The use of branding in marketing flashcard

Contents

- The Balanced Scorecard Method

Branding is non merely a selling tool for houses to direct their stigmatization attempts to developing merchandise and corporate trade names. It is besides an effectual instrument which can be used in the country of Human Resource Management.

For the intent of this survey, the Literature Review will be in two parts. The first subdivision will turn to the Marketing Management Concepts, which includes corporate degree selling, the selling mix, branding construct, corporate stigmatization and corporate communicating. The 2nd portion will be based chiefly on Human Resource Management constructs holding sub subdivisions such as Strategic Human Resource Management, civilization, committedness, preparation and public presentation prosodies.

Section 1: Selling Management Literature Review

Corporate Branding is rather a new construct in the Marketing literature and academic research in this country is rather limited. However, although a new theory, many writers have encouraged directors and Chief Executives to incorporate the trade name of the administration in their determination devising because of the competitory border a strong trade name would give to the house.

It has to be noted that there are different deductions for merchandise stigmatization and corporate stigmatization. As a affair of fact, for a house to

develop a good scheme for its corporate trade name there are many elements to be considered.

Corporate Degree Selling

As Hatch and Schultz (2003) have observed, it is hard to keep believable merchandise distinction as concerns face imitation, homogenization of merchandises and services and atomization of traditional market sections. They argued that, in this epoch of globalization, distinction requires positioning the whole corporation, where the values and emotions symbolised by the administration go cardinal elements of distinction schemes, and the administration itself moves halfway phase.

From the past recent old ages, concern over Corporate-level selling is deriving much magnitude. In point of fact, Balmer and Greyser (2003) have attempted to supply an apprehension of Corporate-level selling. Harmonizing to the writers, a move towards corporate degree concerns is evinced by several ascendent countries of selling such as relationship selling, services selling, international selling, selling for non-profits, integrated selling communications, corporate public dealingss and, more acutely, in relation to corporate and to services branding.

It is imperative to observe that the " corporate-level " concerns strategic direction and the CEO and the board of managers should be familiar with the range and significance of this nascent country (Balmer and Greyser 2003, p. 349) .

Rethinking the Marketing mix: The 10 Ps of the corporate selling mix

As said by Boyd et Al. (1998) , the traditional 4 Ps, the governable elements of a selling plan are the merchandise, monetary value, publicity and topographic point. Decisions about each component should be consistent and integrated with determinations refering the other three (Boyd et al. 1998, p. 19) . The latter is the conventional selling mix of a merchandise. For Corporate degree selling, another set of marketing mix will be used. Harmonizing to Balmer and Greyser (2003) , there are three differences between the selling mix and the corporate-level selling mix:

The elements are broader than the traditional " 4Ps " of the selling mix.

The elements of the traditional mix necessitate a extremist reconfiguration.

The 3rd is that the mix elements have distinct disciplinary traditions. They besides transcend the traditional organizational boundaries.

Initially in 1998, Balmer attempted at jointing the traditional selling mix to ten elements as depicted in Exhibit 1 and described in Exhibit 2 (Balmer 1998, p. 963-996) . However, it has been argued that it is hard to operationalise and to remember the 10 elements of the new selling mix, when compared to the 4Ps (Balmer and Greyser 2003) .

The 10 Ps of the Corporate Marketing Mix:

Exhibit 1: The " Ten Ps " of the corporate selling mix

(Balmer 1998, p. 963-996)

As can be seen from the above diagram, in add-on to the 4Ps (merchandise, monetary value, topographic point, publicity) , the extra 6Ps are doctrine, personality, people, public presentation, perceptual experience and placement.

The 10Ps of the selling mix are farther described below.

Doctrine and Ethos

What the organisation stands for, and how it undertakes its work

Personality

The mix of subcultures within the organisation which contributes to its peculiarity

Peoples

They represent the life-blood of an organisation ' s individuality. It is of import to see their interface with stakeholder groups and have a important function in merchandise and service quality.

