A bittersweet past:
The negative equity of corporate heritage brands

Abstract

In this article we call for increased focus on the *historicity* of corporate heritage brands, pointing to the fact that perceptions of the past in the present do change as time goes by. Building on the idea of corporate brand historicity, we introduce the notion of 'Negative Heritage Brand Equity' (NHBE) to capture the historically contingent downside potentially associated with corporate heritage brands. We use the Danish consumer-co-operative *COOP* as an exemplary corporate heritage brand whose heritage has become historically balanced at the threshold between asset and liability. Based on a longitudinal analysis of COOP's heritage we demonstrate how the entwinement of the company's corporate heritage brand and Danish culture and identity worked to the benefit of COOP in some historical epochs, but has become increasingly misaligned with its political and cultural-economic environment since the 1980s. As the cultural, political and economic environments changed throughout COOP's 120 years of history, so did the nature of COOP's corporate heritage brand, which with the passing of time, negatively impacted on COOP's image and constrained the company's strategic options.

1. **Introduction**

The notion of corporate heritage and the potential use of the past for marketing purposes has become a fashionable theme within the marketing literature. Within the research field of corporate heritage branding a series of studies have demonstrated how companies have leveraged their organization's past to reinforce brands (Cooper, Miller, & Merrilees, 2015a; Hudson, 2011). The past has come to be seen as a valuable resource both in terms of corporate branding, strategy and organizational identity.

While the existing branding literature has emphasized how corporate heritage is successfully managed and leveraged (Balmer et al. 2006), less attention has been paid to the contingent nature of heritage. Writing from within the field of business history, we seek in this article to address a branding/marketing audience and promote an interdisciplinary debate about the uses of the past within a branding context. We adopt the terminology of the corporate heritage branding literature, as we problematize the emphasis laid on heritage's positive elements by posing the question: what if that which made the company special and successful in the first place becomes something which hampers the present day corporate brand as well as corporate strategic possibilities? What if the symbols and icons of corporate heritage, which are perceived as meaningful and beneficial both to the corporate brand and company stakeholders, are gradually changed into a corporate brand liability?

We use the Danish retailing cooperative COOP as an exemplary case of a corporate heritage brand where the intricate relationship between a broader cultural heritage and corporate heritage has been transformed into a liability. We conduct a longitudinal historical analysis of COOP's heritage in order to highlight the contingent nature of corporate heritage brands and the unintended consequences of having corporate heritage entwined within cultural heritage. While

Holt described iconic brands as parasites that draw sustenance from national and global myths (2006:372), we focus on a particular kind of brand, the corporate heritage brand, and investigate what happens to such a brand once the myths from which it once garnered cultural power gradually lose their potency due to cultural and societal developments.

The article makes four interrelated contributions: 1) We empirically demonstrate the temporal and contingent nature of corporate heritage. While this temporality has been acknowledged in a marketing context by Balmer & Burghausen (2014a, 2015) no study has investigated how heritage has changed over a longer period of time. 2) Resulting from the empirical analysis, we problematize the dominant perception of corporate heritage as an asset, and empirically describe the paradoxical instances where corporate heritage impedes on the heritage brand. We emphasise that heritage can be poised between asset and liability depending on the historical context. 3) Consequently, we call for increased attention to the *historicity* of corporate heritage brands and their historically contingent relationship with its cultural, economic and political environment. Finally (4) we introduce the notion of 'Negative Heritage Brand Equity' (NHBE) to capture the historically dependent downside of corporate heritage brands.

In the next section we present a review of the relevant literature. This is followed by a description of research design and the collected data. Following this, we present the findings in the form of a coherent narrative of the development of COOP's heritage during three different epochs. In the final section of the article we present our conclusions.

2. Literature review: Corporate heritage brands and how to manage them

The past refers to the totality of events that happened in periods that preceded the present. History is the way we, in the present, make sense of what happened in the past, attempt to analyse and understand it, and constructs narratives that enable us to recant the past and make it intelligible. Heritage relates to how collective social structures such as organizations, institutions and even nations, use this history for purposes in the present and the future. A key means by which organizations channel and utilize heritage is through brands that condense, disclose and actualize it so that meaning, trust and relationships are created between the organization and its stakeholders.

