



# Rebuilding community corporate brands: A total stakeholder involvement approach<sup>☆</sup>

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## ABSTRACT

Can community organizations benefit from corporate rebranding? The literature shows that rebranding in the not-for-profit sector flounders for two major reasons. The first is the failure to develop robust and ambitious revisioning of the brand, and the second, failure to get sufficient buy-in from staff and other stakeholders, often because of imposed top-down brand changes. The current study aims to guide an organization through an actual rebranding process, using best practice corporate rebranding principles and practices. Action research is a novel research method to investigate not-for-profit corporate rebranding. This method guides a systematic and dynamic corporate rebranding process, embracing multiple stakeholder groups. A major achievement is the articulation of a values-based corporate rebrand, with grounding in actual brand experiences. Active involvement throughout the co-redevelopment of the corporate brand achieves total stakeholder buy-in. The action research process requires researchers to guide the rebranding process, while stakeholders guide the content of the rebranding.

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## 1. Introduction

Many community organizations operate in highly volatile environments where competition for resources, employees, clients and donors is prevalent. Can community organizations exploit the principles and practices of corporate rebranding available in the business sector to improve their positions? In particular, can such organizations fulfill their potential and optimize both monetary and social brand benefits?

The idea of revitalizing brands has its roots in product branding (Berry, 1988). The shifting of focus from product branding to corporate branding has led to research on corporate reputation and brand identity (Balmer, 2001, 2010). A further stream of research is the burgeoning work on corporate branding, which has spread as a dominant business strategy particularly in large firms over the past decade (de Chernatony, 2001; Hatch & Schultz, 2003; Knox & Bickerton, 2003; Melewar & Walker, 2003; Schultz & Hatch, 2003). More recently, corporate rebranding is emerging as an extension of the corporate branding domain and is evolving that field by

embracing the concepts of corporate branding and advancing specific principles of corporate rebranding (Gotsi & Andriopoulos, 2007; Gotsi, Andriopoulos, & Wilson, 2008; Merrilees, 2005; Merrilees & Miller, 2008).

A small field of research is tackling the question of branding not-for-profit, charity and social organizations, termed in this paper, community organizations. This umbrella term is convenient but masks the complexity and diversity of the sector. The emerging literature (e.g. Hankinson, 2000; Mort, Weerawardena, & Williamson, 2007) provides insights but no consensus to date. Many community brands grapple with positioning and marketing issues generally (Grounds & Griffiths, 2005; Kennedy, 1998; Lindsay & Murphy, 1996), often considering them subservient to broader social goals. Consequently, branding is not usually a major concern of community brands, though this situation is changing as community brands compete more with each other for a limited pool of funds. Salient characteristics of community brands include a values rather than value basis for the organization; multiple stakeholders creating conflicting needs; and issues with staff morale or effectiveness as the employees are usually not well paid. Such characteristics create a branding dialectic, with both positive and negative forces emanating. However, the rebranding of such organizations has yet to form a significant research concentration.

The focus of this paper is the possibility of creating an exemplar community brand by taking an existing, moderate strength corporate brand and revitalizing that brand. Vignette 1 presents the pre-rebranding organization. The study uses an action research, case study framework, with the authors as active participants in the corporate rebranding exercise. The principles that guide the brand redesign have their foundations

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in best practice knowledge of corporate rebranding for each stage of the rebranding. However, current best practice is piecemeal, and tends to emphasize particular aspects of corporate rebranding such as internal branding. A challenge for the researchers and the organization is to integrate all aspects of best practice corporate rebranding seamlessly.

The findings include a potential method for gaining multiple stakeholders' input and buy-in from the outset. Essentially, the method actively involves all major stakeholders including clients, staff, managers and external groups, and thus integrates internal and external perspectives into a single corporate brand. The method incorporates a values-based approach to a corporate brand. Finally, the application of the method highlights a strong community connection to the brand for a particular enterprise.

## 2. Literature review

The fundamental theoretical underpinnings for the research are the work on corporate rebranding, especially the focus on principles of corporate rebranding (Merrilees & Miller, 2008). However, the embryonic nature of the corporate rebranding literature in the not-for-profit sector means that other relevant literatures (branding and not-for-profit organizations, rebranding and community brands, branding and multiple stakeholders, and internal branding) are necessary to provide a point of departure for this case study research on corporate rebranding in a community organization.

