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Strategic brand management based on sustainable-oriented view: an evaluation in Turkish home appliance industry

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Abstract

This paper evaluates the effect of firm sustainability on brand perception, which is key to brand image in brand management and marketing. The paper also reviews the literature in understanding well-established activities of sustainability effecting brand perception of individuals. Branding literature explains the influence of a brand on sustainability-driven opportunities available to a firm for brand image. The objective of this study is to explore how sustainability-based brand image making of managers effective in driving opportunities available to a firm for marketing performance. A conceptual framework grounded in this study is based on the sustainability-based brand image that effects marketing performance of a brand sold through retailers and customers which in turn can create numerous opportunities for marketing. A descriptive qualitative survey exploring sustainability activities of three big brands in home appliances industry in Turkey has been included in the study. The results indicated that the model developed by using existing approaches in the literature, provides supportive findings for further large scale empirical investigations in terms of variables and hypotheses that can be used for both academic and managerial purposes. In future studies, relationship between sustainability and brand image and marketing performance can be evaluated within wider perspectives.

Keywords: sustainable, sustainability, brand image, brand management, Turkish home appliance industry

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1. Introduction

An important line of research in the brand literature argues for adopting relational perspectives in brand management; in this way, brand management emerges as an ongoing dynamic process in which sustainability is reviewed as a factor in the last decades, (Louro and Cunha (2001) requiring big changes in traditional brand management structures. (Merz, He, and Vargo (2009) Brand-building activities (e.g. Katsanis, 1999; Keller, 2003) recommend designing actions in several marketing related areas such as different product design, product positioning and packaging, communications campaigns in traditional and online media, and brand extensions. Consequently, the strategic brand management has to include a careful fit between the firm's global marketing strategy and the desired brand image, together with a planning of the brand's medium and long-term goals to facilitate the strategic marketing planning process.

Practitioners and academics have reviewed sustainability from various perspectives (Fuchs and Lorek, 2005; Sethi and Srinivas, 2011). Academics acknowledge sustainability as an approach that is adopted to meet current requirements while developing capabilities that can help focus on the future (Chabowski, Mena and Gonzalez-Padron, 2011). Sustainability is presently seen as a delicate balance between the economic, environmental and social health of a community, nation and of course the Earth. The concept incorporates three dimensions and the academic literature explains these dimensions as economic, social and environmental (Elkington, 1998; Funk, 2003). Business researchers indicate the economic dimension of sustainability as the most desirable because it provides financial strength and avoids conditions leading to an early demise of the business due to financial

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reasons (Bansal & Roth, 2000). The marketing literature discusses sustainability and highlights its role in creating opportunities and driving firm performance by taking up social initiatives understood as corporate social responsibility (Peloza & Shang, 2011). The role of operations in making a business perform on the parameter of sustainability has been discussed as a determinant of a firm's ability to produce or deliver efficiently (Dao, Langella, & Carbo, 2011). Sustainability is fast becoming a viable ideology in political, economic, technological, and academic circles. Yet little theoretical, empirical, or strategic research has attempted to understand it in depth; the strategic nature of sustainability is even less well documented (Varadarajan, 2010). Sustainability, at least as a concept, has permeated most spheres of life, not solely because it is a political requirement but because it clearly resonates with something deep within us, even though we have a poor understanding of what it is. The concept of sustainability has been shaped by various influences, including political, public, and academic forces (Benn & Dunphy, 2007; Dunphy, Benveniste, Griffiths, & Sutton, 2000). The Brundtland Commission (World Commission on Environment and Development, 1987) and the 1992 Earth Summit in Rio de Janeiro introduced the concept of sustainability worldwide. In a corporate context, sustainability has been defined narrowly as corporations' social or environmental concerns and broadly as their social, environmental, and economic concerns. (Linnenluecke and Griffiths, 2010)

The sustainability concept first emerged in the early 1970s but it exploded onto the global arena in 1987 with the Brundtland Report,¹ in which sustainable development is defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs. This very noble definition, however, defies objective interpretation or operational implementation. Most of us would see our own personal needs within the context of our circumstances rather than as absolutes. Our perceptions of the needs of future generations, therefore, beggar the imagination. 'How much is enough?' is a question we have to explore together but can only answer individually. Sustainability refers to corporations' recognition of how social, environmental, and economic concerns affect their culture, decision making, strategy, and operations. This definition acknowledges that organizations take account of economic issues, but that they also adopt a broader perspective of their purpose including social (Van Tulder, Kolk and Van, 2009) and environmental (Yang and Sheu, 2007) issues.

For the purposes of this study particular interest is given in the social, environment and economic aspects of sustainability so that organizations can build competitive advantage that leads to superior financial performance, ensuring organizational survival and growth. Within this framework we propose that environment-friendly brand image will increase marketing performance of firms.

2. Literature review of sustainability

Do sustainability concerns of a brand lead to differentiation? This question is being frequently asked by practitioners and academic researchers (Miles and Covin, 2000). Recent changes in climate events have raised serious concerns and are pushing businesses to approach sustainability from a broader point of view and a long term perspective in the form of care for natural resources or health related issues (Sheth, Sethia and Srinivas, 2011). From a sustainability viewpoint, researchers such as Connelly, Ketchen, and Slater (2011) and Chabowski, Jeannette, and Gonzalez-Padron (2011) recommend that managers should embed sustainability concerns into their efforts if they want to create brand image. The shifting trends in the way customers have started to think about businesses reflect the change required in the marketing strategy of companies (Banerjee, 2001). Such change is important from both marketing and management perspectives as needs of consumers today have moved from innovative products to sustainable products (Armstrong and LeHow, 2011). In view of these pragmatic shifts, there is resurgent interest in practice about the identification of the link between sustainability concerns and brand differentiation that becomes the brand selection criteria of customers (Green, 2008). Traditional utilitarian approach towards brands has been used as tools by managers to enable consumers to differentiate them from their competitors. To counter global competition, application of branding theories enables managers to drive their customers across home boundaries to associate, assess, evaluate and differentiate them from their competitors (Alba et al., 1997; Shocker, Srivastava and Ruekert, 1994). Successful development and management of a brand in a competitive market today requires a reputation built on favourable evaluations of motivated consumers. One such evaluation can be built using sustainability concerns as they demonstrate responsible behaviour to requirements of mankind (Kakabadse, Rouzel, and Lee-Davies, 2005). Today consumers are seeking a stronger emotional connection with the brand and often look for brand differentiation that is meaningful based on its sustainable practices (Kurowska, 2003). In an analysis of a capitalistic view of the coffee market, Linton, Liou, and Shaw (2004) studied the impact of pricing and management related matters on sensitive issues such as unfair trade practices. Their findings highlight supply driven marketing efforts as an appropriate solution to ethically serve consumer segment.

In case of brands known for not contributing to sustainability issues, consumers tend to develop a disapproving outlook and unfavourable attitude towards the brand over a period of time (Clancy and O'Loughlin, 2002). Green and Macmillan reported that both consumer and investors seek information from the brands about the efforts they make to address environmental issues. Even not so strong brands can contribute to the social welfare. Such contributions reduce negative influence of corporate actions or processes on mankind (Varey, 2011). Lately various researchers have elaborated on the process of adopting practices that address sustainability concerns and its influence on customer behaviour (Godichaud, Tchangani, Peres, and Lung, 2011). Communicating

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