The concepts of corporate heritage and heritage brands were originally explicated by marketing scholars Balmer et al., (2006) and later Urde et al. (2007). Corporate heritage brands, they argued, are distinct organizational brands whose value proposition are informed by heritage. Today most contributions to the marketing literature emphasize the positive side of heritage. Many of these contributions apply theoretical frameworks such as the *heritage quotient* (HQ) or the notion of *Brand Stewardship* (Burghausen & Balmer, 2015) derived from specific empirical cases (Rindell, Pinto Santos, & Pinto de Lima, 2015; M. Urde & Stephen, 2015). Central to the HQ-framework, the means to evaluate heritage potential, are elements of longevity, core values, and track record and key symbols with relevance and meaning over time (Urde et al., 2007).

A series of conceptual articles have developed frameworks and models for how to safeguard and capitalize on corporate heritage. In studies with a more empirical emphasis, marketing scholars have analyzed the development of corporate heritage brands over time. Cooper et al. (2015), using luxury brands such as Burberry and Tiffany & Co., have demonstrated the fluctuating cycles of corporate heritage brands. If managed aptly, heritage

brands that undergo crises have the potential to recover. Similarly, Hudson (2011) has shown how brand heritage played a significant role in the turnaround of the shipping company Cunard. The lesson from these studies are that corporate heritage brands and corporate identity must be nurtured and safeguarded in order not to dilute their potency, as is stressed by Burghausen & Balmer (2014b, 2015) and Hudson & Balmer (2013).

2.1. Corporate past as an impediment

In recent years both marketing and organizational scholars have been eager to show how the past constitutes a flexible resource that, if used "authentically" and managed "rhetorically", will greatly benefit the company and its brand. (Hatch & Schultz, 2017; Foster et al 2016). However malleable and manageable the above studies have shown heritage brands to be, we argue in this article that, oftentimes, the past and corporate appropriations of the past in the present (heritage), is not flexible and manageable. In fact, heritage brands are simultaneously contingent upon and conditioned by the past in ways that even the most apt brand manager will find difficult to overcome.

However, the emphasis on heritage's beneficial attributions risks obscuring its more ambiguous character, namely that not everything that is relevant and meaningful for internal and external stakeholders is at the same time beneficial for the company, its brand or its strategic possibilities. This article, in contrast addresses the question of whether heritage can develop into an impediment in and of itself, one that even the most skillfully crafted and rhetorically refined re-branding strategies cannot spin into potential resources. No empirical, longitudinal study has yet been conducted to investigate the relationship between corporate heritage as a brand resource and corporate heritage as a brand constraint. Although some contributions have been made in the

field of business history (Hansen, 2010; Mordhorst, 2014), these insight have not been translated into the marketing literature on brand heritage, which apart from acknowledging the existence of business history as a field, has not built on the existing insights generated by the recent decade's more culturally oriented business history analyses (Hansen, 2012).

2.2. Cultural heritage and corporate heritage

Sometimes corporate heritage identity overlaps with broader cultural and social heritage and identity. As Balmer & Burghausen (2015:366) point out, organizations can acquire such high levels of cultural capital that they become a part of cultural heritage for either a region, a community or a nation. Cooper et al., (2015:3b) argued that socio-cultural associations that develop around some brands can be leveraged to, "strengthen their cultural significance". For example, looking at a case somewhat similar to the Danish cooperative movement, Press & Arnould (2011) have shown how present day Community Supported Agriculture programs in the United States were legitimized through ideological references to nineteenth century American pastoral values.

Pointing to the example given by Foster et al., (2011) of how the Canadian doughnut and coffee restaurant Tim Hortons appropriated national Canadian symbolism for brand building and became a cultural metonym for the nation, Cooper et al. (2015b:3) suggests that, "heritage is a credible base for ritualising brand consumption and authenticating the cultural significance of a brand to a nations identity, making it an invaluable measure in developing brand identity". A similar point about Tim Horton's branding has been made by Cormack (2008).

Within the marketing literature, scholars have argued that a strong fit between a country's cultural heritage and corporate or brand heritage constitutes a useful value proposition. If

corporate heritage is aligned with national culture, companies will be able to benefit from this association (Hakala et al, 2011). Some organizations and companies can become part of a broader cultural heritage, the British Monarchy being a case in point (Balmer, 2009).