Merchandise

What an organisation makes or does: its nucleus concern or concerns

Monetary value

What an organisation charges for its merchandises and services, including the good will component in the rating of its corporate and merchandise trade names ; the monetary value of the corporation ' s stock, and staff wages

Topographic point

Distribution channels, company ' s relationships with distributers, franchising agreements

Promotion

A concern with Entire Corporate Communications besides ocular designation, and branding policies

Performance

How the organisation ' s public presentation is rated by cardinal stakeholders vis a vis the organisation ' s espoused doctrine and ethos and how it is rated against rivals

Percept

Questions associating to corporate image and repute. Percept of the industry/country-of-origin/corporate trade name may besides be of import

Positioning

In relation to of import stakeholders, rivals, and the external environment

Exhibit 2: The original Corporate-level selling mix

(Balmer 2001, p. 248-291)

These 10Ps will let direction to concentrate on the administration itself and assist in the procedure of branding the administration.

The Branding Concept

Over the past old ages, there has been considerable apprehension of the nature of stigmatization and in the preparation of effectual stigmatization schemes. For houses to develop successful and effectual trade name, it will necessitate resources, attempt and a belief in the construct of stigmatization (Wong and Merrilees 2008) .

Recent developments in the trade name direction literature have looked beyond the consumers ' perceptual experience of the trade name to see how an administration ' s employees approach the trade name and do it a typical offering in the market topographic point. De Charnatony (1999) points the fact that it is really important to take into consideration the values and corporate civilization of administration in make up one's minding on the trade name promises. Furthermore, trade name direction should be embedded in the whole company and should non be seen entirely as a selling development function. Hence, there is the outgrowth of Corporate Branding.

Corporate Stigmatization

Knox et Al. (2000) have claimed that the stigmatization of merchandise is non plenty in modern-day competition. In other words, to guarantee fight and endurance in the long term, houses have to travel beyond branding merely the merchandises. Corporate stigmatization allows the house to come into drama, affecting the individuality of the company (Ind 1997) .

The basic concern is to incorporate corporate activities into a coherent and consistent strategic model which presents the company ' s functional and

emotional values with a promised experience, i. e. the trade name promise (de Chernatony 2002) .

De Charnatony and Harris (2000) note that consumers are non the lone stakeholders whose perceptual experience affair. They argue that employees of the administration are influential subscribers to the edifice and care of an appealing corporate trade name. As the corporation itself is in centre phase as the trade name, employees are pushed into an active manner. Their values, attitudes, professional and cultural individualities become seeable (Morsing and Kristensen 2001) .

Hatch and Schultz (2003) have besides pointed out the fact that the corporate trade name contributes to the images formed and held by its stakeholders. These are listed as:

Employees

Customers

Investors

Suppliers

Spouses

Regulators

Particular involvements

Local communities

It follows that corporate stigmatization is non merely the concern of clients and direction, but besides different stakeholders. As mentioned above, one of the cardinal elements of the corporate-level selling is people – the employees of the administration. As claimed by Harris and de Charnatony (2001) , employees are indispensable to construct relationships with all the stakeholders every bit good as lending to the significance of the trade name.

Corporate Brand Characteristics

Balmer and Greyser (2003, p. 303) enumerate five features of a corporate trade name:

Cultural: a corporate trade name is a concept with " cultural roots " . An administration ' s distinctiveness finds its beginning in the mix of sub-cultures found within it. Forces may be regarded as an administration ' s cardinal ' stakeholder group ' . Personnel communicate an administration ' s uniqueness through everything they do, state or ' make ' . Human Resource demand to appreciate their function in pull offing, keeping and heightening the corporate trade name.

Intricate: a corporate trade name is inherently intricate in nature, as evinced by the four other dimensions. The dimensions consist of a mix of ' soft ' and ' hard ' elements consisting the corporate trade name. A corporate trade name is multi-dimensional and multidisciplinary. It impacts upon many internal and external stakeholder groups and webs, exceeding traditional organizational boundaries. Corporate trade names are made known by ' controlled ' , ' uncontrolled ' , and by tertiary/ viva-voce communications.

Tangible: a corporate trade name encompasses touchable elements such as business-scope, geographical coverage, performance-related issues, net income borders and so on. It besides includes elements such as architecture (edifices) , and graphic-design-features such as interior design and Son.

Ethereal: a corporate trade name encapsulates a host of soft and subjective dimensions which evince an emotional response from stakeholders and stakeholder groups.

