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Development of new B2B venture corporate brand identity: A narrative performance approach

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ABSTRACT

The development and role of brand identity in new B2B ventures is not well explored despite the challenge for such organisations in establishing reputational legitimacy. Previous research defines corporate brand identity as stable and endogenous to the organisation based either on the reputational capital of the organisation or the founder. We challenge this view in this paper from a conceptual and empirical perspective. Combining narrative theory and performativity theory this article suggests brand identity develops as a narrative performance. The study employs a narrative case analysis of interviews and archival data generated during a three-year period to examine the development of corporate brand over time. This study shows that the development of corporate brand identity and the context of the development of new B2B venture are closely intertwined processes and provides a framework for understanding the phenomenon. Brand identity is not a stable core emanating from inside the company but develops over time through a reciprocal sensemaking and dynamic interactions between company and the key external stakeholders in its context. We conclude that brand identity is built not only upon the reputational capital of past behaviours but of the brand itself as it explores and interacts within its brand eco-system.

1. Introduction

The development and role of brand identity in new venture start-ups is not well explored. This is despite extensive knowledge of the challenges for new venture start-ups in engendering trust (Ali & Birley, 1998), reputational capital (Petkova, Rindova, & Gupta, 2008) and building networks (Shane & Cable, 2002) for companies that do not have a performance track record. For a new venture the acquisition of legitimacy: reputation legitimacy (Abimbola & Kocak, 2007; Deephouse & Suchman, 2008) and network legitimacy (Low & Johnston, 2008), is key to acquiring financial backing (Shane & Cable, 2002), network acceptance and enabling access to essential resources (Zimmerman & Zeitz, 2002). In this article, we focus on the brand identity as form of reputational legitimacy, built not only upon the reputational capital of past behaviours of the founder but of the brand itself as it explores and interacts within its brand eco-system (Gyrd-Jones & Kornum, 2013).

We already know that brands "offer a crucial point of differentiation and a sustainable form of competitive advantage for business-to-business marketers" (Beverland, Napoli, & Lindgreen, 2007, p. 1082; see also, Low & Blois, 2002; Burmann, Hegner, & Riley, 2009). Furthermore, brands play an important role in the decision-making processes of business customers (Bendixen, Bukasa, & Abratt, 2004; Michell, King, & Reast, 2001). Extant research suggests that branding is a central activity for the survival and growth of B2B SME's because it aids building reputation and credibility, commercialising an offering, acquiring customers, and creating more profitable business relationships (Abimbola & Kocak, 2007; Ojasalo, Nätti, & Olkkonen, 2008; Wong & Merrilees, 2005). However, the field lacks robust empirical and conceptual work examining the processes by which corporate brand identity develops in new ventures.

Corporate brand identity is typically defined as the internal perception(s) of a distinct and central idea or essence of a company (Albert & Whetten, 1985; Balmer, 2008). However, corporate brand identity is conceptually more complex and encompasses both internal and external perspectives (Burmann et al., 2009) in relation to how do "we" see ourselves and how do other see "us"? (Hatch & Schultz, 2002). Corporate brand identity can be accessed by asking the questions, "*Who we are as a company?*" (Balmer, 2001; Melewar & Jenkins, 2002) and "*How do we wish to be perceived in the eyes of our stakeholders?*" (Aaker & Joachimsthaler, 2012; Keller, 2008, 60). Contrary to existing notions of corporate identity as stable and enduring, this paper presents

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a conceptualisation of corporate brand identity as a continually developing, interactive and self-reflective story about the brand. This story we present as emerging narratively through performances of and about the brand.

Applying existing conceptualisations of corporate brand identity in the new venture context raises a number of specific challenges and questions. For example, new ventures often lack of an existing, clearly defined identity or reputation at the start-up (Petkova et al., 2008; Rode & Vallaster, 2005) and the resources to build sophisticated branding programmes (Abimbola, 2001). Whilst, corporate brand identity is a widely-studied phenomenon (e.g. Balmer, 2001; Hatch & Schultz, 2001, 2002; Urde, 2013), the extant research focuses mainly on the properties, measurement, and management of well-established, firm focused corporate brand identities (van Riel & Balmer, 1997). The processual, interactive nature of the development of the corporate brand identity of new ventures, whose identities are still in their infancy, is left largely unexamined (Petkova et al., 2008; Witt & Rode, 2005). The specific questions of how can and does a new venture brand develop an identity, and from where does identity emanate remain unanswered. New B2B ventures are generally characterised with strong network interdependencies (Möller & Halinen, 1999) and close, long-term brand relationships (Mudambi, 2002), which raises the question, is a new venture B2B brand free to develop its identity or is it bound by those of its partners? Likewise, what role do they partner and other stakeholders play in developing this identity?