Many studies emphasize the positive elements of a brand's alignment with national culture. Nations and national pasts are powerful dimensions of brand equity because they offer narratives of cultural belonging and communal identity. This is because, as Holt agues, "the most important myths concern how citizens are linked to the nation-building project, especially when these myths motivate and are performed in acts of everyday consumption of particular brands that encourage the consumer to identify with the 'populist world' of the nation" (2004:57-58). Hansen (2010), for example, has demonstrated this point by analyzing the branding of modern Danish furniture in the United States from 1940-1970. Indeed, as argued by Castelló & Mihelj (2017), a distinct form of symbolic consumer nationalism has the potential to reproduce the nation through banal and unconscious consumer practices oriented towards perceived "national" products and brands. Following this line of argument, brands not only feed on national identity, they simultaneously help constitute and reproduce the symbolic repertoires of nations (See for instance Jack & Lorbiecki 2007).

At the same time there is a darker side to the conflation between cultural heritage and corporate heritage. As the prevailing values and discourses of societies change, companies risk being stuck in the quagmire of their own heritage when it becomes misaligned with new socio-cultural developments. This point was stressed by Mordhorst (2008, 2014). In his analysis of the history of the Danish cooperative dairy-producer *Arla*, he noted how the narratives of the cooperative movement have historically been ingrained in Danish popular memory and identity (2014:116). National cultural heritage has become mixed with company heritage. Such an

amalgamation between heritage, national history and culture would at first glance, from a marketing perspective, seem an obvious benefit for brand equity. However, applying an historical analysis spanning more than a hundred years, Mordhorst shows how historical developments within the dairy-industry (most notably globalization and international mergers) transformed *Arla's* heritage into a liability that turned against cooperative societies such as *Arla* and their foundation narratives.

A similar argument has been made by Hansen (2007), who has shown how Danish savings banks historically, "presented themselves as self-governing, nonprofit, charitable, democratic and popular organizations that enjoyed a special relationship with the farmers' cooperative movement" (2007: 920). Gradually, as external societal developments and increasing competition pressured Danish savings banks to change, they found themselves strategically restrained by internal and external interpretations of their pasts.

These business history analyses of the development of cooperative businesses very much parallel earlier findings from Wilkinson & Balmer (1996), who have examined the corporate identity challenges of a British cooperative bank in the context of increasing competition and financial deregulation. According to Wilkinson & Balmer, external development left the corporative bank in a conundrum of how to reconcile its cooperative heritage within a new and changed historical environment beginning in the late 1970s.

3. Research design

We apply a qualitative research design using longitudinal, historical analysis. This is in contrast to much of the existing literature on corporate heritage brands that apply a series of theoretical frameworks to identify and activate heritage in the present (Urde et al., 2007, Balmer & Burghausen, 2015). Historical research studies are not uncommon within marketing scholarship (Hollander, 1986; Tadajewski & Jones, 2014; Thompson, 2010), but only a handful of studies have applied historical methods to analyse the development of corporate heritage brands (Balmer & Burghausen, 2015:378-379; Cooper et al., 2015; Cooper, Miller et al., 2015:452). Yet, the history of a company and its historical relationship vis-a-vis consumers and society at large is an inescapable factor in understanding its corporate heritage brand.

We argue that historical analysis is key to advancing the field of corporate heritage because, as Hudson argues (2011:1549), "history is not only embedded in brand heritage as a value proposition, but also constitutes an important methodology for identifying and analyzing brand heritage." In the application of such a historical methodology this study follows the approaches laid out by Hudson (2011) and Miller (2006). According to Hudson, historical research involves an interpretive process in which the researcher organizes different types of empirical material and weaves them together into a "coherent proposition of reality" (2011: 1539). The aim of such research is, "to create a plausible narrative that explains the nature or cause of observed phenomenon, and to offer clarification about interrelated patterns of seemingly disparate elements" (Hudson, 2011: 1539). Thus the final product of a piece of historical analysis is presented in a narrative form that covers a long time-span and is sensitive to changes in discursive concepts and different temporal contexts. Narratives may be difficult to summarize into general propositions and theories, but they often offer a rich and nuanced description of a

particular problem (Flyvbjerg, 2004:247). Applying such an approach, this study aims to establish the roots of COOP's corporate heritage brand, discuss how the impact of heritage changed at different historical junctures and explicate the broader implications of this for strategy as well as contemporary brand management.

3.1. Data collection and selection criteria

During 2013 and 2014 the first author of this article worked on a research project on the history of COOP. As part of this research the author was given undisclosed access to all of COOP's archival material. Data collection adhered to the three steps of historical methodology as presented by D. Miller (2006). COOP's physical corporate archive was tentatively browsed in order to locate material relevant for the study. Once relevant material was identified, it was organized in order to identify temporal gaps and to evaluate if data collection had reached saturation.