Committedness: An indispensable component of corporate stigmatization is the demand for entire organisational committedness.

Model for Corporate Branding

As suggested by Hatch and Schultz (2003) , when a corporate trade name works, it is because it expresses the values and/or beginnings of desire that attract cardinal stakeholders to the administration and promote them to experience a sense of belonging to it. It is this attractive force and sense of belonging that affects the determinations and behaviors on which a company is built. They note that a strong corporate trade name taps this attractive force and offers symbols that help stakeholders see and show their values and thereby maintain them active. This is illustrated by exhibit 3 below.

Exhibit 3: Successful corporate trade names tap the attractive force that draws stakeholders to the administration

(Hatch and Schultz 2003)

As can be noted from the above exhibit, the administration is built upon the key determinations which are made by stakeholders, viz. the top direction,

employees and external organic structures (clients, investors, regulators, providers) .

Vision, civilization and Image

Harmonizing to Collins and Poras (1996) , vision encompasses the trade name ' s nucleus intent and its nucleus values, which provides a system of steering rule. They defined vision as " what the administration aspires to be in the hereafter " (Collins and Poras 1994) . On the other manus, administration ' s civilization encompasses employees ' values and premises, steering their behavior specific in fresh state of affairss (Wilkins and Ouchi 1983) . Hatch and Schutlz (2003) have demonstrated in their survey that the three elements Vision, Culture and Image form the foundation of corporate stigmatization. This is better demonstrated through exhibit 4 below.

Exhibit 4: Successful corporate stigmatization remainders on a foundation of interplay between strategic vision, organisational civilization and corporate image

(Hatch and Schultz 2001)

It can be noted from the above exhibit that the three elements vision, organizational civilization and image are interconnected in the corporate stigmatization procedure (Hatch and Schultz 2001) . It has been recommended by the Hatch and Schultz (2001) that directors should esteem the values of the administration and beliefs supported by the existing civilization. That would confer coherency and genuineness.

Corporate Communication

Harmonizing to Dubrin (1994) communicating can be defined as the sending, having and apprehension of messages. He mentions that it is the basic procedure by which directors and professionals accomplish their work and the intent of communicating is to garner procedure and disseminate information.

David Lawton (2007) claims that the most of import thing one can make is to " communicate good and early " . He believes that at the earliest possible chance, employees should be informed of:

Organizational scheme and concern ends

Merchandises and services

Company interaction

Valuess and ethos

Performance outlooks.

Forms of corporate communicating

Following Van Riel (1992) , there are three signifiers of corporate communicating. These are viz. :

Marketing communicating – oriented to gross revenues support

Organizational communicating – concerned with public dealingss, public personal businesss, environment communicating, labour market communications

Management communicating – persuade single subordinates that the ends of the administration are desirable, manage alteration procedure and motivate employees.

In order to stand for the above considerations, Aberg ' s " Entire Communication Sphere " will be reproduced in exhibit 5.

Exhibit 5: The Entire Communication Sphere

(Aberg 1990)

From the diagram above, it can be argued that it is of import to obtain a lasting coordination between the different for signifiers of internal and external communicating. Harmonizing to Yamauchi (2001) , a turning figure of directors consider corporate communicating as a corporate direction issue instead than a simple information activity.

Corporate communicating as a tool for the procedure of corporate stigmatization

In position of the fact that corporate communicating involves selectively pass oning the administration ' s vision, civilization and image to those stakeholders regarded as of import, it can hence be described as a cardinal direction scheme (Yamauchi 2001) . On the other manus, Balmer (1995) claimed that if there is misdirection of communicating, it can adversely impact the image of the administration.

Harris and de Charnatony (2001) agree that communicating at the administration degree assist the employees to better understand their trade name ' s individuality and hence behave in a consistent manner, heightening

their public presentation in presenting the trade name promise. It has been suggested that the greater the bipartisan communicating between the direction and employees on stigmatization, the more harmonious perceptual experience will the latter have with the trade name (Harris and de Charnatony 2001) .

