance on consultancies monitoring the discussions among community members to sense and respond to the early signs of a growing swell of unsubstantiated, biased comments against a corporate brand.

Past its sell-by date?
Successful organizations thrive because their management are keen to discover and enact new ideas. The late 1980s and early
1990s saw the explosive growth of interest in brand management. New consultancies emerged, specializing in branding techniques. The focus of brand management shifted from solely concentrating on consumers to a more balanced perspective incorporating the views and needs of both consumers and staff. Internal communications consultancies flourished, alongside change consultancies, who were well versed in the topic of corporate culture.

With the passage of time, the tool-kits of branding specialists expanded, incorporating internal communications, brand visioning, brand architecture, corporate culture audits, change programs and ‘living the brand’ programs. More training workshops were devised for pan-company teams about mechanisms to improve corporate performance. While some corporations were not using the expression ‘building the corporate brand’, they were engaged in corporate branding programs. In view of these developments, researchers can contribute to knowledge through case study research, modeling the factors contributing to corporate brand success.

**CONCLUSION**

While the debate will no doubt endure as to what factors are likely to shape the future of corporate brands, what is clear is that their importance will continue to grow. It will take a more senior management team to manage a corporate brand, and increasingly CEOs will recognize their role as corporate brand directors.

Our thinking about corporate branding can be summarized as being holistic (involves the whole organization), strategic (shapes the future direction of the company) and relational (is founded in the web of internal-external stakeholder activities). We are particularly interested in understanding the dynamics of corporate brands (what are sources of change and transformation) and see this special issue as an important step towards understanding what it takes to create and sustain a corporate brand in a global, digital and fast-paced world.

**REFERENCES**