The collected data is derived not only from the COOP archive, but also from a series of different historical and contemporary sources from the Danish National Library and the National Archive. Data also included publicly available material such as marketing material, a range of secondary literature and scholarly articles on COOP's history, and from field notes from COOP's general assembly meetings. The collected data was used to construct a historical narrative of the foundation and development of COOP's corporate heritage, which is presented in the following section.

4. Findings: The historicity of corporate brand heritage

Our analysis of the data identified three key periods in the 120-year development of COOP, which until 2007 was called FDB. We present these periods in a narrative of how the transformation of corporate heritage from a brand resource to a strategic liability unfolded in FDB/COOP. Concluding this narrative account, we present a table that summarizes the historical development of COOP's corporate brand heritage juxtaposed with the shifting political, economic and cultural environment.

4.1. FDB and Danish culture

The cooperative movement has been a central actor in the development of Danish national identity and a symbol of Danish values such as equality, community and consensus. While many nations historically have embraced such concepts, they played a particularly central role in the Danish path to modernity. A mentality of smallness and perceived solidarity that sprung out of the values of an agrarian, protestant society became from the mid nineteenth century an integral part of Danish national identity and political culture. In the words of Danish historian Uffe Østergaard, a transformation took place of, "traditional peasant feelings of community and solidarity into symbols and words with relevance for a modern industrialized imagined community" (1992:23).

The cooperative movement was, of course, not a specific Danish phenomenon. In a host of countries, including Britain and the rest of Scandinavia similar movements emerged; movements that stressed similar values (Wilson et al 2013). What differed Denmark from, for example, Sweden and Britain was that the cooperative ideals were entwined in Danish identity and political culture. The British co-op, by contrast, emerged out of Owenite socialism and the

failed working-class Chartist movement in the mid-nineteenth century (Bonner, 1961). It was grounded in British working-class traditions of independence, solidarity, community, and the moral economy. The Danish Co-op was based on notions of nationhood whilst the British Co-op was based on an ideology of class (Stedman Jones, 1983). As such, the values and ideological underpinnings of the cooperative movement became representative of Denmark's cultural heritage that came to define Danish national identity from the second part of the 19th century to the second half of the 20th century (Mordhorst, 2016). Cooperatives were not just seen as businesses, they were part of something bigger; namely an ideological project that aimed to educate Danes to become skilled democrats and citizens with a strong focus on community and equality (Feldbæk 1992; Østergård 1992).

The first Danish retail cooperative was created in a small town in Western Jutland in 1866. A local reverend, Hans Christian Sonne, inspired by the first English Rochdale Pioneers' retail cooperatives, took the initiative to offer the lower classes cheaper and better quality basic commodities. For a small monthly fee the locals could become members of the cooperative. The money was used to buy commodities, which were then sold at the same price as competing grossers. Copying the model from the Rochdale Pioneers, profits were used for common activities or payed out as dividends—which often times was retained in the cooperative as individual savings. Over the following 30 years hundreds of local cooperatives were established all over Denmark, most of them drawing on the ideas from Sonne's first organization (Thestrup, 1986). In 1896 a central wholesale co-operative was established under the name of FDB to negotiate better prices and terms of deliveries from suppliers on behalf of the local cooperatives (Drejer, 1946). FDB quickly became a major player in Danish retailing.

4.2. Phase 1: The early years of FDB

The founder of FDB, Severin Jørgensen, was a prominent figure in the Danish cooperative movement where he was part of the leadership of an organization that worked to promote the general interests of every cooperative in the country (Arnfred, 1942). When FDB was founded in 1896, Jørgensen was aware that placing the new organization at the core of the cooperative movement would be an asset that could secure its long run success. Before the foundation of FDB he had written a general guide in 1894 to co-operative work. He wrote that:

> Community is a vital necessity for mankind … Human bliss and well-being, spiritually as well as earthly, most often depends especially on and is related to the degree of connection to the solidarity of the society; a society which works to meet the common need, to fulfill the common wants and wishes and where common matters are solved in co-operation (Korsager 2016: 47).