This study aims to answer the question of *how corporate brand identity develops in the context of the development of new B2B venture*. Corporate brand identity in this study is ontologically seen as a socially constructed phenomenon and the study focuses on examining the processual (rather than structural) properties of the corporate brand identity development. Drawing on recent literature on narrative and performativity in the context of brands (von Wallpach, Hemetsberger, & Espersen, 2017; Woodside, Sood, & Miller, 2008), the study highlights how brand identity emerges and develops as an interactive narrative: A narrative performance. The paper contributes to our understanding of what brands are for B2B businesses and how they emerge and develop and more generally to the emerging discussion of corporate brand identity as a social, dynamic and interactive process (e.g. Cornelissen, Christensen, & Kinuthia, 2012; Da Silveira, Lages, & Simões, 2013; Handelman, 2006).

2. Theoretical background

2.1. Managerial versus social constructionist views of corporate brand identity

The concept of identity has been prevalent in the brand management literature since Olins' (1990) early work on corporate visual identity. Researchers after that have commonly emphasised that, beyond the visual expression of a company, corporate brand identity is concerned with the company's history, values, culture, vision and core competences (Balmer, 2001; Kapferer, 2012) and is thus related to, and dependent on, organisational identity (Albert & Whetten, 1985) both conceptually and in practice. Expanded from the work by Olins (1990) to form a general "paradigm" for brand leadership (Aaker & Joachimsthaler, 2012), brand identity is traditionally presented as a managerial tool to differentiate and position the brand based on its core and distinctive character. From this point of view, corporate brand identity is regarded as a fixed and stable entity (Aaker & Joachimsthaler, 2012; Urde, Baumgarth, & Merrilees, 2013). In addition, brand identity is seen as unilaterally defined and communicated by the firm to its stakeholders (Kapferer, 2012) through the company's name, offering, logotypes, slogans, corporate communications, and behaviour (Balmer, 2001).

In contrast to the traditional managerial approach, the processual approach to brand identity formation sees corporate brand identity as developing over time through inputs from both managers and other social constituents (Da Silveira et al., 2013). This view embraces particularly the socially constructed nature of identity, that is, brand identity is understood as a contextually situated, *shared reality* (Berger & Luckman, 1967). According to this view corporate brand identity is essentially co-created through dynamic and on-going process of dialogue and negotiation between a company and its stakeholders (Handelman, 2006; Vallaster & von Wallpach, 2013), and evolves in response to both internal and external contextual changes (Gioia, Price, Hamilton, & Thomas, 2010). No "true" picture of the *actual* corporate brand identity exists, nor can be solely defined. Instead, identity as a socially shared reality exists in the minds of the actors within a company's context (Ballantyne & Aitken, 2007) and can only be accessed through the different meanings that the actors relate to it. Whilst identity is still seen as originating from inside (Gioia et al., 2010), the emergent view emphasises the active role and interdependency of various internal and external stakeholders involved in the process of brand identity development (Handelman, 2006; Mäläskä, Saraniemi, & Tähtinen, 2011).

2.2. Corporate branding in B2B new venture context

Csaba and Bengtsson (2006) note four key assumptions regarding traditional approaches to brand identity: First, they are defined by the brand strategist; second, they are enduring and stable; third, they are essential (i.e., reflect a "true" identity); and fourth, they distinguish between internal and external audiences. However, none of these assumptions hold in the case of new B2B ventures.

Defining a brand identity is traditionally considered as the first step in strategic branding (Aaker & Joachimsthaler, 2012) and it has been stressed that a company should have a clear idea of its brand identity even prior to its foundation (Bresciani & Eppler, 2010; Rode & Vallaster, 2005). However, this is seldom the case and especially new ventures often have a vague, fluid and contrived brand identity (Merrilees, 2007). New ventures do not usually have formal and clearly defined corporate brand identity claims because they have not yet agreed a clear vision or shared value base, not to mention established a common history or culture (Petkova et al., 2008).

New ventures also often lack internal branding resources, knowledge, and expertise, which hinder their ability to manage branding strategically (Abimbola, 2001). The role of the entrepreneur in developing the new venture's corporate brand identity is often central, and the early corporate brand identity usually corresponds to the personal vision and philosophy of the founder (Rode & Vallaster, 2005; Vallaster & Lindgreen, 2011). The brand is often considered equivalent to a person (Ojasalo et al., 2008). A new venture's corporate brand identity also usually closely relates to the company's offering, that is, the product or service around which it was established (Witt & Rode, 2005). This is the case especially in small B2B companies, which are generally very product or technology oriented (Ojasalo et al., 2008).

Rode and Vallaster (2005) note new ventures in particular often need to manage in complex and unstable environments with limited experience and only a vague notion of their future direction; they suggest that owing to this complexity and instability, the initial corporate brand identity usually requires modification (ibid.). Witt and Rode (2005) note that corporate brand identity does not develop overnight but takes time. Blombäck and Ramírez-Pasillas (2012) argue that instead of being consciously defined, corporate identity often develops naturally or spontaneously alongside the company's overall business and is therefore evolutionary in nature. This implies that brand identity should therefore not be treated as a fixed construct.

Research further shows that internal perceptions of the "true" identity can also be influenced by changes in the external corporate brand image (de Chernatony & Harris, 2000; Dutton, Dukerich, & Harquail, 1994) suggesting that identity and image are mutually influential (Cornelissen et al., 2012) rather than causally