Furthermore, it has been noted by Gilly and Woolfinbarger (1998) that employees ' perceptual experience of the trade name and service function is besides influenced by the consumer advertizements. Thomson et Al. (1999) claim that an effectual internal communicating of a trade name with employees enhances their rational and emotional battle with a trade name.

Section 2: Human Resource Management Literature Review

Strategic human resource direction

Harmonizing to Hendry and Pettigrew (1986) strategic human resource direction (SHRM) is the planning, planing and pull offing a consistent attack of forces system which is based on employment policy and manpower scheme, underpinned by a " doctrine " and therefore, seeing the people of the administration as a " strategic resource " for accomplishing competitory advantage.

Baker (1999) has listed a figure of cardinal characteristics of SHRM. These include:

The internal integrating of forces policies and their external integrating with overall scheme

Line direction duty for hr execution and policy determinations

Individual instead than corporate employee dealingss

An accent on committedness and the exercising of enterprise, with directors wearing the function of " enabler " , " empowerer " , and " facilitator " .

Furthermore, Guest (1992) claims that in add-on to the benefits derived from a sound human resource direction (for illustration committedness, flexibleness of the employees, quality) , SHRM would let an administration to profit from the following extra benefits:

High occupation public presentation

High job resolution, alteration and invention

High cost-effectiveness

Low turnover, absence, grudges.

Personal committedness is of import to effectual administration and creative activity of cognition (Nonaka 1996) . It has been stressed by Baker (1999) that employee committedness is considered as being a important manner of procuring SHRM, which requires the development of psychological contacts.

Theoretical Model of SHRM: Resource-Based Model

Harmonizing to Smith et Al. (1996) the resource based theory has emerged as one of the most promising theoretical models of SHRM for analyzing the beginnings and sustainability of competitory advantage. As Porter (1985) argues, competitory advantage has been the cardinal dogma in the strategic direction. Such competitory advantage is sustainable to the extent that the

resources on which it is based are valuable, rare, inimitable and non-substitutable (Barney 1991) .

However, while the Resource based theoretical account is an first-class tool for positively depicting why some houses outperform others, it offers limited normative counsel to directors, it has received unfavorable judgment from some writers (Sheehan and Foss 2007) . Harmonizing to Priem and Butler (2001) , it is non sufficiently clear plenty how resources contribute to firm-level value creative activity and that operationalization is hence hard.

It has been argued by Sheehan and Foss (2007) that resource based position analysis is phrased in really general footings and is in rule applicable to any resource anyplace in the house. This broad generalization is at the same clip a strength and a failing, the former because of the wide pertinence of RBV analysis, the latter because the generalization of the RBV besides means a corresponding deficiency of specificity.

Harmonizing to Balmer and Gray (2003) the RBV can explicate why corporate stigmatization imparts a durable value and the fact that a strong and well-managed corporate trade name does run into the standards of being rare, inimitable and non-substitutable, it qualifies as a sustainable valuable resource. Another of import resource is employees.

Social Identity Theory

As suggested by de Charnatony and Dall'Olmo Riley (1997) , service branding relies on the employees ' actions and attitude. Service employees become cardinal to the bringing of a trade name promise at each service counter and it is important that a service administration guarantee that their

employees are presenting the service at the quality degree promised by its trade name (Punjaisri et al. 2009) .

Pulling upon societal individuality theory, Ashforth and Mael (1989) have supported the thought that the societal designation of the employees stems from the singularity and position of a group, and the saliency of out-groups. Harmonizing to Tajfel (1982) the societal individuality theory implies that people derive their ain dignity from their memebership in certain societal groups. It can be argued that the better the lucifer between the values of the administration and the values of the employee, the more likely is the employee attracted to the administration (Schneider 1987) .

So, in other words, corporate stigmatization will breed employee ‘ s trade name designation, reflecting their sense of unity because it is about pass oning to employees the trade name values, which are alone to a specific trade name (de Charnatony 2001) .

Corporate stigmatization could determine employees ‘ behavior given that employees understand and are committed to the trade name values inherent in the trade name promise and, hence their public presentation will populate up to the clients ‘ outlooks (Punjaisri et al. 2009) .