Phrases like these, broadly referencing Danish national values and connecting them to the cooperative movement, came to be repeated over and over again in the communication of FDB as Jørgensen strove to place the new company at the core of the cooperative movement. One salient example is found in a speech he gave in 1903:

> It is of course true that the task of the cooperatives is to provide financial advantages for their members; yet even though this is a pretty important task it is still the least important. … The most important goal of the cooperatives is to lift the [Danish] people to a level of higher moral, to inspire the members of the cooperatives to become more skilled, more free and first and foremost better people. (Arnfred 1942:120)

Often the connections between FDB and the moral and economic obligations Jørgensen envisioned for the new cooperative were also made by reference to the work of Reverent Sonne and the community he created around the first retail cooperative more than thirty years prior to

the founding of FDB (Jørgensen, 1901; Arnfred, 1942; Drejer, 1946). Such references worked to connect the small local retail cooperatives that were now becoming members of FDB to the large central organization and to underscore their common values and believes.

As FDB grew and gained influence over the local cooperatives, the organization used the same references in relation to the heritage of the cooperative movement and its connection to Danish values in its magazines, in commercials, at meeting and general assemblies, and in the Danish media. At times FDB would even come to portray itself as the most 'Danish' of the cooperatives – the one that best represented the values of the movement (Drejer, 1946). This was a strength which was secured by drawing on the heritage of the cooperative movement and the local retail cooperatives. FDB took care to use this to its full advantage.

4.3. Phase 2: FDB aligned with national values (1914-1960)

During World War I Denmark remained neutral. To secure control of prices and to avoid speculation, an elaborate system of regulation was enforced by the Danish state (Jensen, 2016; Drejer 1946). FDB was the ideal partner for this because it was the largest organization in Danish retail with an extensive network of suppliers and with control of more than half the outlets in the country. Jørgensen was a prominent voice in arguing for price controls, and in doing so he took care to secure the position of FDB in the system. In legitimizing this position Jørgensen made good use of the strong heritage of FDB and its connection to Danish cultural heritage (Jensen, 2016). This is apparent, for example, in the many letters Jørgensen wrote to the price regulation department concerning the system.

After the end of World War I FDB argued for a return to the unregulated, prewar system (Dreier, 1946). Yet the price control system was upheld by the state through the 1930s and well

after the end of World War II. Despite their objections and even though it was not always to the immediate strategic advantage of FDB, the cooperative continued to play an important role in upholding the system and in that period the chairman of the board of FDB served on the board of the price control department. Frederik Nielsen, CEO of FDB from 1937 to 1951, expressed the reason for this form of cooperation with the state:

> The prize regulation law has been passed first and foremost for the sake of the consumers and as the retail cooperatives are in the service of the consumers and are owned by them it seems a matter of course that the retail cooperatives should strive to carefully uphold the letter of the price regulation law (Drejer 1946: 329).

This concern for consumers and for the community is clearly connected to the historic values of the cooperative movement. But FDB also linked their political position to more general Danish values, which came under growing pressure during the 1930s and even more so during the German occupation of Denmark from 1940-45. Its Chairman, J. Th. Arnfred argued in 1939 that FDB was a democratic stronghold vital to the defence of Danish democracy in a time of crisis:

> If democracy is betrayed [in situations] where the individual is completely free to form organizations of economic or any other nature what forces could then hope to protect our democracy when it comes to the overall power of the people? (Groes 1978: 7)

This opinion was shared by many in FDB, and reports from general assemblies and board meetings from this period show the same firm belief that FDB played an important role in upholding Danish values and the nation (Dreier 1946; Groes 1978). Under German occupation, FDB sought to express its connection to the Danish nation in its external corporate communication by subtle displays of national symbols. As a result of both this and its active role in upholding the price regulation system, FDB came out of this period on a firm moral high

ground that boosted its corporate heritage and ties to the Danish state administration. Indicative of these ties is the fact that in 1951 the new CEO of FDB was a bureaucrat originally recruited from the price control department (Groes, 1978; Jensen, 2016).