### 2.1. Corporate rebranding

Corporate rebranding is a frequent business practice, yet academic studies remain limited (Lomax & Mador, 2006; Stuart & Muzellec, 2004). Given the ubiquity of the practice, this “significant phenomenon ... merits academic attention” (Muzellec & Lambkin, 2006, p. 804). In a study of seven organizations, Lomax and Mador (2006) find that the triggers for rebranding tend to be external factors especially imposed corporate structural change and concerns about perceptions of the organization. Merrilees and Miller (2008) argue that corporate rebranding differs from corporate branding, which is the initial coherent articulation of the corporate brand. Conceptually, corporate rebranding signifies a disjunction or change between an initially formulated corporate brand and a new formulation. They contend that the scope of corporate rebranding could shape every dimension of an organization's strategy and operations. Building on the Merrilees (2005) case-based approach to radical brand evolution, Merrilees and Miller (2008) use case study research to demonstrate that corporate rebranding has three phases (brand re-visioning; achieving stakeholder buy-in to the revised corporate brand, and corporate rebranding strategy implementation). They significantly extend and elaborate the three-phase framework by developing six principles of corporate rebranding.

### 2.2. Branding and not-for-profit organizations

Not-for-profit firms narrowly conceptualize their corporate brand. The simple emphasis is on a crude tangible visual identity, with limited attempts to explore intangible dimensions or the needs of external stakeholders (Stride & Lee, 2007). Charities constitute the quintessential values-based organization, where values are the legitimizing and non-negotiable essence (Sargeant, Hudson, & West, 2008; Sargeant & Lee, 2002; Saxton, 1995; Stride, 2006). An emphasis on core brand values is also emerging in the business sector (Urde, 2003, 2009).

Relatedly, participation by employees and other internal stakeholders is essential in developing charity brands (Grounds & Harkness, 1998). Branding in the charity sector is a developing area of interest to practitioners and researchers. Ewing and Napoli (2005) for example propose a multidimensional non-profit brand orientation scale. However, Napoli (2006) argues that other categories, which

constitute about half of the overall community sector, such as social service organizations and advocacy groups attract less research interest. She notes that a limitation of her study on the impact of non-profit brand orientation on organizational performance was that the only participants were Chief Executive Officers (CEOs), thus giving only one stakeholder perspective.

### 2.3. Rebranding and community brands

Community corporate rebranding studies (Khan & Ede, 2009; Stride & Lee, 2007) paint a dismal picture of general not-for-profit rebranding efforts, where all three phases of corporate rebranding, namely corporate brand re-vision, getting stakeholder buy-in and implementing the revised corporate brand are weak. Such disarray may reflect a timid approach to both marketing and branding practices more generally associated with restrictive, narrow interpretations of advertising and visual identity. In particular, not-for-profit organizations struggle with reformulating an appropriate corporate brand re-vision. The main barriers to corporate rebranding by not-for-profit organizations, which Khan and Ede (2009) identify, include the lack of an ambitious re-vision of the brand and the resistance from employees.

Hankinson and Lomax (2006) examine the role of staff in charity (a specific not-for-profit subcategory) rebranding. They show that in rebranding UK charities, sizable pockets of staff disengage from the rebranding process. Keller, Dato-on, and Shaw (2009) assess the situation for the back-end, the implementation phase for charity rebranding. Their assessment is negative, with the main failings being inconsistent projection of positioning and the inability to develop emotional appeals to stakeholders, embracing universally shared values.

Overall, the literature reveals several main challenges for rebranding not-for-profit organizations. Most importantly as a challenge, not-for-profit corporate rebranding lacks a robust and ambitious re-visioning of the brand, relying on a simple new version of visual identity. The irony here is that not-for-profit organizations have enormous capacity and potential to project a values-based vision of the brand identity but fail to do so. Most not-for-profit organizations are passionate about their values, which might include client dignity, transforming lives and caring for the community, and their ultimate purposes, which might address curing cancer, helping the homeless and solving the AIDS epidemic. However, they fail to appreciate the benefits of embodying their values structurally, strategically, and operationally into their core brand values.

A second significant challenge is the need to get greater buy-in from staff and other stakeholders to the revised corporate brand. Stakeholder buy-in requires more than a mere willingness-to-support a top-driven brand development, a situation that would suggest a relatively passive involvement with the corporate brand. Brand buy-in evokes a greater sense of stakeholder engagement. A further consideration is that the implementation of not-for-profit corporate rebranding shows some evidence of limitations including inconsistent brand delivery.

### 2.4. Branding and multiple stakeholders

In the not-for-profit domain, Ritchie, Swami, and Weinberg (1999) identify multiple publics, which include donors and corporate partners. The latter are relevant to those non-charity organizations, which are not necessarily seeking donations, yet which depend on strong relationships with corporate partners including local government councils, or employers where community based work placement organizations may find employment for their clients. Relatedly, Lomax and Mador (2006) argue the need for stakeholder engagement in rebranding projects, and they highlight the importance of basing the brand on consultations as well as managing new organizational knowledge about the new brand.

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