Functions of trade name designation, trade name committedness and trade name trueness in the procedure of corporate stigmatization

Corporate stigmatization and its tools such as corporate communicating and preparation induce employees ‘ trade name designation, trade name committedness and trade name trueness (Punjaisri et al. 2009) .

Brand designation could be defined as " the extent of psychological fond regard of employees to the trade name, which influences their willingness to exercise excess attempt towards making the trade name ends " (Burmann and Zeplin 2005, p. 284) .

Harmonizing to Armstrong (2001) , committedness is an employee ' s " trueness and fond regard to the administration. " By and large, when committed employees make an attempt to present the trade name promise, they fulfil the outlooks of clients towards the trade name (de Charnatony and Segal-Horn 2003) .

Reichheld (1996) conceptualises trade name trueness as the willingness to stay with the present company. As said by Punjaisri et Al. (2009) , employees ' trueness is critical to the capableness of service administrations to react efficaciously to client demands.

So, it can be argued that if there exist a positive relationship between the trade name designation, trade name committedness and trade name trueness, the employees ' trade name public presentation in presenting the trade name promise will be enhanced. This is illustrated in exhibit 6 below.

Exhibit 6: The proposed conceptual theoretical account by Punjaisri et Al. (2009)

From the above diagram, one can understand that, with the tools of corporate stigmatization (internal stigmatization) such as preparation, orientation, group meeting and briefing, direction can develop and procure the trade name designation, trade name committedness and trade name

trueness of employees. In so making, the employees, holding a better apprehension and holding the sense of pride and ownership, will be executing better when presenting the trade name promise (Punjaisri et al. (2009) .

Performance

As Armstrong and Baron (1998) put it, " if you ca n't specify public presentation, you ca n't mensurate or pull off it " . Harmonizing to Otley (1999) public presentation can be defined as making the work, every bit good as the consequences achieved. On the other manus, Rogers (1994) argue that public presentation should be defined as the results of work because they provide the strongest linkage to the strategic ends of the administration, client satisfaction, and economic parts. As purported by Armstrong and Baron (1998) , public presentation is affected by the undermentioned factors:

Personal factors – the person ' s accomplishment, assurance, motive and committedness.

Leadership factors – the quality of encouragement, counsel and support provided by the directors and squad leaders.

Team factors – the quality of support provided by co-workers.

System factors – the system of work and installations (instruments of labor) provided by the administration.

Contextual (situational) factors – internal and external environmental force per unit areas and alterations.

Performance Management

To mensurate public presentation, there are several prosodies which are found in the literature. Some illustrations are:

Kaplan and Norton ' s balanced scorecard method

BCG ' s trade name value creative activity method

The way analysis method

The spread analysis method

The house of quality (QFD) method.

In this thesis, accent will be laid on the Kaplan and Norton ' s balanced scorecard method.

The Balanced Scorecard Method

In the balanced scorecard method, introduced by Kaplan and Norton (1992, 1993) , different public presentation steps are evaluated at four position degrees. These are:

The fiscal position (for case ROI) .

The client position (for case client satisfaction/loyalty) .

The procedure (internal concern) position (for case clip, quality and cost of bringing) .

The invention and growing position (for case per centum of gross revenues from new merchandises) .

(Logman 2004)

Harmonizing to Olson and Slater (2002) , non all companies will give the same weight or equal weight to the four positions. It depends on the scheme adopted by the administration. Niven (2002) , nevertheless, claims that although there may be a peculiar accent on some positions, all perspective steps should reflect a company ' s strategic way.

The four positions are shown in exhibit 7.

Exhibit 7: Kaplan and Norton ' s Balanced Scorecard

(Logman 2004)

It can be understood from the diagram that the four positions are linked to each other through causal or specious relationships. Harmonizing to Logman (2004) , in instance of a causal relationship, one variable has a causal impact on another variable (direct or indirect through a 3rd variable) . In instance of a specious (non-causal) relationship, the two variables studied are both affected by a 3rd variable at the same clip. This 3rd variable may be controlled by or may be exogenic to the company.

Dinesh and Palmer (1998) province that the balanced scorecard is based on end congruity throughout an organisation and therefore is partially similar to the direction by aims method. It is based on the development of strategic measurings (linked to clear aims) and on coaction between all administration degrees.