A prominent actor in managing the heritage assets of FDB, particularly in the post-war years, was the cooperative's marketing agency that excelled in campaigns that used prominent Danish artists. These leveraged national Danish identity and symbols, and connected them to FDBs own heritage to create a strong brand for the cooperative that dominated Danish retail from the 1950s to the 1970s (Jensen, 2016). An example of this is a famous breakfast oats advertisement from 1945, the year of Denmark's liberation from German occupation. The ad was drawn by Danish artist Aage Sikker Hansen. It pictures two girls sitting in a cornfield. The two girls, blue eyed and rosy cheeked, in a romantic rural setting had a popular appeal and a hint of democratic feeling to it (Lyngby Pedersen, 2016). In the context of the Danish liberation the appeal of the image and its national symbolism was a strong expression of FDB's corporate heritage. When CEO Frederik Nielsen introduced the ad campaign he hoped that the poster might find its way into Danish homes. It exceeded his expectations with sales of several hundred thousand copies, impressive for a population of only 4.3 million in 1950 (Ibid.).

4.4. Phase 3: Globalization and competition (1970-2000)

In the 1970s, a new big competitor emerged in the guise of *Dansk Supermarket*. The retailer captured market share from small independent retailers, and offered keen competition to FDB (Jensen, 2016). The chain was centrally managed, more effectively run, and in the 1980s made

higher profits than FDB even though their turnover was smaller (Ellemose, 2006). Starting in the 1980s, major changes took place in the Danish economy and in the 1990s and early 2000s more international firms entered the market. Today international retailers compete with both FDB (since 2007 COOP) and *Dansk Supermarket*.

In the same period globalization and new liberal ideals and free market values began to put pressure on the Danish welfare state by challenging the cultural values behind it (Pedersen, 2011). Gradually, COOP's historical alignment with the cooperative movement and its values of solidarity and community were diluted. Due to the changing organizational environment, the meaningfulness and relevance of FDB's corporate heritage began to change. One of the first examples of this was in 1987 when the company decided to buy Fakta, a chain of retail stores.

For a chain of discount stores to be profitable it was extremely important that they were centrally run. Even though FDB had been able to buy up stores from local cooperatives since the beginning of the 1970s, the purchase of Fakta was a controversial issue that many of FDB's stakeholders believed to be in direct conflict with the spirit of the cooperative movement (Jensen, 2016). The autonomy of members and their freedom to cooperate with FDB was at the very heart of FDB's values. To run a commercial store in the way that Fakta would have to be run was perceived as an illegitimate business model to many FDB members and customers (Jensen 2016). As a consequence FDB's image deteriorated in the eyes of the company's most central stakeholders; local costumers and shopkeepers.

Another related challenge during the 1990s and early 2000s was that many of the small independent cooperatives scattered around the country, often in areas of falling population, were becoming increasingly unprofitable. Many of these had earlier been taken over by FDB because they were too difficult to run at a profit for the local cooperatives. Others were still run

independently but had received loans from FDB to stay in business. The management of FDB discussed this matter extensively. For the good of the overall business it was necessary that many of these stores were closed, as they were an important part of the reason why the overall profitability of FDB continued to fall. It was clear to COOP's management that time was running out for the small local village retail stores.

Yet this posed a dilemma for FDB. When they attempted to close a local village store it usually lead to criticism in local media. Because of the cooperative values on which FDB's brand was built, the local community expected that FDB would stay in the area. FDB, the locals argued, was obliged to take care of them. Anything else would be in conflict with FDB's purpose. Again and again FDB suffered the same experience of massive local uproar as they decided to close down stores. Records of board meetings and general assembly discussions show that management was aware that in this matter their cooperative heritage had become a liability that they had to work around. FDB management tried to minimize the damage of making decisions that were seen to be illegitimate and in conflict with FDB's mission, but it was still necessary to secure a healthy return from the business. As with the decision to buy Fakta, this meant that management was reluctant to close local stores and generally stalled the decision to do so for as long as absolutely possible.

To summarise, in the middle of the 19th century FDB was founded as part of the cooperative movement. Here a strong connection was forged between Danish national culture and corporate values and identity. During the first part of the 20th century FDB continued to strengthen its position in the cooperative movement and became a strong actor in Danish business. In doing so the company used the association between its own corporate heritage and Danish national

heritage as an asset. In the late 1970s COOP's heritage developed gradually into a liability. External societal developments fundamentally changed the meaning of the corporate heritage brand. Globalisation and the spread of free market and liberal values in Danish society meant that its heritage of community, equality and co-operation increasingly appeared quaint and old fashioned to some stakeholders, while others still insisted on their salience.

The below table schematically summarize the different epochs of the FDB/COOP corporate heritage brand and the salience of this brand vis-à-vis shifting historical contexts.

	Phase 1: **The early years of FDB (1896-1910)**	***Phase 2:*** ***FDB aligned with national values (1914-1970)***	**Phase 3:** ***Globalization and competition (1970-2000)***
Societal developments (economical, political and cultural context)	The Danish cooperative movement and its business model spreads. It becomes a part of Danish identity.	Gradual development of a Danish welfare society that inherits many of the basic cooperative ideals.	Globalization, competition and free market values gradually mark an ideological shift. The welfare state and its underlying political/cultural values are challenged.
FDB/COOP's corporate heritage brand	In these formative years FDB/COOP corporate heritage brand is established and entwined in cooperative ideals.	FDB/COOP benefits from and builds on its corporate heritage brand as a distinct element of Danishness.	FDB/COOP's strong alignment with traditional cooperative values gradually develops into a brand liability.

Table 1. Corporate heritage brand historicity

The challenges faced by FDB/COOP in the face of changing context and increased competition, is not a uniquely Danish story. Studies have found somewhat similar trajectories in other Western European co-operative organizations (Ekberg, 2012). However, we argue that the case of COOP/FDB, due to its establishment of a corporate heritage brand based on powerful, historical associations between corporate heritage and national identity, provides useful insights that may contribute to the sub-field of corporate heritage branding.

Within our periodization, we do not suggest that COOP's brand in phase 3 entered a period of constant crisis. COOP still today benefits from its corporate heritage and holds a large market share. However, it is certainly the case that COOP has had to rethink its branding strategy

because of societal changes that have altered the meaning and relevance of its corporate heritage. These are changes that have led the company to downplay its co-operative roots and instead focus more on a branding-strategy that highlights its organic principles.

5. Discussion and conceptual contribution

Based on the insights from the above analysis of COOP's heritage brand we suggest that future scholarly studies and brand managers direct analytical attention to not only the resonance of corporate brand heritage in the present, but also to the historical development of brands. While such analyses, often spanning many decades and relying on historical source material from companies, advertisers and industry associations, are not uncommon within the field of business history (for example, Hansen 2010), such historical studies are scarce amongst heritage branding and marketing scholars. It is somewhat anomalous that a discipline that is so grounded in the past, has failed to avail itself of the methods, techniques and concepts of modern historiography.

Following the COOP case, we suggest that branding and marketing scholars dealing with heritage develop a sensitivity of the *historicity* of corporate heritage brands. The notion of historicity captures the fact that relevance and meaningfulness, which are key elements of corporate heritage, do change over time parallel to broader political, cultural and economic developments. In the COOP/FDB case study we have empirically demonstrated the contingent nature of the company's corporate heritage brand. While the idea that corporate brands and brand identities change over time is not novel (Mordhorst, 2013), we suggest that any analysis of a corporate heritage brand's historicity requires an historical engagement with the company and its heritage across time. The corporate past needs to be constantly aligned to the present. As such

the call for an increased focus on brand historicity is an empirical credo rather than a theoretical point.

We further argue that a deeper understanding of a corporate heritage brand's historicity entails an analytical sensitivity to the brand's shifting historical environments. As illustrated in the COOP case, societal developments fundamentally altered the meaning and relevance of COOP's heritage brand as traditional cooperative values were challenged. Although COOP's cooperative heritage did remain meaningful and relevant to some stakeholders, the company could not in the later period take advantage of its heritage as had been the case in the middle of the 20th century. Due to larger societal changes, COOP's heritage brand was ultimately reconfigured. This means that the heritage brand must be analyzed across time and evaluated in its shifting historical contexts, e.g. cultural, political, economic and social conditions. While the original HQ-quotient as well as more recent contributions on corporate heritage brand management maintain an overwhelmingly focus on corporate heritage as an internal resource, the suggested focus on external environments and heritage historicity demands that brand managers direct attention to shifting historical contexts and to juxtapose these insights to the values inherent in the perceived corporate heritage.

This point relates directly to the notion of a corporate heritage brand's responsiveness that was formulated by Balmer et al. (2006:146) in their analyses of monarchies as corporate heritage brands. Heritage institutions such as monarchies must, because of changes in their macro environment, engage in evolutionary change. This means constantly attuning the heritage brand to shifting historical contexts. Corporate heritage brands need to adopt brand stewards, who both nurture and safeguard the brand and at the same time adjust it for contemporary purposes.

An increased sensitivity to changing corporate heritage brand environments also underlines the importance of heritage brand adaptability. As argued by Urde et al. (2007: 16), adaptability is key to maintaining brand relevance across time. Brand managers must constantly asses the position of their corporate heritage brands vis-à-vis changing environments. However a well-developed adaptability also leaves heritage institutions in a catch-22 situation where heritage might be the key feature in the corporate brand equity while certain elements of this heritage impacts negatively on the corporate brand and limits strategic possibilities. In this situation adaptability and brand stewardship efforts might prove insufficient features of brand management. Corporate heritage becomes, in effect, forced upon the corporation and very difficult to untangle from the brand. In such a situation, corporate heritage becomes generic to an extent that it is unavoidable.

5.1. Negative Heritage Brand Equity (NHBE)

The above discussion has implications for the understanding of corporate heritage across time. As COOP's historical surroundings gradually changed, the value of the company's corporate heritage brand changed with them. While the cooperative ideals ingrained in COOP's heritage still proved relevant and meaningful to some of the company's stakeholders, it no longer did so for stakeholders in its broader environment. Its heritage made it appear antiquated, conservative and strategically inflexible. Its cooperative roots also posed a decisive challenge to the company that restricted its strategic possibilities and contributed to a negative company image in the eyes of local retailers and local communities. COOP's efforts to adapt to its changing environment by closing small stores were perceived by groups of important stakeholders to directly contradict its ideals of 'smallness' and community that were important elements of its corporate heritage.

To conceptually capture the above situation in which a company's corporate heritage is no longer fully meaningful and relevant and at the same time limits strategic possibilities and negatively affects the corporate band, we introduce the notion of Negative Heritage Brand Equity (NHBE). The concept is not meant to encompass idiosyncratic instances of a corporate brand being negatively affected by historical instances, as, for example, the confectionery company Cadbury being rebuked for its historical involvement in slavery (Rowlinson, 2002). By NHBE we refer to brands whose value proposition is genuinely based on its heritage.

NHBE is defined as the negative impact on brand equity that is imposed by the appropriated and valorized parts of a company's past that is no longer meaningful and relevant for contemporary purposes. As such the company's heritage may not have completely lost its relevance and meaning, and may very well still be valorized by some stakeholders such as internal members and distributors. However, due to the historical contingent nature of heritage and changes in environment, heritage now impacts negatively on brand equity due to its irrelevance and antiquated image for customers and broader stakeholders.

The findings of this study have implications for practitioners who wish to capitalize on corporate heritage for brand purposes. While existing contributions on corporate heritage have suggested that heritage management is a matter of evaluating one's corporate past in order to identify and activate useful heritage, the NHBE concept demands that managers of corporate heritage brands evaluate their existing brands with the aim of identifying potential NHBE and to find out which historical developments have changed the nature of its heritage. To this end, a historical engagement with the development of any corporate heritage brand is a prerequisite for a potential brand reorientation along the lines of, for example Merilees & Miller (2008), who emphasize the importance of maintaining the brand core. We argue that managers engaged in

repositioning brands that suffer from NHBE must engage with the historical particularities of their brand and understand its historicity if they are to successfully reoriented the corporate heritage brand while at the same time maintaining its heritage core.

6. Conclusion

In this article we have shown that the corporate heritage brand of the Danish cooperative retailer COOP's gradually developed from an asset into a liability. Following the COOP case we have argued that the negative impact of corporate heritage, what we define as NHBE, is particularly prevalent for certain types of corporate heritage brands, most notably in instances where a broader cultural heritage is entwined in corporate heritage.

The Cooperative Movement, to which COOP is historically linked, constitutes one such case where corporate heritage is a central element of the corporate brand. This is not due to the effort of contemporary brand managers, but has resulted from the company's roots in the Danish cooperative movement and its historical and cultural affiliation to Danish society. In this instance, we have demonstrated the historically contingent and ambivalent nature of heritage, both constituting a resource and a liability.

The research was based on a historical case-study of one organization in a Danish context. We suggest for future studies to engage with the historicity of corporate heritage brands and apply the concept of Negative Heritage Brand Equity to cases with temporal and geographical diversity. By highlighting the notion of corporate heritage historicity, we hope that future research on corporate heritage develops a sensitivity towards the importance of historical context and changing societal values. In doing so, scholars of heritage branding would ideally

develop a historian's mindset—a flair for historical context—that can fundamentally improve our understanding of development and management of corporate heritage and heritage brands.

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